



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

2012-13 BUDGET ESTIMATES QUESTIONNAIRE

DEPARTMENT OF BUSINESS & INNOVATION

Note: All questions for the Department of Treasury and Finance have been removed therefore Question number will not be in sequence.

1. Strategic priorities

Question 1.1

- (a) What are the Department’s key strategic priorities underpinning its budget for 2012-13 and over the forward estimates to 2015-16?

Exports – creating economic opportunity for Victorian businesses by providing export development assistance in relation to product, financing, marketing and logistics;

Industry assistance – supporting businesses to maximise job growth, business growth and commercial opportunities;

Manufacturing – delivering the new Manufacturing Strategy which responds to the Victorian Competition and Efficiency Commission inquiry *A More Competitive Victorian Manufacturing Inquiry*;

Employment – provide employment and skilled migration programs to meet the needs of businesses; and

Regulation reform – tailoring regulation to limit the impact on businesses.

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

Not Applicable.

- (c) What are the impacts of any differences in the Department’s strategic priorities between 2011-12 and 2012-13 on funding and resource allocation in the 2012-13 Budget?

Increased funding for manufacturing and export activities.

- (d) Please identify any programs or initiatives (asset or output) over \$2 million relevant to the Department that have been curtailed, deferred, discontinued or completed as a result of changes in strategic priorities between 2011-12 and 2012-13. In describing the programs or initiatives, please use the same names as are used in the budget papers where applicable.

No programs or initiatives have been curtailed, deferred, discontinued or completed as a result of changes in the strategic priorities between 2011-12 and 2012-13.

Question 1.2

Please identify any programs or initiatives that have lapsed in 2011-12 (i.e. will not be continued in 2012-13). For each program or initiative, please indicate the impact on the community of the lapsing. In describing the programs or initiatives, please use the same names as are used in the budget papers where applicable.

Program or initiative	Impact on the community
Screen Industry Strategy – Children’s Television Allocation	The program might be worthwhile but cannot be funded this year because of the challenging fiscal environment the Government faces, with lower GST receipts and on-renewing National Partnership Payments.

Program or initiative	Impact on the community
Screen Industry Strategy – Digital Media allocation	The program might be worthwhile but cannot be funded this year because of the challenging fiscal environment the Government faces, with lower GST receipts and non-renewing National Partnership Payments.
Skills for Growth – now addressed through the Small Business Support Initiative	The Small Business Support Initiative funded in the 2012-13 budget builds on the Skills for Growth program and will provide direct assistance to small and medium sized enterprises eg. SuccessMap.
A number of Manufacturing and Export programs – now addressed through the International Engagement strategy	The International Engagement Strategy funded in the 2012-13 budget builds on the previous Manufacturing and Export programs.

Question 1.3

- (a) What are the key sectoral policies applicable to the Department upon which budget allocations to new initiatives are based?

<p>Manufacturing</p> <p>International Engagement</p>
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- (b) For the five largest initiatives released for your Department in the 2012-13 Budget, please identify:
- to which of the policies detailed above does each initiative relate; and
 - whether linkages are explicitly identifiable in the 2012-13 Budget Papers.

Please ensure that the initiatives are described using the same names as are used in the budget papers.

Initiative	Related policies	Where links are identifiable in the budget papers
Investment Support Program	Government commitment to <i>“pursue a productivity reform agenda aimed at boosting Victoria’s competitiveness and ensuring that the economy remains strong”</i>	BP3 2012-13 pgs 11, 14
Victorian International Engagement Strategy	Victorian International Engagement Strategy	BP3 2012-13 pgs 11, 15
Manufacturing Strategy – Initiatives (4)	A More Competitive Manufacturing Industry	BP3 2012-13 pgs 11-14
Australian Synchrotron	Victorian Innovation Statement	BP3 2012-13 pgs 11, 12

Small Business Support	Small Business Strategy	BP3 2012-13 pgs 11, 14
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2. Budget preparation

Question 2.1

Please identify any reviews, inquiries, studies, audits or evaluations specifically requested by the new Government after the 2010 election relating to your Department, indicating for each the impact that it has had on the formulation of the 2012-13 Budget for the Department.

Review, inquiry, study, audit or evaluation	Impact
Victorian Competition and Efficiency Commission inquiry <i>A More Competitive Victorian Manufacturing Industry</i> ;	Manufacturing Strategy
Investment Support Program	Renewal of Investment Support Program

Question 2.2

Please describe the five most significant projects or programs that the Department considers would have been worthwhile to undertake in 2012-13 but which cannot be undertaken due to resources being allocated elsewhere.

There are no projects or programs scheduled to be undertaken in 2012-13 which are required by the Government which will not be undertaken as a consequence of resource re-allocation. Departments do not set work priorities as distinct from that set by the Government of the day, consistent with the practice under successive government.

3. Spending

Question 3.1

For your Department, please explain any variations of more than 10 per cent (or greater than \$100 million) between the revised estimate for 2011-12 and the target for 2012-13 for expenses from transactions (as presented in the Department's operating statement in the Statement of Finances budget paper) that relate to the following line items:

- 'Employee benefits';
- 'Grants and other transfers'; and
- 'Other operating expenses'.

	2011-12 (Revised estimate)	2012-13 (Budget)	Explanation for any variances greater than $\pm 10\%$ (or greater than \$100 million)
	(\$ million)	(\$ million)	
Employee benefits	98.1	96.5	Variance – 1.6%
Grants and other transfers	330.3	285.7	Variance - 13.5%. Grants received through the Major Events Trust are held centrally by DTF and released

			to the Department on a bi-annual basis. These grants will be included in the 2011-12 Revised Estimate (\$74.8m), however are not included in the DBI 2012-13 Budget.
Other operating expenses	245.8	221.2	Variance - 10.0%. This variance includes 2012-13 savings which have been factored into the budget.

Question 3.2

As the line item 'other operating expenses' in the Department's operating statement (as presented in the Statement of Finances budget paper) constitutes a large proportion of expenditure, please provide a break-down of the major components of this item, providing for each component:

- the current estimate of expenditure for 2011-12;
- the estimated expenditure for 2012-13; and
- an explanation for any variations greater than ± 10 per cent (or greater than \$100 million) between the estimated expenditure for 2011-12 and the estimated expenditure for 2012-13.

	2011-12	2012-13	Explanation for any variances greater than $\pm 10\%$ (or greater than \$100 million)
	(\$ million)	(\$ million)	
Cost of Goods Sold – External	107.1	105.1	Variance (1.9%)
Professional and Contracted Services	86.2	78.0	Variance (9.5%)
Computer Services and Equipment	14.9	14.9	Nil Variance
Accommodation Services	13.4	12.9	Variance (3.7%)
Marketing and Media	9.3	8.7	Variance (6.5%)

If the Department is unable to provide estimates for the expenditure on these components in 2012-13, please explain how the amount of 'other operating expenses' listed for 2012-13 in the budget papers was calculated.

Not Applicable

Question 3.3

For each of the items listed in the table below, please provide details of:

- the current estimate of expenditure for 2011-12;
- the estimated expenditure for 2012-13; and
- an explanation for any variations greater than ± 10 per cent (or greater than \$100 million) between the expected outcomes for 2011-12 and the estimated expenditure for 2012-13.

Please provide details on the same basis of consolidation as is used to create the Departmental operating statement in the budget papers.

	2011-12	2012-13	Explanation for any variances greater than $\pm 10\%$ (or greater than \$100 million)
	(\$ million)	(\$ million)	
Entertainment expenses	1.6	1.6	Nil Variance
Overseas travel	1.2	1.2	Nil Variance
Legal expenses	2.1	1.0	Variance – 52.4% Specific legal expenses in 2011-12, not anticipated in 2012-13 resulting from a large capital project, not recurring.
Consultants*	0.3	0.3	Nil Variance
Contractors*	77.8	69.6	Variance - 10.5% is based on the estimated reduction in expenditure for 2012-13 as a result of the Contractors savings and general savings ask for 2012-13.
Grants to non-government organisations	197.7	228.3	Variance – 15.5% primarily a result of additional grant funding received for Investment Support Program, Manufacturing Strategy.

* *for the difference between consultants and contractors, please see FRD 22B – Standard Disclosures in the Report of Operations*

If the Department is unable to provide estimates for the expenditure on any of these items, please explain why.

Not Applicable

Question 3.4

If there are any output or asset initiatives released in the 2012-13 Budget for the Department where less than 20 per cent of the total funding is to be spent in 2012-13, please explain the reasons in each instance. In describing the initiatives, please use the same names as are used in the budget papers.

Initiative	Explanation
Manufacturing Strategy – Manufacturing Productivity Networks	Funding in the first year of this program is at 16% of the total funding provided. In the first year of the program, grant agreements will need to be prepared and agreed which will result in grants being paid in later years. Funding increases in the latter years of the program as milestones are met and payments are made.

4 Efficiencies and savings

Question 4.1

Please outline how the concept of ‘operational efficiency’ has been addressed in formulating the Department’s budget for 2012-13.

Operational efficiency has been addressed in formulating the Department's budget for 2012-13 by achieving savings in those areas where business process efficiency opportunities exist such as centralisation of Corporate Support functions across parts of the portfolio; reducing scope of lower priority projects/grant programs; realising accommodation savings through the consolidation of existing floor space and improved procurement strategies. Savings have been allocated to those areas as prescribed during the establishment of the 2012-13 budget papers.

These savings will be closely monitored to ensure that the efficiencies are being achieved.

Question 4.2

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

- a) what actions the Department will take in 2012-13 to meet the savings targets;
- b) any impact that these actions will have on the delivery of services; and
- c) please identify the savings target for 2012-13, with an explanation for any variances between the current target and what was originally published in the budget papers when the initiative was released.

Initiative	Actions the Department will take in 2012-13	Impact of these actions on service delivery	Savings target for 2012-13 (\$ million)	Explanation for variances to the original target
General efficiencies (2009-10 Budget)	Savings have been applied and budgets reduced to ensure this savings target is met.	Head Office staff and associated costs such as accommodation to be reduced. CPI costs have not been passed on to portfolio entities. Higher discretionary expenditure types curtailed eg. contractors.	\$17.7	Original Target has been achieved.
Government election commitment savings (2011-12 Budget)	Savings have been applied and annual budgets reduced to ensure the target savings are met.	Focus of these savings was on Government advertising. Further FTE savings were achieved through the capping of Head Office staff and CPI flow on.	\$12.5	Original Target has been achieved.

Initiative	Actions the Department will take in 2012-13	Impact of these actions on service delivery	Savings target for 2012-13 (\$ million)	Explanation for variances to the original target
Measures to offset the GST reduction (2011-12 Budget)	Savings have been applied and annual budgets reduced to ensure the target savings are met.	Some programs have been targeted for budget reductions where possible, including reductions to Jobwatch, The Alfred Deakin Lecture Series, Connecting Victoria, Employment Initiatives and the Skills for Growth program.	\$9.9	Original Target has been achieved.
Capping Departmental expenditure growth (2011-12 Budget Update)	Divisions within the Department have been consulted and requested to advise where savings could be identified from their operations. The areas identified will be monitored during 2012-13 to ensure the savings targets are met.	Department expenditure will be reduced where possible including the withholding of CPI increases included in future budgets related to operational expenditure.	\$2.3	N/A
Maintain a sustainable public service (2011-12 Budget Update)	During 2012-13 the Department will continue to keep a freeze on general recruitment activities. Fixed term contracts will be examined upon their expiry and only renewed in exceptional circumstances. Voluntary Departure packages will also be considered to ensure the required targets are met.	Recruitment freeze will continue in line with the Government's announcement. Work is in progress to achieve the full savings required under this initiative, including the non-renewal of non urgent fixed term contracts, natural attrition and where required Voluntary Departure packages.	\$6.6	N/A

Initiative	Actions the Department will take in 2012-13	Impact of these actions on service delivery	Savings target for 2012-13 (\$ million)	Explanation for variances to the original target
Any savings or efficiency initiatives in the 2012-13 Budget	The majority of the savings target has been identified as per the strategy outlined in question 4.1 and has been built into Divisional/program budgets.	<p>Operational efficiency has been addressed in formulating the Department's budget for 2012-13 by achieving savings in those areas where business process efficiency opportunities exist such as centralisation of Corporate Support functions across parts of the portfolio; reducing scope of lower priority projects/grant programs; realising accommodation savings through the consolidation of existing floor space and improved procurement strategies. Savings have been allocated to those areas as prescribed during the establishment of the 2012-13 budget papers.</p> <p>These savings will be closely monitored to ensure that the efficiencies are being achieved.</p>	\$14.7	N/A

Question 4.3

For each of the expenditure areas targeted for savings in the 'Government election commitment savings' initiative released in the 2011-12 Budget, please detail the actual expenditure for 2009-10 and 2010-11 and the estimated expenditure for each year of 2011-12 to 2014-15. Please provide figures on the same basis of consolidation as the budget papers. Please provide explanations for any category that does not decrease by the savings target over the five-year period.

For any categories for which information is not available, please explain:

- a) why data are not available; and
- b) how the Department will monitor whether or not it has achieved its savings target in that category.

Specific Government savings are reported in the Budget Papers, and will be reported to Parliament in future Budget Papers. For example, there has been a significant saving in government advertising across portfolio areas.

5 Asset and output initiative funding

Question 5.1

Please break down the Department's total output funding for 2012-13 (as provided in the Service Delivery budget paper) according to the amounts from:

- output initiatives in the 2012-13 Budget;
- non-ongoing initiatives released in previous budgets; and
- base funding/ongoing funding.

Funding for initiatives released in the 2012-13 Budget	Funding for non-ongoing initiatives released in previous budgets	Base funding/ongoing funding	Total output cost (as in Service Delivery budget paper)
(\$ million)	(\$ million)	(\$ million)	(\$ million)
88.7	279.0	253.3	621.0

Question 5.2

If the Department's total output cost (as detailed in the Service Delivery budget paper) differs from the Department's total expenses from transactions (as detailed in the Statement of Finances budget paper), please explain the difference.

No variance is noted between these figures.

Question 5.3

The Department of Treasury and Finance has indicated to the Committee that *'the service benefits delivered through the asset investment are reflected in changes to the Budget Paper 3 Performance Measures'*.¹ Please list all performance measures that have been adjusted in 2012-13 as a result of recent asset investment by the Department.

The Department of Business and Innovation does not have any significant assets that are used primarily as the basis for its service delivery. The Department's primary assets relate to plant and equipment such as accommodation fit-out, computers etc.

The asset holdings primarily used for delivery of services are held by Public Non-financial Corporations and bodies, linked to the Department, such as the Melbourne Exhibition Centre Trust, Federation Square Pty Ltd, the Emerald Tourist and Railway Board, Australian Synchrotron Holding Company Pty Ltd, Melbourne Markets Authority and Docklands Studios Melbourne which operates as a State Owned Enterprise.

¹ Department of Treasury and Finance, response on the Committee's 2009-10 and 2010-11 financial and performance outcomes Questionnaire — Part Two, received 24 January 2012, p.9

Question 5.4

In relation to any unapplied output and asset funding carried forward to 2012-13, please provide:

- a) a break-down 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.

Category	Initiatives affected	Amount of carryover (\$m)	Underlying reasons	Intended revised timing for use of the carried forward funds
Output Funding	General	\$6.8	At the time of estimating the carryover, an additional \$6.8m was included above the bottom-up forecasts based on the year-to-date underspend. The initiatives affected will be known closer to June 2012.	2012-13
	Carbon Markets	\$1.7	Activities have been delayed. Payments expected to take place in 2012-13.	2012-13
	Victorian Innovation Statement	\$1.5	Delay in milestones for grant payments being met.	2012-13
	Industry Transition Fund	\$1.5	Activities have been delayed. Payments expected to take place in 2012-13.	2012-13
	Regional Aviation Fund	\$1.5	Activities have been delayed. Payments expected to take place in 2012-13.	2012-13
	Victoria Works for Indigenous Jobseekers Program	\$0.8	Delay in milestones for grant payments being met.	2012-13
	Biotechnology	\$0.5	Delay in milestones for grant payments being met.	2012-13
	Agenda for New Manufacturing	\$0.5	Delay in milestones for grant payments being met.	2012-13

Category	Initiatives affected	Amount of carryover (\$m)	Underlying reasons	Intended revised timing for use of the carried forward funds
	Export Victoria	\$0.5	Delay in milestones for grant payments being met.	2012-13
	International Education Strategy	\$0.5	Activities have been delayed. Payments expected to take place in 2012-13.	2012-13
	Other programs under \$0.5m	\$2.9	Activities have been delayed. Payments expected to take place in 2012-13 / Delay in milestones for grant payments being met.	2012-13
TOTAL ESTIMATED OUTPUTCARRYOVER		\$18.7		
Category	Initiatives affected	Amount of carryover (\$m)*	Underlying reasons	Intended revised timing for use of the carried forward funds
Asset funding	Federation Square East	\$1.71	With the change in Government, the timetable and scope of the project was revisited. No further work is being done on this project at this time.	Re-allocation of the funding to the current Government's priorities of Flinders Street Station and other projects has been sought.
	Docklands Film and Television Studios - Future Directions (Docklands)	\$1.70	The tendering of the building works was delayed by the need for further consultation with the industry regarding the final design	2012-13
	Melbourne Exhibition Centre Expansion - Land acquisition (Melbourne)	\$0.71	The acquisition has been delayed due to the site value rapidly escalating beyond the available funding.	2012-13
	Melbourne Wholesale Markets redevelopment (Epping)	\$16.49	Construction of the trading floor complex has been delayed due to adverse weather conditions.	2012-13

Category	Initiatives affected	Amount of carryover (\$m)	Underlying reasons	Intended revised timing for use of the carried forward funds
	Parkville Gardens (Melbourne)	\$0.84	The project has been delayed by the downturn of conditions in the wider residential property market.	2012-13
TOTAL ESTIMATED ASSETCARRYOVER		\$21.45	* Estimated as at April 2012	

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

Question 6.1

In relation to 2012-13, please outline any new revenue-raising initiatives and/or major changes to existing revenue initiatives. For each initiative/change, please explain:

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

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

As the Department of Business and Innovation does not generate revenue, the Department has nil returns as answers to this question.

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

Question 6.2

In relation to 2012-13, please outline any new tax expenditures or concession/subsidy initiatives and/or major changes to existing tax expenditures or concession/subsidy initiatives. For each initiative/change, please explain:

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

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

As the Department of Business and Innovation does not generate revenue, the Department has nil returns as answers to this question.

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

Question 6.3

- (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.

As the Department of Business and Innovation does not generate revenue, the Department has nil returns as answers to this question.

Revenue measure/ concession/subsidy	2011-12 rate	2012-13 rate	Explanation
N/A			

Question 6.4

For the Department's income categories (as appear in the Department's operating statement in the Statement of Finances budget paper), please provide an explanation for any items that have a variance of greater than 10 per cent between the revised estimate for 2011-12 and the budget for 2012-13.

Income category	Explanation
Interest	Variance (15.3%) Lower balances and lower interest rates on deposits are generating lower interest income.
Grants	Variance (100%) Major Events funding is provided via a trust arrangement on a bi-annual basis. The Major Events fund is held centrally by DTF, which results in the revised budget showing the funding received however the annual budget does not.

7 Grants from the Commonwealth

Question 7.1

- (a) What impact have developments at the Commonwealth level, including initiatives under the COAG Reform Agenda, had on the Department's component of the 2012-13 State Budget?

The Department of Business and Innovation does not have any Commonwealth funded activities that will have a direct impact on the Department's component of the 2012-13 State Budget.

- (b) In describing the impact of these developments for 2012-13, please outline the Department's progress to date in transitioning to the COAG Reform Council's new performance reporting framework.

Not Applicable

9 Geographic considerations

Question 9.1

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

Project	Budget allocation for 2012-13 (\$ million)	New or existing project?	Purpose of the project	How is the funding to be spent?	What performance measures are in place?	Expected net benefits	Net present value (in 2012 dollars), where applicable
1. Regional Tourism	\$7.8m	New/Existing	Continue to raise awareness of regional Victoria destinations, experiences and products to key markets	Grants	Contributes to <i>Visitor expenditure in regional Victoria (international)</i> and <i>Visitor expenditure in regional Victoria (domestic)</i>	Contributes to the overall target for these measures: International \$290 million Domestic \$ 5.9 million	-
2. Regional Aviation Fund	\$6.5m	Existing	Assist with the infrastructure development and increase the viability of regional public-use airports	Grants	Contributes to <i>Investment facilitated in regional Victoria</i> and <i>Jobs derived from investment facilitated in regional Victoria.</i>	Contributes to the overall target for these measures: \$504 million 8855 jobs derived	-

Project	Budget allocation for 2012-13 (\$ million)	New or existing project?	Purpose of the project	How is the funding to be spent?	What performance measures are in place?	Expected net benefits	Net present value (in 2012 dollars), where applicable
3. Regional Blueprint Initiatives	\$6.3m	Existing	To support regions to realise their priorities and ensure future generations continue to enjoy living in regional Victoria.	Grants	Contributes to <i>Investment facilitated in regional Victoria</i> and <i>Jobs derived from investment facilitated in regional Victoria.</i>	Contributes to the overall target for these measures: \$504 million 8855 jobs derived	-
4. High-speed Broadband Innovation Program	\$2.0m	Existing	Develop and pilot projects that use high-speed broadband to improve regional services and lifestyles.	Grants	Contributes to <i>Investment facilitated in regional Victoria</i> and <i>Jobs derived from investment facilitated in regional Victoria.</i>	Contributes to the overall target for these measures: \$504 million 8855 jobs derived	-
5. Industry Capability Network	\$1.0m	Existing	Deliver a range of programs to encourage and facilitate import replacement and local sourcing activities.	Grants	Contributes to <i>Investment facilitated in regional Victoria</i> and <i>Jobs derived from investment facilitated in regional Victoria.</i>	Contributes to the overall target for these measures: \$504 million 855 jobs derived	-

Question 9.2

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

Project	Budget allocation for 2012-13 (\$million)	New or existing project?	Purpose of the project	How is the funding to be spent?	What performance measures are in place?	Expected net benefits	Net present value (in 2012 dollars), where applicable
1. Investment Support Program	\$75.5m	New/Existing	Provides financial incentives to attract 'footloose' investment to increase economic activity and boost productivity.	Grants	Contributes to <i>Investment facilitated</i> and <i>Jobs derived from investment facilitated.</i>	Contributes to the overall target for these measures: \$1440 million 4250 jobs derived	-
2. Victorian Innovation Statement	\$38.9m	Existing	Provide investment to put science, technology and innovative capabilities to work and deliver benefits to all Victorians.	Grants	This initiative contributes to measures included under the Innovation and Technology Output		-
3. Biomedical Research	\$26.4m	Existing	Provides funding to Victoria's 13 independent medical research institutes to further research in the Biomedical fields.	Grants	This initiative contributes to measures included under the Innovation and Technology Output		

Project	Budget allocation for 2012-13 (\$million)	New or existing project?	Purpose of the project	How is the funding to be spent?	What performance measures are in place?	Expected net benefits	Net present value (in 2012 dollars), where applicable
4. Olivia Newton John Cancer and Wellness Centre	\$18.1m	Existing	Provided to modernise, consolidate and expand the centre's cancer clinical care and research activities.	Grants	This initiative contributes to measures included under the Innovation and Technology Output		
5. Manufacturing Strategy	\$13.0m	New	Contains five initiatives to assist the manufacturing sector to manufacture productivity networks, build innovative small manufacturers, specialist manufacturing services, investing in manufacturing technologies and manage transition for retrenched workers.	Grants	This initiative contributes to measures included under the Investment attraction, facilitation and major projects output, Innovation and Technology output and the Small Business Assistance Output.		

10 Performance measures

Question 10.1

For each initiative (asset or output) in the 2012-13 Budget with a total cost over the forward estimates greater than \$20 million (or a TEI over \$20 million), please list all new and existing performance measures in the budget papers related to the initiative. In describing initiatives, please use the same names as are used in the budget papers.

Initiative	Related performance measures
Investment Support Program	<i>Investment facilitated and Jobs derived from investment facilitated.</i>
Australian Synchrotron	<i>Businesses provided with research and development assistance</i>
International Engagement	Measures included in the Trade and Export Facilitation Output and Tourism and Marketing Output
Manufacturing Strategy	Measures included in Trade and Export Output; Innovation and Technology Output; Small Business Assistance Output
Small Business Support	Measures included in the Small Business Assistance Output.

Question 10.2

Please indicate any changes that the Department has made since the 2011-12 Budget to increase the number of its performance measures that are outcomes-based.

The Department has reviewed its output structure in line with the new Performance Management Framework issued by the Department of Treasury and Finance.

DBI has consolidated its outputs to six that clearly align to its five Corporate Objectives and its Objective Indicators.

Performance measures have been reviewed to better reflect output delivery. There has been a move away from sector specific measures to measures that reflect the Government's more responsive approach to engagement with industry

When developing the new framework the Department took into account the Victorian Auditor-General's 2010 report "*Performance Reporting for Departments*" and the guidance material issued by DTF.

11 Staffing matters

Question 11.1

Please fully complete the table below, providing actual FTE staff numbers at 30 June 2011 and estimates of FTE staff numbers (broken down by the categories listed below) at 30 June 2012 and 30 June 2013 for the Department. Please provide figures consolidated on the same basis as the expenditure for the Department in the budget papers.

Grade	30 June 2011	30 June 2012	30 June 2013
	(FTE number)	(FTE number)	(FTE number)
Secretary	1.0	1.0 (estimate)	
EO-1	1.0	1.0 (estimate)	
EO-2	15.0	13.0 (estimate)	
EO-3	25.0	26.0 (estimate)	
VPS Grade 7 (STS)	8.0	8.9 (estimate)	
VPS Grade 6	223.3	213.5 (estimate)	
VPS Grade 5	215.8	204.6 (estimate)	
VPS Grade 4	134.2	116.1 (estimate)	
VPS Grade 3	111.4	97.6 (estimate)	
VPS Grade 2	24.4	23.8 (estimate)	
VPS Grade 1	1.0	1.0 (estimate)	
Government Teaching Service			
Health services			
Police			
Allied health professionals			
Child protection			
Disability development and support			
Custodial officers			
Other	9.6	8.4 (estimate)	
Total	769.7	714.8 (estimate)	

Notes:

FTE numbers as at the end of June 2013 cannot be accurately provided at this stage because of progress with the Government's sustainable Government initiative relating to non-front line staff. These figures will be reported to Parliament in the 2012-13 annual report of the Department.

Question 11.2

Please break down the actual staff numbers in your Department as at 30 June 2011 and the estimates as at 30 June 2012 and 2013 according to the number of staff that are ongoing, fixed-term or casual

	30 June 2011	30 June 2012	30 June 2013
	(FTE number)	(FTE number)	(FTE number)
Ongoing	677.0	645.1 (estimate)	
Fixed-term	91.7	96.8 (estimate)	
Casual	1.0	0 (estimate)	
Total	769.7	714.9 (estimate)	*

Notes:

FTE number as at the end of June 2013 divided into ongoing, fixed-term and casual categories cannot be accurately provided at this stage because of progress with the Government's Sustainable Government initiative relating to non-front line staff.

Question 11.3

Given the Government's 'Maintain a sustainable public service' initiative, which is expected to reduce Victorian public service positions by around 3,600 between 2011-12 and 2014-15,² please indicate for each year:

- (a) the number of VPS positions (including VPS Grades 1-6, STS level, EO level and Secretary level) and non-VPS positions that the Department expects to have as at 30 June;

	30 June 2011	30 June 2012	30 June 2013	30 June 2014	30 June 2015
	(FTE number)	(FTE number)	(FTE number)	(FTE number)	(FTE number)
VPS positions	760.1	706.5 (estimate)	*	*	*
Non-VPS positions	9.6	8.4 (estimate)	*	*	*

Notes:

Reduction in VPS positions in the Department to meet the Government's targets will vary over the forward estimates and will be reported to Parliament both in the annual report and the State of the Public Sector Report. It would be inaccurate to provide information at the level of changes in particular grades of FTE staff, as these will change according to the needs of the entity and progress with separations.

² 2011-12 Victorian Budget Update, December 2011, p.114

- b) any strategies other than reducing the number of VPS staff that the Department plans to implement in order to meet the savings target established by this initiative, and the amount of savings for each year anticipated to be achieved by these strategies.

Strategy	Description	Anticipated savings (\$ million)		
		2012-13	2013-14	2014-15
N/A				

Question 11.4

Please detail the actual amount that the Department spent on contractors and consultants in 2010-11 and the estimated expenditure in 2012-13 and each of the outyears (for a definition on the difference between consultants and contractors, see FRD 22B – Standard Disclosures in the Report of Operations). Please provide figures on the same basis of consolidation for the Department as used in the budget papers.

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	(\$ million)					
Consultants	0.2	0.3	TBD	TBD	TBD	TBD
Contractors	70.9	77.8	TBD	TBD	TBD	TBD

If the estimates for consultants provided above do not match the estimates provided in response to Question 4.3, please explain why.

N/A

12 Other

Question 12.1

For any recommendation from the Committee's 2011-12 budget estimates reports where the response was that further action would be considered, investigated or reviewed, please provide an update of the results of the consideration, investigation or review.

In response to Recommendation 22 of the *102nd Report – Report on the 2011-12 Budget Estimates Part Two*, the Government advised that DBI reviewed its performance measures annually and that DTF would work with DBI to explore the possibility of developing output performance measures that reflect the activities of the new aviation industry portfolio.

For the 2012/2013 budget, performance measures have been reviewed to better reflect output delivery and the Performance Management Framework. The Department considered PAEC's recommendation, but consistent with its movement away from sector specific measures, to measures that reflect the Government's more responsive approach to engagement with industry, an aviation specific measure has not been published.

The Aviation sector is an important contributor to the Department's Tourism and Marketing Output and Investment Attraction, Facilitation and Major Projects Output.

With respect to Recommendation 7 of the *102nd Report – Report on the 2011-12 Budget Estimates Part Two*, the Department considered the PAEC recommendation that at least one measure that assesses quality be included in each of the output categories for 2012-13. However the need to ensure meaningful and measurable measures that reflect the outputs being provided was the overriding criteria. As such, two outputs contain three quality measures each, one output contains one quality measure with the remaining outputs not having quality measures at this time.