



**PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

**2007-08 BUDGET ESTIMATES QUESTIONNAIRE**

**Department of Innovation, Industry and  
Regional Development**

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1. Output Responsibilities

Question 1.1

Using the following formation, please identify the Minister responsible for each output of the department. Where shared responsibility arrangements exist for the delivery of outputs please identify the lead Minister.

Response:

*Ministerial responsibilities and budgets*

Output Group	Output	Responsible Minister/s	2007-08 Budget \$m
Investment Attraction	<ul style="list-style-type: none"> <li>Investment Facilitation and Attraction</li> </ul>	<ul style="list-style-type: none"> <li>Minister for Industry and State Development (lead)</li> <li>Minister for Regional and Rural Development</li> <li>Minister for Innovation</li> <li>Minister for Tourism</li> </ul>	24.1
Trade Development	<ul style="list-style-type: none"> <li>Export Promotion</li> </ul>	<ul style="list-style-type: none"> <li>Minister for Industry and State Development</li> </ul>	12.4
Developing Innovative Industries	<ul style="list-style-type: none"> <li>Small Business Support</li> </ul>	<ul style="list-style-type: none"> <li>Minister for Small Business</li> </ul>	22.7
	<ul style="list-style-type: none"> <li>Innovative and High Performing Industries</li> </ul>	<ul style="list-style-type: none"> <li>Minister for Industrial Relations</li> </ul>	14.5
	<ul style="list-style-type: none"> <li>Science Technology and Innovation</li> </ul>	<ul style="list-style-type: none"> <li>Minister for Innovation</li> </ul>	127.9
	<ul style="list-style-type: none"> <li>Creative Industries</li> </ul>	<ul style="list-style-type: none"> <li>Minister for Innovation</li> </ul>	28.3
	<ul style="list-style-type: none"> <li>Advanced Manufacturing</li> </ul>	<ul style="list-style-type: none"> <li>Minister for Industry and State Development</li> </ul>	6.9
	<ul style="list-style-type: none"> <li>Service Industries</li> </ul>	<ul style="list-style-type: none"> <li>Minister for Industry and State Development</li> </ul>	3.2
	<ul style="list-style-type: none"> <li>Strategic Policy</li> </ul>	<ul style="list-style-type: none"> <li>Minister for Industry and State Development (lead)</li> <li>Minister for Small Business</li> <li>Minister for Innovation</li> <li>Minister for Tourism</li> <li>Minister for Regional and Rural Victoria</li> <li>Minister for Industrial Relations</li> <li>Minister for Skills, Education Services and Employment</li> <li>Minister for Information and Communication Technology</li> </ul>	4.9
ICT Policy and Programs	<ul style="list-style-type: none"> <li>ICT Policy and Programs</li> </ul>	<ul style="list-style-type: none"> <li>Minister for Information and Communication Technology</li> </ul>	20.2
Regional Development	<ul style="list-style-type: none"> <li>Regional Economic Development and Investment</li> </ul>	<ul style="list-style-type: none"> <li>Minister for Regional and Rural Development</li> </ul>	26.1
	<ul style="list-style-type: none"> <li>Regional Promotion and Development</li> </ul>		31.9
	<ul style="list-style-type: none"> <li>Regional Infrastructure Development</li> </ul>		92.2
Marketing Victoria	<ul style="list-style-type: none"> <li>Tourism</li> </ul>	<ul style="list-style-type: none"> <li>Minister for Tourism</li> </ul>	70.3
Skills	<ul style="list-style-type: none"> <li>Skills</li> </ul>	<ul style="list-style-type: none"> <li>Minister for Skills, Education Services and Employment</li> </ul>	1720.2 <sup>1</sup>
<b>Total</b>			<b>2205.8</b>

<sup>1</sup> The new 2007/2008 output Skills reflects goods and services which were previously delivered on behalf of the Government by the Department of Education. This change has arisen from the machinery of Government changes announced after the 2006 State election, resulting in the transfer of services associated with TAFE and other registered training organisations to DIIRD. Output cost includes \$400 million of externally generated TAFE commercial revenues. The Department of Education has not previously included these revenues in the output costs.

**Question 1.2**

For new initiatives announced in the 2007-08 Budget (Budget Paper No. 3), please identify the Minister responsible. Where shared responsibility arrangements exist for the initiative, please identify the lead Minister. Please use the following format.

**Response:**

***Ministerial responsibilities and initiatives***

<b>Initiative (both output and asset)</b>	<b>Responsible Minister/s</b>
Natural Attraction and Car Based Touring	Minister for Tourism
Next Generation Film, Television and Digital	Minister for Innovation
Regional Community Tourism Events	Minister for Regional and Rural Development
Excellence in Service Standards	Minister for Tourism
Industry Capability Network	Minister for Industry and State Development
Expand Internet Usage by Regional Tourist Operators	Minister for Tourism
Expand Opening Doors to Export	Minister for Industry and State Development
Farmers Markets	Minister for Regional and Rural Development
Fly Drive Holidays in Regional Centres	Minister for Tourism
Interstate Promotion of Food and Wine	Minister for Tourism
Tiger Teams and Victorians Abroad	Minister for Industry and State Development
Marketing of International Tourism	Minister for Tourism
Working Families Council	Minister for Industrial Relations
Workplace Pay and Conditions Standard	Minister for Industrial Relations
Returning to Earning	Minister for Skills, Education Services and Employment
Workplace Toolkit	Minister for Industrial Relations
Small Business Commissioner	Minister for Small Business
Apprenticeship/Trainee Completion Bonus	Minister for Skills, Education Services and Employment
Strategic Industry Development	Minister for Industry and State Development
Victorian Major Events Company	Minister for Tourism
Brand Victoria	Minister for Industry and State Development
Film and TV Industry	Minister for Innovation
Kangan Batman Docklands	Minister for Skills, Education Services and Employment Minister for Industry and State Development
Gordon Institute – Wool Classing	Minister for Skills, Education Services and Employment
Nursing Centre for Excellence – Box Hill TAFE	Minister for Skills, Education Services and Employment
Northern Institute of TAFE (Epping)	Minister for Skills, Education Services and Employment
Transport and Logistics Centre Wodonga	Minister for Skills, Education Services and Employment

**2. Output Initiatives**

**Question 2.1**

Please provide at least a paragraph detailing content, estimated cost (including out years), staffing implications and expected outputs for each initiative.

**Response:**

The following provides an overview of each new initiative and estimated costs. There are no direct staff implications for the Department in delivering these initiatives.

**Nature Attractions and Car Based Touring**

Victoria has a competitive advantage in nature based touring. To realise its potential, Tourism Victoria, Parks Victoria and the Department of Sustainability and Environment will work together to market nature based tourism; create supporting frameworks and partnerships; facilitate viable and innovative businesses; plan and manage sustainable destinations; and evaluate and facilitate investment attraction.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
1.000	1.00	2.00	2.00	0.000

**Next Generation Film, Television and Digital**

The Next Generation Film, Television and Digital program will enable the Melbourne International Film Festival (MIFF) to build on its significant local profile and to extend national and international industry awareness. MIFF will have additional funding which will provide added capacity for the Festival to invest in human resources and programs to develop new income streams and work towards long term sustainability.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
1.400	1.400	0.000	0.000	0.000

**Regional Community Tourism Events**

This program aims to support regional events that have the potential to grow and attract visitors to the regions and contribute to community spirit. Examples of events to be supported are the Warrnambool International Children's Festival and the Whittlesea Country Music Festival.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
0.500	0.500	0.500	0.500	0.000

**Excellence in Service Standards**

This initiative aims to address the skills shortage in the tourism industry and to increase the number of businesses accredited, the number of businesses participating in customer satisfaction benchmarking programs and the number of businesses entered into the tourism awards. The type of programs included is the development of a Workforce Development Plan in consultation with the Office of Training and Tertiary Education, Service Skills and the Victorian Tourism Industry Council. A range of targeted skills programs will also be developed through the Office of Small Business to meet the needs of tourism operators.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
0.200	0.200	0.300	0.300	0.000

**Expand Industry Capability Network**

This initiative will expand the regional office network of the Industry Capability Network (ICN) to ensure that it's local sourcing and import replacement services are available to regional businesses. It will also see the appointment of Industry Champions and Business Capability Advisers to contribute to the Government's industry policy agenda. Industry Champions will work in partnership with key industry groups to develop opportunities for new business collaborations and investment, and to develop strategies for individual firms and industry sectors, with a particular focus on international procurement. The Business Capability Advisers will assist industry clusters and individual firms to identify new customers, improve business operations and access Government support and incentive programs.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
1.350	1.350	1.350	1.350	0.000

**Expand Internet Usage by Regional Tourist Operators**

This program aims to increase the number of tourism businesses marketing and selling their products online and increase online bookings for regional tourism operators. The two key components of this initiative is to encourage businesses to adopt emerging technologies and increase the use of the internet and to provide opportunities for tourism operators to achieve increased online bookings through the establishment of improved linkages between the private sector booking systems and Tourism Victoria's websites.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
0.200	0.200	0.300	0.300	0.000

**Expand Opening Doors to Export**

This initiative will continue the Opening Doors to Export program and create a new Victorian Export Network, seeking to promote Victorian industry's capabilities in key export markets and create mechanisms to establish collaborative export partnerships. The Opening Doors to Export initiative was established in 2004-05 to promote Victoria internationally and boost the State's presence in world markets. It has assisted 7,000 Victorian businesses to export. The Victorian Export network aims to match companies looking for partners to fill supply and distribution chains. A key component of this will be a new interactive website where companies can register and receive advice, updates, notification of trade and exhibition opportunities.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
2.200	2.500	2.500	2.500	0.000

**Farmers' Markets**

The program will support Farmers' Markets as a community based option for farmers to deliver their products direct to consumers. It aims to stimulate local economic activities through growing this budding industry to enhance the sustainability of this alternative market channel for small production farmers.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
0.500	0.500	0.500	0.500	0.000

**Fly Drive Holidays to Regional Centres**

The program will assist in improving key stakeholder relationship with regional airports, through increased investment in both cooperative marketing activity and the facilitation of infrastructure upgrades. The program will also ensure the continuation of existing partnerships with national travel trade partners and key wholesale and airline partners.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
0.200	0.200	0.300	0.300	0.000

**Interstate Promotion of Food and Wine**

In 2004 Tourism Victoria launched the Food and Wine Tourism Plan 2004-2007 and has undertaken marketing campaigns primarily in the interstate markets. The extension of food and marketing activities to key interstate markets will complement existing intrastate marketing activities for the food and wine segment. A dedicated interstate marketing campaign will significantly increase the profile of Victoria's food and wine offering.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
0.300	0.300	0.300	0.300	0.000

**Tiger Teams and Victorians Abroad**

Tiger teams comprise a joint effort by Government and industry to aggressively chase footloose investment for Victoria. In response to the changing investment attraction environment, the teams will concentrate on chasing high-end, niche operations. The Victorians Abroad initiative aims to keep our expatriate workforce connected, informed and better able to assist Victoria through their skills and connections, via an Ambassadors program, and the creation of a database and web based portal.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
0.500	0.500	0.500	0.500	0.000

**Marketing of International Tourism**

This program will involve a focus on international markets that represent the greatest tourism growth prospects (such as China and other emerging Asian markets) and a continued focus on mature markets (such as North America, United Kingdom and New Zealand) that have the greatest short term potential for regional coverage.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
0.700	0.700	1.900	1.900	0.000

**Working Families Council**

This initiative is to establish a Working Families Council to promote employment practices that help balance work and family time. The Council's roles and responsibilities will include: championing the issues facing Victoria's working families; assist employers to introduce family friendly provisions/conditions; and further develop pay equity strategies and initiatives.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
0.100 <sup>1</sup>	0.200	0.200	0.200	0.000

<sup>1</sup> Note that the funding for this initiative will be from internal reprioritisation.

**Workplace Pay and Conditions Standard**

This initiative establishes a Workplace Pay and Conditions Standard to be based on conditions in awards that existed prior to the introduction of the Commonwealth's WorkChoices legislation. It will include provisions relating to overtime pay, public holiday and shift work pay rates, casual pay loading, family friendly provisions, redundancy pay and dispute resolution processes.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
0.500 <sup>1</sup>	0.200	0.200	0.100	0.000

<sup>1</sup> Note that the funding for this initiative will be from internal reprioritisation.

**Returning to Earning**

This initiative will assist parents who have temporarily been out of the paid workforce, with flexible grants up to \$1,000 for education and training related costs, particularly targeted relevant industries with skills shortages.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
3.300	3.300	3.300	3.300	0.000

**Workplace Toolkit**

This initiative is to provide an online toolkit to provide advice to employers and employees on responsibilities and opportunities for parent returning to work. This supports the Returning to Earning initiative.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
0.300	0.300	0.300	0.300	0.000

**Small Business Commissioner**

The Victorian Small Business Commissioner was established in May 2003 under the Small Business Commissioner Act 2003 and aims to promote a competitive and fair operating environment for businesses in Victoria. This is a continuation of that role.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
2.250	2.307	2.364	2.423	0.000

**Apprentice/Trainee Completion Bonus**

The aim of the Completion Bonus is to encourage employers to increase the number of young apprentices and trainees completing their qualifications.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
24.500	0.000	0.000	0.000	0.000

**Skill Up**

This program provides assistance to around 1000 retrenched workers per annum to upgrade their skills or develop new skills so they can re-enter the workforce as quickly as possible.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
1.400 <sup>1</sup>	1.400	1.400	1.400	0.000

<sup>1</sup> Note that the funding for this initiative will be from internal reprioritisation.

**Strategic Industry Development**

This initiative includes: implementation of the Government's Defence Industry Roadmap; enhancing defence industry capabilities to win projects and contributions to the national Cooperative Research Centres (CRC) for Advanced Manufacturing.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
2.000 <sup>1</sup>	2.000	2.000	2.000	2.000

<sup>1</sup> Note that the funding for this initiative will be from internal reprioritisation.

**Victorian Government Business Offices**

This initiative provides recurrent funding to address a range of issues for the Victorian Government Business Offices such as rents, refurbishment and repairs and general operating expenses.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
0.433	1.242	0.672	0.700	0.000

**Victorian Major Events Company**

This initiative aims at implementing the recommendations of the strategic review undertaken in 2005-06 and to maintain the level of success experienced in an increasingly competitive and professional international market.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
0.380	0.390	0.399	0.409	0.409

**Brand Victoria**

This initiative is to continue the funding for the Brand Victoria initiative which aims to increase export income from the State's tourism, education, foreign investment, skilled migration and goods and services industries by providing a consistent approach to brand marketing and communication activity.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
0.540	0.554	0.567	0.581	0.000



**Film and TV Industry**

This program aims to support Victorian practitioners to develop, produce and exploit content for feature films, television series and documentaries. It provides support via grants for script development.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
0.486	0.486	0.486	0.486	0.486

**Major Events Cap**

This initiative will increase the Major Events Cap to continue to attract new events to the State and so tourists, and add to the vitality and diversity of the State. The events market is becoming increasingly competitive internationally and this increase will ensure Victoria retains the tourism benefits achieved over recent years.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
11.533	11.040	10.056	0.000	0.000

**Kangan Batman Docklands – Stage Two**

This asset initiative is to construct stage two of the Kangan Batman Institute of TAFE facilities at the Docklands and will see the re-location of the remaining automotive trade programs from the Coburg and Richmond campuses.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
2.000	10.000	15.000	3.000	0.000

**Gordon Institute – Wool Classing**

This asset project completes the transfer of the remaining training programs that are located at Deakin University Waurin Ponds Campus to the East Geelong Campus and the occupied space return to Deakin University.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
0.100	2.900	0.000	0.000	0.000

**Nursing Centre of Excellence – Box Hill**

A consortium that includes Box Hill Institute of TAFE, Deakin University, the Epworth Hospital Foundation and Eastern Health Network will develop a Nursing Skills Centre of Excellence to address the gap between supply and demand of current/future needs in nursing and allied health services.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
0.500	4.100	0.000	0.000	0.000

**Northern Institute of TAFE - Epping**

This project is to expand the Epping Campus to meet the demand for vocational education services provision in one of Victoria's fastest growing growth corridors, Whittlesea. This initial funding is to complete the project business case.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
0.050	0.000	0.000	0.000	0.000

**Transport and Logistics Centre - Wodonga**

This initiative is to establish a national Logistics and Driver Skills Training Centre, which will include the relocation and expansion of Wodonga Institute of TAFE's national Industrial Skills Training Centre and the establishment of a driver education centre with capacity to expand the Institute's Specialist Centre in Motorsports. This initial funding is to complete the project business case.

2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Ongoing
0.500	0.00	0.00	0.000	0.000

### 3. Staffing Matters

#### Question 3.1

Using the format below, please actual EFT staff numbers at 30 June 2006 and estimates of EFT staff numbers (non-executive officers, executive officers and departmental secretary classifications) at 30 June 2007 and 30 June 2008 for the department and its major budget funded agencies.

Classification	30-Jun-06 (Actual) (EFT)					30-Jun-07 (Estimate) (EFT)					30-Jun-08 (Estimate) (EFT)
	On-going	Fixed term	Casual	Funded vacancy	Total	On-going	Fixed term	Casual	Funded vacancy	Total	Total
VPS CS G1	1.00	5.00			6.00	1.00	6.00		1.00	8.00	
VPS CS G2	33.20	10.80		1.00	45.00	40.00	5.80		1.00	46.80	
VPS CS G3	116.20	16.80		6.60	139.60	119.50	13.00		5.50	138.00	
VPS CS G4	82.30	23.00		10.50	115.80	89.79	18.00		13.70	121.49	
VPS CS G5	131.40	11.90		12.50	155.80	153.86	23.20		12.30	189.36	
VPS CS G6	163.30	12.80	1.00	6.50	183.60	187.94	12.80		6.20	206.94	
VPS CS G7	5.00	2.00		1.00	8.00	5.00	3.00		0.00	8.00	
EO Grade 3		28.00		3.00	31.00		30.00		4.00	34.00	
EO Grade 2		10.00		4.00	14.00		10.00		5.00	15.00	
EO Grade 1		2.00			2.00		2.00			2.00	
Other	2.00	3.00			5.00	1.00	4.00			5.00	
<b>Total</b>	<b>534.40</b>	<b>125.30</b>	<b>1.00</b>	<b>45.10</b>	<b>705.80</b>	<b>598.09</b>	<b>127.80</b>	<b>0.00</b>	<b>48.70</b>	<b>774.59</b>	<b>774.59</b>

Other includes:

Other 'Fixed Term' 30-Jun-06 include: Small Business Commissioner (1FTE); Workplace Rights Advocate (1FTE); Agent General London (1FTE)

Other 'Fixed Term' 30-Jun-07 include: CEO Regional Development (1FTE); Small Business Commissioner (1FTE); Workplace Rights Advocate (1FTE); Agent General London (1FTE)  
Other 'Ongoing' include ministerial staff (2 FTE) for 30-Jun-06 and (1 FTE) for 30-Jun-07

Notes: The Department anticipates that the staff numbers in June 2008 may change however it is not possible to provide details of overall staff numbers at this point.  
Estimation of staff numbers for 30-Jun-07 and 30-Jun-08 does not include OTTE employees as the MoGC transitioning of staff is not yet finalised.  
Estimation of staff numbers for 30-Jun-07 and 30-Jun-08 includes MMV employees and budgeted vacancies.

#### 4. Financial Information

##### Question 4.1

Please provide information on revenue and expenditure for the controlled and administered operating statements, using financial statement format in the 2007-08 Budget Paper No.4

Operating statement (Controlled)	Column 1	Column 2	Column (2-1)/1
	<b>2006-07 Estimated Actual (\$ million)</b>	<b>2007-08 Budget (\$ million)</b>	<b>Variation  (%)</b>
<b>Income from transactions</b>			
Output appropriations	959.2	1420.5	48.1
Special appropriations			
Sale of Goods and Services	229.3	471.4	105.6
Commonwealth Grants	145.6	294.4	102.2
Other Grants	4.2	0.9	-78.57
Other Revenue and Revenue from other Parties	24.6	47.9	94.7
<b>Total</b>	<b>1362.9</b>	<b>2235.1</b>	<b>63.9</b>
<b>Expenses from transactions</b>			
Employee benefits	494.9	924.2	86.7
Supplies and services	360.6	609.7	69.1
Depreciation and Amortisation	42.1	78.8	87.2
Grants and Other Payments	365.7	421.7	15.3
Capital Assets Charge	84.6	170.8	101.9
Borrowing Costs	0.3	0.5	66.7
<b>Total</b>	<b>1348.2</b>	<b>2205.8</b>	<b>63.6</b>
<b>Net result from transactions</b>	<b>14.7</b>	<b>29.4</b>	<b>100</b>
<b>Income/expenses from other economic flows</b>			
<b>Net result from other economic flows</b>			
<b>Net result</b>	<b>14.7</b>	<b>29.4</b>	<b>100</b>

Operating statement (Administered)	Column 1	Column 2	Column (2-1)/1
	<b>2006-07 Estimated Actual (\$ million)</b>	<b>2007-08 Budget (\$ million)</b>	<b>Variation  (%)</b>
<b>Income from transactions</b>			
Output appropriations			
Special appropriations			
Sale of Goods and Services			
Commonwealth Grants	0.1		
Other Grants			
Fines	0.2	0.2	
Fees	2.1	2.1	
Other Revenue and Revenue from Other Parties	5.2	5.2	
<b>Total</b>	<b>7.6</b>	<b>7.5</b>	
<b>Expenses from transactions</b>			
Employee benefits			
Supplies and services			
Other Expenses from Ordinary Activities	0.1	0.1	
Payments into Consolidated Fund	7.5	7.4	
<b>Total</b>	<b>7.6</b>	<b>7.5</b>	
<b>Net result from transactions</b>	<b>0.0</b>	<b>0.0</b>	
<b>Income/expenses from other economic flows</b>			
<b>Net result from other economic flows</b>			
<b>Net result</b>	<b>0.0</b>	<b>0.0</b>	

**Question 4.2**

In 2007-08 are there any new revenue raising initiatives planned or major changes to existing revenue initiatives? If so, please provide details of these initiatives and anticipated collections.

**Response:**

There are no new revenue raising initiatives.

**Question 4.3**

Please provide details of the financial position for controlled and administered items using the following format.

**Response:**

	Column 1	Column 2	Column (2-1)/1
<b>Balance sheet (Controlled)</b>	<b>2006-07 Estimated Actual</b>	<b>2007-08 Budget</b>	<b>Variation</b>
	<b>(\$ million)</b>	<b>(\$ million)</b>	<b>(%)</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash assets	334.2	326.4	-2.3
Other financial assets	107.2	107.0	-0.2
Receivables	101.9	104.4	2.45
Prepayments	9.0	9.0	0.0
Inventories	10.4	10.4	0.0
Other	0.2	0.2	0.0
Assets held for sale	10.2	10.2	0.0
<b>Total Current Assets</b>	<b>573.1</b>	<b>567.6</b>	<b>-0.9</b>
Other Financial Assets	48.9	48.9	
Investments Accounted for using the Equity Method	20.0	25.0	
Property, Plant and Equipment	2248.5	2283.5	1.5
Intangible assets	2.8	2.8	
<b>Total Non Current Assets</b>	<b>2320.2</b>	<b>2360.2</b>	<b>1.7</b>
<b>Total assets</b>	<b>2893.3</b>	<b>2927.8</b>	<b>1.2</b>
<b>Liabilities</b>			
Payables	100.1	100.1	
Interest bearing liabilities	1.8	1.8	
Employee Provisions	57.5	58.2	1.2
Other	36.8	36.8	
<b>Total Current Liabilities</b>	<b>196.2</b>	<b>196.9</b>	<b>0.3</b>
Interest Bearing Liabilities	8.0	8.0	
Employee Provisions	105.8	107.4	1.5
Amounts Owing to Other Departments	0.6	0.6	
<b>Total Non Current Liabilities</b>	<b>114.4</b>	<b>116.0</b>	<b>1.4</b>
<b>Total Liabilities</b>	<b>310.6</b>	<b>312.9</b>	<b>0.7</b>

**2007-08 Budget Estimates Questionnaire**

	Column 1	Column 2	Column (2-1)/1
<b>Balance sheet (Controlled)</b>	<b>2006-07 Estimated Actual</b>	<b>2007-08 Budget</b>	<b>Variation</b>
	<b>(\$ million)</b>	<b>(\$ million)</b>	<b>(%)</b>
<b>Net assets</b>	<b>2582.7</b>	<b>2614.9</b>	<b>1.2</b>
<b>Equity</b>			
Contributed capital	1446.4	1449.3	0.2
Accumulated surplus	139.4	168.7	21.0
Reserves	996.9	996.9	
<b>Total equity</b>	<b>2582.7</b>	<b>2614.9</b>	<b>1.2</b>

Note: (a) Please provide balances at an aggregate level

	Column 1	Column 2	Column (2-1)/1
<b>Balance sheet (Administered)</b>	<b>2006-07 Estimated Actual</b>	<b>2007-08 Budget</b>	<b>Variation</b>
	<b>(\$ million)</b>	<b>(\$ million)</b>	<b>(%)</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash assets	-0.1	-0.1	
Other financial assets	0.2	0.2	
<b>Total Current Assets</b>	<b>0.1</b>	<b>0.1</b>	
Receivables	44.6	44.6	
<b>Total Non Current Assets</b>	<b>44.6</b>	<b>44.6</b>	
<b>Total assets</b>	<b>44.7</b>	<b>44.7</b>	
<b>Liabilities</b>			
Payables			
Other	93.2	93.2	
<b>Total Current Liabilities</b>	<b>93.2</b>	<b>93.2</b>	
<b>Total Non Current Liabilities</b>	<b>0</b>	<b>0</b>	
<b>Total Liabilities</b>	<b>93.2</b>	<b>93.2</b>	
<b>Net assets</b>	<b>-48.5</b>	<b>-48.5</b>	
<b>Equity</b>			
Contributed capital	30.8	30.8	
Accumulated surplus			
Reserves	-79.3	-79.3	
<b>Total equity</b>	<b>-48.5</b>	<b>-48.5</b>	

## 5. Performance Measures

### Question 5.1

What changes have been made to departmental performance measures and major output/deliverables in this year's budget compared with 2006-07?

#### Response:

The changes which have been made to the Department's output structure on 2007/2008 are shown in the table below:

#### **Output Structure**

<b>2007-08 Output</b>	<b>Reason</b>	<b>2006-07 Output</b>
Creative Industries	Machinery of Government	Part function transferred from the Department of Premier and Cabinet
ICT Policy and Programs	Machinery of Government	Part function transferred from the Department of Infrastructure
Regional Economic Development and Investment	Restructured	Regional Economic and Community Development
Regional Promotion and Development	Restructured	Regional Economic and Community Development
Skills	Machinery of Government	Part function transferred from the Department of Education

These changes are designed to ensure better alignment with the Department's overall objectives, Government outcomes and to reflect machinery of Government changes.



**Increased Targets**

The targets in the table below have been increased from those in 2006/2007:

Target	2007-08	2006-07	Explanation
<b>Export Promotion</b> Companies provided with export assistance (number)	3150	3050	Targets increased to reflect the continued annual increase in participating firms.
Number of firms participating in individual export specific programs (number)	700	600	
<b>Small Business</b> Registration for online services (number)	30000	3000	Target reflects the increased use of this technology
Businesses participating in the My Business My People Program (number)	200	100	2007-08 is the first full year of operation.
Agencies participating in World Class Service Initiative (number)	80	40	Target doubled due to increasing activity of the program.
<b>Creative Industries</b> Design Sector Initiative: Case studies completed (number)	12	10	Target increased to reflect the increased activity.
<b>Regional Infrastructure Development</b> RIDF projects funded (number)	15	10	Target increased to reflect more consistency in actual outcomes.
<b>Marketing Victoria</b> Number of visitors (international) (million)	1.3-1.6	1.2-1.5	International visitors and expenditure are anticipated to grow due to continued investment in major events and marketing.
Visitor expenditure (international) (\$ billion)	2.5-2.8	2.4-2.7	
Visitor expenditure (Domestic) (\$ billion)	10.0-11.0	6.8-7.2	2006-07 results were better than expected driven by increases in interstate travel and visitation.
Visitor expenditure in regional Victoria (Domestic) (\$ billion)	5.0-5.4	2.7-3.1	These measures have been broadened to include overnight and daytrip spend.
Visitvictoria.com.au annual visitors to site (number '000)	5200	3800	Target increased to reflect the increase in online marketing and research travel by consumers.
Investment projects facilitated (\$ million)	250-300	200-250	Reflects the anticipated increase in value of projects realised in 2007-08.
Value of media coverage generated: Domestic (\$ million)	40-50	35-45	There will be an increased focus on public relations in 2007-08. Also wording as been changed from earned ink to value and moved to a quantity measure rather than quality measure. The wording of this measure has also changed from "earned ink" to 'value'.
Value of media coverage generated: International (\$ million)	120-140	80-100	
Target market awareness of advertising on Victoria	14-19	12-17	Increased target reflects a greater emphasis on intrastate marketing.

**Decreased Measures:**

The targets in the table below have been decreased from those in 2006/2007:

Target	2007-08	2006-07	Explanation
<b>Investment Facilitation and Attraction</b> Client satisfaction rating by businesses of investment facilitation services	80%	90%	Former system of reporting replaced by 5 point scale, ie. 4 out of 5 = 80% satisfaction rating.
<b>Regional Infrastructure Development</b> Small Town Development Funds (STDF) projects funded (number)	50	90	Due to funding phasing for the program 2006/2007 funds were 50% higher than for 2007/2008.
<b>Marketing Victoria</b> Visitor expenditure in regional Victoria (international) (\$billion)	200-250	250-290	The Tourism Forecasting Commission advises that the 2006/2007 result and the 2007/2008 target are due to a nationwide change in international visitor composition, ie. less visitors from Western markets who are more likely to travel to regions.
<b>Skills</b> Annual Government funded module enrolments (number million)	2.25	2.31	This target is set conservatively to reflect recent trends, which show a decline in the ratio of Annual Government funded module enrolments to Government funded student contact hours of training and further education provided. The machinery of Government changes have no impact here, as the ACE component of this measure will be reported both here and by DVC.
Audit of contract compliance by registered training organisations and other State Training Systems organisations (number)	125	350	Target represents 50% audit rate of funded RTOs following the transfer of some audit functions to the VRQA (DoE) from 1 July 2007.
Number of apprenticeship/trainee commencements by new employees (number)	52 600	65 100	The number of new entrant apprenticeship and traineeship commencements achieved reflects employer recruitment decisions and employment options pursued by individuals. Government support through incentives and training support may help to influence these decisions, but a range of other matters outside the provision of training are also significant including economic conditions, enterprise performance and the supply of labour. Commencements are currently reducing despite Government support.
Persons aged 15-64 participating in TAFE programs as proportion of population	12.7%	14.8%	Target takes account of a revised methodology to calculate the participation rate resulting in a more precise estimate.

**New Measures:**

The targets in the table below are new measures from those in 2006/2007:

Target	2007-08	2006-07	Explanation
<b>Small Business</b> Business interactions (call, web, in person) (number)	140 000	-	Better description of measure provided covering all service channels.
Victorian Small Business Commissioner – Client satisfaction with mediation service	80%	-	Following an independent review of the Small Business Commissioner operation this measure replaces the former measure around retail tenants as a more appropriate measure of service and quality.
<b>Innovative and High Performing Workplaces</b> Client satisfaction with activities arising from the Working Families agenda	80%	-	Measure to reflect the new activities around working families.
<b>ICT Policy and Programs</b> ICT companies provided with export assistance (number)	200	-	New measures to reflect a consistency in approach across outputs with the machinery of Government changes.
ICT Trade Fairs and Missions supported (number)	6	-	
<b>Regional Development</b> Provincial events held with RDV support (number)	55	-	Measure reports on the output of the Provincial Sponsorship Program, which is supported from the Provincial Victoria Growth Fund and is part of the Government's <i>Moving Forward Statement</i> .
Projects to support Councils plan for growth (number)	25	-	Measure reports on the output of the Planning for Growth Program, which is supported from the Provincial Victoria Growth Fund and is part of the Government's <i>Moving Forward Statement</i> .
Delivery of Leadership programs in provincial Victoria (number)	1	-	Measure reports on the output of the Provincial Victoria Leadership Program, which is supported from the Provincial Victoria Growth Fund and is part of the Government's <i>Moving Forward Statement</i> .
Regional Councils satisfaction with RDV's delivery of promotion and development programs	75%	-	Measure of RDV's performance in delivery of <i>Moving Forward</i> initiatives to a key stakeholder group.
Regional Councils satisfaction with timeliness of RDV's response to queries and funding applications	75%	-	
<b>Skills</b> Minimum target for TAFE students funded through Youth pathways Program (number)	2 100	-	Measure replaces former measure around Managed Individual Plan which now automatically forms part of contractual arrangements.

**Discontinued Measures:**

The targets in the table below are discontinued measures from 2006/2007:

Target	2007-08	2006-07	Explanation
<b>Small Business</b> General enquiries: Business Enquiries (number)	-	40 000	New measure in place that covers all channels of interaction eg. web, call, in person.
Small Business Commissioner – proportion of applicants by retail tenants before leases of less than five years are responded to in 21 days.	-	100%	Measure replaced by a client satisfaction measure following an independent review.
<b>Innovative and High Performing Workplaces</b> Number of firms participating in programs designed to facilitate high performing and innovative workplaces. (number)	-	10	Funding for Partners at Work and Better Work and Family programs ceased in 2005/2006 and 2006/2007 respectively. New activities reflected in new measures around Working Families.
<b>Science, Technology and Innovation</b> Australian Synchrotron: Client management beamline user groups operating (number)	-	9	Advisory groups will be absorbed into governance structure of independently operating facility.
Value of investment attracted by Energy Technology Projects	-	5:01	ETIS Program transferred to Department of Primary Industries.
<b>Advanced Manufacturing</b> Participation in Balance Sheet Ready Program (number)	-	50	Contract with workshop provider expired 30 June and given the range of such workshops now available, funding from program has been reallocated.
Companies assisted through Australian Logistics Assured Program (number)	-	15	Program expired 30 June 2007.
Companies provided with assistance in technology uptake (number)	-	270	Program discontinued following evaluation. Funding reallocated to new manufacturing initiatives proposed under the draft Victorian Manufacturing Strategy.
<b>ICT Policy and Programs</b> Export development projects (number)	-	40	Replaced with new measures relating to export promotion activity for 2007/2008.
<b>Regional Development</b> Clusters supported in regional Victoria (number)	-	10	Funding is fully committed in 2006/2007.
Next Generation Food Strategy – initiative in operation (number)	-	36	Funding fully committed in 2006-07.
Towns with works commenced to enable connection under the Natural Gas Extension Program (number)	-	34	All towns connected under this program will have works commenced by 30 June 2007.
<b>Skills</b> TAFE students funded Youth Pathways Program with a Managed Individual Plan	-	100%	Measure was an establishment measure to monitor initial implementation of the initiative. It has been replaced with a new measure.
Participation rate 15 to 19 year olds in training and further education in Victoria: Non metropolitan.	-	34.3	This was a GVT measure that was removed in 2005 and replaced with a new measure encompassing 15-64 years.

<b>Target</b>	<b>2007-08</b>	<b>2006-07</b>	<b>Explanation</b>
Universities participating in cooperative arrangements in regional areas.	-	9	This measure monitored cooperative arrangements associated with University Scholarships as part of the regional ICT funding initiative in 2001-02. Funding ceased in 2004-05 and the measure is no longer appropriate for continued reporting.
Direct costs of accrediting private providers recovered through fees.	-	100%	Transferred to VRQA 1 July 2007
Private provider applicants assessed within six months	-	75%	Transferred to VRQA 1 July 2007
private providers complying with quality standards	-	100%	Transferred to VRQA 1 July 2007

**Question 5.2**

What changes, if any, have been made to key government objectives expected to be achieved by the major outputs?

**Response:**

Not Applicable.

**6. Carry Over Funding**

**Question 6.1**

What funding for 2006-07 does the Department estimate that it will carry forward to 2007-08 and for what purposes will this funding be applied, either by outputs or additions to the net asset base?

**Response:**

The Department has an estimated carry over into 2007/2008 of \$16.9 million to be applied to outputs.

**Question 6.2**

What factors are expected to contribute to the carry over of funding?

**Response:**

The following factors have contributed to the carry over of funding:

- Delays in starting of new initiatives (relating to recruitment of staff to administer programs, etc)
- Delays in finalising grant contracts
- Grant recipients not achieving milestones in line with payment schedules
- Drought and bushfires have caused delays in regional Victoria initiatives.

**7. Departmental Savings**

**Question 7.1**

Please advise of any particular areas where there will be a focus in 2007-08 on achieving cost savings or greater efficiencies in your department?

**Response:**

The Department is to achieve savings in purchasing, shared services, grant administration and duplication, fleet management, advertising and consultancy and ICT.

**Question 7.2**

Please quantify any savings that the department will be required to achieve in 2007-08?

**Response:**

The Department is required to achieve a total of \$13.3 million in savings in 2007/2008.

**Question 7.3**

How does the department anticipate it will achieve these savings?

**Response:**

The savings will be achieved consistent with the Government's Efficient Government policy. This will result in a range of actions which will deliver ongoing sustainable savings.

## **8. Department Asset Investment**

**Question 8.1**

Please provide a list of the asset investment projects for which capital expenditure is budgeted to occur in 2007-08?

- National ICT Australia (NICTA) Victorian Research Laboratory
- South West Institute of TAFE – Warrnambool Stage 3
- Swinburne University – Wantirna Sustainability and Land Management
- Kangan Batman TAFE – Docklands Stage 2
- Gordon Institute – Wool Classing
- Nursing Centre of Excellence – Box Hill
- North Institute of TAFE – Epping
- Wodonga TAFE – Transport and Logistics Centre

## **9. Communication, Advertising and Promotion**

**Question 9.1**

What is the communication, advertising and promotion budget for 2007-08? How does this compare with the actual expenditure incurred on communications, advertising and promotion in the previous two financial years (due to machinery of Government changes relating to the structure of departments, please break down according to like agencies where possible)?

**Response:**

In 2007/2008, DIIRD's communications, advertising and promotion budget is expected to be in the order of \$6.7 million.

Communications, advertising and promotion budgets for DIIRD are determined at program and policy levels. A number of factors influence the final budget, including forthcoming budget announcements and Government priorities.

In 2006/2007, total communications, advertising and promotion expenditure to 31 March is \$7.7 million. Major campaigns are:

- VET Way to Go \$4.37 million
- Make It Happen in Provincial Victoria \$1.9 million
- Careers in Manufacturing \$1.0 million
- LPG campaign \$0.35 million
- Workplace Rights Advocate \$0.25 million

In addition to these major campaigns, the remaining expenditure was for smaller campaigns, ongoing communications activity, printed stationery.

In 2005/2006, total communications, advertising and promotion expenditure was \$7.7 million. Multimedia Victoria and Office of Training and Tertiary Education were not part of DIIRD during that year.

**NOTES:**

- Definition of “communication, advertising and promotion” is as for previous PAEC responses, i.e. general communications/marketing work undertaken to promote Government programs and business objectives, encompassing: collateral, display material, videos, writing, public relations and events, advertising (campaign and non-campaign).
- In keeping with previous reports to PAEC, Tourism Victoria is excluded.
- OTTE and MMV were not part of DIIRD during 2005/2006.
- Figures for the year 2006/2007 cover expenses from 1 July 2006 - 31 March 2007 only.
- Figures include costs for printing stationery as well as printing for promotional purposes (brochures, newsletters etc).
- Figures do not include costs of professional services and consultants.

## **10. Budget Development**

### **Question 10.1**

Please list the key assumptions (up to five) that have been used to develop the department’s budget projections for 2007-08.

**Response:**

Key assumptions:

- Estimated carryover of \$16.9 million
- Budget escalation factor as applied by Department of Treasury and Finance
- New initiatives endorsed
- Savings of \$13.3 million.

## 11. National Reform Agenda

### Question 11.1

How is your department responding to the National Reform Agenda?

#### Response:

DIIRD is involved in three areas related to the National Reform Agenda.

#### Business Licensing

The Council of Australian Governments (COAG) at its 14 July 2006 meeting requested the Small Business Ministerial Council (SBMC) to consider options for the full mutual recognition of all business licensing requirements and report back to COAG by November 2006.

DIIRD has led work to identify areas on which a review of business licensing should focus (for maximum impact) and to establish the costs, risks and challenges of full or partial mutual recognition.

#### ABN/Business Names

At its April 2007 meeting COAG noted the interim report from the SBMC to develop a model to deliver a seamless single online registration system for Australian Business Numbers (ABN) and Business Names including Trademark searching. COAG requested that SBMC, in consultation with the Ministerial Council on Consumer Affairs, develop a business plan for implementation of a preferred model based on maximising the positive net benefits following a detailed analysis of the costs and benefits.

This project has close links to DIIRD's World Class Service project, with its focus on improved and streamlined service delivery arrangements for Victorian business, and Victoria is working closely with the Commonwealth and other jurisdictions on development of the appropriate business plans.

#### Apprenticeships, Training and Skills Recognition

The Office of Training and Tertiary Education (OTTE) is involved in a number of measures agreed upon under the COAG *National Reform Approach to Apprenticeships, Training and Skills Recognition* to improve the vocational education and training (VET) sector, including:

- More effective mutual recognition of occupational licensing between jurisdictions;
- An appropriate system for recognition of overseas qualifications;
- Competency-based completion of apprenticeships;
- Accelerated implementation of an outcomes-based auditing model for registered training organisations (RTOs) in Australia;
- Recognition of Prior Learning Program;
- Intermediate or specialised qualifications for the residential building and construction industry;
- Enabling school-based apprenticeships; and
- Further reform of VET



**Question 11.2**

What are the implications for departmental services?

**Response:**

Involvement in NRA related projects has marginal impact on departmental services as the issues addressed are those with which DIIRD is already actively engaged as part of its portfolio responsibilities. Internal re-allocation of staff has enabled the NRA related projects to be pursued effectively.

**Question 11.3**

What state funding has been allocated in 2007-08 for initiatives under the National Reform Agenda?

**Response:**

There are no 2007/2008 budget implications for the business licensing project or the ABN/business names project.

*Apprenticeships, Training and Skills Recognition*

Victoria will match the Commonwealth's commitment to provide \$2.747 million (excluding GST) over three years to establish Skills Stores. The matched funding is included in the \$23 million Skills Stores initiative announced in the 2006/2007 Victorian Budget. A key function of Skills Stores is to facilitate the uptake of Recognition of Prior Learning (RPL).

The focus of the first year will be development of guidelines to inform consistent systemic implementation.

The strategies for the first year in summary are:

- Guidelines to assist the development and implementation of effective RPL models. This includes standardisation of definitions, OTTE policies, and auditing procedures (\$220,000);
- Best practice case studies, a resource reference tool for practitioners and a communication strategy across the sector (\$225,000); and
- Capacity building through delivery of RPL training workshops for assessors associated with Skills Stores, specific industry sectors and local needs (\$470,750).

Project plans for 2007-08 and 2008-09 will be developed on the basis of experience gained in the first year.

## **12. Australian Equivalent to the International Financial Reporting Standards**

### **Question 12.1**

Please outline the impact (both by individual program impact and in dollar terms) that the application of the Australian equivalent to the International Financial Reporting Standards has had on the preparation of the department's budget for 2007-08.

### **Response:**

There has been no impact on the preparation of the Department's budget as a result of Australian equivalents to the International Financial Reporting Standards.

### **Question 12.2**

What features of the Australian equivalent to the International Financial Reporting Standards have had the greatest impact on the preparation of the Estimated Financial Statements of the department for 2007-08?

### **Response:**

There have been no features of the Australian equivalent to the International Financial Reporting Standards which have impacted on the preparation of the estimated financial statements of the department for 2007/2008.

**Contact Details**

**Department of Innovation, Industry and Regional Development**

Contact Officer:       Deborrah Jepsen  
Position:                Director, Planning and Government Services  
Telephone:              965 -19421  
Fax:                      965 -19555  
Mobile:                 0419 606 606  
Email:                    [deborrah.jepsen@iird.vic.gov.au](mailto:deborrah.jepsen@iird.vic.gov.au)