



**PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

**2012-13 BUDGET ESTIMATES QUESTIONNAIRE**

**DEPARTMENT OF PLANNING AND COMMUNITY  
DEVELOPMENT**

# 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?

The Department of Planning and Community Development's (DPCD) key strategic priorities for 2012-13 include:

- implementing planning and regulatory reforms to assist in the management of population growth and infrastructure planning;
- developing planning strategies for metropolitan and regional areas experiencing significant growth and change;
- driving economic growth in regional and rural Victoria;
- partnering with business, communities, community and sporting organisations and councils to improve the way community and sporting facilities and infrastructure are planned and developed;
- working with and building the capacity of local governments, community and volunteer organisations in planning, service provision and the recognition and management of cultural heritage; and
- delivering whole of government strategies to close the gap between Indigenous and non-Indigenous Victorians and supporting the needs of Victorian veterans.

These priorities support the following two departmental objectives which link and drive the efforts of the Department's portfolios and agencies:

- **Sustainable economic development:**

A strong economic base is essential for the prosperity of all Victorians. DPCD's objective is to enhance prosperity through planning for industry development, population growth, heritage conservation, investing in economic infrastructure and job creation in regional and metropolitan Victoria. Addressing housing affordability through increased land supply, reducing regulatory burden in the planning, building and heritage sectors and providing support for natural disaster preparedness and recovery will also support this objective.

- **Strong and vibrant communities:**

All Victorians benefit from communities serviced by quality infrastructure and services. DPCD's objective is to support strong communities through engagement with local councils, businesses and the public to plan for the future of local communities. DPCD supports a strong, transparent and accountable system of local government, accessible community sport and recreation facilities and ensures effective planning is in place to respond to major disasters. Improving the quality of sport and recreation facilities and enhancing participation strengthens communities and maintains Victoria's reputation as Australia's leading state for sporting events. Policy development and service delivery that appreciate Victoria's heritage, respect the sacrifice of veterans and close the gap in Indigenous and non-Indigenous outcomes also add to the richness of our culture and standard of living.

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

The 2012-13 strategic priorities include all priorities from 2011-12, however have been refined and aligned with two broad objectives instead of four.

In 2011-12, the Department's objectives were as follows:

- planning communities for growth and change;
- investing in communities;
- growing regional and rural Victoria; and
- improving organisational performance.

(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?

At a departmental level, any changes in strategic priorities from 2011-12 to 2012-13 will have no impact on funding and resource allocation decisions for 2012-2013 other than those listed below in 1.1 d).

(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.

<b>Program/initiative</b>	<b>Comments</b>
Broadmeadows Government Services Building	The Broadmeadows Government Services Building was not proceeded with due to departments no longer needing the level of space and the impacts of the higher rental costs.
Expert Assistance Program	The Expert Assistance Program has been discontinued. A portion of the funding has been redirected to the fund the new Community Works Program with the remainder to meet efficiency targets.
Regional Infrastructure Development Fund (RIDF)	On 1 June 2011, all projects and liabilities under the Regional Infrastructure Development Fund (RIDF) were transferred to be administered under the Regional Growth Fund. To date, 406 RIDF major infrastructure projects and programs have been announced throughout regional and rural Victoria. Some other Regional Blueprint initiative funding has been reduced to meet efficiency targets.
Green Light Program	As a result of the need for continuing work on this program and the current priorities and needs in regard to Local Government and across the Department, funding has been reduced and reprioritised at this stage.
Transport Connections	Funding has been reduced to meet efficiency targets.

**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.

The Department of Planning and Community Development has a number of programs that were funded in 2011-12, but that will not receive funding in 2012-13. Details of these can be readily found by comparing the tabled Budget Papers for each financial year. These programs have lapsed for a variety of reasons: they were funded for a specific purpose which has been achieved; the programs may have been merged with other continuing programs, or the programs were funded for a finite period. Lapsing programs are a combination of current and previous Government programs.

**Question 1.3**

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

Key sectoral policies applicable to new initiatives for DPCD include the Victorian Liberal Nationals Coalition Plan for Sport & Recreation and the Victorian Liberal Nationals Coalition Plan for Veterans' Affairs, on which new initiatives for the Sport and Recreation and Veterans' Affairs portfolios are broadly based. New initiatives for the Local Government portfolio also contribute to implementation of all Victorian Bushfire Royal Commission recommendations and the Government response to the Bailey Report on Roadside weeds and pests.

- (b) For the five largest initiatives released for your department in the 2012-13 Budget, please identify:

- (i) to which of the policies detailed above does each initiative relate; and  
(ii) 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
1. Shrine: Galleries of Remembrance	Victorian Liberal Nationals Coalition Plan for Veterans' Affairs	Budget Paper No. 3 provides an outline of linkages between the budget and government policies and priorities.
2. Public Libraries Funding Program	N/A	
3. ANZAC Centenary Strategy	Victorian Liberal Nationals Coalition Plan for Veterans' Affairs	
4. Vulnerable People in Emergencies Program	Contributes to implementation of all Victorian Bushfire Royal Commission recommendations	
5. Roadside Weed Management	Implementation of Government response to the Bailey Report on Roadside weeds and pests	

**Question 1.4 (Department of Treasury and Finance only)**

Please identify any government-wide programs or initiatives 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.

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**Question 1.5 (Department of Treasury and Finance only)**

Please identify any government-wide 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

**Question 1.6 (Department of Treasury and Finance only)**

Please outline how the recommendations made by the Independent Review of State Finances in its April 2011 Interim Report and 2012 Final Report have been reflected in:

- (a) strategic priority formulation;

- (b) budget strategies; and

- (c) the development of the 2012-13 Budget and forward estimates.

**Question 1.7 (Department of Treasury and Finance only)**

In the 2011-12 budget papers,<sup>1</sup> the Government drew attention to a VCEC inquiry to identify the main elements of a state-based reform agenda that would focus on promoting productivity, competitiveness and labour force participation.

Please outline how the recommendations emanating from the VCEC inquiry have been reflected in:

- (a) strategic priority formulation;

- (b) budget strategies; and

- (c) the development of the 2012-13 Budget and forward estimates.

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<sup>1</sup> Budget Paper No.2, 2011-12 Strategy and Outlook, May 2011, p.16

## 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.

<b>Review, inquiry, study, audit or evaluation</b>	<b>Impact</b>
Review of the level of local government services provided to residents of Sunbury by Hume City Council.	Nil impact on the formulation of the 2012-13 Budget.
Review of Public Library Services and Funding	Minimal impact on the formulation of the 2012-13 Budget.
Parliamentary inquiry into the establishment and effectiveness of registered Aboriginal parties.	Funding for the Facilitating Planning Approvals: Aboriginal Cultural Heritage Issues initiative (support for registered Aboriginal parties) for one year-only (2012-13) has been provided in the 2012-13 Budget, pending outcomes of the review, which is due to report in September 2012.
Victorian Planning System Ministerial Advisory Committee	Nil impact on the formulation 2012-13 Budget.
Broadmeadows Government Services Building	Funding for this project has been reallocated to the Central Activity Areas and Strategic Sites Program.
Geelong Government Services Buildings	This project is being assessed to ensure it meets future requirements.
Planning for Melbourne and Regional Victoria – metropolitan planning strategy <ul style="list-style-type: none"> <li>- Green Wedge audit</li> <li>- Liveability and utility audit</li> <li>- Audit of Government owned land</li> </ul>	Nil impact on formulation of 2012-13 Budget
Landscape assessment for windfarm no-go zones	Nil impact on formulation of 2012-13 Budget
Audit of Victorian sport and recreation facilities	Nil impact on the formulation 2012-13 Budget.

**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 governments.

**Question 2.3 (Department of Treasury and Finance only)**

In the Committee’s *Report on the 2011-12 Budget Estimates — Part Three* (Recommendation 12), the Committee recommended that the Department of Treasury and Finance ‘develop and implement processes for identifying the cost of producing the budget papers in future years’.

(a) What progress has been made in collecting this information?

(b) What is the cost of the development, preparation and publication of the 2012-13 Budget Papers? Please include details of the number of resources employed and hours or work entailed.

(c) What is the Department of Treasury and Finance’s view on publishing in future, as part of the budget papers, the cost of developing, preparing and publishing this key accountability document for the State or the reasons for not doing so?

(d) If cost information is not collected, how is the Department assured that the State Budget is prepared in an efficient manner?

**Question 2.4 (Department of Treasury and Finance only)**

Please detail the economic forecasts which had the most significant impact on framing the 2012-13 Budget, detailing for each the major items in the budget that have been affected.

Economic forecast	Affected items in the budget

**Question 2.5 (Department of Treasury and Finance only)**

In relation to the aggregate level of the operating contingency provision as shown in the line item 'Contingencies not allocated to departments' in the notes to the estimated financial statements (estimated operating statement) for the general government sector, please explain the reasons for any movement of greater than \$500,000 between the years 2012-13 to 2015-16.

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**Question 2.6 (Department of Treasury and Finance only)**

In relation to the estimated financial statements for the general government sector (estimated operating statement and estimated balance sheet), please explain any variations of more than 10 per cent between the estimates for 2012-13 published in the 2011-12 budget papers, and the budget forecasts for 2012-13 shown in the 2012-13 budget papers.

Line item	Reason for variation

**Question 2.7 (Department of Treasury and Finance only)**

(a) What new features have been incorporated in the budget papers for 2012-13 and why?

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(b) What features have been omitted and why?

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### 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:

- (a) 'Employee benefits';
- (b) 'Grants and other transfers'; and
- (c) 'Other operating expenses'.

	<b>2011-12 (Revised estimate)</b>  <b>(\$ million)</b>	<b>2012-13 (Budget)</b>  <b>(\$ million)</b>	<b>Explanation for any variances greater than ±10% (or greater than \$100 million)</b>
Employee benefits	98.4	84.7	Variance is due to reductions outlined in the 2011-12 Budget Update.
Grants and other transfers	386.6	341.1	Variance is principally due to variations in funding for large fixed-term projects such as Revitalising Central Dandenong and the Melbourne Cricket Ground redevelopment, as well as reduced funding from the Community Support Fund.
Other operating expenses	67.7	63.7	Variance is less than ten per cent.

**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:

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

	<b>2011-12</b>	<b>2012-13</b>	<b>Explanation for any variances greater than <math>\pm 10\%</math> (or greater than \$100 million)</b>
	<b>(\$ million)</b>	<b>(\$ million)</b>	
Contractor Costs	38.2	-	
Shared Services	8.3	-	
Accommodation and Building related costs	12.1	-	

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.

The amount is calculated by taking the 2011-12 estimate and adjusting it for variations in program funding where applicable and savings forecast in contractors, consultants and general procurement.

**Question 3.3**

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

- (a) the current estimate of expenditure for 2011-12;
- (b) the estimated expenditure for 2012-13; and
- (c) an explanation for any variations greater than  $\pm 10$  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 (\$ million)	2012-13 (\$ million)	Explanation for any variances greater than $\pm 10\%$ (or greater than \$100 million)
Entertainment expenses	0.1	-	
Overseas travel	0.1	-	
Legal expenses	1.3	-	
Consultants*	0.3	-	
Contractors*	38.2	-	
Grants to non-government organisations	98.8	-	

\* 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.

Specific targets for 2012-13 at this level are yet to be developed.

**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.

DPCD has no applicable initiatives.

**Question 3.5 (Department of Treasury and Finance only)**

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

- (a) the main projects facilitated through this expenditure in 2012-13 and the forward estimates;
- (b) the amount of funding for each of those projects; and
- (c) what policy objectives underlie the choice of investments.

Project	Value of funding (\$ million)	Policy objectives

**Question 3.6 (Department of Treasury and Finance only)**

Please prepare an analysis of the expected growth in public expenditure for the general government sector in 2012-13 and over each of the out-years to 2015-16 compared to the assumed trend growth in Gross State Product (GSP) between each year. Include in your analysis an explanation for any year in which expenditure growth rate exceeds the assumed growth rate in the GSP. For both expenditure and GSP, please provide nominal amounts.

Year	Estimated growth in expenditure (%)	Estimated growth in GSP (%)	Analysis
2012-13			
2013-14			
2014-15			
2015-16			

**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.

The efficiency priorities of government, such as the maintenance of a sustainable public service and savings associated with consultants and procurement, are reflected in the budget estimates.

**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.

<b>Initiative</b>	<b>Actions the Department will take in 2012-13</b>	<b>Impact of these actions on service delivery</b>	<b>Savings target for 2012-13 (\$ million)</b>	<b>Explanation for variances to the original target</b>
General efficiencies (2009-10 Budget)	Implemented in 2009-10	N/A	6.0	N/A
Government election commitment savings (2011-12 Budget)	Implemented in 2011-12	N/A	6.3	N/A
Measures to offset the GST reduction (2011-12 Budget)	Implemented in 2011-12	N/A	10.7	N/A
Capping departmental expenditure growth (2011-12 Budget Update)	Reductions in contractors, consultants and procurement.	N/A	4.5	N/A
Maintain a sustainable public service (2011-12 Budget Update)	Review of fixed term contracts, attrition and commencing process for Voluntary Departure Packages.	Impacts will be assessed as reductions take place.	8.8	N/A
Any savings or efficiency initiatives in the 2012-13 Budget	Some grant programs will be reduced.	Less grants will be available.	12.7	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:

- (a) output initiatives in the 2012-13 Budget;
- (b) non-ongoing initiatives released in previous budgets; and
- (c) 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)
15.3	326.1	160.5	501.9

### 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.

Not applicable.

### 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*'.<sup>2</sup> Please list all performance measures that have been adjusted in 2012-13 as a result of recent asset investment by the Department.

Asset initiative funded under 2012-13 Budget	Related performance measures	Adjustments made
Melbourne Park Redevelopment Stage 2 Scoping	Number of projects in progress that relate to the planning and development of state level facilities	This initiative contributes towards the overall target set for all state level sporting facilities that are counted against this measure. This performance measure has been amended for 2012-13 increase the clarity of the measure. It consolidates the 2011-12 performance measures 'Projects related to state level facilities in progress' and 'Continuation of

<sup>2</sup> 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

<b>Asset initiative funded under 2012-13 Budget</b>	<b>Related performance measures</b>	<b>Adjustments made</b>
		works for the State Sports Facilities Project'..

#### **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.

<b>Category</b>	<b>Initiatives affected</b>	<b>Amount of carryover</b>	<b>Underlying reasons</b>	<b>Intended revised timing for use of the carried forward funds</b>
Output funding	<ul style="list-style-type: none"> <li>- Sport and Recreation programs including Sports Facilities grants and Synthetic surfaces</li> <li>- Bushfire response</li> <li>- Broadmeadows Leisure Centre</li> <li>- Transport Connections</li> </ul>	\$6.2 million	Finalisation of projects by councils has delayed Sport and Recreation programs. Other carryover is due to delays incurred on initial projects.	2012-13
Asset funding	State Shooting Centre	\$12.5 million	Finalising allocation of funding.	2012-13

## **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.

Not applicable to DPCD.
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### **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.

Not applicable to DPCD.
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**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.

Not applicable to DPCD.
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**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
Special Appropriations	Variance is due to the revised forecast for Growth Areas Infrastructure Contributions.
Grants	Variance is due to reductions in forecast revenues from the Community Support Fund and Major Events funding.

**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?

Commonwealth-level developments have had no impact on the Department's component of the 2012-13 State Budget
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- (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.
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**Question 7.2 (Department of Treasury and Finance only)**

Please explain how any major changes between financial agreements with the Commonwealth have impacted on the State's budget for 2012-13, e.g. new national health and hospitals reform.

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**Question 7.3 (Department of Treasury and Finance only)**

What has been the impact of any changes to Victoria’s share of the GST pool for 2012-13 and beyond?

**8. Net debt**

**Question 8.1 (Department of Treasury and Finance only)**

In relation to the net debt projections for the non-financial public sector for the 2012-13 budget year and over the forward estimates to 2015-16, please provide a break-down of the spread of net debt between the general government sector (GGS) and each of the main public non-financial corporations (PNFCs) concerned.

GGS/PNFC entity	Net debt, 30 June 2012	Net debt, 30 June 2013	Net debt, 30 June 2014	Net debt, 30 June 2015	Net debt, 30 June 2016

**Question 8.2 (Department of Treasury and Finance only)**

(a) What plans are in place to reduce (in nominal dollar terms) the general government sector’s net debt over time?

(b) Does the Department have a target for the year in which the general government sector’s net debt will start reducing (in nominal dollar terms)?

(c) Does the Department have a target for the year in which there will be no debt for the general government sector?

**Question 8.3 (Department of Treasury and Finance only)**

- (a) What plans are in place to reduce (in nominal dollar terms) the general government sector's total liabilities over time?

- (b) Does the Department have a target for the year in which the general government sector's total liabilities will start reducing (in nominal dollar terms)?

- (c) Does the Department have a long-term target for a sustainable level of total liabilities?

## 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 Growth Fund	125.000	Existing	<p>The Regional Growth Fund is a continuing initiative for regional Victoria to:</p> <ul style="list-style-type: none"> <li>• Provide better infrastructure, facilities or services.</li> <li>• Strengthen the economic base of communities.</li> <li>• Create jobs and improve career opportunities for regional Victorians.</li> </ul>	Grants are provided to local governments and non-government organisations for projects in regional Victoria.	<p>The following performance measures relating to the Regional Growth Fund are included in Budget Paper No. 3:</p> <ul style="list-style-type: none"> <li>• Regional infrastructure projects funded</li> <li>• Economic development, service delivery and community capacity projects funded</li> <li>• Number of towns included in the Energy for the Regions Program</li> <li>• Putting Local First Fund projects recommended by Regional Development Committees approved for</li> </ul>	<p>Benefits include:</p> <ul style="list-style-type: none"> <li>• Stronger Victorian regional economy.</li> <li>• More job opportunities and improved career options for regional Victorians.</li> <li>• More sustainable and resilient regional communities</li> <li>• Local communities able to lead development in their region.</li> </ul>	N/A

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
					funding <ul style="list-style-type: none"> <li>Local Government Infrastructure Account grants acquitted within specified timelines</li> </ul>		
2. Simonds Stadium Redevelopment - Stage 3	13.000	Existing	The purpose of Stage 3 of the redevelopment is to ensure Simonds Stadium remains a premier regional sporting venue, to increase its capacity to host significant sporting events and to increase the access and availability of the venue.	The Government's funds for this initiative are being delivered as a grant directly to the Geelong Football Club in response to achievement of project milestones.	The Simonds Stadium Redevelopment relates to the following performance measure included in Budget Paper No. 3:  Number of projects in progress that relate to the planning and development of state level facilities	The initiative will increase the seating capacity of the stadium to enhance the spectator facilities and provide community benefits.	N/A
3. Sustainable Small Towns Development Fund	8.000	Existing	The purpose of the Fund is to enhance economic growth and the appeal and liveability of rural townships and surrounding areas by developing economic and social infrastructure.	Grants are provided to local governments for projects in regional Victoria.	The Sustainable Small Towns Development Fund relates to the following performance measure included in Budget Paper No. 3:  Regional infrastructure projects funded	Projects will: <ul style="list-style-type: none"> <li>Enhance business competitiveness or economic activity.</li> <li>Improve liveability and social cohesion.</li> <li>Improve resilience and adaptability to changing circumstances.</li> </ul>	N/A

<b>Project</b>	<b>Budget allocation for 2012-13 (\$ million)</b>	<b>New or existing project?</b>	<b>Purpose of the project</b>	<b>How is the funding to be spent?</b>	<b>What performance measures are in place?</b>	<b>Expected net benefits</b>	<b>Net present value (in 2012 dollars), where applicable</b>
4. Marysville Hotel & Conference Centre	12.600	Existing	The purpose of this initiative is to develop a new Hotel & Conference Centre in Marysville in partnership with the private sector.	Funding is spent to facilitate the construction and operation of the Marysville Hotel & Conference Centre.	DPCD will monitor the achievement of milestones through a funding agreement.	Benefits include: <ul style="list-style-type: none"> <li>• Stimulation and facilitation of private sector business confidence into Marysville.</li> <li>• Provision of new employment opportunities for the local and surrounding communities.</li> <li>• Stimulation and increase of tourism visitation to Marysville.</li> </ul>	NA

<b>Project</b>	<b>Budget allocation for 2012-13 (\$ million)</b>	<b>New or existing project?</b>	<b>Purpose of the project</b>	<b>How is the funding to be spent?</b>	<b>What performance measures are in place?</b>	<b>Expected net benefits</b>	<b>Net present value (in 2012 dollars), where applicable</b>
5. Living Regions Living Suburbs	6.074	Existing	The purpose of the initiative is to support economic and social renewal in regional, rural and interface communities, with a particular emphasis on recovery.	Grants are provided to local governments and non-government organisations for projects in regional Victoria and interface areas.	The following performance measures relating to the Living Regions Living Suburbs initiative are included in Budget Paper No. 3: <ul style="list-style-type: none"> <li>• Regional infrastructure projects funded.</li> <li>• Economic development, service delivery and community capacity projects funded.</li> </ul>	The initiative will allow for the development of a sound economic base through the economic and social revitalisation of individual communities.	N/A

**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:

<b>Project</b>	<b>Budget allocation for 2012-13 (\$million)</b>	<b>New or existing project?</b>	<b>Purpose of the project</b>	<b>How is the funding to be spent?</b>	<b>What performance measures are in place?</b>	<b>Expected net benefits</b>	<b>Net present value (in 2012 dollars), where applicable</b>
1. Melbourne Park Redevelopment	110.4	Existing	The purpose of the redevelopment is to increase Melbourne Park's flexibility and capacity for the hosting of events including the Australian Open.	Payments are made to Major Projects Victoria in response to achievement of milestones.	The Melbourne Park Redevelopment relates to the following performance measure included in Budget Paper No. 3:  Number of projects in progress that relate to the planning and development of state level facilities	The initiative will increase Melbourne Park's flexibility and capacity for the hosting of events, replace and upgrade aging services and infrastructure, create better pedestrian connections and reduce reliance on temporary event infrastructure.	N/A
2. Broadmeadows Central Activities Area	18.7	Existing	The purpose of the program is to undertake station and transport improvement works to Broadmeadows Station.	Funding is spent on: <ul style="list-style-type: none"> <li>• New bus interchange.</li> <li>• New rail corridor link/subway.</li> <li>• Public realm</li> </ul>	The Broadmeadows Central Activities Area relates to the following performance measure included in Budget Paper	Benefits include: <ul style="list-style-type: none"> <li>• Improved public transport access and ease of use.</li> <li>• Improved safety and way-finding.</li> </ul>	N/A

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
				improvements.	No. 3: Activities Areas projects delivered against agreed project implementation documents, as set for the financial year.		
3. Revitalising Central Dandenong	5.0	Existing	The purpose of the initiative is to revitalise central Dandenong and position it as a hub for Melbourne's southeast, with a dynamic business and community centre.	Funding is spent on: <ul style="list-style-type: none"> <li>•Targeting government and private tenants and developers for acquired sites.</li> <li>•Completing transport and access projects.</li> </ul>	The Revitalising Central Dandenong initiative relates to the following performance measure included in Budget Paper No. 3:  Activities Areas projects delivered against agreed project implementation documents, as set for the financial year.	Benefits include: <ul style="list-style-type: none"> <li>•Improved access and mobility for the area.</li> <li>•Increased development and investment.</li> </ul>	N/A
4. Footscray	3.5	Existing	The purpose of the	Funding is spent on	The Footscray	Benefits include:	N/A

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
Central Activities Area			initiative is to develop a large mixed use precinct on a site adjacent to the Footscray railway station.	delivery of government services offices.	Central Activities Area relates to the following performance measure included in Budget Paper No. 3:  Activities Areas projects delivered against agreed project implementation documents, as set for the financial year.	<ul style="list-style-type: none"> <li>•Development of underutilised government land.</li> <li>•Creation of new jobs in Footscray.</li> </ul>	
5. Northbank Promenade Access and Safety Improvements	3.0	Existing	The purpose of the improvements is to construct a continuous pedestrian and cycling trail linking the central city area, World Trade Centre, Convention Centre and Docklands, with a riverfront	Funding is spent on construction of the Charles Grimes Bridge underpass.	No externally published performance measures are in place, however DPCD monitors the achievement of milestones in the funding agreement with Melbourne City Council.	The initiative will provide improved access and mobility for pedestrians and cyclists.	

<b>Project</b>	<b>Budget allocation for 2012-13 (\$million)</b>	<b>New or existing project?</b>	<b>Purpose of the project</b>	<b>How is the funding to be spent?</b>	<b>What performance measures are in place?</b>	<b>Expected net benefits</b>	<b>Net present value (in 2012 dollars), where applicable</b>
			promenade.				

## 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.

Not applicable.

### 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.

Not applicable.

### Question 10.3 **(Department of Treasury and Finance only)**

In preparing the budget papers, please outline the steps taken by the Department of Treasury and Finance to ensure that performance targets for all departments are appropriately challenging.

### Question 10.4 **(Department of Treasury and Finance only)**

Please detail the processes undertaken by the Department of Treasury and Finance to ensure that the '2011-12 expected outcome' for each performance measure published in the budget papers is a reasonable estimate.

### Question 10.5 **(Department of Treasury and Finance only)**

In considering targets for performance measures for all departments in the budget papers and assessing the expected outcomes for the previous year to be published in the budget papers:

- (a) describe to what extent the Department considers historical trends of actual results for each performance measure; and

- (b) indicate how many years of data are considered.

## 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.

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.

Grade	30 June 2011 (FTE number)	30 June 2012 (FTE number) Estimate	30 June 2013 (FTE number)
Secretary	1.0	1.0	-
EO-1	0.0	0.0	-
EO-2	14.0	13.0	-
EO-3	21.0	21.0	-
VPS Grade 7 (STS)	5.0	5.0	-
VPS Grade 6	231.4	211.9	-
VPS Grade 5	305.0	287.9	-
VPS Grade 4	204.0	185.3	-
VPS Grade 3	143.3	127.0	-
VPS Grade 2	38.2	36.0	-
VPS Grade 1	0.0	0.0	-
Government Teaching Service	0.0	0.0	-
Health services	0.0	0.0	-
Police	0.0	0.0	-
Allied health professionals	0.0	0.0	-
Child protection	0.0	0.0	-
Disability development and support	0.0	0.0	-
Custodial officers	0.0	0.0	-

Other	10.0	11.0	-
Total	973.0	899.1	-

### 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

FTE numbers 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.

	30 June 2011 (FTE number)	30 June 2012 (FTE number) Estimate	30 June 2013 (FTE number)
Ongoing	801.7	777.3	-
Fixed-term	171.3	121.8	-
Casual	0	0	-
Total	973.0	899.1	-

### 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,<sup>3</sup> 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;

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.

<sup>3</sup> 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.

Not applicable.

### 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 (\$ million)	2011-12 (\$ million)	2012-13 (\$ million)	2013-14 (\$ million)	2014-15 (\$ million)	2015-16 (\$ million)
Consultants	-	0.3	-	-	-	-
Contractors	40.0	38.2	-	-	-	-

Note: The Department does not budget at this level into the out years.

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

Not applicable.

## 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.

#### **Recommendation 18, Chapter 4.4.4 Regional Growth Fund (Page 81)**

*Status of the Regional Growth Fund (RGF) Evaluation Framework:*

The RGF Evaluation Framework and related performance measures developed to measure its performance, relative to the stated intended outcomes for the RDF, have been further refined.

A series of data capture and monitoring processes have been put in place at the project, sub-program and Fund levels to assess progress towards the RGF's intended outcomes. These processes include fortnightly, monthly and six monthly progress reporting.

Monitoring and reporting of the RGF's activities across all sub programs occurs regularly. These monitoring and reporting processes are being used to track progress towards the Fund's short-term outcomes through performance targets set for 2012-2013.

*Commitment to further action:*

Regular monitoring and reporting processes, as identified in the RGF Evaluation Framework, will continue to occur across all levels of the Fund in order to measure up-to-date performance relative to the Fund's stated outcomes.

**Recommendation 19, Chapter 4.4.4 Regional Growth Fund (Page 81)**

The RGF Evaluation Framework has been further refined and a series of ongoing reporting and evaluation processes have been put in place in order to track progress towards the Fund's long term objectives.

*Commitment to further action:*

A public request for tender to undertake a formative and mid-term evaluation of the Regional Growth is currently open. Once awarded, the successful tender for this evaluation will review the processes put in place by RDV to track progress towards the Fund's long term goals (including the RGF Evaluation Framework and the suite of key performance measures developed to assess the effectiveness of the Fund in achieving its stated goals and objectives).

The second phase of the evaluation will include a detailed assessment of the social and economic impact of the RGF and its effectiveness in achieving its stated goals, as assessed against the suite of key performance measures. It is the intention that the results of this evaluation will be publically reported.