

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

2013-14 BUDGET ESTIMATES QUESTIONNAIRE

DEPARTMENT OF PREMIER AND CABINET

1. Strategic priorities

Question 1

(a) What are the Department's key strategic priorities underpinning its budget for 2013-14 and over the forward estimates to 2016-17?

DPC's strategic priorities underpinning the 2013-14 Budget include:

- Supporting high-quality Government decision-making and implementation;
- Promoting an effective, accountable and professional public administration;
- Supporting and promoting full participation in strong and vibrant communities; and
- Developing and promoting a thriving Victorian arts and cultural sector.
- (b) If applicable, how do these priorities differ from the previous year?

DPC's 2013-14 priorities have not changed since 2012-13 except to reflect Machinery of Government changes which transferred responsibility for Aboriginal Affairs and Veterans' Affairs to the DPC portfolio.

(c) What are the impacts of any differences in the Department's strategic priorities between 2012-13 and 2013-14 on funding and resource allocation in the 2013-14 Budget?

Machinery of government changes are reflected in the 2013-14 Budget Papers and also reflected in the resource allocation for the 2013-14 DPC budget.

(d) Please identify any programs or initiatives (asset or output) over \$2 million relevant to the Department that have been curtailed, deferred, discontinued or completed as a result of changes in strategic priorities between 2012-13 and 2013-14. In describing the programs or initiatives, please use the same names as are used in the budget papers where applicable.

Not applicable.

Question 2

Please identify any programs or initiatives that have lapsed in 2012-13 (i.e. will not be continued in 2013-14). For each program or initiative, please indicate the expenditure on this program/initiative in 2012-13 and the impact on the community of the lapsing. In describing the programs or initiatives, please use the same names as are used in the budget papers where applicable.

Program or initiative	Expenditure in 2012-13 (\$ million)	Impact on the community	
Maintaining the strength of Victoria's Cultural Agencies	5.2	This funding was fixed-term only. The capital works component of the initiative has been completed. All other deliverables under this initiative have been met.	
		Victoria's Cultural Agencies have received new output funding in the 2013-14 budget.	

Sustaining the State Library Victoria	3.71	This funding was fixed-term only. All deliverables have been met and the Library has achieved financial sustainability.	
		The Library now has new initiative funding to enhance capacity to better service the community.	

What are the key Government policies applicable to the Department in 2013-14?

Key Government policies applicable to new funding in the 2013-14 budget, or to Machinery of Government changes, are:

- 'Commitment to the Arts'
- 'Commitment to Multicultural Affairs and Citizenship'
- 'Commitment to Veterans' Affairs'
- 'Victorian Aboriginal Affairs Framework 2013-18'

Question 4 (Department of Treasury and Finance only)

Please outline how the recommendations made by the Independent Review of State Finances in its April 2011 Interim Report and 2012 Final Report have been reflected in the development of the 2013-14 Budget and forward estimates.

DTF to respond

Question 5 (Department of Treasury and Finance only)

The VCEC released its final report on its Inquiry into a State-Based Reform Agenda in January 2012. Please outline how the recommendations emanating from the VCEC inquiry have been reflected in:

(a) strategic priority formulation;

DTF to respond

(b) budget strategies; and

DTF to respond

(c) the development of the 2013-14 Budget and forward estimates.

DTF to respond

2. Budget preparation

Question 6 (Department of Treasury and Finance only)

Please detail the economic forecasts which had the most significant impact on framing the 2013-14 Budget, detailing for each the major revenue and expenditure items in the budget that have been affected.

Economic forecast	Affected items in the budget
DTF to respond	

Question 7 (Department of Treasury and Finance only)

In relation to the line item 'Contingencies not allocated to departments' (in the note to the estimated operating statement on total expenditure by department) for the general government sector, please explain the reasons for any differences between:

- the amount provided for 2012-13 in the 2012-13 Budget; and
- the amount provided for 2013-14 in the 2013-14 Budget

Question 8 (Department of Treasury and Finance only)

In relation to the estimated financial statements for the general government sector (estimated operating statement and estimated balance sheet), please explain any variations of more than 10 per cent (or greater than \$100 million) between the estimates for 2013-14 published in the 2012-13 budget papers, and the budget forecasts for 2013-14 shown in the 2013-14 budget papers.

Line item	Reason for variation
DTF to respond	

Question 9 (Department of Treasury and Finance only)

(a) What new features have been incorporated in the budget papers for 2013-14 and why?

DTF to respond

(b) What previous features have been modified and why?

DTF to respond

3. Spending

Question 10

For your department, please explain any variations of more than 10 per cent (or greater than \$100 million) between the revised estimate for 2012-13 and the target for 2013-14 for expenses from transactions (as presented in the Department's operating statement in the Statement of Finances budget paper) that relate to the following line items:

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

	2012-13 (Revised estimate) (\$ million)	2013-14 (Budget)* (\$ million)	Explanation for any variances greater than ±10% (or greater than \$100 million)
Employee benefits	213.2	221.6	N/A
Grants and other transfers	107.9	123.1	Variance relates to MoG transfers for Aboriginal Affairs and Veterans' Affairs.
Other operating expenses	155.2	165.0	N/A
Major components of 'other operating expenses' (please supply categories):			
Assets provided free of charge	0.540	0.540	N/A
Intra government supplies and consumables	8.143	8.059	N/A
Purchase of supplies and services	146.3	156.1	N/A
Other	0.230	0.222	N/A

^{*}Please note that the 2013-14 budget is not directly comparable to the 2012-13 revised estimate due to Machinery of Government changes.

If the Department is unable to provide estimates for the expenditure on the components of 'other operating expenses' in 2013-14, please explain how the amount of 'other operating expenses' listed for 2013-14 in the budget papers was calculated.

Not applicable.		

Question 11 (Department of Treasury and Finance only)

With respect to the line item 'Net cash flows from investments in financial assets for policy purposes' in the general government sector cash flow statement, please identify:

- (a) the main projects facilitated through this expenditure in 2013-14 and the forward estimates;
- (b) the amount of funding for each of those projects in 2013-14; and
- (c) what policy objectives underlie the choice of investments.

Project	Value of funding (\$ million)	Policy objectives
DTF to respond		

4. Efficiencies and savings

Question 12

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 2013-14 to meet the savings targets;
- (b) any impact that these actions will have on the delivery of services; and
- (c) please identify the Department's savings target for 2013-14, with an explanation for any variances between the current target and what was originally published in the budget papers when the initiative was released.

Initiative	Actions the Department will take in 2013-14	Impact of these actions on service delivery	Savings target for 2013-14 (\$ million) (Increment over 2012-13)	Explanation for variances to the original target
Government election commitment savings (2011-12 Budget)	The Portfolio will undertake a range of measures to constrain	Savings initiatives will be delivered through general efficiencies. No impact on service delivery is anticipated. Note, in relation to Arts agencies, decisions of their independent boards may be relevant.	0.400	Not applicable.
Measures to offset the GST reduction (2011-12 Budget)	expenses by consolidating activities and minimising duplication and waste in		0	
Capping departmental expenditure growth (2011-12 Budget Update)	administration, corporate and management functions.		6.700	
Maintain a sustainable public service (2011-12 Budget Update)			2.097	
Savings (2012-13 Budget)			0	
Efficiency measures (2012-13 Budget Update)			2.400	
Any savings or efficiency initiatives in 13-14 budget			4.000	

Budget Paper No.2 for 2011-12 and 2012-13 indicated that funding previously allocated to departments for expenditure in 2013-14 was 'reprioritised or adjusted' to fund new initiatives. Please provide the following information about your department's share of the funding reprioritised and adjusted in these budgets and the 2013-14 Budget:

Budget in which funding was reprioritised or adjusted	What the reprioritised and adjusted funding was initially provided for	How much of the Department's funding was reprioritised or adjusted (\$ million)
2011-12	Reprioritisation decisions were funded through the department's internal budget allocation process, which included the identification of general efficiencies with no impact on service delivery.	N/A
2012-13	As above.	N/A
2013-14	As above.	N/A

5. Asset and output initiative funding

Question 14

Please break down the Department's total output funding for 2013-14 (as provided in the Service Delivery budget paper) according to the amounts from:

- (a) output initiatives in the 2013-14 Budget;
- (b) non-ongoing initiatives released in previous budgets; and
- (c) base funding/ongoing funding.

Funding for initiatives released in the 2013-14 Budget	Funding for non-ongoing initiatives released in previous budgets	Base funding/ ongoing funding	Total output cost (as in Service Delivery budget paper)
(\$ million)	(\$ million)	(\$ million)	(\$ million)
\$9.6 million	\$26.4 million	\$579.2 million (BP5 Output Appropriation)	\$661.7 million (includes external revenue)

Question 15

The Department of Treasury and Finance has indicated to the Committee that 'the service benefits delivered through the asset investment are reflected in changes to the Budget Paper 3 Performance Measures'. Please list all.

Asset investments allowed existing performance targets to be achieved. There were no completed asset investment projects relating to either the Aboriginal Affairs or Veterans' Affairs portfolios transferred through Machinery of Government changes.

Question 16 (Department of Treasury and Finance only)

Please provide details of the estimated amount of expenditure on commissioned PPP projects each year across the forward estimates. For each year, please also indicate all PPP projects for which payments are expected to start in the year.

	2013-14	2014-15	2015-16	2016-17
Value of payments for PPP projects (\$ million)	DTF to respond			
Projects for which payments will start in the year	DTF to respond			

Department of Treasury and Finance, response on the Committee's 2009-10 and 2010-11 financial and performance outcomes Questionnaire — Part Two, received 24 January 2012, p.9

6. Revenue initiatives, departmental income (fees, fines, taxation measures, concessions and subsidies) and tax expenditures

Question 17

In relation to 2013-14, please outline any new revenue-raising initiatives and/or major changes to existing revenue initiatives. For each initiative/change, please explain:

- (a) the reasons for the initiative/change;
- (b) the assumptions underlying the analysis;
- (c) alternative scenarios considered;
- (d) the impact of any changes on service delivery (i.e. please detail all programs/projects that have been revised as a result of changes to existing revenue initiatives);
- (e) any performance measures or targets altered as a result of the initiative/change; and
- (f) 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	Alternative scenarios	Impact of changes on service delivery	Performance measures or targets altered	Anticipated total value of revenue gained/foregone
Not Applicable						

In relation to 2013-14, 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 analysis;
- (c) alternative scenarios considered;
- (d) the impact of any initiatives/changes on service delivery (i.e. please detail all programs/projects that have been revised as a result of changes to existing revenue initiatives);
- (e) any performance measures or targets altered as a result of the initiative/change; and
- (f) 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	Alternative scenarios	Impact of changes on service delivery	Performance measures or targets altered	Anticipated total value of revenue gained/foregone
Not Applicable						

For the Department's income categories (as appear in the Department's operating statement in the Statement of Finances budget paper), please provide an explanation for any items that have a variance of greater than 10 per cent or \$100 million between the revised estimate for 2012-13 and the budget for 2013-14.

Income category	Explanation
Grants Revenue	The 2012-13 revised estimate for grants revenue (\$14.1m) is \$2.6 million higher than the budget for 2013-14 (\$11.5m) due to the accounting treatment of Arts major events funding as appropriation rather than a grant.

7. Grants from the Commonwealth

Question 20

What impact have developments at the Commonwealth level had on the Department's component of the 2013-14 State Budget?

Funding for the *National Partnership on the protection and promotion of the Royal Exhibition Building World Heritage Property* was announced in the 2012-13 Federal Budget. \$3.989 million capital funding has been incorporated into DPC's 2013-14 Budget.

Question 21 (Department of Treasury and Finance only)

Please explain how any major changes between financial agreements with the Commonwealth have impacted on the State Budget for 2013-14, e.g. health and hospitals reform.

DTF to respond

Question 22 (Department of Treasury and Finance only)

What has been the impact of any changes to Victoria's share of the GST pool for 2013-14 and beyond? Please detail any actions that the State Government has taken in response to changes in the value of general purpose grants in 2013-14.

DTF to respond

8. Net debt

Question 23 (Department of Treasury and Finance only)

In relation to the net debt projections for the non-financial public sector for the 2013-14 budget year and over the forward estimates to 2016-17, please provide a break-down of the spread of net debt between the general government sector (GGS) and each of the main public non-financial corporations (PNFCs) concerned.

GGS/PNFC entity	Net debt, 30 June 2013	Net debt, 30 June 2014	Net debt, 30 June 2015	Net debt, 30 June 2016	Net debt, 30 June 2017
DTF to respond					

Question 24 (Department of Treasury and Finance only)

What factors or assumptions have led to changes to the estimates of borrowings and net debt for 2013 and the forward estimates between the 2012-13 Budget and the 2013-14 Budget?

DTF to respond	
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9. Geographic considerations

Question 25

Please complete the following table for up to five of the Department's largest projects (in terms of expenditure) benefiting:

Note: a full list of new initiatives for the portfolios of Premiers, Aboriginal Affairs, Arts and Multicultural Affairs and Citizenship is provided in BP3, Chapter 1

(a) regional and rural Victoria – DPC's 2013-14 budget includes funding for the following additional project as a result of Machinery of Government transfers:

Project benefiting regional and rural Victoria	•	New or existing project?	Purpose of the project	How is the funding to be spent?	What performance measures are in place?	Expected net benefits	Net present value (in 2013 dollars), where applicable
1. Healing the Stolen Generations	\$1.25 million	Existing, with renewed funding in 2013-14 Budget	Maintain the current service levels to address the effects of removal.	Funding to Connecting Home Ltd and the Koori Family History Service.	Client service contacts for members of the Stolen Generations with Connecting Home Limited	Support in identifying heritage and addressing ongoing effects of past policies.	\$5 million from 2013-14 to 2016-17

(b) metropolitan Melbourne - DPC's 2013-14 budget provides new funding for the following:

Project benefiting metropolitan Melbourne	Budget allocation for 2013-14 (\$million)	New or existing project?	Purpose of the project	How is the funding to be spent?	What performance measures are in place?	Expected net benefits	Net present value (in 2013 dollars), where applicable
1. NGV Summer Program	\$2.5 million	New	Increase contemporary art offering and diversify audiences at NGV.	Delivery of a new State-wide Summer Program, including the inaugural Melbourne Now exhibition.	This project contributes to the Access, Industry Development and Innovation performance measures.	Growth in the scale and diversity of community engagement, inbound tourism and donations and sponsorships.	\$4.5 million from 2013-14 to 2014-15

10. Performance measures

Question 26

For each initiative (asset or output) in the 2013-14 Budget with a total cost over the forward estimates greater than \$20 million (or a TEI over \$20 million), please list all new and existing performance measures in the budget papers related to the initiative. In describing initiatives, please use the same names as are used in the budget papers.

Initiative	Related performance measures
Not applicable.	

Question 27

Please indicate any changes that the Department has made since the 2012-13 Budget to increase the number of its performance measures that are outcomes-based.

Changes to DPC performance measures, including to reflect Machinery of Government transfers, relate to output measure only and do not affect the number of performance measures that are outcome based.

Question 28 (Department of Treasury and Finance only)

Please outline any changes since the 2012-13 Budget to the Department of Treasury and Finance's processes of quality assuring other departments':

(a) performance targets in the budget papers;

DTF to respond

(b) expected outcomes published in the budget papers; and

DTF to respond

(c) the comprehensiveness of performance measures published in the budget papers.

DTF to respond

Question 29

Please detail the processes undertaken by the Department to ensure that the '2012-13 expected outcome' for each performance measure published in the 2013-14 budget papers is a reasonable estimate.

Where appropriate, 2012-13 Expected Outcomes were estimated based on performance in the first half of the year, and on anticipated activities foreseeable for the second half of the year. These Expected Outcomes were then revised in April 2013 in accordance with DTF timeframes for publication of BP3. This process included Machinery of Government transfers.

In setting targets for performance measures in the 2013-14 budget papers, to what extent did the Department consider the '2012-13 expected outcomes' that were provided for the 2013-14 budget papers?

In Budget Paper No. 3, 2013-14 Targets for DPC's performance measures have been adjusted where there is a significant difference between the 2012-13 Expected Outcome and the 2012-13 Target.

11. Staffing matters

Question 31

Please fully complete the table below, providing actual FTE staff numbers at 30 June 2012 and estimates of FTE staff numbers (broken down by the categories listed below) at 30 June 2013 and 30 June 2014 for the Department. Please provide figures consolidated on the same basis as the expenditure for the Department in the budget papers.

Please note:

 Other category includes legal officers, ministerial transport officers (MTO) and casual employees.

Grade	30 June 2012	30 June 2013	30 June 2014
	(FTE number)	(FTE number)	(FTE number)
Secretary	1.0	1.0	FTE numbers at the end of June
EO-1	2.5	3.0	2014 cannot be accurately
EO-2	17.7	17.0	provided at this stage.
EO-3	10.0	9.8	MoG transfers
VPS Grade 7 (STS)	8.8	8.4	take effect from 1 July 2013.
VPS Grade 6	68.4	59.9	These 2013-14 figures will be
VPS Grade 5	86.8	92.4	reported to Parliament in
VPS Grade 4	85.5	79.6	the Department's
VPS Grade 3	63.2	56.0	2013-14 Annual Report.
VPS Grade 2	12.8	16.7	
VPS Grade 1	0	0.0	
Government Teaching Service	0	0.0	
Health services	0	0.0	
Police	0	0.0	
Allied health professionals	0	0.0	

Child protection	0	0.0
Disability development and support	0	0.0
Custodial officers	0	0.0
Other	30.5	28.5
Total	387.2	372.3

Please break down the actual staff numbers in your department as at 30 June 2012 and the estimates as at 30 June 2013 and 2014 according to the number of staff that are ongoing, fixed-term or casual

	30 June 2012	30 June 2013	30 June 2014
	(FTE number)	(FTE number)	(FTE number)
Ongoing	330.3	332.9	FTE numbers at the end of
Fixed-term	49.3	32.9	June 2014 cannot be
Casual	7.5	6.5	accurately provided at
Total			this stage.
			MoG transfers take effect from 1 July 2013.
	387.2	372.3	These 2013-14 figures will be reported to Parliament in the Department's 2013-14 Annual Report.

Question 33

Please indicate, for 2012 and each year of the forward estimates, the estimated total number of VPS positions and non-VPS positions that the Department expects to have as at 30 June.

	30 June					
	2012	2013	2014	2015	2016	2017
	(FTE	(FTE	(FTE	(FTE	(FTE	(FTE
	number)	number)	number)	number)	number)	number)
VPS positions	387.2	372.3	N/A	N/A	N/A	N/A
Non-VPS positions	0	0	0	0	0	0

FTE numbers at the end of June 2014 cannot be accurately provided at this stage. MoG transfers take effect from 1 July 2013. These 2013-14 figures will be reported to Parliament in the Department's 2013-14 Annual Report.

Question 34

Please detail any expected impacts on the Department of changes to staff numbers in 2013-14 and how they will be mitigated.

Machinery of Government changes transfer responsibility for Aboriginal Affairs and Veterans' Affairs to DPC to provide policy priority for Aboriginal issues and in advance of events such as the centenary Anzac commemoration. DPC staff numbers will increase from 1 July 2013 as staff associated with these new responsibilities transfer from their previous department.

Question 35

Please detail the actual amount that the Department spent on contractors and consultants in 2011-12 and the estimated expenditure in 2012-13 to 2016-17 (for a definition on the difference between consultants and contractors, see FRD 22B – Standard Disclosures in the Report of Operations). Please provide figures on the same basis of consolidation for the Department as used in the budget papers.

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
	(\$ million) Actual	(\$ million) Estimate	(\$ million)	(\$ million)	(\$ million)	(\$ million)
Consultants	0.588	0.591	Yet to be determined			
Contractors	3.485	2.806	Yet to be determined			

12. Previous recommendations

Question 36

For each recommendation in the Committee's *Report on the 2012-13 Budget Estimates* that relates to an area relevant to your department or one of its portfolio agencies, please indicate:

- (a) whether or not the action specified in the recommendation has been implemented;
 - 2. if so, how it has been implemented and what publicly available information (if any) demonstrates the implementation of the recommendation; and

Part N	No.	Recommendation	Has the action specified in the recommendation been implemented?	If yes:		If no:
				How has it been implemented?	What publicly available information, if any, shows the implementation?	Why not?
2	18	Regarding the Better Services Implementation Taskforce, the Government should publicly disclose: (a) the strategies developed by the Taskforce; (b) how the strategies will be implemented; (c) accountability frameworks established to monitor the success of these strategies; and (d) the relationship between the Taskforce's strategies and the Government's published savings initiatives.	Yes, in part.	The Better Services Implementation Taskforce (BSIT) was established to provide advice, guidance and support to departments in their continuous improvement efforts. Progress in achieving continuous improvement will be reported through Departmental Annual Reports.	Departments report improvements though their Annual Reports.	

Part	No.	Recommendation	Has the action specified in the recommendation been implemented?	If yes:		If no:
				How has it been implemented?	What publicly available information, if any, shows the implementation?	Why not?
2	50	The Government establish and publish guidelines for the implementation of Parliamentary Committee recommendations. These guidelines should include: (a) a mechanism for assigning responsibility for the implementation of recommendations; (b) processes for monitoring the implementation of positively received recommendations; and (c) a system for reporting on the implementation of positively received recommendations.	In progress.			DPC is currently reviewing the Guidelines for Submissions and Responses to Inquiries. The issues raised by PAEC are being considered as part of this review.
2	51	In the development of guidelines for the implementation of Parliamentary Committee recommendations, the Government consider as a model the Australian Capital Territory's Guidelines for Responding to Reports by the Auditor-General.	In progress.			DPC is currently reviewing the Guidelines for Submissions and Responses to Inquiries. The issues raised by PAEC are being considered as part of this review.

Part	No.	Recommendation	Has the action specified in the recommendation been implemented?	If yes:		If no:
				How has it been implemented?	What publicly available information, if any, shows the implementation?	Why not?
2	52	The Government establish and publish processes and guidance for responses to Parliamentary Committee recommendations to ensure: (a) decisions about whether or not to support recommendations are based on current and accurate information; (b) responses clearly address the recommendations' substance as well as intent; (c) responses are classified in a way that enables consistent interpretation of the Government's intent; and (d) the expectations associated with a particular response type	In progress.			DPC is currently reviewing the Guidelines for Submissions and Responses to Inquiries. The issues raised by PAEC are being considered as part of this review.