



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

2011-12 BUDGET ESTIMATES QUESTIONNAIRE

PART B

DEPARTMENT OF TREASURY AND FINANCE

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PART B: Budget-sensitive information

4. Strategic priorities

Question 4.1

- (a) **What are the impacts of any differences in the Department's strategic priorities between 2010-11 and 2011-12 on funding and resource allocation?**

As part of its objective '*champion an integrated whole of government 'value for money' approach to ensure optimal service delivery and the provision of world class infrastructure to benefit all Victorians*' the Department is to become more involved in the scoping, cost/benefit analysis, business case development, cost control and procurement of major projects undertaken by all departments and agencies. It received additional funding as part of the 2011-12 budget to undertake this function.

In addition, as part of the machinery of government changes, public sector industrial relations, the housing registrar and the community support fund transferred to the department including the transfer of budgets relevant to each.

- (b) **Please identify any programs or initiatives over \$2 million that have been curtailed, deferred, discontinued or completed as a result of changes in strategic priorities between 2010-11 and 2011-12.**

There are no such programs or initiatives for DTF.

5. Budget preparation

Question 5.1 (Department of Treasury and Finance only)

In relation to the contingency items within the 2011-12 Budget and Appropriation Bill, namely:

- **'output contingencies not allocated to departments',**
- **'capital provision approved but not yet allocated' and**
- **'advance to the Treasurer to meet urgent claims that may arise before Parliamentary sanction',**

- (a) **please provide a detailed account of the rationale that is applied to ensure the adequacy of these allocations; and**

Contingency items are included within total appropriation amounts in the 2011-12 Budget in line with prudent financial management.

This provision is based on the best available information, and reflects sound budget management principles that support the State's capacity to respond to unexpected events.

Contingency provisions limit the extent to which realised expenditure risks will impact on total expenditure and the annual budget position. An impact will only be realised to the extent that expenditure increases cannot be accommodated within the contingency provision built into

the budget estimates. The aggregate level of the operating contingency provision is shown in the Estimated Financial Statements Chapter 1 Note 12 (b) in the 2011-12 Budget.

The contingency provision includes a general allowance for:

- likely growth in Victoria's population, and consequent derived demand for government services;
- depreciation expenditure associated with new asset investment funded from the unallocated capital provision (subject to government approval);
- the likelihood that a number of existing initiatives that will conclude in 2011-12 or the following years may continue or be replaced with other programs to meet service delivery priorities; and
- other expenditure risks, which were unforeseen or not able to be quantified, or were not finalised at the time of producing the published estimates.

(b) please comment on the accuracy and utilisation of the contingency items in 2010-11.

The 2010-11 financial year has not yet been completed. The details of payments made out of money advanced to the Treasurer for 2010-11 financial year will be provided in the 2010-11 Annual Financial Report and the 2012-13 Appropriation Act.

It is anticipated that contingency provisions allowed for in the 2010-11 financial year will be fully utilised.

Question 5.2 (Department of Treasury and Finance only)

In relation to the Estimated Financial Statements for the Victorian General Government Sector (estimated operating statement and estimated balance sheet), please explain any variations of more than 10 per cent between the 2011-12 estimates published in the 2010-11 budget papers, and the 2011-12 Budget forecasts shown in the 2011-12 budget papers.

Estimated comprehensive operating statement for the general government sector for the financial year ending 30 June – 2011-12 Estimate (as at 2010-11 Budget) compared to 2011-12 Budget

Item	2011-12 Estimate	2011-12 Budget	Variance	Comment
Revenue from transactions				
Other revenue	1 728.6	1918.4	+11.0%	The variance predominately relates to an increase in Other miscellaneous revenue. This has been driven by: <ul style="list-style-type: none"> ▪ revenue following the anticipated sale of land by Major Projects Victoria relating to the redevelopment of the former Kew Cottages site into the Kew Residential Neighbourhood; ▪ a projected increase in fund raising revenue generated by schools; and ▪ additional expected revenue arising from the amendments to the <i>Unclaimed Money Act 2008</i>, which have reduced the period (from two years to one year) in which businesses are required to hold unclaimed monies before being deposited with the State Revenue Office.
Expenses from transactions				
Grants and other transfers	7 111.4	8 077.3	+13.6%	The estimated increase in Grants and other transfers relates to an increase in the following categories: <p><u>Local Government on-passing grants:</u></p> <ul style="list-style-type: none"> ▪ additional grants reflecting a number of 2011-12 Budget initiatives, including funding to local councils

Item	2011-12 Estimate	2011-12 Budget	Variance	Comment
				<p>for the restoration and recovery from the 2010 and 2011 Victorian floods; the Country Roads and Bridges initiative; and a range of 2011-12 Budget initiatives funded from the Regional Growth Fund and Community Support Fund.</p> <p><u>Private sector and not for profit on-passing grants:</u></p> <ul style="list-style-type: none"> ▪ additional Commonwealth funding for non-government schools; ▪ initiatives related to the previous Government's "Blueprint for Regional and Rural Victoria", together with a range of 2011-12 Budget initiatives including: <ul style="list-style-type: none"> ▪ additional funding for the Investment Support Program; ▪ additional funding for the redevelopment of Skilled Stadium (Stage 3); ▪ a range of initiatives funded from the Regional Growth Fund and Community Support Fund. ▪ the Children's facilities capital program; and ▪ Racing Infrastructure initiatives funded by unclaimed wagering dividends and from state taxes from on-course wagering taxes. <p><u>Other private and not-for-profit grants:</u></p> <ul style="list-style-type: none"> ▪ update of State First Home Owners Grants scheme related costs; and ▪ a 2011-12 Budget initiative to continue the School Start Bonus. <p><u>Grants within the Victorian Government:</u></p> <ul style="list-style-type: none"> ▪ provided to VicTrack to address flood damage and the 2011-12 Budget initiative to establish a new "Maintaining our Rail network Fund"; and ▪ additional Commonwealth funding on-passed to the Director of Housing (PNFC) reflecting the combined effect of indexation and population-share funding under the National Affordable Housing Agreement.
Net gain on sale of non-financial assets	143.1	111.2	-22.3%	The estimated decrease primarily relates to the revision of expected proceeds from land sales made by DTF.
Other (losses) from other economic flows	(155.5)	(189.2)	+21.7%	The variance primarily relates to the liability to SECV under the indemnity associated with onerous contracts related to the provision of electricity to the Alcoa aluminium smelters. The estimated liability in the 2011-12 Budget has increased from the 2011-12 estimate incorporated in the 2010-11 Budget largely due to variations in forward assumptions of aluminium prices.
Net gain/(loss) on equity investments in other sector entities at proportional share of the carrying amount of net assets	777.0	(230.0)	-129.6%	The lower estimate largely reflects an adjustment to reflect the net asset position of the PFC sector. The PFC estimates have been included for the first time in the 2011-12 Budget.
Other movements in equity	39.1	0.8	-98.0%	Reflects the transfer of expected donations from accumulated funds to the general reserve of the National Gallery of Victoria, reflecting a revised accounting treatment.

Estimated balance Sheet as at 30 June for the general government sector – 2011-12 Estimate (as at 2010-11 Budget) compared to 2011-12 Budget

Item	2011-12 Estimate	2011-12 Budget	Variance	Comment
Financial assets				
Receivables	2 523.7	2 865.1	+13.5%	The variance predominately relates to taxes receivable, which has grown in line with the increase in taxation revenue in 2011-12.
Investments accounted for using equity method	45.0	35.1	-22.0%	The variance relates to a decrease in the Government's minority interest in The Australian Regenerative Medicine Institute joint venture, as reported in the State's 2009-10 Annual Financial Report.
Non-financial assets				
Inventories	251.1	292.1	+16.3%	The 2009-10 actual closing balance for land held at cost was higher than that estimated for the opening balance of 2010-11 incorporated in the 2010-11 Budget. This result has lead to a higher estimated closing balance for 2011-12.
Non-financial assets held for sale	41.4	74.6	+80.1%	The 2009-10 actual closing balance for land held was higher than that estimated for the opening balance of 2010-11 incorporated in the 2010-11 Budget. This actual result has lead to a higher estimated closing balance for 2011-12. This mainly relates to the land held for sale in the School sector.
Other non-financial assets	612.8	717.6	+11.1%	The 2009-10 actual closing balance for intangible assets, reflecting the Governments share of the jointly controlled assets of the Murray-Darling Basin Authority, was higher than that estimated for the closing balance of 2010-11 incorporated in the 2010-11 Budget. This actual result has lead to a higher estimated closing balance for 2011-12.
Liabilities				
Deposits held and advances received	314.6	478.2	+52.0%	The 2009-10 actual closing balance was higher than estimated for the closing balance of 2010-11, largely due to the impact of new rail franchise agreements, and an increase in Practitioner Trust account holdings held by Legal Services Board due to higher levels of property settlements reflecting property market conditions. This actual result has lead to a higher estimated closing balance for 2011-12.
Borrowings	23 879.6	26 435.0	+10.7%	The increase in borrowings reflects the combined impact of the forecast decline in GST revenue due to changed Commonwealth Grants Commission relativities and the need to fund the State's growing infrastructure investment program.
Payables	3 535.7	4 044.7	+14.4%	The 2009-10 actual closing balance was higher than estimated for the closing balance of 2010-11 published in the 2010-11 Budget. As previously explained in the Operating Statement explanations, this is largely due to an upward revaluation of the liability payable to SECV under the indemnity arrangement.

Question 5.3 (Department of Treasury and Finance only)

(a) What new features have been incorporated in the budget papers for 2011-12 and why?

The Government has implemented some changes in this year's Budget Paper No. 3 to strengthen the transparency of, and accountability for, the Government's activities. In implementing these changes, the Government has ensured the overall level of disclosure compared to past budget papers has been maintained or enhanced.

To this end, the 2011-12 budget papers include a range of new features such as:

- Altering the presentation of performance measure information to make the reasons for variance more visible
- Improving the ease with which readers can reconcile the Appropriation Bill and the information in the budget papers
- Restructuring the budget papers to improve readability including reducing repetition of information and guiding readers to other information through cross-referencing
- Identifying more clearly departmental objectives and strategic priorities for 2011-12 in department output statements

Budget Paper No.3, Appendix A, has also been updated to reflect the new role of PAEC in reviewing proposed discontinued or substantially changed measures.

The Government is committed to improving transparency of budget and financial information and as part of this budget is taking the first steps to publishing the following historical and current data online in a user friendly format;

- macroeconomic indicators;
- taxation revenue;
- financial statements; and
- other financial aggregates.

This information will be available on the DTF website.

(b) What features have been omitted and why?

The following chapters from the 2010-11 Budget Paper No.3 have been deleted in 2011-12 as they related to the policies of the previous Government:

- Chapter on Linking Outputs and Outcomes
- Appendix B: *Growing Victoria Together* Progress Report
- Appendix E: Victorian Transport Plan

The first chapter of the *2010-11 Budget* titled Service and Budget Strategies has been replaced with an introductory chapter on the key service delivery directions.

6. Spending

Question 6.1

In relation to output costs, please explain any variations of more than 10 per cent between the expected outcome for 2010-11 and the target for 2011-12 for individual outputs.

2011-12 Output	2010-11 Expected Outcome \$ million	2011-12 Target \$ million	Comments
Economic and Financial Policy	31.6	20.6	The decrease is due a milestone completion to deliver the Council of Australian Government's national partnership agreement to implement the Seamless National Economy National Partnership project.
Government Services	74.4	52.9	The decrease is due to the lower output funding level required for the implementation of the Efficient Technology Services initiative, refresh of the telecommunication procurement & management strategy and one-off funding for the Contact Centre Improvement Program.
Revenue Management Services to Government	64.9	82.4	The increase reflects the biennial purchase of municipal land valuations resulting in higher amortisation expense in the second year as well as additional funding received in 2011-12 budget.
GBE Performance Monitoring and Financial Risk Management	17.6	7.4	The decrease is due to additional funding being received during 2010-11 for the introduction of the Government underwritten Domestic Building Insurance scheme.

Question 6.2

In relation to expenses from transactions that relate to 'Employee Benefits', please explain any variations of more than 10 per cent between the expected outcome for 2010-11 and the target for 2011-12.

The variation is less than 10 per cent.

Question 6.3

- (a) As 'other operating expenses' constitute around a third of total expenses for the general government sector, please provide a breakdown of the major components of the Department's expected expense for 2010-11 and the Department's target for this item for 2011-12.

	2010-11 Outcome	2011-12 Budget	Variance
Other Operating Expenses	\$ million	\$ million	%
Asset provided free of charge	0.03	0.02	-33.3%
Water/ Rates incurred of own use	0.14	0.14	0.0%
Purchase of Services - Intragovernment	5.53	5.16	-6.7%
Operating supplies and consumables	85.91	100.22	16.7%
Purchase of Services	60.83	43.19	-29.0%
Motor Vehicle Taxes - Registration	0.18	0.42	133.3%
Maintenance	9.39	8.04	-14.4%
Operating Leases	15.22	17.12	12.5%
Audit Services Auditor General	1.09	1.12	2.8%
Finance Expenses and Fees	0.56	0.66	17.9%
Totals	178.89	176.09	-1.6%

- (b) Please explain any variations of more than 10 per cent between the expected outcome for 2010-11 and the target for 2011-12 for these major components.

Operating Supplies and Consumables (16.7% increase) – The increase reflects the increasing level of activities in the operation of the Shared Services Provider and CenITex.

Purchase of Services (29% decrease) – The decrease is mainly due to the lower output funding to implement the Efficient Technology Services initiative and one-off funding for the Contact Centre Improvement Plan.

Motor Vehicle Taxes – Registration (129.7% increase) – The increase is due to the expected transfer of motor vehicles from other departments to the Shared Services Provider.

Operating Leases (12.5% increase) – The increase reflects the increasing level of activities in the operation of the Shared Services Provider.

Question 6.4

(a) For your Department, please provide a breakdown of the expected expenditure for 2010-11 and the target for 2011-12 for the following items:

- (i) entertainment expenses;
- (ii) overseas travel;
- (iii) legal expenses;
- (iv) consultants;* and
- (v) contractors;* and
- (vi) grants to non-government organisations.

* for the definitions of 'consultants' and 'contractors', see VGPB's *All Procurement Policies* (Procurement Policies Master Manual), p.105

If this information cannot be extracted, please specify why.

Item	Expected expenditure for 2010-11 \$ million
Entertainment expenses	0.18
Overseas travel	0.06
Legal expenditure	1.67
Consultants	2.63
Contractors	41.91
Grants to non-government organisations	0.63

Note: The above table does not include CenITex.

The 2011-12 estimates are not available as 2011-12 budgets have not been finalised at the cost centre and account level. The final budget for these items is subject to departmental priorities.

The department should be able to provide the data by 31 July 2011.

(b) Please explain any variations of more than 10 per cent between the expected outcome for 2010-11 and the target for 2011-12 for these expense items.

As the 2011-12 estimates are not available due to the 2011-12 budgets not being finalised at the cost centre and account level, variances are unknown.

The department should be able to provide the data by 31 July 2011.

Question 6.5

Please complete the following table showing the estimated cost and planned completion timelines for each review, inquiry, study, audit and evaluation specifically requested by the new Government after the 2010 election that the Department will be undertaking during 2011-12.

Review	2011-12 Estimated cost	Expected completion date
Independent Review of State Finances	\$2.800 million	29 February 2012
State Based Reform Agenda	\$0.895 million	29 January 2012
Inquiry into a more competitive Victorian manufacturing industry	\$0.165 million	30 August 2011

7. Efficiencies**Question 7.1**

Please provide the following details about efficiency targets for 2011-12:

- (a) the total savings target for 2011-12 for the Department as a result of efficiency initiatives in the 2011-12 Budget; and
- (b) for the efficiency initiatives announced in the 2008-09, 2009-10 and 2010-11 budgets (if applicable) which apply to 2011-12, please provide an update of the savings targets for 2011-12.

Budget Year	Efficiencies	Amount \$ million
2008-09	General Efficiencies	8.30
2009-10	General Efficiencies	12.53
2010-11	No initiative	0
2011-12	General Efficiencies	12.99
Total		33.82

8. Asset and output initiative funding

Question 8.1

Please provide the Department's expected total expenditure on asset investment projects in 2011-12 (including both 2011-12 Budget initiatives and initiatives from previous budgets for which expenditure is budgeted in 2011-12).

Asset Initiative Funding	2011-12 \$ million
Existing projects	
Efficient technology services (Melbourne)	4.46
Energy upgrade project-stage 2 (Statewide)	2.04
State revenue management System-e-Sys (Melbourne)	2.81
Regional decentralisation initiatives	3.85
Total Expenditure	13.16

There are no new asset initiatives for 2011-12.

Question 8.2

As details of expenditure can change over time, please provide up-to-date details of all output initiatives (both those released in this Budget and those released in previous budgets) for which more than \$10 million of expenditure is budgeted to occur in 2011-12, including each initiative's total funding and the budget allocation for each initiative for 2011-12.

Year	Initiatives over 10m	Budget allocation for 2011-12 \$ million
2008-09	Nil	
2009-10	Nil	
2010-11	Changes to the First Home bonus scheme	53.6
2011-12	Housing affordability - Extend the First Home Owners Bonus until 30 June 2012	95.3

Question 8.3

In relation to any unapplied output and asset funding carried forward to 2011-12, please provide:

- (a) a breakdown of the carried forward funding for both output and asset initiatives;
- (b) the underlying reasons for the Department's funding carryover for each category; and
- (c) the intended revised timing for use of the carried forward funds, including project-specific details for asset initiatives.

DTF has not sought any unapplied output and asset funding carry forward to 2011-12.

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

Question 9.1

In relation to 2011-12, please outline any new revenue-raising initiatives and/or major changes to existing revenue initiatives. For each initiative/change, please explain:

- (a) the reason 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); and**
- (e) the anticipated total value of revenue gained/foregone as a result of the initiative/change.**

Reform of Land Rich duty model

Whilst the current Victorian land rich duty provisions have proven effective, the land rich landscape has changed considerably in Victoria and other states and territories. These changes have been driven by the evolving nature of commercial transactions. In response to the changes, the Government has committed to reform Victoria's land transfer duty provisions and move towards a landholder model in line with most other states and territories.

A move to a landholder model will ensure a more consistent treatment of direct and indirect acquisitions of land, reduce complexity in the tax system and give taxpayers more certainty.

The new provisions are due to commence from 1 July 2012, and the State Revenue Office estimates that it would generate approximately \$50 to \$75 million per annum in additional stamp duty revenue.

Question 9.2

In relation to 2011-12, 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 reason 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); and**
- (e) the anticipated total value of revenue gained/foregone as a result of the initiative/change.**

50% Land Transfer duty concession for first home buyers of properties valued up to \$600,000

This initiative aims to improve housing affordability for first home buyers by cutting stamp duty payable for first home buyers by 50% over 4 years, starting with a 20% cut from 1 July 2011.

DTF conducted analysis of the policy using State Revenue Office stamp duty data and indexed the cost over the forward estimates years in line with DTF forecasts of first home buyer transactions.

DTF estimates that this policy will cost approximately \$444 million in foregone stamp duty revenue and benefit approximately 152,000 transactions over the forward estimates years.

Extend Land Transfer Duty relief for eligible seniors

This initiative takes effect from 1 July 2011 and aims to ease the financial burden of stamp duty for seniors who wish to downsize their homes. The policy will extend the concession threshold from \$440,000 to \$750,000 and for the first time, will allow holders of a Commonwealth Seniors Health Card access to the concession.

DTF's analysis of this initiative is based on data from the State Revenue Office.

DTF estimates that the scheme would cost approximately \$45 million and benefit approximately 9,000 transactions over the forward estimates years.

Land Transfer Duty concession for farmers under 35 years of age

This initiative intends to address the issues of the ageing labour force of the farming industry and few young people entering the industry. From 1 July 2011, farmers under the age of 35 buying their first farm property will receive a full stamp duty exemption on purchases worth up to \$300,000, while purchases worth up to \$400,000 will receive a concession.

DTF used non-residential stamp duty data from the State Revenue Office and data from the Australian Bureau of Statistics on farm ownership in its analysis of this policy.

DTF estimates the initiative would cost approximately \$12 million and benefit approximately 2,200 transactions in the forward estimates years.

Concessional Tax Rate in Relation to Wagering Premium Customers

A concessional tax rate of 10 per cent (rather than 19.11 per cent) applies to commissions attributable to "parimutuel" premium customers. These are defined as customers that bet more than \$3 million in Victorian totalisators within a financial year. This applies from February 2011 until August 2012 (when the current wagering licence expires).

The concession was given effect to by the *Gambling Regulation (Premium Customer) Regulations 2011* and made under sections 4.6.3(6) and 11.2.1 of the *Gambling Regulation Act 2003*.

This initiative is expected to enable the wagering licensee to compete more effectively with interstate operators in the current environment of strong competition for premium wagering customers (who are highly mobile and price-sensitive).

DTF expects that the impact on tax revenue will be broadly neutral on the basis that the current wagering licensee's competitiveness improves as a result of the concessional tax rate.

DTF's analysis of this initiative is based on the current wagering licensee's customer turnover data and DTF's budget and forward estimates.

New South Wales introduced a similar concession at the end of 2010 which reduced the totalisator commission tax to 10 per cent (from 19.11 per cent) for eligible customers who invest at least \$3 million or any amount if from overseas.

Question 9.3

- (a) Please provide a list of any revenue measures (taxation, fees, fines etc.) or any concessions (or subsidies) where the rate has been changed for reasons other than keeping up with inflation.
- (b) Please provide an explanation for the changes.

Please refer to response provided to question 9.2.

Question 9.4

For the Department's income categories shown in its operating statement, please provide an explanation for any items that have a variance of greater than 10 per cent between the revised estimate for 2010-11 and the budget for 2011-12.

No item is greater than 10% as shown in the departmental operating statement (not administered items).

10. Grants from the Commonwealth

Question 10.1

- (a) **What impact have developments at the Commonwealth level, including initiatives under the COAG Reform Agenda, had on the Department's component of the 2011-12 State Budget?**

Seamless National Economy

Under the National Partnership Agreement to Deliver a Seamless National Economy, Victoria will be eligible for \$49.554 million in reward payments from the Commonwealth in 2011-12. This will follow an assessment process set out under the National Partnership Agreement that involves the COAG Reform Council advising the Commonwealth on the achievement of key milestones, as set out in the Implementation Plan, for the 27 deregulation priorities covered by this reform.

DTF will continue to be significantly involved in the COAG reform process through 2011-12. DTF participates in COAG working groups and works across government on implementation issues, as well as providing continuing support for the Treasurer in his participation on the Ministerial Council for Federal Financial Relations.

Standard Business Reporting

In 2010-11 the State Revenue Office completed project work to deliver Standard Business Reporting (SBR). Funding was provided by the Commonwealth to enable the implementation of this project. The resulting system is now in operational mode.

- (b) **In describing the impact of these developments for 2011-12, please outline the Department's progress to date in transitioning to the COAG Reform Council's new performance reporting framework.**

Seamless National Economy

DTF has been working closely with line agencies to embed the new COAG outcomes reporting framework. In conjunction with DPC, DTF convene and participate in a number of forums, such as the Performance Reporting Improvement Working Group, to explore how to improve and align COAG Reform Council reporting with Victoria's own reporting regimes.

The 2010 Heads of Treasuries Review of COAG Agreements identified challenges with the implementation of the COAG performance reporting framework and made a number of recommendations to address these. DTF will be playing a lead role in the implementation of the review's recommendations in 2011.

Standard Business Reporting

As the SBR system implementation is complete and has moved to operational mode, there are no further requirements to report on it under the framework.

Question 10.2

In the accompanying Excel file, please supply breakdowns (as indicated in the spreadsheets) for each of the following categories of Commonwealth grants for which the Department received funding in 2011-12:

Responses are provided below and in the excel spreadsheet as requested.

(a) Specific Purpose Payments (SPPs);

DTF will not receive any SPPs from the Commonwealth in 2011-12.

(b) Nation Building – Economic Stimulus Plan;

Funding to be received by DTF from the Commonwealth in 2011-12:

Program/plan	Budget 2010-11 (\$m)	Revised 2010-11 (\$m)	Budget 2011-12 (\$m)	Change between 2011-12 Budget and revised 2010-11 (%)	Reason for change
First Home Owners Boost	-	15.514	0.697	-96%	The First Home Owner Boost ceased to apply for contracts entered into on or after 1 January 2010.

(c) National Partnership project payments; and

Project payments to be received by DTF from the Commonwealth in 2011-12:

Program/plan	Budget 2010-11 (\$m)	Revised 2010-11 (\$m)	Budget 2011-12 (\$m)	Change between 2011-12 Budget and revised 2010-11 (%)	Reason for change
Standard Business Reporting	-	0.53	-	-100%	Commonwealth confirmed additional funding after 2010-11 State Budget was announced.
Seamless National Economy	-	-	49.55	-	Reward payment for the delivery of the Seamless National Economy.

(d) any other Commonwealth grants pertaining to functions carried out by the Department.

DTF will not receive any Commonwealth grants pertaining to functions carried out in 2011-12.

Question 10.3 (Department of Treasury and Finance only)

Please explain how any major changes between financial agreements with the Commonwealth have impacted on the State's budget for 2011-12, e.g. new national health and hospitals reform.

Regional Rail Link (RRL) project

Victoria is due to receive \$3.225 billion of Commonwealth funding from the Building Australia Fund (BAF) towards the estimated cost of \$4.3 billion cost for the Regional Rail Link (RRL) project. To date the commonwealth project funding has been re-phased three times, most recently in early 2011, with revenue in 2010-11 now \$101 million lower than that recognised at Budget Update time. Commonwealth revenue for the RRL project over the next four years (2011-12 to 2014-15), as advised by the Commonwealth government, will be \$400 million lower than that included in the 2010-11 Budget Update estimates.

Victorian Comprehensive Cancer Centre (VCCC)

Both the Victorian and Commonwealth Governments contribute funding towards the \$1.073 billion VCCC in Parkville. After offsetting revenues, the net project cost of \$854.6 million is to be shared roughly equally between Victoria and the Commonwealth. In late December 2010, the Commonwealth advised it would re-phase its contribution towards the VCCC by shifting approximately \$184 million in funding to the years 2013-14 to 2015-16.

Nation Building Jobs Plan - Social housing

In January the Commonwealth realigned Nation Building Jobs Plan revenue allocations across all States to better reflect expected construction and delivery timeframes. Nation Building funding of \$50 million for Victoria's social housing projects was re-phased from 2010-11 to 2011-12.

National Health Reform

At the February 2011 meeting of the Council of Australian Governments, the Commonwealth agreed to provide additional facilitation funding to the States and Territories under the National Partnership Agreement on Improving Hospital Services (the NPA), to help them work towards meeting the ambitious elective surgery and emergency department performance targets under the NPA. For Victoria, this means additional facilitation funding of \$20 million in 2010-11 and \$30 million in 2011-12.

Question 10.4 (Department of Treasury and Finance only)

What has been the impact of changes to Victoria's share of the GST pool for 2011-12 and beyond?

Victoria is forecasting a \$4.1 billion reduction in GST revenue over the next five years.

\$2.5 billion of this loss is due to the Commonwealth Grants Commission's *2011 Update* recommended relativities which would reduce Victoria's share of the national GST pool. The *2011 Update* recommends a decrease in Victoria's share of the national GST pool to 22.5 per cent in 2011-12 from 23.4 per cent in 2010-11, compared to a population share of 25 per cent.

A further \$1.6 billion of the \$4.1 billion loss is due to weaker GST receipts, caused by slowing national consumption and dwelling investment.

11. Net debt

Question 11.1 (Department of Treasury and Finance only)

In relation to the net debt projections for the non-financial public sector for the 2011-12 budget year and over the forward estimates to 2014-15, please provide a breakdown of the spread of net debt between the general government sector and each of the public non-financial corporations concerned.

	2011-12	2012-13	2013-14	2014-15
	<i>\$ millions</i>			
Non-financial public sector	30,917.9	35,237.2	36,800.8	38,563.1
General government sector	16,814.9	20,764.1	21,989.1	23,153.2
Public non-financial corporations sector ^(a) :	14,107.1	14,474.4	14,806.1	15,391.4
Barwon Region Water	522.4	575.9	672.9	752.9
Central Gippsland Water	222.7	236.1	269.4	297.6
City West Water	861.4	970.8	1,001.0	1,053.0
Coliban Region Water	375.1	372.4	379.4	386.0
Melbourne Water	4,018.3	3,929.5	3,840.4	3,767.2
Port of Melbourne	474.2	503.3	510.3	472.9
South East Water	929.3	1,035.0	1,111.5	1,191.7
Victorian Rail Track	990.8	931.7	870.4	806.4
VicUrban	357.3	317.8	314.1	426.0
Western Region Water	129.3	143.0	201.5	260.1
Yarra Valley Water	1,653.2	1,787.5	1,905.3	2,150.8
Other	3,573.1	3,671.4	3,729.9	3,826.8

Source: Department of Treasury and Finance

Notes:

- (a) Public non-financial corporations (PNFC) with net debt in excess of \$250 million in at least one of the forward estimate years have been identified. All other PNFC entities are included on 'Other'.

Question 11.2 (Department of Treasury and Finance only)

What plans are in place to reduce Victoria's net debt position over time?

Although Victoria's net debt position is increasing in nominal terms across the forward estimates period, it is expected to plateau as a percentage of GSP in 2013. The plans to address Victoria's nominal net debt position include:

- delivering on the commitment to have surpluses of at least \$100 million each year;
- constraining expenditure growth and identifying additional cost savings where possible;
- increasing the rigour and oversight applied to developing and approving asset investment proposals, in particular through a new mandatory level of scrutiny by the Treasurer of high-value and high-risk investments (including those that are already underway); and
- additional initiatives to be announced in the Government's response to the Independent Review of the State's Finances.

Question 11.3 (Department of Treasury and Finance only)

Does the Government expect to maintain Victoria's AAA credit rating? If so, what strategies have been put in place to achieve this?

The Government expects to maintain Victoria's triple-A credit rating. The key strategies to achieve this include:

- delivering on the commitment to have surpluses of at least \$100 million each year;
- stabilising debt as a percentage of gross state product (GSP) by 2013, and reducing net financial liabilities as a percentage of GSP by the end of the forward estimates period;
- ensuring debt in the non-financial public sector (NFPS) is maintained at a sustainable level, and in particular NFPS net financial liabilities to revenue are kept below Standard & Poor's published trigger point of 130 to 140 per cent. The ratio is currently expected to peak at 112 per cent over the forward estimates period;
- delivering \$2.2 billion of savings, exceeding the election savings commitment by more than half a billion dollars and constraining expenditure growth to an average of 3.2 per cent per annum over the next three years; and
- increasing the rigour and oversight applied to developing and approving asset investment proposals, in particular through a new mandatory level of scrutiny by the Treasurer of high-value and high-risk investments (including those that are already underway).

12. Environmental challenges

Question 12.1

(a) What are the key environmental issues that are predicted to have an impact on services delivered by the Department's portfolios in 2011-12?

DTF manages a Whole of Victorian Government (WoVG) portfolio of office accommodation, including owned and leased facilities occupied by various government departments and agencies. DTF has an ongoing focus to reduce water and energy consumption, including associated costs incurred through the ongoing operation of the portfolio. DTF has completed implementation of two stages of an energy performance contracting (EPC) project covering 16 government-owned office buildings that will significantly reduce energy consumption and improve the environmental rating of the buildings. Planning continues for the implementation of the third and final stage of the project, expected to be completed within the 2011-12 financial year.

DTF has also developed a program to facilitate the implementation of numerous EPC projects widely across government buildings (including hospitals, schools, TAFEs, prisons, offices, arts and sporting facilities). This program is coordinated centrally by DTF and provides support to other departments and agencies to deliver significant energy and water efficiency savings in their buildings.

DTF is working with all departments and agencies to support the delivery of a commitment provided by the previous government to purchase 2 000 hybrid Camrys over two years, to supplement the government fleet with more fuel efficient vehicles. This work supports the transition of the local motor industry to lower emission vehicle production and also helps to reduce the Victorian Government's own environmental footprint.

Victorian Government vehicle fleet policies which DTF administers are also an important aspect of lifting its environmental performance.

DTF collects and distributes data relating to greenhouse gas emissions of government vehicles to departments to allow them to manage and report on the environmental impact of their fleet operations.

At a departmental level, DTF also continues to implement its environmental management system (EMS) focusing on measuring, reducing and reporting its own environmental footprint.

(b) How have these issues been addressed in the Department's budget for 2011-12 and over the forward estimates to 2014-15?

The initiatives described above are included in DTF's work plan for 2011-12.

(c) Please list up to five key projects or programs worth over \$1 million (new and/or existing) where increased funding has been provided in the Budget to address environmental issues (including responding to climate change). Please provide a comparison of funding levels for 2010-11 and 2011-12 for existing projects if applicable.

DTF has no projects that meet the above criteria.

13. Geographic considerations

Question 13.1

In the following table, please outline the critical issues facing metropolitan, regional and rural communities in 2011-12 that depend on services provided by the Department and how the Department's 2011-12 budget addresses these issues.

DTF does not directly provide any services to rural or regional areas.

Question 13.2

What general principles does the Department use to determine resource allocation between regional cities compared to rural localities? Please provide two examples, if possible, of programs in regional Victoria and how the breakdown of resource allocation to regional cities and rural areas was determined in those programs.

DTF does not directly provide any services to rural or regional areas.

Question 13.3

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

DTF does not directly provide any services to rural or regional areas.

14. Performance measures

Question 14.1

Please provide the rationale for any change in performance measures presented in the budget papers for 2011-12 (including new and discontinued measures).

New Measure

GBE Performance Monitoring and Financial Risk Management output

The performance measure *Annual review of registered housing agencies* has been introduced as a result of machinery-of-government changes that resulted in the transfer of the registered housing agency functions to the DTF.

Renamed Measures

Budget and Financial Policy Advice output

The performance measure *Budget and financial policy advice through Ministerial briefs, Budget and Expenditure Review Committee and Cabinet and Sub-Committee briefs* replaces the 2010-11 performance measure *Budget and financial policy advice through Ministerial briefs, Expenditure Review Committee and Cabinet and Sub-Committee briefs*. It has been amended to reflect the new Government's budget process.

Financial Reporting output

The performance measure *Estimates reporting – Budget and Budget Update* replaces the 2010-11 performance measure *Estimates reporting – Budget, Budget Update and Pre-Election Budget Update* to reflect the exclusion of the Pre-Election Budget Update, which is only required during an election year.

Business Environment Policy Advice output

The performance measure *Reviews of Regulatory Impact Statements (RIS) and Business Impact Assessments (BIA) and Regulatory Change Measurements* replaces the performance measure *Reviews of Regulatory Impact Statements (RIS) and Business Impact Assessments (BIA) and Standard Cost Model assessments* to reflect the revised description of the functions undertaken by the output.

The performance measure *Complete the initial assessment phase of Regulatory Change Measurements within 10 working days of receipt* replaces the performance measure *Complete the initial assessment phase of Standard Cost Model assessments within 10 working days of receipt* to reflect the revised description of the functions undertaken by the output.

Land and Infrastructure Investment Management output

The performance measure *Gateway reviews undertaken to minimise Governments exposure to project risks* replaces the 2010-11 performance measure *Promoting the Gateway process to minimise Governments exposure to project risks*. It has been amended to more accurately describe the output's activities.

Discontinued measures

Government Services output

The performance measures *Significant projects completed*, *Significant projects meet critical success factors* and *Significant projects delivered within agreed timelines* are proposed to be discontinued as they primarily relate to the implementation of major Information Technology projects across Government, which is now the responsibility of CenITex.

The performance measure 'Products and services meet service commitments' is proposed to be discontinued as it is no longer relevant primarily due to the establishment of a new service delivery model for procurement.

PAEC approval to discontinue these measurements will be sought.

Question 14.2

For any performance measures where there is a variance of over 10 per cent between the expected outcome for 2010-11 and the target for 2011-12, please provide the reasons for the variance.

2011-12 Output	Performance Measure	Unit of Measure	2010-11 Expected Outcome	2011-12 Target	Comments
Financial and Resource Management Frameworks	Delivery of updates, guides and newsletters	Number	16	10	The 2011-12 target is lower than the 2010-11 expected outcome to reflect the increased use of web-based information dissemination as opposed to newsletter-style information sharing.
Budget and Financial Policy Advice	Budget and financial policy advice through Ministerial briefs, Budget and Expenditure Review Committee and Cabinet and Sub-Committee briefs	Number	2000	1250	The 2011-12 target is lower than the 2010-11 expected outcome due to the expected number of briefings required in 2011-12.
Economic and Financial Policy	Briefings on Cabinet submissions	Number	170	200	The 2011-12 target is higher than the 2010-11 expected outcome due to the expected number of briefings required in 2011-12.
Financial Reporting	Estimates reporting – Budget and Budget Update	Number	3	2	The 2011-12 target is lower than the 2010-11 expected outcome to reflect the exclusion of the Pre-Election Budget Update, which is only required during an election year.
GBE Performance Monitoring and Financial Risk Management	Board appointments	Number	35	123	The 2011-12 target differs to the 2010-11 expected outcome to reflect the number of board positions requiring appointment during 2011-12.
GBE Performance Monitoring and Financial Risk Management	Provision of Budget sector debt, public authority income and superannuation estimates and analysis and commentary on the PNFC and PFC Sectors for published financial reports	Number	8	7	The 2011-12 target is lower than the 2010-11 expected outcome to reflect the exclusion of the Pre-Election Budget Update, which is only required during an election year.

2011-12 Output	Performance Measure	Unit of Measure	2010-11 Expected Outcome	2011-12 Target	Comments
Land and Infrastructure Investment Management	Commercial and risk management advice on projects which facilitate infrastructure and which minimise the Government's exposure to risk	Number	268	320	The 2011-12 target is higher than the 2010-11 expected outcome to reflect the output becoming more involved in the scoping, cost/benefit analysis, business case development, cost control and procurement of major projects undertaken by all departments and agencies.
Land and Infrastructure Investment Management	Gateway reviews undertaken to minimise Government's exposure to project risks	Number	39	70	The 2011-12 target is higher than the 2010-11 expected outcome due to more project development and commercial issues subject to advice and review expected in 2011-12 than in 2010-11.
Land and Infrastructure Investment Management	Services (including policy, procedures and training) which facilitate new infrastructure investment	Number	74	41	The 2011-12 target is lower than the 2010-11 expected outcome due to the greater than anticipated demand for new policy and related training in 2010-11.
Government Services	Briefs provided on services to Government	Number	88	70	The 2011-12 target is lower than the 2010-11 expected outcome due to the expected number of briefings during 2011-12.
Government Services	Deliver or renew whole of government policy, standards and guidelines	Number	25	20	The 2011-12 target is lower than the 2010-11 expected outcome due to the development and publication of policies in relation to procurement and technology ahead of schedule during 2010-11.
Government Services	Establishment or renewal of whole of government contracts	Number	13	22	The 2011-12 target is higher than the 2010-11 expected outcome due to the renewal cycle for several whole-of-government contracts under management to occur in 2011-12.
Government Services	Whole of government contracts renewed within agreed timelines	Per cent	82	95	The 2011-12 target is higher than the 2010-11 expected outcome due to delays stemming from contracts not being executed during the election caretaker period in 2010-11. The 2011-12 Target is consistent with the 2010-11 Target.
Government Services	Significant projects completed	Number	10	5	The 2011-12 target is lower than the 2010-11 expected outcome due to variances in the output's annual workplan.
Government Services	Significant projects meet critical success factors	Number	100	90	The 2011-12 target is lower than the 2010-11 expected outcome due to the completion of work ahead of schedule in 2010-11.

2011-12 Output	Performance Measure	Unit of Measure	2010-11 Expected Outcome	2011-12 Target	Comments
Government Services	Significant projects delivered within agreed timelines	Number	100	90	The 2011-12 target is lower than the 2010-11 expected outcome due to the completion of work ahead of schedule in 2010-11.
Economic Regulatory Services	Company performance reviews and audits	Number	109	93	The 2011-12 target is lower than the 2010-11 expected outcome due to additional reviews being undertaken as part of the Victorian Energy Efficiency Target (VEET) scheme during 2010-11.
Economic Regulatory Services	Industry performance reports	Number	7	3	The 2011-12 target is lower than the 2010-11 expected outcome due to variances in the output's annual workplan.
Economic Regulatory Services	Registration and accreditation decisions/approvals	Number	521	400	The 2011-12 target is lower than the 2010-11 expected outcome due to less registration and accreditation decisions/approvals expected to occur during 2011-12.
Economic Regulatory Services	Reviews, investigations or advisory projects	Number	3	6	The 2011-12 target is higher than the 2010-11 expected outcome due to variances in the output's annual workplan.
Business Environment Policy Advice	Public inquiries	Number	4	3	The 2011-12 target is lower than the 2010-11 expected outcome due to variances in the output's annual workplan.
Business Environment Policy Advice	Reviews of Regulatory Impact Statements (RIS) and Business Impact Assessments (BIA) and Regulatory Change Measurements (i)	Number	16	45	The 2011-12 target is higher than the 2010-11 expected outcome due to the number of reviews of RISs, BIAs and RCMs received by the output being lower than anticipated during 2010-11. The 2011-12 target is consistent with the 2010-11 target.
Revenue Management Services to Government	Maintain ISO 9001 & ISO/IEC 20000-1:2005 (ITIL) Certification	Number	4	3	The 2011-12 target is lower than the 2010-11 expected outcome due to an audit review that was originally scheduled for 2009-10 being undertaken in 2010-11. The 2011-12 target is consistent with the 2010-11 target.

Question 14.3

For each initiative (asset or output) in the 2011-12 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.

DTF has three output initiatives that meet this criteria.

The *enhanced tax compliance* initiative contributes to the *revenue management services to government* output. The applicable performance measure is “revenue detected from compliance projects meets estimates”. This measure contributes to the outputs’ overall compliance program to which this initiative will contribute.

The extension of the First Home Bonus (FHB) until 30 June 2012 initiative contributes to the *revenue management services to government* output. There are no performance measures in the budget papers relating to this initiative, however, the State Revenue Office / DTF monitor the number of people receiving the grant.

The improving the planning, management and delivery of infrastructure projects contributes to the *land and infrastructure investment management* output. The relevant performance measures are ‘Commercial and risk management advice on projects which facilitate infrastructure and which minimise Governments exposure to risk’ and ‘Gateway reviews undertaken to minimise Governments exposure to project risks’.

15. Staffing matters

Question 15.1

Please fully complete the spreadsheet in the accompanying Excel file, providing actual EFT staff numbers at 30 June 2010 and estimates of EFT staff numbers (non-executive officers, executive officers and departmental secretary classifications) at 30 June 2011 and 30 June 2012 for the Department and its major budget-funded agencies.

EFT staff numbers for the Department of Treasury and Finance, State Revenue Office and the Essential Services Commission are provided on the following pages and in the excel spreadsheets as requested.

Department of Treasury and Finance (DTF)

Classification	30-Jun-10 (Actual) (EFT)					30-Jun-11 (Estimate) (EFT)					30-Jun-12 (Estimate) (EFT)				
	Ongoing	Fixed term	Casual	Funded vacancy	Total	Ongoing	Fixed term	Casual	Funded vacancy	Total	Ongoing	Fixed term	Casual	Funded vacancy	Total
Secretary	1.00	0.00	0.00	0.00	1.00	1.00	0.00	0.00	0.00	1.00	1.00	0.00	0.00	0.00	1.00
EO-1	3.00	0.00	0.00	0.00	3.00	5.00	0.00	0.00	0.00	5.00	5.00	0.00	0.00	0.00	5.00
EO-2	26.00	0.00	0.00	0.00	26.00	25.00	0.00	0.00	0.00	25.00	25.00	0.00	0.00	0.00	25.00
EO-3	46.80	0.00	0.00	0.00	46.80	43.60	0.00	0.00	0.00	43.60	43.60	0.00	0.00	0.00	43.60
SRM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grade 7 (STS)	8.80	1.00	0.00	0.00	9.80	8.80	1.00	0.00	0.00	9.80	8.80	1.00	0.00	0.00	9.80
Grade 6	159.84	2.00	0.00	0.00	161.84	168.51	3.00	0.00	0.00	171.51	171.51	3.00	0.00	0.00	174.51
Grade 5	130.80	5.60	0.00	0.00	136.40	156.90	4.90	0.00	0.00	161.80	159.90	4.90	0.00	0.00	164.80
Grade 4	126.25	7.00	0.00	0.00	133.25	126.95	6.00	0.00	0.00	132.95	128.95	5.00	0.00	0.00	133.95
Grade 3	123.68	3.00	0.00	0.00	126.68	118.79	3.72	0.00	0.00	122.51	120.79	3.72	0.00	0.00	124.51
Grade 2	39.10	1.00	0.00	0.00	40.10	31.30	2.00	0.00	0.00	33.30	33.30	2.00	0.00	0.00	35.30
Grade 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Legal Officer	8.00	0.80	0.00	0.00	8.80	6.60	1.00	0.00	0.00	7.60	6.60	1.00	0.00	0.00	7.60
Casual	0.00	0.00	1.43	0.00	1.43	0.00	0.00	4.74	0.00	4.74	0.00	0.00	4.74	0.00	4.74
Total	673.27	20.40	1.43	0.00	695.10	692.45	21.62	4.74	0.00	718.81	704.45	20.62	4.74	0.00	729.81

Notes:

1. DTF's FTE increased by 23.6 from the Public Sector Industrial Relations, Community Support Fund and Housing Registrar Machinery of Government changes approved through the course of 2010-11.
2. DTF's FTE is expected to increase by 11 in 2011-12 from the improving planning, management and delivery of infrastructure projects initiative approved as part of the 2011-12 Budget.

State Revenue Office (SRO)

Classification	30-Jun-10 (Actual) (EFT)					30-Jun-11 (Estimate) (EFT)					30-Jun-12 (Estimate) (EFT)				
	Ongoing	Fixed term	Casual	Funded vacancy	Total	Ongoing	Fixed term	Casual	Funded vacancy	Total	Ongoing	Fixed term	Casual	Funded vacancy	Total
EO-2	1.00	0.00	0.00	0.00	1.00	1.00	0.00	0.00	0.00	1.00	1.00	0.00	0.00	0.00	1.00
EO-3	5.00	0.00	0.00	0.00	5.00	5.00	0.00	0.00	0.00	5.00	5.00	0.00	0.00	0.00	5.00
SRM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grade 7 (STS)	1.00	0.00	0.00	0.00	1.00	1.00	0.00	0.00	0.00	1.00	1.00	0.00	0.00	0.00	1.00
Grade 6	37.80	0.00	0.00	0.00	37.80	39.00	0.00	0.00	0.00	39.00	40.00	0.00	0.00	0.00	40.00
Grade 5	88.00	2.00	0.00	0.00	90.00	88.00	1.60	0.00	0.00	89.60	90.00	1.60	0.00	0.00	91.60
Grade 4	82.84	1.00	0.00	0.00	83.84	90.00	1.00	0.00	0.00	91.00	92.00	1.00	0.00	0.00	93.00
Grade 3	154.99	1.00	0.00	0.00	155.99	152.00	0.00	0.00	0.00	152.00	151.00	0.00	0.00	0.00	151.00
Grade 2	56.49	8.80	0.00	0.00	65.29	49.00	12.00	0.00	0.00	61.00	60.00	0.00	0.00	0.00	60.00
Grade 1	3.00	0.00	0.00	0.00	3.00	3.00	0.00	0.00	0.00	3.00	3.00	0.00	0.00	0.00	3.00
Legal Officer	14.40	4.00	0.00	0.00	18.40	18.00	0.00	0.00	0.00	18.00	20.00	0.00	0.00	0.00	20.00
Casual	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	444.52	16.80	0.00	0.00	461.32	446.00	14.60	0.00	0.00	460.60	463.00	2.60	0.00	0.00	465.60

Notes:

1. SRO's FTE will decrease by 9.00 as part of a Machinery of Government transfer to CenITex; tentative date to commence on 1 June 2011.
2. SRO's FTE estimates for 30 June 2012 will increase as part of the enhanced tax compliance initiative in the 2011-12 budget.

Essential Services Commission (ESC)

Classification	30-Jun-10 (Actual) (EFT)					30-Jun-11 (Estimate) (EFT)					30-Jun-12 (Estimate) (EFT)				
	Ongoing	Fixed term	Casual	Funded vacancy	Total	Ongoing	Fixed term	Casual	Funded vacancy	Total	Ongoing	Fixed term	Casual	Funded vacancy	Total
EO-2	1.00	0.00	0.00	0.00	1.00	1.00	0.00	0.00	0.00	1.00	1.00	0.00	0.00	0.00	1.00
EO-3	3.00	0.00	0.00	0.00	3.00	3.00	0.00	0.00	0.00	3.00	3.00	0.00	0.00	0.00	3.00
SRM	3.00	0.00	0.00	0.00	3.00	3.00	1.00	0.00	1.00	5.00	3.00	1.00	0.00	1.00	5.00
Grade 7 (STS)	2.00	0.00	0.00	0.00	2.00	2.00	0.00	0.00	0.00	2.00	2.00	0.00	0.00	0.00	2.00
Grade 6	10.60	0.00	0.00	0.00	10.60	12.60	0.00	0.00	0.00	12.60	12.60	0.00	0.00	0.00	12.60
Grade 5	14.24	0.00	0.00	0.00	14.24	10.64	0.71	0.00	2.00	13.35	10.64	0.71	0.00	2.00	13.35
Grade 4	18.00	0.80	0.00	0.00	18.80	18.60	0.00	0.00	1.00	19.60	18.60	0.00	0.00	1.00	19.60
Grade 3	13.00	0.00	0.00	0.00	13.00	11.00	0.00	0.00	0.00	11.00	11.00	0.00	0.00	0.00	11.00
Grade 2	4.00	1.00	0.00	0.00	5.00	4.55	1.00	0.00	0.00	5.55	4.55	1.00	0.00	0.00	5.55
Grade 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Legal Officer	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Casual	0.00	0.00	3.59	0.00	3.59	0.00	0.00	1.77	0.00	1.77	0.00	0.00	1.77	0.00	1.77
Total	68.84	1.80	3.59	0.00	74.23	66.39	2.71	1.77	4.00	74.87	66.39	2.71	1.77	4.00	74.87

Notes:

1. The Commission does not have any plans to increase staff numbers between the 2011 and 2012 period. The estimate for the 2012 period is therefore based on the 2011 estimate which is the Commissions actual figures as of March 2011.
2. These figures do not include the two statutory appointees listed in DTF's and ESC's 2009/10 Annual Reports.

Contact details

Department:	Department of Treasury and Finance
Contact Officer:	Paula McDonald
Position:	Planning and Reporting Officer
Contact Numbers:	Telephone: 9651 2658
	Fax: 9651 2132
	E-mail: paula.mcdonald@dtf.vic.gov.au

The completed questionnaire must be returned in two parts:

PART A: by 5:00 pm, Thursday, 28 April 2011

PART B: by 5:00pm, Wednesday, 4 May 2011

Please return the response (**including an electronic Word version**) of the questionnaire to:

Ms Valerie Cheong
Executive Officer
Public Accounts and Estimates Committee
Level 3, 55 St Andrews Place
EAST MELBOURNE VIC 3002

Telephone: (03) 8682 2863
Fax: (03) 8682 2898
Email: paec@parliament.vic.gov.au

For inquiries on this questionnaire, please contact the Executive Officer or:

Christopher Gribbin	Ian Claessen
Senior Research Officer	Research Officer
(03) 8682 2865	(03) 8682 2861

15 - Staffing matters

Department of Treasury and Finance (DTF)

Classification	30-Jun-10 (Actual) (EFT)					30-Jun-11 (Estimate) (EFT)					30-Jun-12 (Estimate) (EFT)				
	Ongoing	Fixed term	Casual	Funded vacancy	Total	Ongoing	Fixed term	Casual	Funded vacancy	Total	Ongoing	Fixed term	Casual	Funded vacancy	Total
Secretary	1.00	0.00	0.00	0.00	1.00	1.00	0.00	0.00	0.00	1.00	1.00	0.00	0.00	0.00	1.00
EO-1	3.00	0.00	0.00	0.00	3.00	5.00	0.00	0.00	0.00	5.00	5.00	0.00	0.00	0.00	5.00
EO-2	26.00	0.00	0.00	0.00	26.00	25.00	0.00	0.00	0.00	25.00	25.00	0.00	0.00	0.00	25.00
EO-3	46.80	0.00	0.00	0.00	46.80	43.60	0.00	0.00	0.00	43.60	43.60	0.00	0.00	0.00	43.60
SRM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grade 7 (STS)	8.80	1.00	0.00	0.00	9.80	8.80	1.00	0.00	0.00	9.80	8.80	1.00	0.00	0.00	9.80
Grade 6	159.84	2.00	0.00	0.00	161.84	168.51	3.00	0.00	0.00	171.51	171.51	3.00	0.00	0.00	174.51
Grade 5	130.80	5.60	0.00	0.00	136.40	156.90	4.90	0.00	0.00	161.80	159.90	4.90	0.00	0.00	164.80
Grade 4	126.25	7.00	0.00	0.00	133.25	126.95	6.00	0.00	0.00	132.95	128.95	5.00	0.00	0.00	133.95
Grade 3	123.68	3.00	0.00	0.00	126.68	118.79	3.72	0.00	0.00	122.51	120.79	3.72	0.00	0.00	124.51
Grade 2	39.10	1.00	0.00	0.00	40.10	31.30	2.00	0.00	0.00	33.30	33.30	2.00	0.00	0.00	35.30
Grade 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Legal Officer	8.00	0.80	0.00	0.00	8.80	6.60	1.00	0.00	0.00	7.60	6.60	1.00	0.00	0.00	7.60
Casual	0.00	0.00	1.43	0.00	1.43	0.00	0.00	4.74	0.00	4.74	0.00	0.00	4.74	0.00	4.74
Total	673.27	20.40	1.43	0.00	695.10	692.45	21.62	4.74	0.00	718.81	704.45	20.62	4.74	0.00	729.81

Notes:

1. DTF's FTE increase by 23.6 through the Public Sector Industrial Relations, Community Support Fund and Housing Registrar Machinery of Government changes approved through the course of 2010-11.
2. DTF's FTE is expected to increase by 11 in 2010-11 from the improving planning, management and delivery of infrastructure projects initiative approved as part of the 2011-12 Budget.