

3.11 Department of Treasury and Finance

3.11.1 Departmental assumptions and performance measures

3.11.1.1 Question

Please list the key assumptions (up to five) that have been used to develop the department's budget projections for 2008-09.

Response

In developing the Department's budget projections for 2008-09 the key assumptions are:

That the Department is flexible and wherever possible, lives within its existing resources to meet the needs of the Government.

The department continues to review its outputs and resources to ensure they are aligned to supporting the Government to deliver on its priorities.

Straight-line depreciation rates adopted for individual asset classes in accordance with Australian Accounting Standards.

3.11.1.2 Question

What have been the key budget themes/issues that have had to be taken into account in framing the department's budget?

Response

The Department has framed its budget using major themes and issues as identified by the Government:

Continuing the drive for more Efficient Government;

Reducing the regulatory burden on business; and

National leadership in Public Private Partnerships and identifying whether opportunities exist for broader areas of Government infrastructure investment.

3.11.1.3 Question

What impact have developments at the Commonwealth level had on preparing the department's component of the 2008-09 state budget?

Response

The Department will continue to be significantly involved in the Council of Australian Governments (COAG) reform process through 2008-09. The Department participates in all COAG working groups as well as its continuing support for the Treasurer in his participation in the Ministerial Council. The Department is allocating sufficient resources to meet this requirement.

3.11.1.4 Question

Please provide the rationale for any change in performance measures presented in the budget papers for 2008-09 (including new and discontinued measures).

Response

The Department has consolidated six existing outputs into three new outputs in order to strengthen the Department's capability to serve Government. The new *Land and Infrastructure Investment Management* output brings together the Department's focus on infrastructure projects and investment. The amalgamation of *GBE Performance Monitoring* and *Public Financial Corporations and Balance Sheet Management* consolidates all Government Business Enterprise monitoring in one output. This includes Public Financial Corporations and Public Non Financial Corporations. The creation of the *Economic and Financial Policy* output is a refinement of the restructure that took effect in 2006-07 and improves the ability to advise government on a diverse range of economic and financial issues.

As a result many of the performance measures associated with these outputs have been consolidated or, where appropriate, replaced with updated measures that reflect the new outputs. Six performance measures have been discontinued to allow the Department to focus on more appropriate measures. One new measure has been introduced to reflect the changing nature of the work undertaken by the Essential Services Commission.

3.11.1.5 Question

For any performance measures where there is a variance of over 10 per cent between the expected outcome for 2007-08 and the target for 2008-09, please provide the reasons for the variance.

Response

Performance Measure	2008-09 Output	2007-08 Expected outcome	2008-09 Target	Comments
Briefings on Cabinet submissions (number)	Economic and Financial Policy	300	220	The increase in 2007-08 expected outcome reflects higher than expected activity in relation to COAG and Cabinet and reflects the improved ability of the department to respond to the needs of the Government.
Review of Regulatory Impact Statements (RIS) and Business Impact Assessments (BIA) and Standard Cost Model (SCM) assessments (number)	Business Environment Policy Advice	40	55	The 2007-08 expected outcome is lower than the 2008-09 target as Regulatory Impact Statements (RIS), Business Impact Assessments (BIS) and Standard Cost Model (SCM) activity is dependent on the number of regulatory and legislative proposals initiated within Government. A large number of SCM's are expected in the first half of 2008-09 as part of the Government's Reducing the Regulatory Burden initiative.
Complete the initial assessment phase on Standard Cost Model	Business Environment Policy Advice	75	90	The 2007-08 expected outcome is lower than the 2008-09 target. The 2008-0

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Performance Measure	2008-09 Output	2007-08 Expected outcome	2008-09 Target	Comments
estimates within ten working days of receipt (per cent)				target is the same as the 2007-08 target. The 2007-08 expected outcome is lower than the target due primarily to 6 initial SCM assessments, of which two slightly exceeded the target of ten working days.
Commercial and risk management advice which facilitates new infrastructure and/or minimises Government's exposure to risk (number)	Land & Infrastructure Investment Management	333	206	The 2007-08 expected outcome is likely to exceed the 2008-09 target, reflecting the completion of several carryover milestones and the additional output funding which enabled 54 Gateway reviews to be completed. The 2008-09 target is based on the predicted workload for 2008/09, taking into account the lifecycle of existing and predicted projects and property transactions.
Revenue from sale of surplus Government land including Crown land (\$ million)	Land & Infrastructure Investment Management	78	30	The achievement of the 2007-08 expected outcome will be dependent on the timing of particular sales of Government land. The 2008-09 target figure reflects the properties identified as surplus by Government Departments and agencies.
Deliver or renew whole-of-government policy, standards and guidelines	Government Services	12	15	Focus on development of the Shared Services strategy in 2007-08 has resulted in a number of policy initiatives being deferred until Quarter 4 in 2007-08 and into 2008-09.
Briefs provided on services to Government	Government Services	86	60	The 2007-08 expected outcome is likely to exceed the 2007/08 target due to higher than expected demand for briefings due to progressing the Efficient Government agenda.
Company performance reviews and audits (number)	Economic Regulatory Services	18	30	The 2007-08 expected outcome is lower than the 2008-09 target due to a reduction in the number of audits required of the rural water businesses. The 2008-09 target is based on the 2008-09 expected Work Program.
Price determinations (number)	Economic Regulatory Services	23	0	Price determinations are driven by legislative requirements. There are no price determinations planned for 2008-09.

3.11.2 Asset funding

3.11.2.1 Question

What improvements in disclosure and estimation have been introduced into the presentation of information contained in the 2008-09 budget papers compared to previous years?

Response

The budget estimates statements have been prepared this year in accordance with the disclosure requirements of *AASB 1049 Whole of Government and General Government Sector Financial Reporting*, issued by the AASB in October 2007 and applicable to annual reporting periods commencing 1 July 2008.

AASB 1049 has also been incorporated into the Uniform Presentation Framework (UPF). For the first time, all jurisdictions in Australia will be adopting this combined standard in the preparation of their budget estimates and outcomes.

In compliance with the standard, there are tables in Note 11 and Note 19 of Chapter 1 Budget Paper No. 4 that disclose by **government purpose classifications** at a summary level the following:

- Expenses;
- Purchases of Non-Financial Assets; and
- Total Assets.

In addition, there are tables in Chapter 3 of Budget Paper No. 4 that disclose Expenses and Purchases of Non-Financial Assets by **department**, which have been previously published.

While the standard requires the disclosure of the estimates relating to the Purchase of Non-Financial assets by purpose at a summary level, the *Annual Financial Report* for 2008-09 will require this disclosure at a *detail* level. This was agreed to by all jurisdictions as part of the UPF.

The Department remains committed to continuous improvement around the process for disclosure and estimation as recently documented in our response to the Update of the 2004-05 Budget Outcomes questionnaire.

3.11.2.2 Question

Please provide a list of the asset investment projects for which capital expenditure is budgeted to occur in 2008-09.

Response

Description	2008-09 Budget (\$ million)
Effective Technology and Administrative Services	1.9
Intra-Government Secured Network	5.8
Purchase of Municipal Valuations	18.3
SRO Revenue Management System	2.1
DTF/DPC ICT Infrastructure	1.9
Standard Corporate ICT Strategy	1.1

3.11.2.3 Question

- (a) What are the future infrastructure challenges (immediate and long-term) facing Victoria that relate to the department's responsibilities?

Response

As a central agency DTF has a role in advising government in meeting the future infrastructure challenges of Victoria. Some of the key infrastructure challenges include:

- Meeting Victoria's transport needs through rail track and station upgrades, major metropolitan and regional road projects and responding to the Eddington report;
- The demand on infrastructure created by population growth and the "baby boom" especially in the area of health and community services;
- Improvements to Education services including the continued need to build, renovate and replace our schools across the State; and
- Water projects to provide water security for Victoria.

The department advises government on how to implement its fiscal strategy including a target of an operating surplus at 1% of revenue which will allow the operating surplus target to grow in line with operating revenue. Maintaining high surpluses will enable current and future generations to benefit from further infrastructure investment, while continuing to maintain Victoria's AAA credit rating.

DTF responsibilities regarding infrastructure challenges include:

- promoting and managing reviews of major infrastructure projects, establishing governance arrangements and monitoring the performance of government business enterprises;
- economic and social policy, in particular, strategies to enhance Victoria's economic development; and
- budget and financial policies and strategies to meet the Government's longer term financial objectives.

- (b) Has the department undertaken (or plans to undertake) any forward looking assessment of infrastructure demand and future needs as they relate to the department's operations? If so, please provide details of the findings.

Response

As a department, DTF prepares an Asset Strategy and Multi Year Strategy each year assessing its forward agenda based on our own infrastructure demand. As a central department, the Department of Treasury and Finance's service direction requires robust Information Communication and Technology (ICT) Infrastructure to underpin its core business. The Department also manages the whole-of-government property portfolio and lease management of fleet cars.

As a central agency, DTF promotes the use of relevant asset frameworks to ensure Departments' infrastructure investment supports Government policy and priorities. For example these include "Meeting our Transport Challenges", "Growing Victoria Together" and "Our Water, Our Future".

- (c) Please outline any asset investment projects of the department to be undertaken in 2008-09 that are linked to whole of government infrastructure initiatives.

Response

The Department has one asset investment project for 2008-09 that will be linked to whole of government infrastructure initiatives.

Efficient Technology Services – is funded to perform a due diligence on confirming whole of government desktop efficiency

3.11.2.4 Question

In relation to the unapplied output and asset funding carried forward to 2008-09, please provide:

- (a) a breakdown of the carried forward funding for both output and asset initiatives;

Response

The department has no unapplied output funding carried forward to 2008-09.

In regards to asset funding, the department has requested to carry forward \$2 million to 2008-09 for the Intra-Government Secured Network (IGSN) project.

- (b) the underlying reasons for the department's funding carryover for each category; and

Response

The IGSN carryover is primarily due to the delay during the tender process of the supplier. The start of the project has been delayed and the contract signing will occur in July 2008 with the consequence that the first milestone payment will be in the new financial year.

The intended revised timing for use of the carried forward funds.

The carryover is intended to be used in 2008-09.

3.11.2.5 Question

In relation to the way in which cash resources are applied towards the Government's capital program over the four years to 2011-12, please outline:

- (a) the 'unallocated provision for future allocation' and the TEI that this relates to over the out-years; and

Response

1. Following the 2008-09 Budget process, the unallocated contingency for 2009-10 is \$607 million, for 2010-11 it is \$1 146 million and for 2011-12 it is \$1 904 million.

2. The associated indicative TEI is \$2 155 million in 2009-10, \$1 889 million in 2010-11 and \$2 708 million in 2011-12.

(b) the basis upon which the TEI has been calculated over the forward estimates period and beyond and its reconciliation to the application of cash resources.

Response

3. The basis of the TEI calculation used by DTF when looking at a capital provision is to allocate, on average 28 per cent in the first, second and third years and 16 per cent in the fourth year. Although actual cash flows vary from project to project.

4. On the basis of the above formula using the unallocated capital provision (including MOTC) in the Application of Case Resources (table 3.4 of BP2) in the 2008-09 budget, results in a total TEI of **\$9 billion** to be funded in future budgets, including relevant outyears beyond the forward estimates period.

5. This practice of calculating the TEI has been in operation for more than ten years.

3.11.3 Efficiencies and savings

3.11.3.1 Question

In relation to the estimated efficiencies to be derived in 2008-09 (including from the various measures that fall under the umbrella of the *Efficient Government* policy and the other targeted initiatives, as initially presented in the 2007-08 State Budget), please provide:

(a) a breakdown of the planned efficiency savings according to the various measures of efficiency that apply to the department's operations;

Response

The Department will continue to achieve efficiency savings in accordance with the Efficient Government policy. From a whole of Victorian Government perspective, DTF will deliver:

- An Intra-Government Secured Network; and
- Efficient Technology and Ancillary services.

Internally, the consolidation of five government services into the Government Services Group (Vicfleet, Accommodation, Procurement, Office of the Chief Information Officer and Chief Technology Office) has already delivered effectiveness under the Efficient Government policy.

The Department will be further consolidating 6 outputs into 3 for 2008-09.

- (b) an explanation of:
- (i) how decisions regarding applicable savings measures are to be made;

Response

Decision regarding savings measures are made as part of the internal budget process for the Department. Efficient Government policy is applied where appropriate.

- (ii) the nature of their expected impact on programs such programs accelerated or deferred; and

Response

The Department continues to review its processes and systems to identify and implement efficiencies. As advised in our answer to Question 1.4 the Department has consolidated 6 outputs into 3 to improve our ability to serve the Government. The department does not expect the efficiency to impact on programs or outputs to be delivered.

- (iii) the basis for estimating the savings target to be achieved for each measure; and

Response

The savings targets are estimated using the internal budgeting and reporting processes of the Department. The department does not expect the efficiency to impact on programs or outputs to be delivered.

- (c) particulars of any changes to the department's allocated savings for 2008-09 from the data shown in the 2007-08 Budget.

Response

The department's allocated efficiency target has increased from the data shown in the 2007-08 Budget by approximately \$9m. This is predominately due to:

- 2008-09 Budget Efficiencies of \$8.3m;
- 2007-08 efficiency targets for reductions in WorkCover and other insurance premiums not known at the time the 2007-08 Budget was published of \$0.1m; and
- Re-allocation of 2007-08 and 2006-07 efficiency targets including shared services, advertising and consultancy, state purchase contracts and WorkCover of approximately \$0.7m.

3.11.4 Demographic factors

3.11.4.1 Question

Please outline how the following factors, where applicable, have shaped the budget for 2008-09:

For each factor, please quantify anticipated demand pressures on new and existing programs/activities and associated funding provided in the budget.

- (a) population growth

Response

Population growth has increased demand for education, disability services, and early childhood development services. The 2008-09 Budget provides:

- (i) \$55 million over four years to extend the capacity of Maternity and Child Health services to provide for the growth in Victorian births and enhanced support for at-risk families;
- (ii) \$29 million over four years for initiatives including extra kindergarten support packages and 1,000 extra places for early childhood intervention services; and
- (iii) \$29 million total estimated investment over four years for new schools in growth areas.

Response

Furthermore, funding is provided for hospital services through the Maintaining Health System Performance Initiative. Funding provided through this initiative is based on analysis of demand growth data which reflects both population growth and changes to population mix. To meet the expected growth in demand for services, the Government is investing \$703 million over five years in hospital services. Additional funding has been provided for maternity services (\$41.5 million over four years) through this initiative. This will provide assistance in managing the expected growth in number of births.

Population growth is one of the key drivers behind the increased demand for transport services and routes, resulting in an increase patronage on our trains of over 20% in the last two years. In 2008-09, focus has been directed towards providing transport infrastructure (and services) to cater for future transport demand arising from population, economic and jobs growth.

The 2008-09 budget provides:

- \$273 million TEI for upgrades to track and station facilities on the Werribee, Craigieburn and Dandenong lines to provide additional peak services in these high growth areas of outer metropolitan Melbourne;
- \$14 million in funding to develop plan and options for the extension of the Epping line to South Morang and for future rail services to other growth corridors;
- \$698 million to reduce congestion and improve traffic flows across the metropolitan road network by investing in additional road capacity; and
- In addition to this, the Government is also looking to the long-term, and will respond to Sir Rod Eddington's East-West Needs Assessment report that proposes major investments in the metropolitan rail network.

- (b) the ageing population

Response

Funding provided for hospital services through the Maintaining Health System Performance initiative to manage additional demand from the ageing of the population is not specified, but can be seen via growth in overall service delivery as the over 65 cohort has had the greatest increase in the number of admitted patients since 1999, as well as the highest levels of acuity which impacts on resource utilisation.

3.11.5 Economic impacts, initiatives and improvements

3.11.5.1 Question

Please explain how the following economic related factors and the impact on departmental initiatives have been addressed in framing the department's budget for 2008-09:

- (a) interest rates
- (b) inflation
- (c) productivity improvement
- (d) National Reform Agenda initiatives

Response

The Department takes into consideration all of these factors in undertaking its core work. Interest rates and inflation have little impact on the activities, and therefore the budget of the department.

The Department of Treasury and Finance has undertaken an Output restructure in two divisions to allow for greater flexibility and productivity improvement within the department and will especially allow the Economic and Financial Policy output to focus on better outcomes for Victoria from the National Reform Agenda/Council of Australian Governments developments.

3.11.6 Environmental challenges

3.11.6.1 Question

- (a) What are the key environmental issues that are predicted to have an impact on services delivered by the department's portfolios in 2008-09?

Response

The Department will continue to deliver policy advice to assist Government to implement major projects and policies to deal with climate change, including water, environmental and energy issues.

In addition to policy advice the Department also provides services direct to other Government departments through the Government Services Group.

The delivery of Accommodation and Fleet services is likely to be impacted by the increasing cost of energy, greenhouse gas mitigation, water conservation and increased community concerns for environmental outcomes.

- (b) How have these issues been addressed in the department's budget estimates for 2008-09?

Response

These issues form part of the core work of the Department and are factored into the output costs of individual outputs consistent with our budget objective, that the Department is flexible and wherever possible, lives within its existing resources to meet the needs of the Government. The consolidation of 2 outputs (EFP: Advise and Analysis and EFP: Research and Development) into the Economic and Financial Policy output will improve the ability of the department to service Government in this area.

- (c) Please list five 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 2007-08 and 2008-09 for existing projects if applicable).

Response

The Department of Treasury and Finance has no projects that meet the above criteria.

3.11.6.2 Question

What initiatives are planned to be implemented by the department in 2008-09 in order to enhance energy reporting?

Response

An extensive smart water metering system will be installed on Treasury Reserve to provide separate metering of each building and all major end uses (e.g. cooling towers, domestic hot and cold water, etc). This will enable significantly more accurate reporting of water consumption by departments occupying buildings on the reserve, in alignment with FRD24C, for the financial year 2008/09.

3.11.7 Financial information

3.11.7.1 Question

In relation to output costs, please explain any variations of more than 10 per cent between the expected outcome for 2007-08 and the target for 2008-09 for individual outputs.

Response

The following Outputs have variations of more than 10 per cent between the expected outcome for 2007-08 and the target for 2008-09.

Land & Infrastructure Investment Management

There will be a decrease of 10.2 per cent in 2008-09 as a result of a higher level of Whole of Government sales of Land & Property in 2007-08 compared to the anticipated sales in 2008-09.

Government Services

2008-09 will see an increase of 18.1 per cent as a result of funding approved by the Expenditure Review Committee to complete various projects.

Economic Regulatory Services

There will be a decrease of 25.3 per cent in 2008-09 as a result of one off external funding in 2007-08 from outside the department for various projects including funding provided for development of the Victorian Renewable Energy Targets system.

3.11.7.2 Question

In relation to expenses from transactions that relate to 'Employee Benefits', if a variation of more than 10 per cent arises between the Estimated Actual for 2007-08 and the budget for 2008-09, please provide an explanation.

Response

The variation for Employee Benefits between the Estimated Actual for 2007-08 and the budget for 2008-09 is less than 10 per cent.

3.11.7.3 Question

Please provide a tabular dissection of the department's 2008-09 budget and expected expenditure for 2007-08 under the Government's key themes presented annually in the Victorian Budget Overview (see pp.5-7 of 2007-08 document) differentiating between new funding initiatives and ongoing funding.

Response

The department is unable to dissect its own 2008-09 budget and expected expenditure for 2007-08 into the Government's key themes as the department's structure is not designed around the key themes and expenditure is primarily allocated to outputs and may contribute to one or more key themes.

3.11.8 Regional and rural considerations

3.11.8.1 Question

- (a) What are the critical issues facing regional and rural communities in 2008-09 that depend on services provided by the department (please provide comment relating to particular areas of the state where applicable)?
- (b) How does the department's 2008-09 budget address these issues?
- (c) Please provide a table showing for up to ten of the department's largest projects (in terms of expenditure) the:
 - (i) budget allocation for 2008-09 dissected between new and existing projects
 - (ii) the purpose of each project

- (iii) how the funding is to be spent
- (iv) the performance measures in place to assess performance

Response

As a central agency the Department of Treasury and Finance does not provide any services to rural or regional areas.

3.11.9 Communication, advertising and promotion

3.11.9.1 Question

- (a) What is the communication, advertising and promotion budget for 2008-09? Please also provide the expected actual expenditure for 2007-08.

Response

	2007/08 Expected (\$ million)	2008/09 Estimate (\$ million)
DTF	1.0	0.9
ESC	0.2	0.2
SRO	0.4	0.4
Total	1.6	1.5

- (b) How does the 2008-09 budget compare with the estimated expenditure to be incurred on communications, advertising and promotion during 2007-08 (due to machinery of government changes relating to the structure of departments, if applicable please break down according to like agencies where possible for comparative purposes)?

Response

There is no impact from Machinery of Government changes.

3.11.10 Non government sector

3.11.10.1 Question

- (a) Please provide a summary of the funding provided through the budget that will be disseminated by the department through to the non-government sector in 2008-09

Response

Authority / Agency	2008/09 Budget estimate
	\$m
Australian Accounting Standards Board	0.13

- (b) Please provide a brief description of the performance monitoring framework that will be in place during 2008-09 to enable the department to monitor whether government funding is spent efficiently and effectively by non-government organisations for the intended purpose

Response

Not applicable.

3.11.11 Revenue initiatives/departmental income

3.11.11.1 Question

- (a) In relation to 2008-09, please outline any new revenue raising initiatives and/or major changes to existing revenue initiatives? If applicable, please provide details of these initiatives together with anticipated revenue collections.

Response

New Revenue Raising Initiatives

No new revenue raising initiatives were announced in the 2008-09 Budget. However the Motorcycle Safety Levy is being extended beyond 30 September 2007, with funds raised from this initiative being dedicated towards motorcycle safety.

A number of **tax relief** measures were announced in the 2008-09 Budget, valued over \$1 billion over four years.

Land Tax

The land tax thresholds will be adjusted by 10 per cent from the 2009 land tax year, leaving all but the top land tax rate unchanged as follows:

- the lowest land tax threshold increases from \$225 000 to \$250 000;
- the mid-range land tax thresholds increase from \$540 000 to \$600 000; \$900 000 to \$1 million; and \$1.62 million to \$1.8 million; and
- the highest land tax threshold increases from \$2.7 million to \$3 million.

The top land tax rate will be reduced from 2.5 per cent to 2.25 per cent from the 2009 land tax year.

A land tax exemption will be introduced for facilities that provide long term accommodation for young people with disabilities.

The total cost of these changes is \$490 million over 4 years.

Land Transfer Duty

The general land transfer duty thresholds will be adjusted by 10 per cent, leaving all tax rates unchanged, to provide the following revised thresholds for contracts entered into on or after 6 May 2008 as follows:

- The lowest land transfer duty threshold increases from \$20 000 to \$25 000;
- The next land transfer duty threshold increases from \$115 000 to \$130 000; and
- The highest land transfer duty threshold increases from \$870 000 to \$960 000.

The principal place of residence concessional land transfer duty thresholds will also be adjusted by 10 per cent, leaving all tax rates unchanged, to provide the following revised thresholds for contracts entered into on or after 6 May 2008 as follows:

- Properties valued between \$130 000 and \$550 000 pay a lower rate of tax – the previous thresholds were \$115 000 and \$500 000 respectively.

The pensioner and concession cardholders concession thresholds will also be adjusted by 10 per cent, to provide revised thresholds for contracts entered into on or after 6 May 2008.

A full exemption for property purchases valued up to \$330 000 (previously \$300 000) and a partial concession for property purchases valued up to \$440 000 (previously up to \$400 000).

In addition, for the first time first homebuyers will be able to receive both the principal place of residence land transfer duty concession and the First Home Bonus.

The corporate reconstruction exemption will be extended to provide relief to listed property trusts in circumstances that are consistent with the Commonwealth Government's arrangements concerning Capital Gains Tax rollover relief.

Finally, a land transfer duty exemption will be introduced for homes transferred into special disability trusts.

The total cost of these changes is \$422 million over four years.

Payroll Tax

The payroll tax rate will be reduced from 5.05 per cent to 4.95 per cent effective from 1 July 2008. The rate was previously scheduled to decrease to 5.0 per cent from the same date. The total cost of these changes is \$170 million over the next four years.

Existing Revenue Raising Initiatives

There are no changes to existing revenue initiatives announced before the 2008-09 Budget.

- (b) Please outline the actual and expected financial impact in 2008-09 of any revenue foregone initiatives (such as tax relief measures) falling within the responsibility of the department.

Response

Expected financial impact of tax relief measures announced in the 2008-09 Budget

	2008-09 (\$ million)
Land Tax Cuts	-122.3
Land Transfer Duty	-149.5
Payroll Tax Cut	-36.6
Total tax relief	-308.4

3.11.11.2 Question

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 2007-08 and the budget for 2008-09.

Response

Controlled Operating Statement			
	2007-08 Revised (\$ million)	2008-09 Budget (\$ million)	Variance %
Income			
Output appropriations	232.40	237.80	2.32
Resources received free of charge or for nominal consideration	
Sale of goods and services	55.00	57.10	3.82
Revenue from other parties and other income	31.10	31.60	1.61
Total income	318.50	326.50	2.51
Administered Operating Statement			
	2007-08 Revised (\$ million)	2008-09 Budget (\$ million)	Variance %
Administered income			
Appropriations - Payments made on behalf of the State ^(a)	1283.4	1,980.1	54.29
Special appropriations ^(b)	417.9	691.9	65.57
Resources received free of charge or for nominal consideration	
Sale of goods and services ^(c)	8.8	20.9	137.50
Commonwealth grants	9,399.2	10,281.7	9.39
Taxes	9,793.3	10,051.3	2.63
Fines	0	0	
Fees	10.5	10.8	2.86
Other	3,551.3	3,782.3	6.50
Total administered income	24,464.5	26,818.9	9.62

a) Appropriation – Payment made on behalf of the State – The variance shown represents the inclusion of the Advance to Treasurer appropriation for 2008-09 (being \$931.5 million). The 2007-08 Treasurer's Advance was distributed to departments throughout the course of the financial year.

b) Special appropriations – The increase is mainly due to superannuation payments made to reduce the state's unfunded superannuation liability and repayment of income tax equivalent to public financial corporations.

c) Sale of goods and services – The increase mainly relates to the non-government agencies to be charged a fee on the value of their purchases from whole of government contracts.

3.11.12 Fees, fines, concessions and subsidies

3.11.12.1 Question

Please provide a list of fees, fines, charges etc. administered by the department and the expected revenue from each of these in 2008/09. What is the expected increase for each of these (eg. in dollars and percentage terms), if any?

Response

Fees Fines & Charges	2007/08	2008/09	Increase	Increase
	\$m	\$m	\$m	%
Regulatory Fees - Essential Services Commission	10.5	10.8	0.3	3.2
State Services Centre - Whole of Government Information & Communication Technology Services	54.6	56.8	2.2	4.0
Government Services	1.3	13.3	12.0	923.1
Vicfleet - Motor Vehicle Hire and Services	4.3	4.4	0.1	2.3
Land Tax Certificates	2.3	2.3	-	-
	72.9	87.5	14.6	20.0

* Government Services (contractual service fees)

3.11.12.2 Question

Please provide a detailed list of subsidies and concessions (both direct and indirect) to be provided by the department in 2008/09 (including, for example, estimated number, average subsidy or concession, estimated cost).

Response

Subsidies	Estimated number of subsidies	Average value	Total estimated cost
		\$	\$
Liquor Subsidies	110	22,727	2,500,000
Concessions			
Concession card holders stamp duty benefits for home buyers	4,850	8,000	38,800,000
Grants			
First Homeowners Grant	41,286	7,000	289,000,000
First Home Bonus	39,069	3,330	130,100,000
First home buyers stamp duty benefits for families	25	4,000	100,000
Water & Sewerage rebate scheme	59	76,271	4,500,000

* Liquor Subsidies (Wine Equalisation Tax)

3.11.13 Staffing matters

3.11.13.1 Question

Using the format below, please provide actual EFT staff numbers at 30 June 2007 and estimates of EFT staff numbers (non-executive officers, executive officers and departmental secretary classifications) at 30 June 2008 and 30 June 2009 for the department and its major budget funded agencies.

Response

Employment — Equivalent full-time staff - Department of Treasury and Finance

Classification	30 June 2007 (Actual) (EFT)					30 June 2008 (Estimate) (EFT)					30 June 2009 (Estimate) (EFT)				
	On-going	Fixed term	Casual	Funded vacancy	Total	On-going	Fixed term	Casual	Funded vacancy	Total	On-going	Fixed term	Casual	Funded vacancy	Total
Grade 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grade 2	45.29	4.4	.14	-	49.83	45	4.4	1.34	-	50.74	46	4.4	1.34	-	51.74
Grade 3	86.84	10.78	-	-	97.62	87.84	10.78	-	-	98.62	88.84	10.78	-	-	99.62
Grade 4	89.52	1.6	-	-	91.12	90.52	1.6	-	-	92.12	91.52	1.6	-	-	93.12
Grade 5	124.59	13.2	-	-	137.79	125.59	13.2	-	-	138.79	126.59	13.2	-	-	139.79
Grade 6	135.13	3.8	-	-	138.93	136.13	3.8	-	-	139.93	137.13	3.8	-	-	140.93
STS	4	2.8	-	-	6.8	4	2.8	-	-	6.8	4	2.8	-	-	6.8
Executive Officer Grade 3	52	-	-	-	52	52	-	-	-	52	53	-	-	-	53
Executive Officer Grade 2	18	-	-	-	18	19	-	-	-	19	19	-	-	-	19
Executive Office Grade 1	4	-	-	-	4	4	-	-	-	4	4	-	-	-	4
Legal	1	-	-	-	1	1	-	-	-	1	1	-	-	-	1
Total	560.37	36.58	.14	-	597.09	565.09	36.58	1.34	-	603	571.08	36.58	1.34	-	609