



## **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

### **2017-18 BUDGET ESTIMATES QUESTIONNAIRE**

# 1. Strategic priorities

## Question 1

- (a) What are the Department's key strategic priorities underpinning its budget for 2017-18 and over the forward estimates to 2020-21

The department is working toward its vision of a productive, competitive and sustainable Victorian economy that contributes to a prosperous and inclusive society.

The mission of the department is to get our economy and society working together for the benefit of all Victorians, by creating more jobs for more people, connecting people and businesses, and maintaining Victoria's envied reputation for liveability now and for the future. This involves:

1. More jobs for more people – we are creating and maintaining jobs so more people have meaningful work that is safe and secure. We do this by supporting businesses and workers, developing and growing our future industries, attracting investment to our regions and supporting industries in transition. We also create jobs by leveraging our natural assets, including fostering our visitor economy, creativity and innovation.
2. Making connections – we are connecting Victorians to work, family and recreation. We are connecting businesses to each other and their customers. We do this by growing our transport services, making them more reliable and accessible and building new infrastructure, across Melbourne and our regions, and across all transport modes. We also connect Victoria to the world by attracting investment and talent, and helping Victorian businesses trade into global markets.
3. Maintaining Victoria's liveability – we are helping to create places, towns and cities that are accessible, well connected, culturally rich, diverse, resilient and safe. We do this for all Victorians.

The department has developed an outcomes framework which strengthens our basis for planning and advice. The framework links the department's activities to government's desired impact in the community using objective evidence. The department's outcomes are outlined in the Strategic Plan.

The department's objectives as included in *Budget Paper 3: Service Delivery* describe the key areas of work that will help the department to pursue our vision and achieve our outcomes. The four objectives are:

1. More productive, competitive, sustainable and jobs-rich food, fibre and resources industries
2. Increase the economic, social and cultural value of tourism, major events and creative industries
3. Grow Victoria's economy and Victorian jobs by working with the private and public sectors to foster investment, trade and innovation
4. More productive and liveable places, towns and cities through integrated and user-focused transport services and better infrastructure.

The department continues to re-assess its objectives in each annual planning cycle to ensure they continue to focus on the results that the Government expects the department to deliver.

The language used in the department's mission, objectives and outcomes has recently been refreshed. The Strategic Plan is in the process of being updated for 2017-18, and will reflect this change.

(b) If applicable, how do these priorities differ from the previous year?

The mission statement, objectives and objective indicators for the department have been reviewed and updated, to reflect changes to the department's priorities.

The reasons for changing each respective objective are:

1. *More productive, competitive, sustainable and jobs-rich food, fibre and resources industries:* This updated objective replaces the 2016-17 objective 'More productive, competitive and sustainable food, fibre, energy and resources industries'. This objective has been amended to reflect the machinery of government change as the energy portfolio has transferred to the Department of Environment, Land, Water and Planning.
2. *Increase the economic, social and cultural value of tourism, major events and creative industries:* This updated objective replaces the 2016-17 objective 'Increase the economic, social and cultural value and impact of the creative industries'. The revised objective reflects the alignment of creative and visitor economies which have been brought together to provide a collective focus on visitor attraction, experience and satisfaction.
3. *Grow Victoria's economy and Victorian jobs by working with the private and public sectors to foster investment, trade and innovation:* This updated objective replaces the 2016-17 objective 'Increase sustainable employment opportunities for Victorians and build investment, trade and tourism prospects for the State through working with priority industry sectors, delivering major projects, investing in regional Victoria, providing innovation opportunities for businesses, and building resilience in the State's workforce'. This objective reports on similar activity as the previous objective, however has been amended for clarity and alignment to the department's mission statement.
4. *More productive and liveable places, towns and cities through integrated and user-focused transport services and better infrastructure:* This objective has been amended to reflect the establishment of Transport for Victoria (TFV) to improve integration across all modes of transport and improve the transport experience of all users.

(c) What are the impacts of any differences in the Department's strategic priorities between 2016-17 and 2017-18 on funding and resource allocation in the 2017-18 Budget?

The priorities that have changed were driven by a need to improve clarity and alignment with the department's mission statement, and are in line with machinery of government changes that took place in 2016-17. The department's work to deliver on our strategic direction and revised priorities will occur within the funding and resources outlined in the 2017-18 Budget.

(d) Please identify any programs or initiatives (asset or output) over \$2.0 million relevant to the Department that have been curtailed, deferred, discontinued or completed *as a result of changes in strategic priorities* between 2016-17 and 2017-18. In describing the programs or initiatives, please use the same names as are used in the budget papers where applicable.

The Ignite Energy Advanced Lignite Demonstration Program (ALDP) program has been discontinued for commercial reasons. The \$10 million in State funding allocated to this project has been reallocated towards meeting the Government's commitment to assessing the risks, benefits and impacts of conventional onshore and offshore gas. As announced by the Minister for Resources on 22 February 2017, this funding will be directed towards the commencement of necessary geoscientific environmental surveys and to consult with the community. This is consistent with DEDJTR's objective for more productive, competitive, sustainable and jobs-rich food, fibre and resources industries.

## Question 2

Please identify any programs or initiatives (including asset or output initiatives) that have lapsed in 2016-17 (that is, they will not be continued in 2017-18). For each program or initiative, please indicate the expenditure on this program/initiative in 2016-17. If the program or initiative is to be extended, please identify whether the Department's own sources will be used or name any initiatives in the 2017-18 Budget that replace the lapsing initiative. Please also identify the effect on the community of the lapsing (*including rescheduling of service provision or commencement of service provision*). If there is no effect, please detail the actions undertaken by the Department to ensure that there is no effect. In describing the programs or initiatives, please use the same names as are used in the budget papers where applicable.

Program or initiative <sup>1</sup>	Expenditure in 2016-17 (\$ million) <sup>2</sup>	If it is to be extended into 2017-18, how is the program or initiative to be funded?	Effect on the community ( <i>including rescheduling of service provision or commencement of service provision</i> ) of lapsing or actions taken by the Department to ensure there is no effect
Australian Synchrotron	8.0	Specific funding strategies to continue particular programs are being considered by the department.	Minimal impact on the community. Program objectives have been reached.
Drought Response	3.7		
E-Gate tenant relocation	1.5		
Establish Office of State Development	3.2		
Expansion of Victorian International Engagement Strategy	1.1		
Success Map for Small Business	0.5		
Support for the Victorian College of the Arts	8.5		
Victoria's international engagement in Western China and Indonesia	1.6		

<sup>1</sup> This list excludes Major Events.

<sup>2</sup> Expenditure in 2016-17 is an estimated amount, with the financial year yet to finish.

Program or initiative <sup>1</sup>	Expenditure in 2016-17 (\$ million) <sup>2</sup>	If it is to be extended into 2017-18, how is the program or initiative to be funded?	Effect on the community ( <i>including rescheduling of service provision or commencement of service provision</i> ) of lapsing or actions taken by the Department to ensure there is no effect
Clean Coal Victoria Extension	1.2	Rehabilitation planning and community and stakeholder engagement will continue through the Latrobe Valley Regional Rehabilitation Strategy work program.	Minimal impact on the community as key activities continue through other programs.
Coal Seam Gas	1.0	Geoscience studies will continue to be addressed through the 'Victorian Gas Program' in the 2017-18 Budget.	Minimal impact on the community as key activities continue through other programs.
Engaging with the mining sector	0.8	Community and stakeholder engagement will continue to be managed through other Resources programs including TARGET and the 'Victorian Gas Program' in the 2017-18 Budget.	Minimal impact on the community as key activities continue through other programs.
Guaranteeing Victoria's Food Future	20.6	Extended and funded as 'The Future of Victoria's Biosecurity Services' in the 2017-18 Budget.	The program is to be continued.
Managing transition for retrenched workers	0.2	Extended and funded as 'Jobs Victoria – Supporting Workers in Transition' in the 2017-18 Budget.	The program will continue to provide advice and assistance to retrenched workers across Victoria.

Program or initiative <sup>1</sup>	Expenditure in 2016-17 (\$ million) <sup>2</sup>	If it is to be extended into 2017-18, how is the program or initiative to be funded?	Effect on the community ( <i>including rescheduling of service provision or commencement of service provision</i> ) of lapsing or actions taken by the Department to ensure there is no effect
Manufacturing Strategy - investing in manufacturing technology	1.4	Extended and funded as 'Structural adjustment – supporting industries in transition through Future Industries Manufacturing Program (FIMP) and the Local Industry Fund for Transition (LIFT) programs' in the 2017-18 Budget.	Extension of FIMP will support businesses investing in new manufacturing processes and technologies in Victoria.
Marketing Melbourne	0.3	The objectives of the program will be incorporated into the additional funding allocated as part of 'Putting Victoria on the map'.	No impact of the community as funding for marketing continues as 'Putting Victoria on the map'.
Melbourne International Film Festival	1.4	Extended and funded as 'Victorian Screen culture' in the 2017-18 Budget.	The program is to be continued.
Mine Stability	0.2	Mine stability research and technical support will continue through other programs including the Batter Stability Research program.	Minimal impact on the community as key activities continue through other programs.
Monash Freeway Graffiti Removal	0.3		The Government provided special funding of \$300,000 in 2016-17 to address specific graffiti along the Monash Freeway. The removal of graffiti is generally covered by VicRoads' State Appropriation.

Program or initiative <sup>1</sup>	Expenditure in 2016-17 (\$ million) <sup>2</sup>	If it is to be extended into 2017-18, how is the program or initiative to be funded?	Effect on the community ( <i>including rescheduling of service provision or commencement of service provision</i> ) of lapsing or actions taken by the Department to ensure there is no effect
National Gallery of Victoria Summer program: Turning up the heat	4.5	Extended and funded as 'Sustaining the successful NGV Exhibition Model' in the 2017-18 Budget.	The program is to be continued.
Night Network	25.0	Extended and funded as 'Ongoing delivery of Night Network' in the 2017-18 Budget.	The program is to be continued.
Public Transport ticketing services retender	0.9		No impact on the community. It was a one-off initiative.
Road Restoration and Road Surface Replacement	76.8	Extended and funded as 'Metropolitan road restoration and road surface replacement' and 'Regional road restoration and road surface replacement' in the 2017-18 Budget.	The objectives of the existing program have been achieved. The program is to be extended.
Victorian Transport Association Logistics Cadetship Program	1.0		No impact on the community. It was a one-off initiative.
West Gate Bridge - Fatigue Cracking Repairs and Corrosion Protection	4.0	Extended and funded as 'West Gate Bridge maintenance' in the 2017-18 Budget.	The objectives of the existing program have been achieved. The community will benefit from the additional funding

### Question 3

The new *Performance Management Framework* (March 2016) provides guidance for planning requirements for the Department.

- (a) Please provide a copy of the Department's corporate (four-year) plan as described in *Performance Management Framework for Victorian Government Departments* (March 2016) pp.8-9. Please note that plans that are not made public by the Department will not be published on the PAEC's website. If the Department does not supply a corporate plan, please explain why.

Consistent with the *Performance Management Framework for Victorian Government Departments*, DEDJTR undertakes medium-term planning on an annual basis covering a rolling four-year period (budget and forward estimates) and develops a corporate plan consistent with government objectives, priorities and budget decisions. In addition, DEDJTR's Integrated Planning and Resourcing Cycle ensures the department's planning processes are integrated with budget processes by using medium-term planning to inform the department's budget submission.

DEDJTR's Strategic Plan meets the 'corporate plan - publication ready' requirements of the *Performance Management Framework*. This plan is publicly available on the DEDJTR corporate website <http://economicdevelopment.vic.gov.au/about-us/overview/strategic-plan>

- (b) Regarding long-term planning for the Department (described in *Performance Management Framework for Victorian Government Departments* p.10), please describe:

- (i) the long-term planning horizon used for the Department's long-term plans, and why this horizon was chosen;

The department's planning process is predicated on our vision and on our revised mission to get our economy and society working together for the benefit of all Victorians, by creating more jobs for more people, connecting people and businesses, and maintaining Victoria's envied reputation for liveability now and for the future.

The department has developed an outcomes framework with a ten-year horizon that describes the outcomes that the department seeks to achieve. This timeframe aligns with the long-term planning horizon as set out in the *Performance Management Framework for Victorian Government Departments*.

Some planning in the department – for instance for transport infrastructure investment – necessarily requires a longer-term horizon.

This overarching approach to planning, development and operation of the transport system includes outcome-based performance assessment of the transport network for now and the future (30 years). Under the approach, long-term multi-modal transport planning targeted towards improving these outcomes (linked to DEDJTR's Ten Year Outcomes Framework) is underway.



- (ii) significant risks and challenges identified by the Department for service delivery over the planning horizon;

The key risks, challenges and opportunities in the Victorian economy, as outlined in the department's strategic plan, are:

- Growth of the economy is driven by population growth.
- Climate change will exacerbate the frequency and severity of natural disasters, and reduce the resilience of our natural environment, and these ecosystems underpin our natural resource economy.
- Industry transition is occurring across a number of industry sectors and locations.
- Global inter-connectivity is providing opportunities and challenges.
- The nature of work is changing, with greater automation of functions, increased contracting and casual work.

- (iii) strategies considered by the Department to deal with these identified risks and challenges.

The refreshed mission statement focuses our activity on three key areas: providing more jobs for more people; making connections and maintaining Victoria's liveability.

The department is currently undergoing its strategic planning process for 2017-18, to refresh the strategic plan and update our key priority actions. The department will refresh our strategies as part of that process, in line with the revised mission statement.

The department's four year strategies as outlined in the 2016-17 Strategic Plan are designed to respond to the economic and operational risks. These are:

- Strategy 1: Increase the value, speed and targeting of trade and investment for Melbourne and Victoria through strengthening and leveraging global connections.
- Strategy 2: Support a thriving Victorian business sector by delivering services that are valued, modernising regulation and improving access to markets.
- Strategy 3: Build resilience and support industry transition and jobs growth through industry policies and strategies.
- Strategy 4: Apply place-based regional and metropolitan partnerships and other models, to support the growth of inclusive local economies.
- Strategy 5: Strengthen Victoria's innovation and entrepreneurial culture and support the creation and application of new knowledge, technologies and practices.
- Strategy 6: Enhance Victoria's liveability and competitiveness by providing transport and digital infrastructure and services that are efficient, reliable, competitively priced and safe.
- Strategy 7: Sustainably grow our natural resource economy through whole-of-life stewardship that promotes investor confidence and meets community expectations.
- Strategy 8: Establish Victoria's position as a premier creative and visitor economy through quality cultural, recreational and tourism experiences.
- Strategy 9: Minimise the impact of emergencies through effective preparation, coordination, response and recovery.
- Strategy 10: Proactively improve and deepen our relationships with our partners and stakeholders in government, industry and the community by operating collaboratively and inclusively.

## 2. Spending

### Question 4

Please explain any variations of more than  $\pm 10$  per cent (or greater than \$100 million) between the revised estimate for 2016-17 and the budget for 2017-18 for the following line items in the Department's operating statement in the Statement of Finances budget paper:

- (a) 'employee benefits'
- (b) 'grants and other transfers'
- (c) 'other operating expenses' in aggregate
- (d) the major components of 'other operating expenses' for your department (please supply categories as appropriate).

	<b>2016-17 (revised estimate)</b>  (\$ million)	<b>2017-18 (Budget)</b>  (\$ million)	<b>Explanation for any variances greater than <math>\pm 10\%</math> (or greater than \$100 million)</b>
Employee benefits	<b>881.4</b>	<b>880.0</b>	
Grants and other transfers	<b>3,577.5</b>	<b>3,752.8</b>	
– Grants to VicTrack for Capital Asset Charge	2,070.9	2,196.5	Variance reflects increase in capital project investments.
– Other	1,506.6	1,556.3	
Other operating expenses	<b>3,421.7</b>	<b>3,636.7</b>	Variance is mainly due to increased funding for Better Roads for More Communities and Road Safety Towards Zero Programs.
Major components of 'other operating expenses' (please supply categories):			
– Public Transport Service Payments (Excluding V/Line)	2,064.9	2,085.7	
– Road Asset Management, Operations and Network Improvements	641.2	854.4	Variance is mainly due to increased funding for Better Roads for More Communities and Road Safety Towards Zero Programs.
– Other	715.5	692.6	

- (e) If the Department is unable to provide estimates for the components of 'other operating expenses' in 2017-18, please explain how the amount of 'other operating expenses' listed for 2017-18 in the budget papers was calculated.

N/A

#### Question 5

For the line item 'payments for non-financial assets' for 2017-18 in the departmental cash flow statement in the Statement of Finances budget paper, please identify the amount that is expected to be funded using funds carried over from 2016-17.

Estimated funds carried over into 2017-18 from 2016-17 relate to the remaining allocation for land compensation payments for the Regional Rail Link (\$35 million).

## Question 6

In relation to the break-down of expenses from transactions disaggregated by government purpose classification in the budget papers (if provided in the 2017-18 budget papers – see Note 12(a) to the general government sector consolidated operating statement the 2016-17 Statement of Finances budget paper, p.32), please provide details of the Department's component of the expenses in each category for 2016-17 and 2017-18. Please explain any variations between the years that are greater than  $\pm 10$  per cent or greater than \$100 million between 2016-17 and 2017-18 estimates.

<b>Government purpose classification</b>	<b>2015-16 actual (\$ million)</b>	<b>2016-17 revised estimate (\$ million)</b>	<b>2017-18 Budget (\$ million)</b>	<b>Explanation for any variances greater than <math>\pm 10\%</math> (or greater than \$100 million) between 2016-17 and 2017-18 estimates.</b>
General public services	0.0	0.5	0.5	
Recreation and culture	509.1	552.9	543.8	
Fuel and energy	108.7	58.7	130.3	Increase is mainly due to scheduling changes for the CarbonNet work program and the timing of grants for the Target co-funded exploration program as well as new budget funding.
Agriculture, forestry, fishing and hunting	427.7	520.5	491.2	
Transport and communications	6,410.0	7,198.4	7,469.6	Increase is mainly due to increased funding for Better Roads for More Communities Pavement Resurfacing and Rehabilitation.
Other economic affairs	686.3	1,082.7	917.0	The variance is mainly due to the transfer of the Australian Synchrotron from the State of Victoria to Commonwealth Government in 2016-17.
Other purposes	0.0	0.0	0.0	

### 3. Expenditure reduction measures

#### Question 7

For each of the savings initiatives detailed in the table below, please detail (on the same basis of consolidation as the budget papers):

- (a) what actions the Department will take in 2017-18 to meet the various savings targets
- (b) any impact that these actions will have on the delivery of services during 2017-18
- (c) the Department's savings target for 2017-18, with an explanation for any variances between the current target and what was originally published in the budget papers when the initiative was released. If the change in Government affected the implementation of these measures, please provide a more detailed explanation.

Initiative	Actions the Department will take in 2017-18	Impact of these actions on service delivery in 2017-18	Savings target for 2017-18 (\$ million)	Explanation for variances to the original target
Efficiency and expenditure reduction measures in 2014-15 Budget (2014-15 BP3 p.79)	N/A	Nil	Nil	N/A
Efficiency and expenditure reduction measures in 2015-16 Budget (2015-16 BP3 pp.105-7)	DEDJTR is developing a savings strategy to meet the combined savings targets.	The savings strategy will be designed not to impact on service delivery.	20.8	N/A
Savings and efficiencies and expenditure reduction measures in 2016-17 Budget (2016-17 BP3 p.118)			3.0	N/A
Any efficiency and expenditure reduction measures in 2017-18 Budget			TBC	N/A

### Question 8

In relation to any programs or initiatives that have been reprioritised, curtailed or reduced for 2017-18 (including lapsing programs), please identify:

- (a) the amount expected to be spent under the program or initiative during 2017-18 at the time of the 2016-17 Budget
- (b) the amount currently to be spent under the program or initiative during 2017-18
- (c) the use to which the funds freed by this reduction will be put. Please include the name(s) of any program or initiative that will be funded or partially funded.

Program/initiative that has been reprioritised, curtailed or reduced	The amount expected to be spent under the program or initiative during 2017-18:		The use to which the funds will be put
	at the time of the 2016-17 Budget	at the time of the 2017-18 Budget	
Ignite Energy Advanced Lignite Demonstration Program (ALDP) program	\$3,000,000	Nil	To fund the 2017-18 Budget initiative - Victorian Gas Program.

### Question 9

Please provide the Department's contribution to the whole-of-government amount identified as 'funding from reprioritisation of existing resources' in the 'net impact of the 2017-18 Budget new output initiatives' table.

<b>Amount reprioritised for 2017-18 (\$ million)</b>	<b>Amount reprioritised for 2018-19 (\$ million)</b>	<b>Amount reprioritised for 2019-20 (\$ million)</b>	<b>Amount reprioritised for 2020-21 (\$ million)</b>
108.7	51.6	29.2	21.9

## 4. Output and asset initiative funding

### Question 10

- (a) Please identify the guidance documentation reference that describes the setting of the Departmental budget (previously BFMG-05 and BFMG-06).

Budget Operations Framework (BOF)
-----------------------------------

- (b) Please list the factors by which the Department developed its overall budget, in terms of total income from transactions, relating to total income from transactions for 2016-17. Please include explanations for all items.

	Amount		Explanation
	(per cent)	(\$ million)	
Total income from transactions 2016-17	na	9,663.6	
New output initiative funding	2.4	230.9	Relates to new initiatives funded in the 2017-18 State Budget.
Savings and efficiency measures		n/a	
Inflation adjustment		n/a	
Output resource allocation reviews		n/a	
Base reviews		n/a	
Other (please specify)			
Grants reclassification	-7.0	- 664.6	Mainly due to change of Level Crossing Removal Program from output to capital funding.
Special appropriation from Federal Government	1.8	175.2	Mainly due to the Commonwealth funding allocation for the Murray Basin Rail, M80 Ring road upgrade and other regional road upgrades.
Machinery of Government Changes		-55.3	The Energy portfolio transferred to the Department of Environment, Land, Water and Planning effective 1 July 2016 and transfer of the ANZAC Day Proceeds Trust to the Department of Health and Human Services.



	Amount		Explanation
	(per cent)	(\$ million)	
Sales of goods and services		59.9	Increase is driven by non-policy update to estimated metropolitan fare revenue and higher revenue in Creative Victoria agencies.
Other - including year on year variations	0.8	74.0	This includes inflation adjustments.
Total income from transactions 2017-18	na	9,483.7	

- (c) If this is not the way the Department developed its overall budget, please provide a description of the process that was followed.

N/A

### Question 11

In relation to the asset initiatives released in the 2017-18 Budget for the Department (as detailed in the Service Delivery budget paper), please quantify the amount of funding for those initiatives that is expected to come from the Department's own sources (such as depreciation, applied appropriations which have not been spent or other sources) and the amount of new funding provided specifically for these initiatives in this budget.

	<b>2016-17</b> <b>(\$ million)</b>	<b>2017-18</b> <b>(\$ million)</b>	<b>2018-19</b> <b>(\$ million)</b>	<b>2019-20</b> <b>(\$ million)</b>	<b>2020-21</b> <b>(\$ million)</b>	<b>TEI*</b> <b>(\$ million)</b>
Funding from the Department's own sources <sup>3</sup>	13.5	26.2	14.0	12.4	-	66.0
New funding specifically for these initiatives in 2017-18 Budget <sup>4</sup>	53.6	571.0	898.8	869.2	427.4	3,114.7
Total asset initiatives (as in Service Delivery budget paper) <sup>5</sup>	67.1	597.2	912.8	881.6	427.4	3,180.7

\* TEI includes funding beyond 2020-21 as specified in Budget Paper No. 3

### Question 12

- (a) Please quantify the Department's balance of applied appropriations unspent as at 30 June 2016 (as defined in the notes to Section 8.2.1 of the 2015-16 Financial Report for the State), along with estimates for the equivalent figures as at 30 June 2017 and 2018.

	<b>2016</b> <b>(\$ million)</b>	<b>2017</b> <b>(\$ million)</b>	<b>2018</b> <b>(\$ million)</b>
Applied appropriations unspent as at 30 June	130.0	101.1	6.0

- (b) Please indicate the intended use of these amounts.

These amounts are to be used to fund the delivery of the department's existing capital and output programs.

<sup>3</sup> This includes internal reprioritisation and revenue retained.

<sup>4</sup> This includes net impact as well as funds including Commonwealth funding.

<sup>5</sup> This is the gross impact for asset bids.

## 5. Public private partnership expenditure

### Question 13

For each line item in the Department's comprehensive operating statement or statement of cash flows (as indicated in the Statement of Finances budget paper) which includes expenditure on all PPP projects in 2017-18 or across the forward estimates period, please identify:

- (a) the line item
- (b) the value of expenditure (**including staff costs**) on PPP projects included within that line item
- (c) what the expenditure is for (for example, labour costs, payment of interest, payment of capital, purchases of services, payment of contracted penalties etc.).

Line item	2016-17 revised (\$ million)	2017-18 (\$ million)	2018-19 (\$ million)	2019-20 (\$ million)	2020-21 (\$ million)	Explanation
<b>PPPs under construction (including in planning)</b>						
<u>High Capacity Metro Trains</u>						
Interest charges	1.5	1.5	1.5	1.5	1.5	
Operating Expenses	2.5	2.5	2.4	2.4	2.4	
Principal Reduction	1.7	1.7	1.7	1.7	1.7	
<u>Melbourne Convention and Exhibition Centre - Expansion</u>						
Interest charges	0.0	0.0	3.3	3.3	3.2	
Principal Reduction	0.0	0.0	0.3	0.6	0.8	

Line item	2016-17 revised (\$ million)	2017-18 (\$ million)	2018-19 (\$ million)	2019-20 (\$ million)	2020-21 (\$ million)	Explanation
<b>PPPs in operation</b>						
<u>Peninsula Link project</u>						
Interest charges	85.1	82.9	80.7	78.6	75.8	
Operating Expenses	9.4	8.7	8.9	9.6	40.5	Increase in 2020-21 operating expenses relates to major pavement and resurfacing maintenance costs which occurs every eight years.
Principal Reduction	20.5	19.0	20.5	21.7	23.4	
<u>Southern Cross</u>						
Interest charges	32.6	32.4	32.1	31.7	31.2	
Operating Expenses	21.1	22.5	19.2	23.6	23.1	
Principal Reduction	1.7	2.7	3.9	5.2	6.6	
<u>Showground redevelopment</u>						
Interest charges	3.8	3.2	1.9	0.4	0.4	
Principal Reduction	8.1	8.6	10.0	11.5	11.5	

Line item	2016-17 revised (\$ million)	2017-18 (\$ million)	2018-19 (\$ million)	2019-20 (\$ million)	2020-21 (\$ million)	Explanation
<u>Biosciences Research Centre (BRC)</u>						
Interest charges	16.9	20.3	20.0	19.9	17.9	
Operating Expenses	15.0	11.9	13.2	12.9	21.9	Increase in 2020-21 is due to projected increases in State's lifecycle maintenance and refurbishment operating costs.
Principal Reduction	2.3	2.8	3.4	3.9	3.9	
<u>Melbourne Convention and Exhibition Centre</u>						
Interest charges	42.3	40.0	39.6	39.0	38.3	
Operating Expenses	24.4	24.6	25.3	26.6	28.0	
Principal Reduction	4.5	5.9	7.6	9.4	11.4	

## 6. Revenue

### Question 14

Please disaggregate the Parliamentary Authority for the Department for 2017-18 as in the table below.

<b>2017-18</b>	<b>Provision of outputs</b>	<b>Additions to the net asset base</b>	<b>Payments made on behalf of the State</b>	<b>Total</b>
	(\$million)	(\$million)	(\$million)	(\$million)
Annual appropriations	7,580.5	2,443.6	70.6	10,094.7
Receipts credited to appropriations	418.9	26.8	0.0	445.7
Unapplied previous years appropriation	0.0	35.0	0.0	35.0
Accumulated surplus – previously applied appropriation	0.0	0.0	0.0	0.0
Gross annual appropriation (sum of previous 4 rows)	7,999.4	2,505.4	70.6	10,575.4
Special appropriations	181.2	0.0	0.0	181.2
Trust funds	111.7	0.0	0.0	111.7
Total parliamentary authority (sum of previous 3 rows)	8,292.3	2,505.4	70.6	10,868.3

- (a) available in the 'Parliamentary authority for resources' table for the department in Budget Paper No.3.
- (b) available in Appendix A of Budget Paper No.5.

### Question 15

In relation to 2017-18, please outline any new revenue-raising initiatives released in the 2017-18 Budget. For each initiative, please explain:

- (a) the reasons for the initiative
- (b) the assumptions underlying the reasons
- (c) the impact of any changes on service delivery (that is, please detail all programs/projects that have been revised as a result of changes to existing revenue initiatives)
- (d) any performance measures or targets altered as a result of the initiative
- (e) the anticipated total value of revenue gained/foregone as a result of the initiative.

In describing initiatives, please use the same names as are used in the budget papers where applicable.

Initiative/change	Reasons for the initiative/change	Underlying assumptions	Impact of changes on service delivery	Performance measures or targets altered	Anticipated total value of revenue gained/foregone
N/A					

## Question 16

In relation to 2017-18, please outline any other major changes to existing revenue initiatives. For each change, please explain:

- (a) the reasons for the change
- (b) the assumptions underlying the reasons
- (c) the impact of any changes on service delivery (that is, please detail all programs/projects that have been revised as a result of the change)
- (d) any performance measures or targets altered as a result of the change
- (e) the anticipated total value of revenue gained/foregone as a result of the change.

Where possible, please use names for programs or initiatives as are used in the budget papers.

Change	Reasons for the change	Underlying assumptions	Impact of changes on service delivery	Performance measures or targets altered	Anticipated total value of revenue gained/foregone
Brown Coal Royalties	Reduction in brown coal royalties	Decrease due to the closure of Hazelwood Power Station.	N/A	N/A	Revenue decrease: \$27 million in 2017-18 \$28 million in 2018-19 \$28 million in 2019-20



## Question 17

In relation to 2017-18, please outline any new tax expenditures or concession/subsidy initiatives and/or major changes to existing tax expenditures or concession/subsidy initiatives. For each initiative/change, please explain:

- (a) the reasons for the initiative/change
- (b) the assumptions underlying the reasons
- (c) the impact of any initiatives/changes on service delivery (that is, please detail all programs/projects that have been revised as a result of changes to existing revenue initiatives)
- (d) any performance measures or targets altered as a result of the initiative/change
- (e) the anticipated total value of revenue gained/foregone as a result of the initiative/change.

In describing initiatives, please use the same names as are used in the budget papers where applicable.

Initiative/change	Reasons for the initiative/change	Underlying assumptions	Impact of changes on service delivery	Performance measures or targets altered	Anticipated total value of revenue gained/foregone
N/A					

## Question 18

For the Department's income categories (as they appear in the Department's operating statement in the Statement of Finances budget paper), please provide a description of the income category, an explanation for any items that have a variance of greater than  $\pm 10$  per cent or \$100 million between the revised estimate for 2016-17 and the budget for 2017-18.

Income category	Description of income category	Revised estimate for 2016-17 (\$ million)	Estimate for 2017-18 (\$ million)	Explanation
Output appropriations	Output appropriations is revenue provided by the State Government under the Appropriation Act to fund the provision of outputs and services.	7,797.6	7,999.4	The variance mainly relates to the funding decisions included in the 2017-18 Budget.
Special appropriations	Special appropriations represent a standing authority and remain in force until the relevant legislation providing for the special appropriation is amended or repealed by Parliament.	18.2	181.2	The variance reflects the Commonwealth funding allocation for the Murray Basin Rail, M80 Ring road upgrade and other regional road upgrades.
Grants	Grant payments can be made between entities from within the same portfolio, or across portfolios within the Victorian Government, local government councils, other territory or state governments, commonwealth government agencies or private sector businesses.	494.8	522.4	
Fair value of assets and services received free of charge or for nominal consideration	Contributions of assets and services at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government agency or authority as a consequence of a restructuring of administrative arrangements	60.2	54.6	

## Question 19

What impact have developments at the Commonwealth level had on the Department's component of the 2017-18 State Budget?

In December 2016, the Commonwealth and Victorian governments reached agreement on a \$3 billion package of road and freight projects across the State. This package includes funding for the Murray Basin Rail Project, the completion of the M80 Ring Road Upgrade, the O'Herns Road Interchange, an upgrade to the Monash Freeway, the Echuca-Moama Bridge and other road upgrades in regional Victoria.

Included in the 2017-18 State Budget is funding for a number of projects for which a Commonwealth funding contribution is being sought, including Shepparton Bypass (Commonwealth funding will be sought for construction phase of the project); Strong Bridges, Stronger Economy and Better Roads for More Communities - Regional Road Upgrades.

The Budget also sets out the Government's \$1.45 billion Regional Rail Revival Package which outlines the major upgrades on regional rail lines. Initiatives under the package will better connect communities, mean more frequent and reliable train travel for regional Victorians, and help create more than a thousand new jobs across Victoria. Funding of initiatives under the package requires full receipt of Victoria's entitlement under the National Partnership Agreement on Asset Recycling from the Commonwealth. Under this agreement, Victoria is entitled to \$1.46 billion from the lease of the Port of Melbourne to invest in priority infrastructure.

\$10 million of the funding through the Asset Recycling Initiative will be used to develop a new airport rail plan in partnership with the private sector.

The Commonwealth is funding 50 per cent of the National Agreement for Red Imported Fire ant Eradication (RIFA) with Victoria's contribution based on population size and jurisdictional risk from RIFA. Victoria's risk has been assessed at a fixed 12.6 per cent per annum (\$4.8 million). The 2017-18 Budget includes \$4.8 million from the State on an annual basis until 2026-27 in line with the 10-year fixed term commitment.

## 7. Performance measures

### Question 20

For each quality, quantity or timeliness performance measure newly introduced in the 2017-18 Budget, please attach any supporting documentation the Department has produced in developing the measure, such as:

- (a) a description of the measure, including the data that support it, assumptions made, and how the data are collected and transformed
- (b) if the measure is a ratio (including a percentage), please include a description of the numerator and denominator series that provide the ratio
- (c) how the measure evaluates the performance of the Department or the task faced by the Department
- (d) the process the Department employed to set a target or anticipated result for this measure
- (e) a description of what constitutes good performance and how the performance measure indicates this
- (f) any shortcomings of the measure
- (g) how the department intends to estimate the 'expected outcome' of the measure at the time of the 2018-19 Budget
- (h) how the department intends to evaluate the effectiveness of the measure in the future.

### Output: Agriculture

<b>New measure: Projects delivered to support community led management of invasive plant and animal priority species</b>	
<b>(a) Description</b>	Measures the support given to community led action on wide-spread invasive species. Data for this measure will be sourced internally.
<b>(b) Ratio</b> i. Numerator ii. Denominator	N/A
<b>(c) How the measure evaluates performance</b>	Ensures that community led invasive species projects are supported by the department.
<b>(d) How is the target set</b>	Estimated based on past performance and resourcing for the year.
<b>(e) What constitutes good performance</b>	Achieving or exceeding the target of 25.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	Forecast based on past performance.

<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.
--	--

<b>New measure: Plant health certificates issued within specified timeframes at the Melbourne Wholesale Fruit and Vegetable Market to support domestic market access</b>	
<b>(a) Description</b>	Measures the responsiveness to market demands from growers and wholesalers at the Melbourne Wholesale Fruit and Vegetable Market. Data for this measure will be sourced internally using the DEDJTR Plant Health Certificate App.
<b>(b) Ratio</b> i. <b>Numerator</b> ii. <b>Denominator</b>	<b>Numerator:</b> DEDJTR responses within 90 minutes of an application being received <b>Denominator:</b> total applications
<b>(c) How the measure evaluates performance</b>	Ensures that the department is responsive to supporting market access.
<b>(d) How is the target set</b>	Estimated based on past performance and resourcing for the year.
<b>(e) What constitutes good performance</b>	Achieving or exceeding the target of 95 per cent.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	Forecast based on past performance.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

#### Output: Resources

<b>New measure: Delivery of key milestones consistent with agreed timelines for the Victorian Gas Program</b>	
<b>(a) Description</b>	The department will use the delivery of key milestones during the term of this initiative to monitor progress for implementing the initiative and gauge overall successful delivery. Data for this measure will be sourced internally.
<b>(b) Ratio</b> i. <b>Numerator</b> ii. <b>Denominator</b>	<b>Numerator:</b> number of key milestones completed for the reporting period <b>Denominator:</b> total number of key milestones planned to be completed for the reporting period (consistent with the agreed Annual Work Program).

<b>(c) How the measure evaluates performance</b>	Monitoring and tracking the progress of key milestones enables the department to manage resources and risks to ensure key milestones are being achieved.
<b>(d) How is the target set</b>	As part of the annual planning process and based on the approved project plan, the annual work program will be set for key program work streams that will establish the key milestones that are planned to be completed for the year.
<b>(e) What constitutes good performance</b>	Achieving the target of 100 per cent.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	The expected outcome will be determined by comparing the estimated completion of key milestones for the year (based on actual and expected performance) against the planned target represented as a percentage.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

<b>New measure: Facilitate the delivery of resources projects in line with grant agreements and project milestones</b>	
<b>(a) Description</b>	The department will use the delivery of key milestones during the term of each resources initiative to monitor progress for implementing the initiatives and to gauge overall successful delivery. Data for this measure will be sourced internally. Key projects include: CarbonNet, ALDP, CO2CRC, TARGET, HESC pilot, SVER and the LV regional Rehabilitation Strategy.
<b>(b) Ratio</b> i. Numerator ii. Denominator	<b>Numerator:</b> number of key milestones completed for the reporting period  <b>Denominator:</b> total number of key milestones planned to be completed for the reporting period (consistent with the agreed Annual Work Program).  An overall consolidated per cent will be determined taking into account the key resources projects set for the year.
<b>(c) How the measure evaluates performance</b>	Monitoring and tracking the progress of key milestones enables the department to manage resources and risks to ensure key milestones are being achieved.
<b>(d) How is the target set</b>	As part of the annual planning process and based on grant agreements and approved project plans, the annual work program will be set for key projects that will establish the key milestones that are planned to be completed for the year.
<b>(e) What constitutes good performance</b>	Achieving the target of 100 per cent.
<b>(f) Shortcomings of the measure</b>	N/A

<b>(g) How the department intends to estimate 'expected outcome'</b>	The expected outcome will be determined by comparing the estimated completion of key milestones for the year (based on actual and expected performance) against the planned target represented as a percentage. An overall percentage will be calculated by consolidating the major resources projects set for the year.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

**Output: Sustainably Manage Fish, Game and Forest Resources**

<b>New measure: Community and stakeholder engagement information forums - Fisheries</b>	
<b>(a) Description</b>	Measures an important output of the Recreational Fishing Improvements program. Data for this measure will be sourced internally.
<b>(b) Ratio</b> i. Numerator ii. Denominator	N/A
<b>(c) How the measure evaluates performance</b>	Enables the business to track its delivery performance against this area of the program and adjust resource levels if the requirement/expectation materially changes during the year.
<b>(d) How is the target set</b>	Set by counting the planned engagement forums for the performance year.
<b>(e) What constitutes good performance</b>	Achieving or exceeding the target of 10.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	Based on up-to-date internal information on performance and planned forum activity.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

<b>New measure: Recreational fishing licences sold online as a proportion of total sales</b>	
<b>(a) Description</b>	Measures the increasing uptake of online sales over time - a more efficient/lower cost mechanism than the historic paper-based approach.
<b>(b) Ratio</b> i. Numerator ii. Denominator	<b>Numerator:</b> number of licences sold online <b>Denominator:</b> total licences sold in Victoria

<b>(c) How the measure evaluates performance</b>	Helps the business assess the effectiveness of communications measures and incentives designed to increase uptake of online sales and to adjust/re-target these as needed.
<b>(d) How is the target set</b>	Set by analysing historical trends in licence sales since 2002.
<b>(e) What constitutes good performance</b>	Achieving or exceeding the target of 65 per cent.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	Calculated by forward projection of the recent trend in on-line licence sales.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

<b>New measure: Key statutory obligations relevant to the Game Management Authority complied with (tabling annual report, audits, business plan and board appointments)</b>	
<b>(a) Description</b>	Measures the compliance with statutory obligations
<b>(b) Ratio</b> i. Numerator ii. Denominator	<b>Numerator:</b> statutory obligation met <b>Denominator:</b> total statutory obligations
<b>(c) How the measure evaluates performance</b>	Ensures that the Game Management Authority is compliant to obligations.
<b>(d) How is the target set</b>	As the obligations are legislated, delivery is expected to be 100 per cent.
<b>(e) What constitutes good performance</b>	Achieving the target of 100 per cent.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	Forecast based on monitoring planned activity to meet obligations.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.



<b>New measure: Key statutory obligations relevant to the Victorian Fisheries Authority complied with (tabling annual report, audits, business plan and board appointments)</b>	
<b>(a) Description</b>	Measures the compliance with statutory obligations
<b>(b) Ratio</b> i. Numerator ii. Denominator	<b>Numerator:</b> statutory obligation met <b>Denominator:</b> total statutory obligations
<b>(c) How the measure evaluates performance</b>	Ensures that the Victorian Fisheries Authority is compliant to obligations.
<b>(d) How is the target set</b>	As the obligations are legislated, delivery is expected to be 100 per cent.
<b>(e) What constitutes good performance</b>	Achieving the target of 100 per cent.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	Forecast based on monitoring planned activity to meet obligation.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

<b>New measure: Key statutory obligations relevant to VicForests complied with (tabling annual report, audits, corporate plan and board appointments)</b>	
<b>(a) Description</b>	Measures the compliance with statutory obligations
<b>(b) Ratio</b> i. Numerator ii. Denominator	<b>Numerator:</b> statutory obligation met <b>Denominator:</b> total statutory obligations
<b>(c) How the measure evaluates performance</b>	Ensures that VicForests is compliant to obligations
<b>(d) How is the target set</b>	As the obligations are legislated, delivery is expected to be 100 per cent.
<b>(e) What constitutes good performance</b>	Achieving the target of 100 per cent.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	Forecast based on monitoring planned activity to meet obligations.

<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.
--	--

<b>New measure: Research project milestones and reports completed on time (Fisheries)</b>	
<b>(a) Description</b>	Measures the key output of the fisheries regulatory science program. Data for this measure will be sourced internally.
<b>(b) Ratio</b> i. Numerator ii. Denominator	<b>Numerator:</b> number of milestones and reports completed by due date <b>Denominator:</b> total number of milestones and reports completed
<b>(c) How the measure evaluates performance</b>	Links to individual performance plans to allocate accountability and measure delivery of research outputs with the staff who have been assigned responsibility for this function.
<b>(d) How is the target set</b>	Set by determining the minimum acceptable standard for output performance in this area of the fisheries program based on past performance and resourcing for the year.
<b>(e) What constitutes good performance</b>	Achieving or exceeding the target of 90 per cent.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	Forecast based on performance.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

#### Output: Creative Industries Access, Development and Innovation

<b>New measure: VicArts Grant applications processed within 45 days for Ministerial consideration</b>	
<b>(a) Description</b>	Measures the timeliness of grant assessments by departmental grant officers and panels. Data for this measure will be sourced internally from the Creative Victoria's Grants Management System (GMS) which records the date a funding round closes and the Ministerial briefing management system which records the date of the briefing to the Minister.
<b>(b) Ratio</b> i. Numerator ii. Denominator	<b>Numerator:</b> number of VicArts grant applications processed within 45 days <b>Denominator:</b> total number of grant applications for the same period

<b>(c) How the measure evaluates performance</b>	The department will use this measure to evaluate the length of time it takes to process applications in the VicArts funding rounds (held twice a year). From the day that the funding round closes, the applications are administered by Creative Victoria staff and assessed by panels comprising of external experts in the art forms to determine recommendations. Creative Victoria has committed to an internal process that will ensure that all applications will be processed within 45 days for the Minister to consider.
<b>(d) How is the target set</b>	Based on historical performance and an internal expectation to submit a briefing to the Minister so that applicants can be advised outcomes in a timely manner.
<b>(e) What constitutes good performance</b>	Achieving the 100 per cent target so that grant recipients are advised of the outcome to their application in a timely manner.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	Forecast based on trend data.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

#### Output: Jobs and Investment

<b>New measure: Social enterprises assisted</b>	
<b>(a) Description</b>	Social enterprises assisted through the Jobs Victoria - Supporting Social Enterprises Initiative. Data for this measure will be sourced internally.
<b>(b) Ratio</b> i. Numerator ii. Denominator	N/A
<b>(c) How the measure evaluates performance</b>	The measure identifies the social enterprises that the department will assist to help build capability within the sector.
<b>(d) How is the target set</b>	The target reflects the numbers of social enterprises the department expects to assist in the first year of the initiative. The target will be reviewed as the program rolls out over future years.
<b>(e) What constitutes good performance</b>	Achieving or exceeding the target of 40 social enterprises assisted to improve their readiness to participate in tenders, enter into contracts and invest.
<b>(f) Shortcomings of the measure</b>	The measure identifies the number of social enterprises supported. The success of that support in improving their readiness to participate in tenders, enter into contracts and invest is a longer-term outcome for the Initiative.

<b>(g) How the department intends to estimate 'expected outcome'</b>	The expected outcome will be estimated based on the year-to-date data and projected activity.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

<b>New measure: Client satisfaction with services delivered to support industry transition</b>	
<b>(a) Description</b>	The level of client satisfaction with industry transition support implemented by the department. The data source will be tailored surveys of clients.
<b>(b) Ratio</b> i. Numerator ii. Denominator	<b>Numerator:</b> clients indicating they are satisfied with services <b>Denominator:</b> total clients surveyed
<b>(c) How the measure evaluates performance</b>	The department delivers services to support industry transition. The measure will capture the level of satisfaction with services and help inform service improvement.
<b>(d) How is the target set</b>	This represents a target outcome for the level of client satisfaction with industry transition support.
<b>(e) What constitutes good performance</b>	Achieving or exceeding the target of 85 per cent to indicate high satisfaction with services provided and information that enables improvement where relevant.
<b>(f) Shortcomings of the measure</b>	The measure is limited to services provided by the department, whereas in many cases clients may be receiving services from other agencies at the same time. Care will be taken to try and ensure survey mechanisms are targeted so that clients are clear which services they are providing feedback on. It is also recognised that services are being provided at what may be a difficult time for clients. The survey mechanism will be simple and unobtrusive to maximise the likelihood of a meaningful response.
<b>(g) How the department intends to estimate 'expected outcome'</b>	Forecast based on trend data to date in surveys of clients.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

## Output: Major Projects

<b>New measure: Number of economic projects in delivery</b>	
<b>(a) Description</b>	The number of economic projects which are being managed through the department. Data for this measure will be sourced internally from relevant project management systems.
<b>(b) Ratio</b> i. Numerator ii. Denominator	N/A
<b>(c) How the measure evaluates performance</b>	To capture the level of Group activity in delivering economic projects.
<b>(d) How is the target set</b>	The target is set annually, subject to a review of contracted and planned economic projects for the coming year.
<b>(e) What constitutes good performance</b>	Achieving the target of 15 to indicate effective management of economic projects.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	The expected outcome is estimated based on a review of current and planned economic projects within the year in question.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

<b>New measure: Economic projects being delivered in accordance with contracted timelines (within 5 per cent variation)</b>	
<b>(a) Description</b>	Delivery of economic projects against agreed timeframes for those projects contracted at 1 July of the year in question. Data for this measure will be sourced internally from relevant project management systems.
<b>(b) Ratio</b> i. Numerator ii. Denominator	N/A
<b>(c) How the measure evaluates performance</b>	To monitor the timeliness of delivery of economic projects.
<b>(d) How is the target set</b>	The target is set based on the number of economic projects contracted at 1 July of the year in question.
<b>(e) What constitutes good performance</b>	Achieving the target of 10 to indicate that economic projects are delivered in accordance with contracted timeframes.

<b>(f) Shortcomings of the measure</b>	Some change in timelines will be outside the control of the department. The measure will exclude a "force majeure" event (if included in the contract) or where the scope of a project is materially changed by the client (and this impacts on timelines).
<b>(g) How the department intends to estimate 'expected outcome'</b>	The expected outcome is estimated based on a review of current and forecast delivery timeframes of economic projects within the year in question.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

<b>New measure: Economic projects being delivered in accordance with contracted cost (within 5 per cent variation)</b>	
<b>(a) Description</b>	Delivery of economic projects against agreed budget for those projects in delivery at 1 July of the year in question. Data for this measure will be sourced internally from relevant project management systems.
<b>(b) Ratio</b> i. Numerator ii. Denominator	N/A
<b>(c) How the measure evaluates performance</b>	To monitor costs against budget for delivery of economic projects.
<b>(d) How is the target set</b>	The target is set based on the number of economic projects contracted at 1 July of the year in question.
<b>(e) What constitutes good performance</b>	Achieving the target of 10 to indicate that economic projects are delivered in accordance with contracted cost.
<b>(f) Shortcomings of the measure</b>	Some change in cost will be outside the control of the department. The measure will exclude a "force majeure" event (if included in the contract) or where the scope of a project is materially changed by the client (and this impacts on cost).
<b>(g) How the department intends to estimate 'expected outcome'</b>	The expected outcome is estimated based on a review of current and forecast cost of delivery of economic projects within the year in question.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

<b>New measure: Economic projects being delivered in accordance with contracted scope</b>	
<b>(a) Description</b>	Delivery of economic projects against agreed scope for those projects in delivery at 1 July of the year in question. Data for this measure will be sourced internally from relevant project management systems.
<b>(b) Ratio</b> i. Numerator ii. Denominator	N/A
<b>(c) How the measure evaluates performance</b>	To monitor the delivery of economic projects in line with client expectations.
<b>(d) How is the target set</b>	The target is set based on the number of economic projects contracted at 1 July of the year in question.
<b>(e) What constitutes good performance</b>	Achieving the target of 10 to indicate that economic projects are delivered in accordance with contracted scope.
<b>(f) Shortcomings of the measure</b>	Some change in scope will be outside the control of the department. The measure will exclude a "force majeure" event (if included in the contract) or where the scope of a project is materially changed by the client.
<b>(g) How the department intends to estimate 'expected outcome'</b>	The expected outcome is estimated based on a review of current and forecast delivery of economic projects within the year in question.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

#### Output: Integrated Transport

<b>New measure: Ballarat Line Upgrade – planning and development: Milestones delivered in accordance with agreed budget and timelines</b>	
<b>(a) Description</b>	This measure reports the progress of planned major infrastructure procurement activities undertaken by Melbourne Metro Rail Authority (MMRA) in readiness for contract award in 2017-18. Data for this measure will be sourced internally from the Ballarat Line Upgrade (BLU) program plan, together with the planned budget and actual expenditure will be used to track project activity and expenditure for this measure during 2017-18.
<b>(b) Ratio</b> i. Numerator ii. Denominator	<b>Numerator:</b> number of milestones delivered in accordance with agreed budget and timelines <b>Denominator:</b> total number of milestones
<b>(c) How the measure evaluates performance</b>	Performance below target will lead to increased costs, or reduction in planned increases in service delivery.

<b>(d) How is the target set</b>	MMRA is the responsible agency for the delivery of the Ballarat Line Upgrade (BLU) project. The output target for BLU has been based in accordance with the project's annual budgeted expenditure and program for the 2017-18.
<b>(e) What constitutes good performance</b>	Achieving the target of 100 per cent.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	MMRA will work with the BLU project to track its year to date budget expenditure against actuals and review its program to evaluate whether it delivered the milestones on time.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

#### Output: Port and Freight Network Access

New measure: Road network permitted for use by high productivity freight vehicles	
<b>(a) Description</b>	The percentage of the road network permitted for use by high productivity freight vehicles (HPFV). Data for this measure will be sourced internally from a road management computer system called Road Asset System (RAS).
<b>(b) Ratio</b> i. Numerator ii. Denominator	<b>Numerator:</b> lane kilometres on arterial roads available for use by HPFV <b>Denominator:</b> total lane kilometres on arterial road network
<b>(c) How the measure evaluates performance</b>	Performance below target will lead to reduced connectivity, increased congestion on non-arterial roads and loss of economic benefit to Victoria.
<b>(d) How is the target set</b>	This target is set by calculating the baseline estimate of the arterial road network that is accessible for HPFV.
<b>(e) What constitutes good performance</b>	Achieving or exceeding the 10 per cent target.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	Forecast based on trend data to date.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.



## Output: Road Asset Management

New measure: Road area treated: high strategic priority roads	
(a) Description	<p>Road treatments include pavement resurfacing and rehabilitation. High strategic priority roads are roads within VicRoads' Road Maintenance Categories (RMC) 1, 2 and 3.</p> <p>Roads are allocated to road maintenance categories based on road connectivity, the number of vehicles using the road per day, and commercial vehicle usage.</p>
(b) Ratio i. Numerator ii. Denominator	N/A
(c) How the measure evaluates performance	Performance below target will lead to increased road closures, loss of connectivity and loss of economic benefit to Victoria.
(d) How is the target set	The target area is set by using both defined rehabilitation project areas, as scoped, and the expected resurfacing as determined by the pavement model as priority surfacing treatments.
(e) What constitutes good performance	Achieving or exceeding the target of 8,846 (000) m <sup>2</sup> .
(f) Shortcomings of the measure	N/A
(g) How the department intends to estimate 'expected outcome'	The outcome is estimated and measured as pavement works are scoped on RMC 1, 2 and 3 roads.
(h) How will the measure's effectiveness be evaluated	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

New measure: Road area treated: medium strategic priority roads	
(a) Description	<p>Road treatments include pavement resurfacing and rehabilitation. Medium strategic priority roads are roads within VicRoads' Road Maintenance Categories (RMC) 4.1 and 4.2. Roads are allocated to road maintenance categories based on road connectivity, the number of vehicles using the road per day, and commercial vehicle usage.</p>
(b) Ratio i. Numerator ii. Denominator	N/A
(c) How the measure evaluates performance	Performance below target will lead to increased road closures, loss of connectivity and loss of economic benefit in terms of localised freight and commuter movements.
(d) How is the target set	The target area is set by using both defined rehabilitation project areas, as scoped, and the expected resurfacing as determined by the pavement model as priority surfacing treatments.

<b>(e) What constitutes good performance</b>	Achieving or exceeding the target of 2,001 (000) m <sup>2</sup> .
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	The outcome is estimated and measured as pavement works are scoped on RMC 4 roads.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

<b>New measure: Road area treated: low strategic priority roads</b>	
<b>(a) Description</b>	Road treatments include pavement resurfacing and rehabilitation. Low strategic priority roads are roads within VicRoads' Road Maintenance Categories (RMC) 5.1 and 5.2. Roads are allocated to road maintenance categories based on road connectivity, the number of vehicles using the road per day, and commercial vehicle usage.
<b>(b) Ratio</b> i. Numerator ii. Denominator	N/A
<b>(c) How the measure evaluates performance</b>	Performance below target will lead to reduced social equity and economic loss from localised freight and other business movement.
<b>(d) How is the target set</b>	The target area is set by using both defined rehabilitation project areas, as scoped, and the expected resurfacing as determined by the pavement model as priority surfacing treatments.
<b>(e) What constitutes good performance</b>	Achieving or exceeding the target of 11 (000) m <sup>2</sup> .
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	The outcome is estimated and measured as pavement works are scoped on RMC 5 roads.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

<b>New measure: Traffic signal operational availability</b>	
<b>(a) Description</b>	<p>Traffic signal performance directly impacts the safe and efficient movements of all road users. When a traffic signal is not operating at its optimum level, it generates alarms.</p> <p>VicRoads has undertaken a state-wide analysis of the performance of traffic signals. Blackout and Flashing Yellow alarms are major alarms triggered by the traffic signals. During these alarms, the driver is confronted with traffic signals that are not controlling traffic.</p> <p>Major Alarms collected from each site and recorded in traffic control software "Sydney Coordinated Adaptive Traffic System" (SCATS).</p>
<b>(b) Ratio</b> i. Numerator ii. Denominator	<p><b>Numerator:</b> total traffic signal availability</p> <p><b>Denominator:</b> total expected availability</p>
<b>(c) How the measure evaluates performance</b>	<p>This measure is determined by using the weighted average of availability, using site criticality, expressed as a percentage (Total Uptime / Total Expected Uptime).</p> <p>Performance below target leads to increased instances when the driver is confronted with traffic signals that are not controlling traffic.</p>
<b>(d) How is the target set</b>	The target is set by using historical performance data adjusted to reflect the criticality of the site.
<b>(e) What constitutes good performance</b>	Achieving or exceeding the target of 99.95 per cent.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	The expected outcome is set by comparing contractor's performance measurements with in-house measurement of SCATS data.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

<b>New measure: Traffic signal performance - communications ('DA Alarm'): vehicle detector connectivity to signals</b>	
<b>(a) Description</b>	<p>Traffic signals are often triggered by vehicle detectors and VicRoads also monitors the performance of detectors using "Detector Alarms" (DA). Poor performing detectors affect the dynamic operation of the traffic signals leading to inefficiencies and congestion on the network. Major Alarms are collected from each site and recorded in traffic control software "Sydney Coordinated Adaptive Traffic System" (SCATS).</p>
<b>(b) Ratio</b> i. Numerator ii. Denominator	<p><b>Numerator:</b> actual detector alarms availability</p> <p><b>Denominator:</b> total expected availability</p>

<b>(c) How the measure evaluates performance</b>	This measure is determined by using the weighted average of availability, using site criticality, expressed as a percentage (Total Uptime / Total Expected Uptime).  Performance below target leads to inefficiencies and congestion on the road network.
<b>(d) How is the target set</b>	The target is set by using historical performance data adjusted to reflect the criticality of the site.
<b>(e) What constitutes good performance</b>	Achieving or exceeding the target of 97 per cent.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	The expected outcome is set by comparing contractor's performance measurements with in-house measurement of SCATS data.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

<b>New measure: Traffic signal performance - communications ('Stop Talk'): connectivity between different traffic signals</b>	
<b>(a) Description</b>	Communication faults cause a degradation in network performance leading to excessive congestion due to the signal site's inability to be integrated/talk to their neighbouring sites. An availability threshold of 99.6 per cent uptime has been adopted as the threshold for ST alarms. Major Alarms collected from each site and recorded in traffic control software "Sydney Coordinated Adaptive Traffic System" (SCATS).
<b>(b) Ratio</b> i. Numerator ii. Denominator	<b>Numerator:</b> actual communications availability <b>Denominator:</b> total expected availability
<b>(c) How the measure evaluates performance</b>	This measure is determined by using the weighted average of availability, using site criticality, expressed as a percentage (Total Uptime / Total Expected Uptime).  Performance below target leads to excessive congestion due to the signal site's inability to be integrated and talk to their neighbouring sites.
<b>(d) How is the target set</b>	The target is set by using historical performance data adjusted to reflect the criticality of the site.
<b>(e) What constitutes good performance</b>	Achieving or exceeding the target of 99.6 per cent.
<b>(f) Shortcomings of the measure</b>	N/A.

<b>(g) How the department intends to estimate 'expected outcome'</b>	The expected outcome is set by comparing contractor's performance measurements with in-house measurement of SCATS data
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

<b>New measure: Road length meeting cracking standard: metropolitan</b>	
<b>(a) Description</b>	<p>Pavement cracking is an indicator of poor water-proofing and high likelihood of pavement failure during wet weather.</p> <p>Data relating to the proportion of road pavement not cracked in the metropolitan area is maintained in a road management computer system called Road Asset System (RAS). Pavement data includes pavement condition surveys undertaken on a two-year cycle and surface inspection rating undertaken on a three-year cycle.</p>
<b>(b) Ratio</b> i. Numerator ii. Denominator	<p><b>Numerator:</b> total area of pavement meeting cracking standard: metropolitan</p> <p><b>Denominator:</b> total area of pavement</p>
<b>(c) How the measure evaluates performance</b>	Performance below target poses an increased risk of accelerated deterioration and increased maintenance costs.
<b>(d) How is the target set</b>	<p>The target is set by using a pavement management model to forecast the length of metropolitan road network within the condition standard for cracking. The model utilises pavement condition data sets to determine deterioration and future condition.</p> <p>This measure is determined by calculating the modelled proportion of metropolitan road pavements that are not cracked, adjusting for areas treated.</p>
<b>(e) What constitutes good performance</b>	Achieving or exceeding the target of 97.7 per cent.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	The target is set according to projected trends, taking into account the current and previous level of pavement works in the metropolitan area.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

<b>New measure: Road length meeting cracking standard: regional</b>	
<b>(a) Description</b>	<p>Pavement cracking is an indicator of poor water-proofing and high likelihood of pavement failure during wet weather. It is the main trigger for the resurfacing program. Cracking is measured in percentage of area cracked within a homogenous area of surface, which is based on age and condition.</p> <p>Data relating to the proportion of road pavement not cracked in the regional area is maintained in a road management computer system called Road Asset System (RAS). Pavement data includes pavement condition surveys undertaken on a two-year cycle and surface inspection rating undertaken on a three-year cycle.</p>
<b>(b) Ratio</b> i. <b>Numerator</b> ii. <b>Denominator</b>	<p><b>Numerator:</b> total area of pavement meeting cracking standard: regional</p> <p><b>Denominator:</b> total area of pavement</p>
<b>(c) How the measure evaluates performance</b>	This measure is determined by calculating the modelled proportion of regional road pavements that are not cracked, adjusting for areas treated. Performance below target poses an increased risk of road failure, accelerated deterioration and increased maintenance costs.
<b>(d) How is the target set</b>	<p>The target is set by using a pavement management model to forecast the length of regional road network within the condition standard for cracking.</p> <p>The model utilises pavement condition data sets to determine deterioration and future condition.</p>
<b>(e) What constitutes good performance</b>	Achieving or exceeding the target of 98.8 per cent.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	The expected outcome is determined according to projected trends, taking into account the current and previous level of pavement works in the regional area.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

<b>New measure: Road length meeting roughness standard: metropolitan</b>	
<b>(a) Description</b>	<p>Roughness is an indicator linked to road user experience, including ride quality and road user costs. It is a service-based measure. There is strong connection between vehicle wear and tear, fuel consumption and damage to goods and the roughness of a road. Roughness is measured using the International Roughness Index (IRI), which is derived from pavement data collected.</p> <p>Data relating to the proportion of road pavement that is not rough in the metropolitan area is maintained in a road management computer system called Road Asset System (RAS). Pavement data includes pavement condition surveys undertaken on a two-year cycle and surface inspection rating undertaken on a three-year cycle.</p>
<b>(b) Ratio</b> i. <b>Numerator</b> ii. <b>Denominator</b>	<p><b>Numerator:</b> total area of pavement meeting roughness standard: metropolitan</p> <p><b>Denominator:</b> total area of pavement</p>
<b>(c) How the measure evaluates performance</b>	<p>This measure is determined by calculating the modelled proportion of metropolitan road pavements that are not rough, adjusting for areas treated.</p> <p>Performance below target impacts the road user through lost productivity, a risk of increased vehicle wear and tear, damage to goods and higher fuel consumption.</p>
<b>(d) How is the target set</b>	<p>The target is set by using a pavement management model to forecast the length of metropolitan road network within the condition standard for roughness. The model utilises pavement condition data sets to determine deterioration and future trends</p>
<b>(e) What constitutes good performance</b>	<p>Achieving or exceeding the target of 98.2 per cent.</p>
<b>(f) Shortcomings of the measure</b>	<p>N/A</p>
<b>(g) How the department intends to estimate 'expected outcome'</b>	<p>The expected outcome is determined according to projected trends, taking into account the current and previous level of pavement works in the metropolitan area.</p>
<b>(h) How will the measure's effectiveness be evaluated</b>	<p>All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.</p>

<b>New measure: Road length meeting roughness standard: regional</b>	
<b>(a) Description</b>	<p>Roughness is an indicator linked to road user experience, including ride quality and road user costs. It is a service-based measure. There is strong connection between vehicle wear and tear, fuel consumption and damage to goods and the roughness of a road. Roughness is measured using the International Roughness Index (IRI), which is derived from pavement data collected.</p> <p>Data relating to the proportion of road pavement that is not rough in the regional area is maintained in a road management computer system called Road Asset System (RAS). Pavement data includes pavement condition surveys undertaken on a two-year cycle and surface inspection rating undertaken on a three-year cycle.</p>
<b>(b) Ratio</b> i. <b>Numerator</b> ii. <b>Denominator</b>	<p><b>Numerator:</b> total area of pavement meeting roughness standard: regional</p> <p><b>Denominator:</b> total area of pavement</p>
<b>(c) How the measure evaluates performance</b>	<p>This measure is determined by calculating the modelled proportion of regional road pavements that are not rough, adjusting for areas treated.</p> <p>Performance below target impacts the road user through lost productivity, a risk of increased vehicle wear and tear, damage to goods and higher fuel consumption increased vehicle wear and tear, damage to goods and higher fuel consumption.</p>
<b>(d) How is the target set</b>	<p>The target is set by using a pavement management model to forecast the length of regional road network within the condition standard for roughness. The model utilises pavement condition data sets to determine deterioration and future trends</p>
<b>(e) What constitutes good performance</b>	<p>Achieving or exceeding the target of 96.4 per cent.</p>
<b>(f) Shortcomings of the measure</b>	<p>N/A</p>
<b>(g) How the department intends to estimate 'expected outcome'</b>	<p>The expected outcome is determined according to projected trends, taking into account the current and previous level of pavement works in the regional area.</p>
<b>(h) How will the measure's effectiveness be evaluated</b>	<p>All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.</p>



<b>New measure: Road length meeting rutting standard: metropolitan</b>	
<b>(a) Description</b>	<p>Pavement rutting is an indicator of poor pavement strength and therefore high likelihood of pavement failure. It is the main trigger for the pavement rehabilitation program. Rutting is caused by movement or compaction in the pavement structure and is the best available information on pavement condition.</p> <p>Data relating to the proportion of road pavement not rutted in the metropolitan area is maintained in a road management computer system called Road Asset System (RAS). Pavement data includes pavement condition surveys undertaken on a two-year cycle and surface inspection rating undertaken on a three-year cycle.</p>
<b>(b) Ratio</b> i. <b>Numerator</b> ii. <b>Denominator</b>	<p><b>Numerator:</b> total area of pavement meeting rutting standard: metropolitan</p> <p><b>Denominator:</b> total area of pavement</p>
<b>(c) How the measure evaluates performance</b>	This measure is determined by calculating the modelled proportion of metropolitan road pavements that are not rutted, adjusting for areas treated. Performance below target poses an increased road safety risk and increased road maintenance costs.
<b>(d) How is the target set</b>	The target is set by using a pavement management model to forecast the length of metropolitan road network within the condition standard for rutting. The model uses pavement condition data sets to determine deterioration and future condition.
<b>(e) What constitutes good performance</b>	Achieving or exceeding the target of 98.9 per cent.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	The expected outcome is determined according to projected trends, taking into account the current and previous level of pavement works in the metropolitan area.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

<b>New measure: Road length meeting rutting standard: regional</b>	
<b>(a) Description</b>	<p>Pavement rutting is an indicator of poor pavement strength and therefore high likelihood of pavement failure. It is the main trigger for the pavement rehabilitation program.</p> <p>Rutting is caused by movement or compaction in the pavement structure and is the best available information on pavement condition.</p> <p>Data relating to the proportion of road pavement not rutted in the regional area is maintained in a road management computer system called Road Asset System (RAS). Pavement data includes pavement condition surveys undertaken on a two-year cycle and surface inspection rating undertaken on a three-year cycle.</p>

<b>(b) Ratio</b> i. Numerator ii. Denominator	<b>Numerator:</b> total area of pavement meeting rutting standard: regional  <b>Denominator:</b> total area of pavement
<b>(c) How the measure evaluates performance</b>	This measure is determined by calculating the modelled proportion of regional road pavements that are not rutted, adjusting for areas treated. Performance below target poses an increased road safety risk and increased road maintenance costs.
<b>(d) How is the target set</b>	The target is set by using a pavement management model to forecast the length of regional road network within the condition standard for rutting. The model utilises pavement condition data sets to determine deterioration and future condition.
<b>(e) What constitutes good performance</b>	Achieving or exceeding the target of 97.8 per cent.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	The expected outcome is determined according to projected trends, taking into account the current and previous level of pavement works in the regional area.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

#### Output: Road Operations and Network Improvements

New measure: Safer Cyclists and Pedestrians Fund allocated	
<b>(a) Description</b>	This measure reports on the percentage of the Safer Cyclists and Pedestrians Fund committed for project delivery. Data for this measure will be sourced internally.
<b>(b) Ratio</b> i. Numerator ii. Denominator	<b>Numerator:</b> dollar value of projects approved  <b>Denominator:</b> dollar value of available funding
<b>(c) How the measure evaluates performance</b>	The measure will demonstrate that projects are being delivered to improve the safety of cyclists and pedestrians.
<b>(d) How is the target set</b>	Target incorporates the \$100 million funding allocated for the Safer Cyclists and Pedestrians Fund.
<b>(e) What constitutes good performance</b>	Achieving the target of 100 per cent by the end of 2017-18.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	The expected outcome will be measured by a calculation of the cumulative approved project values against the total fund allocation.

<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.
--	--

<b>New measure: West Gate Tunnel Project – Milestones delivered in accordance with agreed budget and timelines</b>	
<b>(a) Description</b>	<p>This measure reports the progress of planned major infrastructure procurement activities undertaken by the Western Distributor Authority (WDA) in readiness for contract award and subsequent construction.</p> <p>West Gate Tunnel Project (WGTP) project plan, together with the planned budget and actual expenditure will be used to track project activity and expenditure for this measure during the 2017-18.</p>
<b>(b) Ratio</b> i. Numerator ii. Denominator	<p><b>Numerator:</b> number of milestones delivered in accordance with agreed budget and timelines</p> <p><b>Denominator:</b> total number of milestones</p>
<b>(c) How the measure evaluates performance</b>	The measure will show whether the project is running on time and on budget.
<b>(d) How is the target set</b>	The output target for WGTP has been based in accordance with the project's annual budgeted expenditure and program for 2017-18.
<b>(e) What constitutes good performance</b>	Achieving the target of 100 per cent.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	WDA will track WGTP year-to-date budget expenditure against actuals and review its program to evaluate whether it delivered the milestones on time.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

#### Output: Taxi and Hire Vehicle Services

<b>New measure: Commercial passenger vehicle service complaints and intelligence reports investigated and closed within 45 days</b>	
<b>(a) Description</b>	<p>New performance measure which replaces the 2016-17 performance measure 'Taxi and hire vehicle complaints investigated and closed within 45 days' and 'Taxi and hire vehicle complaints investigated and closed'. The new performance measure reports on the same activity as the previous measure however has been amended to include a broader scope due to rideshare reform and to better reflect the service received by the public.</p>

<b>(b) Ratio</b> i. Numerator ii. Denominator	<b>Numerator:</b> number of complaints and intelligence reports investigated and closed within 45 days by the Taxi Services Commission (TSC)  <b>Denominator:</b> total number of commercial passenger vehicle service complaints and intelligence reports received by the TSC
<b>(c) How the measure evaluates performance</b>	This measure also includes disputes registered with the TSC for resolution but does not include intelligence, feedback, queries and compliments.  Performance below target will result in decreased customer satisfaction.
<b>(d) How is the target set</b>	Annual targets are set by considering the number, and content of complaints and intelligence reports registered over the past year, any trends identified during the year, the possible impact of changes to taxi and hire car industries to be implemented during the year and staff resources anticipated to be available to assess complaints and intelligence reports.
<b>(e) What constitutes good performance</b>	Achieving or exceeding the target of 85 per cent.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	Using complaints and intelligence reports received and the measurement of timelines in line with Standard Operating Procedures and guidelines.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

#### Output: Transport, Safety, Security and Emergency Management

New measure: Risk-based recreational vessel inspections undertaken in accordance with State legislative requirements	
<b>(a) Description</b>	The measure reflects the revised regulatory approach adopted following the 2014 Victorian Auditor-General's audit of recreational maritime safety.  This measure replaces the measure 'Recreational vessel inspections undertaken in accordance with state legislative requirements'.
<b>(b) Ratio</b> i. Numerator ii. Denominator	N/A
<b>(c) How the measure evaluates performance</b>	The measure will assess compliance of recreational vessels with relevant marine safety legislation.
<b>(d) How is the target set</b>	The target is set by consolidating the scope of audits by monitoring compliance of recreational vessels with relevant marine safety legislation which is articulated in Maritime's annual plan.

<b>(e) What constitutes good performance</b>	Achieving or exceeding the target of 500 inspections.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	The expected outcome is estimated based on progress against the annual audit plan.  The number of inspections carried out is dependent on the voluntary collaboration and contributions from other agencies.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

<b>New measure: Compliance inspections of managed and unmanaged Victorian waterways in accordance with risk-based plan</b>	
<b>(a) Description</b>	This new performance measures replaces the 2016-17 performance measure 'Compliance inspections of vessel operating and zoning rules in designated Victorian waterways conducted in accordance with annual audit plan'.  The new measure is the same as the previous measure except for the change of scope to include unmanaged Victorian waterways.
<b>(b) Ratio</b> i. Numerator ii. Denominator	<b>Numerator:</b> number of actual inspections <b>Denominator:</b> total number of inspections in the risk based audit plan
<b>(c) How the measure evaluates performance</b>	The measure will be determined by comparing the number of audits carried out with the number planned.  Performance below target may result in increased safety risk.
<b>(d) How is the target set</b>	The target has been set up based on 100 per cent of audits of high risk segments of Victorian waterways as articulated in the risk based audit plan are undertaken.  Note that the TSV has expanded the program of work to not only undertake inspections of scheduled waterways but has included inspections of unmanaged waterways throughout the state where various levels of boating may occur from time to time.
<b>(e) What constitutes good performance</b>	Achieving the target of 100 per cent.
<b>(f) Shortcomings of the measure</b>	N/A
<b>(g) How the department intends to estimate 'expected outcome'</b>	The expected outcome is estimated based on the annual risk based audit plan.
<b>(h) How will the measure's effectiveness be evaluated</b>	All performance measures will be reviewed annually for effectiveness, relevance and consistency with the Performance Management Framework.

## Question 21

### (a) Department of Economic Development, Jobs, Transport and Resources only

Performance measure: 'Major sporting and cultural events facilitated'

- (i) Please list the number of sporting and cultural events facilitated by the department over the last five years.

58 major sporting and cultural events have been facilitated by the department (and its predecessors) over the last five years through the Major Events Fund. This excludes the majority of major sporting events facilitated before 2015-16 (the year this measure was introduced), as before this time most major sporting events were managed/facilitated by Sport and Recreation Victoria.

- (ii) What were the facilitation costs of each of these events?

The cost of events facilitated through Major Events funding is Cabinet and Commercial in confidence.

### (b) Department of Health and Human Services only

Performance measure: 'Number of households assisted with long-term social housing (public, Aboriginal, and community long-term tenancies at the end of the year)'

- (i) How will the transfer of properties from the Director of Housing to Aboriginal Housing Victoria affect both agencies?
- (ii) How will this transfer be treated in the DHHS and State budgets?
- (iii) What is the intended social outcome?
- (iv) Will a dedicated performance measure be created to monitor the impact of this transfer on levels of Aboriginal public housing assistance?

### (c) Department of Justice and Regulation only

Performance measures: 'Infringement notices processed'

- (i) Please provide an update of the fines reform program.
- (ii) Is the tender process for the new infringements ICT system now complete?
- (iii) When does the Department anticipate the new ICT system to be fully implemented?

### (d) Department of Environment, Land, Water and Planning only

Performance Measure: 'Property transfers, discharge of mortgages and registration of new mortgages'

- (i) How do improvements in the property market affect the Department's Electronic conveyancing and Landata services?
- (ii) Does the Department monitor movements in the property market?
- (iii) Does the Department use forecasts for the property market as a tool to plan the workload and activity for the Electronic conveyancing and Landata services area?

### (e) Department of Education and Training only

Performance measures: All performance measures within the Higher Education and Skills output:

- (i) When does the Department anticipate the impact of past policy changes to the VET Sector (such as tightened eligibility for subsidised training and foundation courses, and reduction in subsidies) will be reflected in improving

performance measurement levels in VET sector enrolments and participation and satisfaction with training and improved employment status by VET completers?

**(f) Department of Premier and Cabinet only**

Performance measure 'Timely delivery of State events and functions'

- (i) Please list the number state events and functions the department has undertaken over the last five years.
- (ii) Is there a regular calendar of state events and functions the Department delivers each year?
- (iii) What were the costs of each of these events?

**(g) Department of Treasury and Finance only**

Performance measure 'Develop and implement policies, procedures and training to govern and build capability to deliver infrastructure investment'

- (i) Please break down the target for this performance measure (45) in terms of policies implemented, procedures developed and training undertaken.
- (ii) Please give the actual number of each of the policies, procedures and training undertaken to govern and build capability to deliver infrastructure investment for the last three years.

## 8. Staffing matters

### Question 22

- (a) Please fully complete the table below, providing actual FTE staff numbers at 30 June 2016 and estimates of FTE staff numbers (broken down by the categories listed below) at 30 June 2017 and 30 June 2018 for the Department. Please provide figures consolidated on the same basis (that is, including the same entities) as the employee benefits expenditure for the Department in the budget papers.

<b>Department of Economic Development, Jobs, Transport and Resources <sup>6</sup></b>	<b>30 June 2016</b>	<b>30 June 2017</b>	<b>30 June 2018</b>
<b>Grade</b>	<b>(Actual FTE number)</b>	<b>(Expected FTE number)</b>	<b>(Forecast FTE number)</b>
Secretary	1.0	1.0	1.0
EO-1	9.5	9.0	9.0
EO-2	48.6	56.8 <sup>7</sup>	55.8
EO-3	48.5	63.5 <sup>8</sup>	63.5
VPS Grade 7 (STS)	36.8	46.3 <sup>9</sup>	46.3
VPS Grade 6	507.2	516.6	509.0
VPS Grade 5	555.4	607.0	590.2
VPS Grade 4	435.7	463.2	446.7
VPS Grade 3	311.4	320.5	299.4
VPS Grade 2	191.6	201.1	183.2
VPS Grade 1	0.0	1.0	1.0
Fisheries Officer	69.0	63.9	0.0 <sup>10</sup>
Principal Scientist	53.8	51.3	48.3
Science Grades	563.4	591.2	583.2
Legal Officers	7.6	6.0	6.0

- 
- <sup>6</sup> DEDJTR includes Regional Development Victoria, Transport Safety Victoria and Victorian Trade and Investment Office P/L, and Major Projects Victoria for June 2016 only as staff were transferred to Development Victoria when it was established in April 2017.
- <sup>7</sup> The projected increase in EO-2 employees from June 2016 to June 2017 is primarily attributed to the transfer of executives from PTV and VicRoads to TFV, along with general recruitment.
- <sup>8</sup> The projected increase in EO-3 employees from June 2016 to June 2017 is primarily attributed to the transfer of executives from PTV and VicRoads to TFV, along with general recruitment.
- <sup>9</sup> The projected increase in VPS Grade 7 employees from June 2016 to June 2017 is primarily attributed to the transfer of staff from PTV and VicRoads to TFV, along with general recruitment.
- <sup>10</sup> The projected reduction in Fisheries Officers from 63.9 FTE in June 2017 to zero in June 2018 is due to the expected transfer out of these employees to the newly established Victorian Fisheries Authority (VFA). The VFA will commence operations on 1 July 2017.



Department of Economic Development, Jobs, Transport and Resources <sup>6</sup>	30 June 2016	30 June 2017	30 June 2018
<b>Total</b>	<b>2,839.5</b>	<b>2,998.4 <sup>11</sup></b>	<b>2,842.6 <sup>12</sup></b>

Australian Centre for the Moving Image Grade	30 June 2016 (Actual FTE number)	30 June 2017 (Expected FTE number)	30 June 2018 (Forecast FTE number)
EO-2	1.0	1.0	1.0
EO-3	3.0	4.0 <sup>13</sup>	3.0
VPS Grade 6	10.0	11.0	11.0
VPS Grade 5	11.2	11.0	12.0
VPS Grade 4	33.6	34.4	34.4
VPS Grade 3	40.3	40.7	40.7
VPS Grade 2	46.2	62.1 <sup>14</sup>	61.1 <sup>15</sup>
VPS Grade 1	0.0	0.0	0.0
<b>Total</b>	<b>145.3<sup>16</sup></b>	<b>164.2</b>	<b>163.2</b>

Film Victoria Grade	30 June 2016 (Actual FTE number)	30 June 2017 (Expected FTE number)	30 June 2018 (Forecast FTE number)
EO-2	1.0	1.0	1.0
EO-3	1.0	2.0	2.0
VPS Grade 6	2.8	2.6	2.6

<sup>11</sup> The FTE for Tourism Victoria is included in the DEDJTR figures for 30 June 2016. The operations of Tourism Victoria were transferred to Visit Victoria from 1 July 2016 and are therefore not included the DEDJTR figures for 2017 and 2018. Further, during 2016-17, approximately 190 staff were transferred from PTV and VicRoads to DEDJTR as part of the establishment of TFFV under Section 28 of the *Public Administration Act 2004* (PAA).

<sup>12</sup> DEDJTR's staffing forecast for June 2018 will be completed once the department's strategic planning and resource allocation process for 2017-18 is finalised. The projected reduction from June 2017 to June 2018 is primarily due to the expected transfer out of employees to the newly established VFA to commence on 1 July 2017.

<sup>13</sup> Additional EO3 backfilling paid parental leave role.

<sup>14</sup> Conversion of staff from casual to full time to reduce penalty costs of new EBA for casuals and additional fixed term resources for Exhibitions.

<sup>15</sup> Conversion of staff from casual to full time to reduce penalty costs of new EBA for casuals and additional fixed term resources for Exhibitions.

<sup>16</sup> ACMI provided an estimate of 134 FTE for 30 June 2016 in the department's response to the 2016-17 Budget Estimates PAEC Questionnaire. The actual end of year figure reflects increased casual hours to support exhibitions and events.

<b>Film Victoria</b>	<b>30 June 2016</b>	<b>30 June 2017</b>	<b>30 June 2018</b>
VPS Grade 5	12.0	11.8	11.8
VPS Grade 4	7.8	9.0	9.0
VPS Grade 3	12.0	10.4	10.4
VPS Grade 2	0.0	0.0	0.0
VPS Grade 1	0.0	0.0	0.0
<b>Total</b>	<b>36.6</b>	<b>36.8</b>	<b>36.8</b>

<b>Level Crossing Removal Authority</b>	<b>30 June 2016</b>	<b>30 June 2017</b>	<b>30 June 2018</b>
<b>Grade</b>	<b>(Actual FTE number)</b>	<b>(Expected FTE number)</b>	<b>(Forecast FTE number)</b>
EO-1	1.0	1.0	1.0
EO-2	9.7	13.0	13.0
EO-3	3.0	6.0	7.0
VPS Grade 7 (STS)	6.0	8.9	13.9
VPS Grade 6	54.2	72.1	89.1
VPS Grade 5	37.8	50.1	61.1
VPS Grade 4	34.9	43.8	58.8
VPS Grade 3	15.0	43.0	51.0
VPS Grade 2	1.0	0.0	0.0
VPS Grade 1	0.0	0.0	0.0
Other (Principal Scientists)	35.8	40.8	49.8
<b>Total <sup>17</sup></b>	<b>198.4</b>	<b>278.7</b>	<b>344.7</b>

<b>Library Board of Victoria</b>	<b>30 June 2016</b>	<b>30 June 2017</b>	<b>30 June 2018</b>
<b>Grade</b>	<b>(Actual FTE number)</b>	<b>(Expected FTE number)</b>	<b>(Forecast FTE number)</b>
EO-2	1.0	1.0	1.0
EO-3	3.0	3.0	3.0
VPS Grade 7 (STS)	2.0	2.0	2.0

<sup>17</sup> Projected increase from June 2016 to June 2018 is due to project mobilisation.

<b>Library Board of Victoria</b>	<b>30 June 2016</b>	<b>30 June 2017</b>	<b>30 June 2018</b>
VPS Grade 6	20.0	21.0	20.8
VPS Grade 5	44.0	47.0	46.6
VPS Grade 4	45.0	50.0	50.3
VPS Grade 3	92.0	99.0	99.6
VPS Grade 2	53.0	70.0	69.7
VPS Grade 1	11.0	0.0 <sup>18</sup>	0.0
<b>Total</b>	<b>271.0</b>	<b>293.0</b>	<b>293.0</b>

<b>Melbourne Metro Rail Authority (including Office of the Coordinator-General)</b>	<b>30 June 2016</b>	<b>30 June 2017</b>	<b>30 June 2018</b>
<b>Grade</b>	<b>(Actual FTE number)</b>	<b>(Expected FTE number)</b>	<b>(Forecast FTE number)</b>
EO-1	2.0	2.0	2.0
EO-2	7.0	21.0	22.0
EO-3	2.9	3.0	3.0
VPS Grade 7 (STS)	7.0	14.6	15.6
VPS Grade 6	44.2	55.8	62.8
VPS Grade 5	36.6	62.6	65.6
VPS Grade 4	21.8	33.8	33.8
VPS Grade 3	22.0	53.2	53.2
VPS Grade 2	2.0	3.4	4.4
VPS Grade 1	0.0	0.0	0.0
Other (Principal Scientist Engineer)	21.9	33.0	37.0
<b>Total</b>	<b>167.4</b>	<b>282.4 <sup>19</sup></b>	<b>299.4</b>

<sup>18</sup> The projected reduction in VPS Grade 1 from 11 FTE in June 2016 to zero in June 2017 is due to the implementation of the *State Library Victoria Enterprise Partnership Agreement 2016*. The Agreement commenced operation on 23 January 2017 and, in accordance with Clause 25.2, the VPS 1 classification was designated a training grade. All employees classified at VPS 1 at the time the Agreement commenced operation were reclassified to VPS 2.

<sup>19</sup> Projected increase from June 2016 to June 2017 is due to project mobilisation along with graduate program intakes (VPS Grade 3).

<b>Melbourne Recital Centre</b>	<b>30 June 2016</b>	<b>30 June 2017</b>	<b>30 June 2018</b>
<b>Grade</b>	<b>(Actual FTE number)</b>	<b>(Expected FTE number)</b>	<b>(Forecast FTE number)</b>
EO-2	1	1	1
EO-3	5	5	5
VPS Grade 6	0	0	0
VPS Grade 5	7	8	8
VPS Grade 4	8	10	10
VPS Grade 3	12	12	12
VPS Grade 2	13	15	15
VPS Grade 1	3	8	9
<b>Total</b>	<b>49</b>	<b>59</b> <sup>20</sup>	<b>60</b>

<b>Museums Board Of Victoria</b>	<b>30 June 2016</b>	<b>30 June 2017</b>	<b>30 June 2018</b>
<b>Grade</b>	<b>(Actual FTE number)</b>	<b>(Expected FTE number)</b>	<b>(Forecast FTE number)</b>
EO-2	1	1	1
EO-3	3	3	3
VPS Grade 6	19	19	19
VPS Grade 5	67	70	70
VPS Grade 4	96	100	100
VPS Grade 3	114	117	117
VPS Grade 2	174	190	190
VPS Grade 1	33	0 <sup>21</sup>	0
<b>Total</b>	<b>507</b>	<b>500</b>	<b>500</b>

<sup>20</sup> The increase in FTE predicted across 2016-17 is because June 2016 was an exceptionally quiet period which resulted in lower numbers of events and thus staffing required for the period captured for year-end FTE calculations.

<sup>21</sup> The projected reduction in VPS Grade 1 from 33 FTE in June 2016 to zero in June 2017 is due to the implementation of the *Museums Victoria Staff Partnership Agreement 2016*. The Agreement commenced operation on 25 January 2017 and, in accordance with Clause 5.2.6, the VPS 1 classification was designated a training grade. All employees classified at VPS 1 at the time the Agreement commenced operation were reclassified to VPS 2.

<b>National Gallery of Victoria</b>	<b>30 June 2016</b>	<b>30 June 2017</b>	<b>30 June 2018</b>
<b>Grade</b>	<b>(Actual FTE number)</b>	<b>(Expected FTE number)</b>	<b>(Forecast FTE number)</b>
EO-2	1.0	1.0	1.0
EO-3	2.0	2.0	2.0
VPS Grade 6	27.4	27.4	27.4
VPS Grade 5	29.1	29.1	29.1
VPS Grade 4	57.5	57.5	57.5
VPS Grade 3	91.1	91.1	91.1
VPS Grade 2	75.4	81.5	81.5
VPS Grade 1	6.1	0.0 <sup>22</sup>	0.0
<b>Total</b>	<b>289.6</b>	<b>289.6</b>	<b>289.6</b>

<b>North-East Link Authority <sup>23</sup></b>	<b>30 June 2016</b>	<b>30 June 2017</b>	<b>30 June 2018</b>
<b>Grade</b>	<b>(Actual FTE number)</b>	<b>(Expected FTE number)</b>	<b>(Forecast FTE number)</b>
EO-1	n/a	1	1
EO-2	n/a	3	5
EO-3	n/a	0	0
VPS Grade 7 (STS)	n/a	2	4
VPS Grade 6	n/a	1	12
VPS Grade 5	n/a	3	19
VPS Grade 4	n/a	0	2
VPS Grade 3	n/a	2	3
<b>Total</b>	<b>n/a</b>	<b>12</b>	<b>46</b>

<sup>22</sup> The projected reduction in VPS Grade 1 from 6.1 FTE in June 2016 to zero in June 2017 is due to the implementation of the *Council of Trustees of the National Gallery of Victoria Enterprise Agreement 2016.-2019*. The Agreement commenced operation on 20 January 2017 and, in accordance with Clause 2.3.2, the VPS 1 classification was designated a training grade. All employees classified at VPS 1 at the time the Agreement commenced operation were reclassified to VPS 2.

<sup>23</sup> The NELA was established by an order in council effective 13 December 2016. NELA is a new Authority currently under development.

<b>Public Transport Development Authority</b>	<b>30 June 2016</b>	<b>30 June 2017</b>	<b>30 June 2018</b>
<b>Grade</b>	<b>(Actual FTE number)</b>	<b>(Expected FTE number)</b>	<b>(Forecast FTE number)</b>
PTV Executive	55	33	33
VPS Grade 7 (STS)	20	21	21
VPS Grade 6	149	121	121
VPS Grade 5	154	126	126
VPS Grade 4	140	109	109
VPS Grade 3	60	56	56
VPS Grade 2	2	3	3
VPS Grade 1	0	0	0
Other (Principal Scientist Engineers)	24	18	18
<b>Total</b>	<b>604</b>	<b>487</b> <sup>24</sup>	<b>487</b>

<b>Taxi Services Commission</b>	<b>30 June 2016</b>	<b>30 June 2017</b>	<b>30 June 2018</b>
<b>Grade</b>	<b>(Actual FTE number)</b>	<b>(Expected FTE number)</b>	<b>(Forecast FTE number)</b>
EO-2	1.0	1.0	1.0
EO-3	3.0	3.0	3.0
VPS Grade 7 (STS)	1.0	1.0	1.0
VPS Grade 6	11.2	9.4	9.8
VPS Grade 5	23.0	22.4	24.8
VPS Grade 4	32.2	28.4	33.0
VPS Grade 3	49.9	50.5	50.0
VPS Grade 2	12.8	11.9	14.0
VPS Grade 1	0.0	0.0	0.0
<b>Total</b>	<b>134.1</b> <sup>25</sup>	<b>127.6</b>	<b>136.6</b>

<sup>24</sup> 146 staff were transferred from PTV to TFV under Section 28 of the PAA during 2016-17.

<sup>25</sup> TSC provided an estimate of 158 FTE for 30 June 2016 in the department's response to the 2016-17 Budget Estimates PAEC Questionnaire. The actual end of year figure reflects unplanned vacant positions due to turnover.

<b>VicRoads</b>	<b>30 June 2016</b>	<b>30 June 2017</b>	<b>30 June 2018</b>
<b>Grade</b>	<b>(Actual FTE number)</b>	<b>(Expected FTE number)</b>	<b>(Forecast FTE number)</b>
EO-1	1	1	1
EO-2	14	14	15
EO-3	35	42 <sup>26</sup>	48 <sup>27</sup>
VPS Grade 7 (STS)	19	17	26
VPS Grade 6	155	149	159
VPS Grade 5	366	381	419
VPS Grade 4	702	713	762
VPS Grade 3	592	639	666
VPS Grade 2	554	574	574
VPS Grade 1	10	5	5
<b>Total</b>	<b>2,448</b>	<b>2,535 <sup>28</sup></b>	<b>2,675</b>

<b>Visit Victoria</b>	<b>30 June 2016</b>	<b>30 June 2017</b>	<b>30 June 2018</b>
<b>Grade</b>	<b>(Actual FTE number)</b>	<b>(Expected FTE number)</b>	<b>(Forecast FTE number)</b>
EO-1	n/a	1	1
EO-2	n/a	2	2
EO-3	n/a	3	3
VPS Grade 7 (STS)	n/a	4	4
VPS Grade 6	n/a	20	20
VPS Grade 5	n/a	28	28

<sup>26</sup> The increase of seven EO3s in 2016-17 has been due to the need to increase presence and performance through Executive Leadership in both the Safety and Well-being area as well as in Emergency Management. Additional EOs were also employed for the Safer System Roads Infrastructure Program, communications, Registration and Licensing, Automated vehicles and technology on roads.

<sup>27</sup> The increase of a further six EO3s planned in 2017-18 is the result of the OSARS (Outer suburban roads program - planned over three to four years). This area is also responsible for the increase in STS number by nine in 2018 as significant technical skills will be required to support the OSARS program.

<sup>28</sup> The overall increase in numbers for VicRoads has been the result of additional programs run such as the SSRIP (Safer System Roads Infrastructure Program funded by TAC) and OSARS which will continue to increase numbers in the coming year. 44 staff were transferred from VicRoads to TFV under Section 28 of the PAA during 2016-17.

<b>Visit Victoria</b>	<b>30 June 2016</b>	<b>30 June 2017</b>	<b>30 June 2018</b>
<b>Grade</b>	<b>(Actual FTE number)</b>	<b>(Expected FTE number)</b>	<b>(Forecast FTE number)</b>
VPS Grade 4	n/a	33	33
VPS Grade 3	n/a	15	15
VPS Grade 2	n/a	0	0
VPS Grade 1	n/a	0	0
Locally Engaged Staff (overseas offices) <sup>29</sup>	n/a	18	18
Melbourne Convention Bureau	n/a	34	34
<b>Total</b>	<b>n/a</b>	<b>158 <sup>30</sup></b>	<b>158</b>

<b>Western Distributor Authority</b>	<b>30 June 2016</b>	<b>30 June 2017</b>	<b>30 June 2018</b>
<b>Grade</b>	<b>(Actual FTE number)</b>	<b>(Expected FTE number)</b>	<b>(Forecast FTE number)</b>
EO-1	n/a	1	1
EO-2	n/a	6	6
EO-3	n/a	0	0
VPS Grade 7 (STS)	n/a	5	9
VPS Grade 6	n/a	7	16
VPS Grade 5	n/a	7	12
VPS Grade 4	n/a	4	8
VPS Grade 3	n/a	6	6
<b>Total <sup>31</sup></b>	<b>n/a <sup>32</sup></b>	<b>36</b>	<b>58</b>

<sup>29</sup> Locally Engaged Staff refers to employees in overseas offices. As the Melbourne Convention Bureau remains a separate legal entity, current staff could not be matched against Government staffing categories.

<sup>30</sup> Visit Victoria commenced operation on 1 July 2016 and took over the operations of Tourism Victoria (a part of DEDJTR) and the Victorian Major Events Company Ltd. Visit Victoria has brought together the functions of Tourism Victoria's marketing division, the Victorian Major Events Company and the Melbourne Convention Bureau.

<sup>31</sup> Projected increase to June 2017 and June 2018 is due to project mobilisation.

<sup>32</sup> While the Western Distributor Authority was established on 15 June 2016, no employees were appointed prior to 30 June 2016.



(b) Please list the entities that contribute to the table above

Department of Economic Development, Jobs, Transport and Resources (including Regional Development Victoria, former Tourism Victoria, Transport Safety Victoria and Victorian Trade and Investment Office Pty Ltd and Major Projects Victoria for June 2016 only as staff were transferred to Development Victoria when it was established in April 2017).

Australian Centre for the Moving Image

Film Victoria

Level Crossing Removal Authority

Library Board of Victoria

Melbourne Metro Rail Authority (including Office of the Coordinator-General)

Melbourne Recital Centre

Museums Board of Victoria

National Gallery of Victoria

North-East Link Authority

Public Transport Development Authority

Taxi Services Commission

VicRoads

Visit Victoria

Western Distributor Authority

From 28 June 2016, the Rural Assistance Commissioner was appointed to replace the former Rural Finance Corporation Victoria. Richard Bolt, the Secretary of the Department of Economic Development, Jobs, Transport and Resources, was appointed as interim Commissioner on 30 June 2016. The Rural Assistance Commissioner does not employ any staff.

The Linking Melbourne Authority ceased to operate in January 2015 and does not employ staff.

## Question 23

Please break down the actual staff numbers in your department as at 30 June 2016 and the estimates as at 30 June 2017 and 2018 according to the number of staff that are ongoing, fixed-term or casual.

Department of Economic Development, Jobs, Transport & Resources	30 June 2016 actual		30 June 2017 expected		30 June 2018 forecast <sup>33</sup>	
	(FTE number)	(head count)	(FTE number)	(head count)	(FTE number)	(head count)
Ongoing	2,502.8	2,661	2,605.9	2,757	2,457.2	2,603
Fixed-term	328.5	339	381.9	396	376.3	390
Casual	8.2	13	10.6	25	9.1	16
<b>Total</b>	<b>2,839.5</b>	<b>3,013</b>	<b>2,998.4</b>	<b>3,178</b>	<b>2,842.6</b>	<b>3,009</b>

Australian Centre for the Moving Image	30 June 2016 actual		30 June 2017 expected		30 June 2018 forecast	
	(FTE number)	(head count)	(FTE number)	(head count)	(FTE number)	(head count)
Ongoing	98.0	108	105.5 <sup>34</sup>	123	105.5	123
Fixed-term	19.0	20	31.9 <sup>35</sup>	39	30.9	38
Casual	28.3	68	26.8	67	26.8	67
<b>Total</b>	<b>145.3</b>	<b>196</b>	<b>164.2</b>	<b>229</b>	<b>163.2</b>	<b>228</b>

Film Victoria	30 June 2016 actual		30 June 2017 expected		30 June 2018 forecast	
	(FTE number)	(head count)	(FTE number)	(head count)	(FTE number)	(head count)
Ongoing	26.6	27	26.7	29	27.2	30
Fixed-term	9.2	11	9.6	11	9.6	11
Casual	0.8	1	0.5	1	0.0	0
<b>Total</b>	<b>36.6</b>	<b>39</b>	<b>36.8</b>	<b>41</b>	<b>36.8</b>	<b>41</b>

<sup>33</sup> DEDJTR's staffing forecast for June 2018 will be completed once the department's strategic planning and resource allocation process for 2017-18 is finalised.

<sup>34</sup> Conversion of staff from casual to full time to reduce penalty costs of new EBA for casuals.

<sup>35</sup> Additional fixed term resources for exhibitions.

Level Crossing Removal Authority	30 June 2016 actual		30 June 2017 expected		30 June 2018 forecast	
	(FTE number)	(head count)	(FTE number)	(head count)	(FTE number)	(head count)
Ongoing	0.0	0	0.0	0	0.0	0
Fixed-term	198.4	205	278.7	281	344.7	348
Casual	0.0	0	0.0	0	0.0	0
<b>Total</b>	<b>198.4</b>	<b>205</b>	<b>278.7</b>	<b>281</b>	<b>344.7</b>	<b>348</b>

Library Board Of Victoria	30 June 2016 actual		30 June 2017 expected		30 June 2018 forecast	
	(FTE number)	(head count)	(FTE number)	(head count)	(FTE number)	(head count)
Ongoing	232	254	249	272	249	272
Fixed-term	21	26	26	30	26	30
Casual	18	71	18	68	18	68
<b>Total</b>	<b>271</b>	<b>351</b>	<b>293</b>	<b>370</b>	<b>293</b>	<b>370</b>

Melbourne Metro Rail Authority	30 June 2016 actual		30 June 2017 expected		30 June 2018 forecast	
	(FTE number)	(head count)	(FTE number)	(head count)	(FTE number)	(head count)
Ongoing	5.0	5	3.0	3	3.0	3
Fixed-term	162.4	174	279.0	284	294.8	300
Casual	0.0	0	0.4	1	1.6	2
<b>Total</b>	<b>167.4</b>	<b>179</b>	<b>282.4</b>	<b>288</b>	<b>299.4</b>	<b>305</b>

Melbourne Recital Centre	30 June 2016 actual		30 June 2017 expected		30 June 2018 forecast	
	(FTE number)	(head count)	(FTE number)	(head count)	(FTE number)	(head count)
Ongoing	37	37	33	35	34	36
Fixed-term	3	7	11	16	11	16
Casual	9	43	15	64	15	68
<b>Total</b>	<b>49</b>	<b>87</b>	<b>59</b>	<b>115</b>	<b>60</b>	<b>120</b>

Museums Board of Victoria	30 June 2016 actual		30 June 2017 expected		30 June 2018 forecast	
	(FTE number)	(head count)	(FTE number)	(head count)	(FTE number)	(head count)
Ongoing	380	439	375	433	375	433
Fixed-term	77	95	76	94	76	94
Casual	50	158	49	140	49	140
<b>Total</b>	<b>507</b>	<b>692</b>	<b>500</b>	<b>667</b>	<b>500</b>	<b>667</b>

National Gallery of Victoria	30 June 2016 actual		30 June 2017 expected		30 June 2018 forecast	
	(FTE number)	(head count)	(FTE number)	(head count)	(FTE number)	(head count)
Ongoing	169.5	190	169.5	190	169.5	190
Fixed-term	59.2	62	59.2	62	59.2	62
Casual	60.9	139	60.9	139	60.9	139
<b>Total</b>	<b>289.6</b>	<b>391</b>	<b>289.6</b>	<b>391</b>	<b>289.6</b>	<b>391</b>

North-East Link Authority <sup>36</sup>	30 June 2016 actual		30 June 2017 expected		30 June 2018 forecast	
	(FTE number)	(head count)	(FTE number)	(head count)	(FTE number)	(head count)
Ongoing	n/a	n/a	0	0	n/a	n/a
Fixed-term	n/a	n/a	12	12	46	46
Casual	n/a	n/a	0	0	n/a	n/a
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>12</b>	<b>12</b>	<b>46</b>	<b>46</b>

<sup>36</sup> The NELA was established by an order in council effective 13 December 2016. NELA is a new Authority currently under development.

Public Transport Development Authority	30 June 2016 actual		30 June 2017 expected <sup>37</sup>		30 June 2018 forecast	
	(FTE number)	(head count)	(FTE number)	(head count)	(FTE number)	(head count)
Ongoing	457	466	360	369	360	369
Fixed-term	145	147	123	125	123	125
Casual	2	18	4	17	4	17
<b>Total</b>	<b>604</b>	<b>631</b>	<b>487</b>	<b>511</b>	<b>487</b>	<b>511</b>

Taxi Services Commission	30 June 2016 actual		30 June 2017 expected		30 June 2018 forecast	
	(FTE number)	(head count)	(FTE number)	(head count)	(FTE number)	(head count)
Ongoing	116.7	121	113.5	118	136.6	137
Fixed-term	17.4	18	14.0	15	0.0	0
Casual	0.0	0	0.0	0	0.0	0
<b>Total</b>	<b>134.1</b>	<b>139</b>	<b>127.5</b>	<b>133</b>	<b>136.6</b>	<b>137</b>

VicRoads	30 June 2016 actual		30 June 2017 expected		30 June 2018 forecast	
	(FTE number)	(head count)	(FTE number)	(head count)	(FTE number)	(head count)
Ongoing	2,383	2,475	2,476	2,586	2,593	2,730
Fixed-term	65	67	59	62	82	86
Casual	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total</b>	<b>2,448</b>	<b>2,542</b>	<b>2,535</b>	<b>2,648</b>	<b>2,675</b>	<b>2,816</b>

---

<sup>37</sup> 146 staff were transferred to TFV under Section 28 of the PAA during 2016-17.

Visit Victoria	30 June 2016 actual		30 June 2017 expected		30 June 2018 forecast	
	(FTE number)	(head count)	(FTE number)	(head count)	(FTE number)	(head count)
Ongoing	n/a	n/a	158	158	158	158
Fixed-term	n/a	n/a	0	0	0	0
Casual	n/a	n/a	0	0	0	0
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>158</b>	<b>158</b>	<b>158</b>	<b>158</b>

Western Distributor Authority	30 June 2016 actual		30 June 2017 expected		30 June 2018 forecast	
	(FTE number)	(head count)	(FTE number)	(head count)	(FTE number)	(head count)
Ongoing	n/a	n/a	0	0	0	0
Fixed-term	n/a	n/a	36	36	58	58
Casual	n/a	n/a	0	0	0	0
<b>Total</b>	<b>n/a</b>	<b>n/a</b>	<b>36</b>	<b>36</b>	<b>58</b>	<b>58</b>

## Question 24

- (a) Please describe how the Department identifies skills areas it is deficient in.
- (b) Please provide a list of any identified areas of skills shortages for the Department.
- (c) What actions is the Department taking in order to address identified areas of skills shortages?

### Department of Economic Development, Jobs, Transport & Resources

*(a) Please describe how the Department identifies skills areas it is deficient in.*

The department undertakes a regular strategic planning process to identify key priority strategies and actions (DEDJTR Delivers). This process is complemented by an organisational development strategy, DEDJTR Connects, which among other things identifies key staff capabilities for successful delivery on priorities. In addition, the department's business workforce planning process identifies the specific skills of teams and individual employees required.

*(b) Please provide a list of any identified areas of skills shortages for the Department.*

Currently, there are no material skills shortages for the department. This assessment is subject to periodic review.

*(c) What actions is the Department taking in order to address identified areas of skills shortages?*

The department addresses its skills needs through several pathways including:

- recruitment to meet specific needs
- a range of early career employment programs including:
  - graduate (generalist and science) programs
  - internships
  - traineeships
  - work experience
  - targeted programs including aboriginal and disability employment programs
- programs aimed at development of generic skills among existing staff
- programs aimed at developing the desired culture of the department
- programs providing development opportunities identified at the individual level.

Specific programs include:

- economic literacy, including establishment of a specialist economic assessment team to support the portfolio in this field
- leadership, including development of senior leaders through the Victorian Leadership Academy and establishment of a coaching panel
- people management (including Manager as Coach) programs
- programs and activities supporting workforce diversity and succession
- specific tailored courses and partnerships with bodies such as the Australian New Zealand School of Government.

### Australian Centre for the Moving Image (ACMI)

<p><i>(a) Please describe how the Department identifies skills areas it is deficient in.</i></p> <p>ACMI is currently implementing a workforce planning project to identify skill needs to assess current staff skill levels through the Performance Development Framework to determine gaps.</p>
<p><i>(b) Please provide a list of any identified areas of skills shortages for the Department.</i></p> <ul style="list-style-type: none"> <li>• Leadership and management.</li> <li>• Project management skills.</li> <li>• Technical skills.</li> </ul>
<p><i>(c) What actions is the Department taking in order to address identified areas of skills shortages?</i></p> <ul style="list-style-type: none"> <li>• Redirection of training funds to develop key skills gaps.</li> <li>• Recruit key skills externally.</li> <li>• Introduction of secondments and cross-functional job rotations.</li> </ul>

### Film Victoria

<p><i>(a) Please describe how the Department identifies skills areas it is deficient in.</i></p> <p>Film Victoria identifies skills areas it is deficient in through a detailed analysis of vacant positions.</p>
<p><i>(b) Please provide a list of any identified areas of skills shortages for the Department.</i></p> <p>There are currently no skills shortages in ongoing positions. However, there are nine fixed term contract positions which require screen industry experience and which are turned over every three to four years. It can be challenging to find people with the required capability.</p>
<p><i>(c) What actions is the Department taking in order to address identified areas of skills shortages?</i></p> <p>Currently not applicable.</p>

### Level Crossing Removal Authority (LXRA)

<p><i>(a) Please describe how the Department identifies skills areas it is deficient in.</i></p> <p>LXRA identifies skills areas it is deficient in through external market analysis and internal succession planning.</p>
<p><i>(b) Please provide a list of any identified areas of skills shortages for the Department.</i></p> <ul style="list-style-type: none"> <li>• Senior community engagement officers.</li> <li>• Land acquisition and management officers.</li> <li>• Senior engineering managers, project engineers.</li> <li>• Goods and services procurement officers.</li> <li>• Senior commercial managers.</li> </ul>
<p><i>(c) What actions is the Department taking in order to address identified areas of skills shortages?</i></p> <p>LXRA is developing a targeted talent attraction strategy and internal succession and talent mapping strategy.</p>



### Library Board of Victoria

<p><i>(a) Please describe how the Department identifies skills areas it is deficient in.</i></p> <p>State Library Victoria will undertake strategic workforce planning in 2017–18 to identify skills gaps.</p>
<p><i>(b) Please provide a list of any identified areas of skills shortages for the Department.</i></p> <p>To be determined through strategic workforce planning.</p>
<p><i>(c) What actions is the Department taking in order to address identified areas of skills shortages?</i></p> <p>To be determined through strategic workforce planning.</p>

### Melbourne Metro Rail Authority (MMRA) (Including Office of the Coordinator-General)

<p><i>(a) Please describe how the Department identifies skills areas it is deficient in.</i></p> <p>MMRA undertakes regular workforce planning forecasting with senior management and in discussions with the construction industry to identify areas of future skills shortage while utilising a comprehensive workforce planning framework and plan, which includes forecasting resource requirements throughout each stage of the project's lifecycle.</p>
<p><i>(b) Please provide a list of any identified areas of skills shortages for the Department.</i></p> <p>MMRA has identified the recruitment of the following disciplines the most challenging during 2016–17:</p> <ul style="list-style-type: none"> <li>• Lawyers.</li> <li>• Stakeholder relations.</li> <li>• Signalling and Senior Project Engineers.</li> </ul>
<p><i>(c) What actions is the Department taking in order to address identified areas of skills shortages?</i></p> <p>MMRA has designed and implemented a range of early career professional employment programs including the:</p> <ul style="list-style-type: none"> <li>• graduate program.</li> <li>• internship program.</li> <li>• traineeship program.</li> <li>• work experience program.</li> </ul> <p>Employee performance development plans are tailored to support employees to build skills in areas identified as current and potential future skills shortage areas.</p> <p>MMRA is partnering with an 'Industry Based Learning Program' which is launching during 2017. MMRA is a partner and a strong contributor to the 'Training for the Future Program'. MMRA has built a strong partnership with Engineering Australia to promote, build competency and support the achievement of the Chartered Engineering status which continues to progress.</p>

### Melbourne Recital Centre

<p><i>(a) Please describe how the Department identifies skills areas it is deficient in.</i></p> <p>Melbourne Recital Centre identifies skills areas it is deficient in through the Strategic Plan and operational requirements (such as Venue Schedule).</p>
<p><i>(b) Please provide a list of any identified areas of skills shortages for the Department.</i></p> <p>Melbourne Recital Centre has been able to meet their skill needs through recruitment and rostering practices.</p>
<p><i>(c) What actions is the Department taking in order to address identified areas of skills shortages?</i></p> <p>Not applicable.</p>

### Museums Board of Victoria (MV)

*(a) Please describe how the Department identifies skills areas it is deficient in.*

MV is presently undergoing a major revision of Strategic, Corporate and Business Plans. MV is addressing how workforce planning will be incorporated into this process.

*(b) Please provide a list of any identified areas of skills shortages for the Department.*

This is currently being determined through organisation reviews or projections of workforce requirements for specific projects.

*(c) What actions is the Department taking in order to address identified areas of skills shortages?*

MV is presently undergoing a major revision of Strategic, Corporate and Business Plans. MV is addressing how workforce planning will be incorporated into this process.

### National Gallery of Victoria (NGV)

*(a) Please describe how the Department identifies skills areas it is deficient in.*

NGV identifies skills areas it is deficient in through NGV's performance management system.

*(b) Please provide a list of any identified areas of skills shortages for the Department.*

There are currently no identified skills shortages.

*(c) What actions is the Department taking in order to address identified areas of skills shortages?*

Not applicable.

### North-East Link Authority (NELA)

*(a) Please describe how the Department identifies skills areas it is deficient in.*

Following its establishment in December 2016, the NELA is undertaking initial workforce planning which includes assessing its skills needs.

*(b) Please provide a list of any identified areas of skills shortages for the Department.*

- stakeholder and communications professionals
- transport and tolling modellers

*(c) What actions is the Department taking in order to address identified areas of skills shortages?*

Any issues identified through workforce planning will be addressed through attracting, identifying, developing and retaining the required talent.

## Public Transport Development Authority (PTV)

*(a) Please describe how the Department identifies skills areas it is deficient in.*

PTV's People and Culture team holds regular meetings throughout the financial year with Executive and Divisional Directors to discuss any known or significant skills gaps, along with identified development requirements. Managers and staff also proactively contact the People and Culture team to support them in closing development gaps.

*(b) Please provide a list of any identified areas of skills shortages for the Department.*

Throughout 2017, PTV will implement an enterprise-wide Behavioural Capability Framework which will enable an organisational view for the identification of skills shortages.

Currently, the following gaps have been identified:

- Resilience and responding to change.
- Leadership / Management.

*(c) What actions is the Department taking in order to address identified areas of skills shortages?*

PTV responds to skills shortages (development needs) in two ways:

- From an organisational capability perspective: determine whether a buy (recruit), build (develop) or borrow (secondments) strategy is best suited to close skills gaps in the short term.
- From an individual staff member's perspective, PTV includes individual development goals and needs into the staff work-plans to address known skill gaps and strengthen organisational capability.

## Taxi Services Commission (TSC)

*(a) Please describe how the Department identifies skills areas it is deficient in.*

The TSC identifies areas of skills shortages via the following methods:

- Review of individual Performance and Development Plans.
- Workforce planning discussions with TSC Leadership.
- Analysis of TSC strategic priorities and related skill 'gap analysis' work.

*(b) Please provide a list of any identified areas of skills shortages for the Department.*

- Policy development.
- Project management.
- Data analysis.
- Leadership.

*(c) What actions is the Department taking in order to address identified areas of skills shortages?*

- TSC annual Learning and Development (L&D) strategy.
- Individual and divisional development plan analysis and consultation.
- Active employee engagement and feedback.
- Utilising external memberships and business partnerships with L&D providers.

## VicRoads

*(a) Please describe how the Department identifies skills areas it is deficient in.*

VicRoads identifies areas of skills shortages via the following methods:

- Business Area Planning (budget) for future program of work.
- Business Area Achievement Planning utilising Workforce Planning principles.
- Technical capability assessments for current and future work.
- Departures resulting in reduced capability.
- Recruitment activity resulting in nil appointment.

*(b) Please provide a list of any identified areas of skills shortages for the Department.*

- Engineers in rural Victoria.
- Economic literacy.
- Information Technology professionals.

*(c) What actions is the Department taking in order to address identified areas of skills shortages?*

- Marketing for recruitment to rural Victoria.
- Focus on attracting graduates.
- Further study program to support post- graduate study for current staff.

## Visit Victoria

*(a) Please describe how the Department identifies skills areas it is deficient in.*

Following its establishment in July 2016, Visit Victoria has undertaken a review of strategic priorities for Victorian marketing and events. It is now in the process of implementing a revised structure to deliver on these priorities.

*(b) Please provide a list of any identified areas of skills shortages for the Department.*

Any skills shortages are to be addressed through the revised structure.

*(c) What actions is the Department taking in order to address identified areas of skills shortages?*

Any skills shortages are to be addressed through the revised structure.

## Western Distributor Authority (WDA)

*(a) Please describe how the Department identifies skills areas it is deficient in.*

Following its establishment in June 2016, the WDA is undertaking initial workforce planning which will include assessing its skills needs.

*(b) Please provide a list of any identified areas of skills shortages for the Department.*

WDA has not yet identified any specific skills shortages. Any skills shortages will be identified through workforce planning.

*(c) What actions is the Department taking in order to address identified areas of skills shortages?*

Any skills shortages will be addressed through workforce planning.

- (d) Please advise how much the Department has spent on labour recruitment firms, including payment to employees.

<b>30 June 2016 actual</b>	<b>Payment to employees / Labour hire (\$ million)</b>	<b>Labour recruitment firms / Job Search (\$ million)</b>	<b>Total (\$ million)</b>
DEDJTR	17.9	0.3	18.2
Australian Centre for the Moving Image	0.1	0.0	0.1
Film Victoria	0.2	0.0	0.2
Level Crossing Removal Authority	2.3	n/a	2.3
Library Board of Victoria	0.2	0.1	0.3
Melbourne Metro Rail Authority (including Office of the Coordinator-General)	3.3	n/a	3.3
Melbourne Recital Centre	0.0	0.1	0.1
Museums Board of Victoria	n/a	0.1	0.1
National Gallery of Victoria	0.2	0.0	0.2
North-East Link Authority	n/a	n/a	n/a
Public Transport Development Authority <sup>38</sup>	Not Available	Not Available	14.4
Taxi Services Commission	1.4	0.0	1.4
VicRoads	51.8	0.1	51.9
Visit Victoria	n/a	n/a	n/a
Western Distributor Authority	n/a	n/a	n/a

<sup>38</sup> Public Transport Development Authority is unable to differentiate their total spend on labour recruitment firms into the two categories requested.

## 9. Managing Telecommunications Usage and Expenditure (follow-up of VAGO report, 2014)

### Question 25 *Expenditure on telecommunications*

- (a) Please provide details of telecommunications estimates and actual expenditure for each of the years as presented in the following table:

Year	Data	Fixed voice	Mobile	Internet	Unified communications
	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)
2014-15 <sup>39</sup>	-	10.0	1.9	-	0.0
2015-16	12.2	12.6	3.5	2.0	0.3
2016-17 <sup>40</sup>	12.3	11.7	3.5	2.0	0.3

### Question 26 *Monitoring and review*

- (a) Please describe the management framework in place to ensure a consistent approach to the usage and control of telecommunications expenditure across the department.

For CBD staff telecommunications services are coordinated centrally including the provisioning and decommissioning of services, service provider reporting, distribution of accounts and payment of telecommunication services per the agreed billing cycle. Regional office services are managed by departmental staff in those offices. Consistency is further ensured by the actioning and follow-up of audit findings that identify areas for potential improvement.

A device usage policy outlines the acceptable use and protocol to be followed. Users are required to accept the terms and conditions of the device usage policy prior to the device request, which must be endorsed by the relevant manager or authorised approver.

- (b) What processes are in place to assist the department in its monitoring of fixed voice and mobile usage and expenditure across the department/agency?

Fixed voice and mobile services are coordinated centrally in the CBD and by regional offices. Usage is monitored regularly through audits and reviews of detailed invoices with exceptions reported to business groups for follow up.

- (c) Which specific aspects/factors of use are monitored?

Fixed line telephony - the vendor provided system provides detailed information about usage, costs, and importantly, inactive services.

Mobile devices - device usage is monitored at the level of voice / data and SMS. Services that have not been used for a period of time (approximately 6 months) are also reported and monitored.

<sup>39</sup> Data and Internet costs not available as the service provider had not established DEDJTR as an entity following the machinery of government changes.

<sup>40</sup> Estimate based on March 2017 year-to-date expenditure.

- (d) Does the department/agency use electronic information systems/programs to monitor trends and identify anomalies in telecommunications expenditure?

The Telstra Telecommunications Expenditure Management and Telstra Mobile Device Management systems are used to manage mobile services in devices such as smartphone, mobile phones, iPads, and broadband data cards. Online vendor portals are utilised for fixed line telephony services.

- (e) Please describe the reporting regime in place to oversight fixed voice and mobile usage and expenditure across the department/agency.

Fixed line services - DEDJTR's central IT function oversights monthly usage, non-usage and expenditure reports available via NEC platforms to verify that services are active. Regional locations undertake this oversight in a number of cases.

Mobile services – monthly usage reports are sent to DEDJTR's central IT function to facilitate the payment of Telstra invoices and the apportioning of charges to the correct business units.

- (f) How does the department/agency verify the accuracy of all its fixed voice and mobile telecommunications invoices? What validation processes are in place at a local level to verify accuracy of usage and costs?

Fixed line voice – invoices are processed by DEDJTR's central IT function, who review invoices for consistency to ensure there is no abnormal usage or billing outside historical trends.

Mobile devices – validated and verified through the Telstra Telecommunications Expenditure Management system, which uses information from DEDJTR's HR and Finance systems, as well as billing information from Telstra systems to ensure accuracy.

- (g) Has the department/agency undertaken any reviews of telecommunications usage and expenditure across the organisation in recent years? How have these reviews been used to improve practices?

Fixed line – During 2016, the department undertook an extensive audit of all fixed line services in CBD, metro and regional offices. The audit highlighted a significant number of services that were rarely or no longer being used. These services were cancelled, delivering substantial savings to the department. The IT function worked closely with regional departmental staff to provide them with access to systems and the means to manage landline services in their locations, including the ability to pay their own invoices.

Mobile devices – DEDJTR IT staff, and Line Management have used data to make decisions about unused services and cancel those deemed to be no longer required. These devices are regularly reviewed as part of DEDJTR's 'business as usual' (BAU) processes.

## Question 27 **Mobile Phones**

- (a) Does the department/agency have a policy or guidelines in place for the allocation and use of mobile phones, including their use when overseas?

DEDJTR has a mobile device policy and best practice guidelines published on the Intranet. The material covers overseas travel advice and tips to optimise usage and minimise costs, as well as indicative costs of Telstra voice and data plans.

- (b) Are User guidelines provided to staff in possession of an agency mobile and are the terms and conditions of use formally agreed to by staff members?

Staff are required to read and agree to the terms of usage as set out in the mobile device policy when requesting a departmental device such as an iPhone or iPad. Staff are required to acknowledge the policy and their usage obligations by signing the Mobility Request form when new devices are requested.

- (c) How does the department establish limits or thresholds for allowable personal use of mobile phones provided to staff?

A limited amount of responsible personal use is permitted. This may include calls or texts to family members, child care services or other important non-work related matters.

The mobile device policy sets a threshold of \$15 per month for personal use of mobile devices. Beyond this, staff are expected to reimburse the department, which can be done via the HR system and automatically deducted from payroll.

- (d) What timeframes have been established by the department for cost recovery for personal use of mobile phones?

The mobile device policy stipulates monthly accounts will be provided to staff for reimbursement of personal use.

## Question 28 *Identifying cost savings*

- (a) How does the department/agency ensure that any cost savings available through whole-of-government agreements are taken advantage of promptly?

The DEDJTR central IT function regularly review mobile device usage, and where it makes sense, adjust the mobile plans of staff to take advantage of more cost-effective plans. Plans are reviewed to ensure that new savings and benefits available via the TPAMS2025 contracts are utilised.

- (b) Please provide details of variations/changes made to the department's telecommunications arrangements to take advantage of savings available under the new TPAMS2025 agreements.

DEDJTR actively utilises the TPAMS2025 agreement to implement cost savings and efficiencies where available. DEDJTR expects to achieve savings in CenITex networks costs when the new network link rates become available. DEDJTR, as a CenITex customer, is awaiting advice and implementation of the best options available under the new TPAMS2025 agreements. DEDJTR is already factoring in new network link features, bandwidths and functionality into its network planning and design activities. In essence, more bandwidth and performance will be achieved without additional cost.

- (c) How does the department/agency monitor data usage to identify potential savings available in data plans?

DEDJTR Telecommunication staff proactively engage with the vendor account managers to review mobile device usage, and where applicable, adjust the data plans of staff to take advantage of more cost-effective plans.

- (d) What processes are in place to enable the department/agency to identify and cancel any fixed voice and/or mobile services which are not being fully utilised?

DEDJTR instructs Telstra to suspend any services identified as having zero usage for a specified period.

DEDJTR also utilises Telstra's Mobile Device Management portal to manage devices. A project is in place to synchronise the device management system with the CenITex identity management system. When a staff member leaves the department and their account is deleted, the device will be automatically removed from Mobile Device Management system.



- (e) Has the department/agency undertaken action to remove redundant landlines and replace inefficient analogue lines with ISDN lines?

During 2016, DEDJTR's central IT function undertook an extensive audit of all fixed line services in CBD, metro and regional offices. The audit highlighted a number of services no longer being used. These services were cancelled, delivering savings to the department.

The department is in the process of replacing all analogue and digital PABX infrastructure in the CBD with a VoIP telephony system. DEDJTR has also commenced a project to assess the feasibility of extending VoIP telephony functionality to a number of key regional locations where it makes sense to do so, based on anticipated cost savings and size of the office.

ISDN is coming to the end of life so it is not recommended as a viable replacement. The NBN is replacing ISDN solutions where available.

- (f) Does the department/agency set savings targets for telecommunications expenditure?

The department's mobile device fleet is expanding. Savings targets are focussed on cancelling unused services and restructuring mobile plans that are better suited to the profile of usage.

- (g) Has the department/agency quantified savings made on telecommunications expenditure over the past 3 years?

In the past two years, the department has achieved savings in mobile device services by adjusting plans and cancelling unused services. The review and cancellation of unused landline services during the past 12 months has delivered a reduction in costs.

## 10. Implementation of the Government Risk Management Framework

### Question 29 *Questions for all Departments/agencies*

Note: All consolidated entities have been considered for the response and no significant differences to the department's approach have been identified.

- (a) Does the department/agency have a Risk Management Framework (RMF) in place?

Yes, the department has a Risk Management Framework in place. This consists of a Risk Management Policy, Risk Management process and procedures.

- (b) Does the department's RMF comply with the minimum requirements articulated in the *Victorian Government Risk Management Framework* (released in May 2015)?

Yes, the department's RMF complies with the minimum requirements articulated in the Victorian Government Risk Management Framework (VGRMF).

- (c) How does the framework link to the department's strategic plan/strategic objectives?

The department's framework states that the department's strategic planning process starts with evaluation of both the external and internal environments, from which risks are identified, evaluated and managed. The department's framework also requires each group within the department to identify risks in their group business plans and managed in group risk registers.

The Risk Management Policy articulates the integration of risk management with the department's strategic and business planning activities. In addition, the department maintains a strategic risk register which is reported regularly.

- (d) In relation to the department's budget across the forward estimates period, how are risks identified across the department/agency?

DEDJTR as a department, and portfolio agencies, track risks in accordance with the VGRMF. The department and portfolio agencies are expected to operate within established budget parameters. Where an exposure to a risk has a budget or financial impact that is unable to be managed from within available resources, there is engagement between the agency and the department to manage any potential impacts on the portfolio's forward estimates.

- (e) How are risk treatments/risk mitigation strategies developed?

A risk treatment is not required for every risk. The decision, made during evaluation of the risk, is based on the department's risk tolerance.

Where required, documented treatment strategies outline ways of reducing the risk, modifying existing controls or creating additional controls.

Risk treatments are developed by the business areas. This often includes a range of subject matter experts and oversight and input from managers and executives in the case of material risks and consultation with stakeholders across the department and portfolio.

- (f) What processes are in place for identifying and managing interagency and/or state wide risks?

The department has a process in place for identifying and managing interagency and state wide risks.

This process outlines the way these risks are identified, analysed, evaluated and shared management responsibilities between the department and other agencies.

The department is also represented on the inter-departmental committee which supports the identification of inter-agency and state-significant risks and contributes to the development of strategies that manage them. The department facilitates inter-agency forums for each portfolio which brings together portfolio agencies to assist them with identification of inter-agency and state-significant risks and facilitates the development of strategies to manage them.

- (g) Has the Department developed risk performance indicators? If so, how are they used by the organisation?

Yes, the department monitors and reports on the implementation progress of its treatment strategies and risk rating levels.

These are used by the department to provide an early warning of increasing risk exposures, emerging risk trends and weaknesses in current controls.

The department reports regularly on two key risk performance indicators, Risk Team performance and overdue controls. Additionally, performance against the department's Risk Management Strategy implementation is reported to the Audit and Risk Committee.

- (h) What actions have been taken to improve the risk capability of employees within the department? How are employees made aware of risk management? Please advise the extent of risk management training provided to employees?

The actions taken by the department to improve the risk capability of its staff include:

- facilitated risk workshops which includes basic risk management training,
- published factsheets outlining risk management processes,
- published risk management framework on the department's intranet.

Staff are made aware of risk management through:

- having an established network of risk coordinators whose role is to promote and support risk management activities,
- regular meetings to review and update risk registers,
- various risk reports circulated to different levels of the department including the department's Audit and Risk Committee.

The department delivers risk management training when required. A more structured and formalised training plan is being developed in partnership with the VMIA to ensure that all personnel are given the tools and capability to fulfil their risk management obligations.

- (i) What use has the department made of services available through the VMIA to improve risk management (i.e. VMIA training sessions and seminars)?

The department has worked closely with the VMIA utilising their risk management expertise to support the department. In partnership with VMIA, the department facilitated numerous inter-agency risk forums and improved its risk management training material.

The department promotes VMIA's training sessions and seminars, encouraging attendance by departmental staff.

**Question 30** *Questions for Department of Treasury and Finance only*

- (a) Please describe the revised attestation requirements for Risk Management across the VPS. When did the new requirements come into effect?

- (b) What is the role of DTF and the VMIA in the revised attestation process?

- (c) What actions have been taken by DTF to improve the identification and management of interagency and state wide risks across the VPS?

- (d) Does the *Whole-of-Victorian Government Statewide Risks Interdepartmental Committee* still operate? If so, what is this Committee's terms of reference? What is its membership? How often does it meet? If not, when was the Committee disbanded and why was it disbanded? What has the Committee been replaced with?

**Question 31** *Questions for Victorian Managed Insurance Authority (VMIA) only*

- (a) What activities have been undertaken by the VMIA since the release of the revised *Victorian Government Risk Management Framework* in May 2015 to support agencies in improving their risk management practices?

- (b) How does the VMIA identify agencies requiring extra support with their risk management capability?

- (c) How does the VMIA evaluate the performance of its risk management client agency support programs and activities?

- (d) What types of risks do departments find most complex to manage?