



**PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

**2012-13 BUDGET ESTIMATES QUESTIONNAIRE**

**DEPARTMENT OF PREMIER AND CABINET**

## 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 strategic priorities underpinning the 2012-13 Budget include:

- Strengthening public policy outcomes and high quality Government decision-making for all Victorians
- Promoting an effective, accountable and professional public administration.
- Support and promote active citizenship and unity across a vibrant multicultural community.
- Developing and promoting a thriving Victorian arts and cultural sector.

- (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?

Not Applicable

- (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.

Not Applicable

### 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 |
|-----------------------|-------------------------|
| Not Applicable        |                         |
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**Question 1.3**

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

- For new arts and cultural development initiatives the relevant sectoral policy is **Commitment to the Arts**
- For new multicultural affairs and citizenship initiatives the relevant sectoral policy is **Commitment to Multicultural Affairs and Citizenship**
- For the increased support for the Victorian Ombudsman and the extension of the pilot of regional DPC offices initiatives the relevant sectoral policy is **Responsible Governance and Integrity**

- (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.

| <b>Initiative</b>   | <b>Related policies</b>                                    | <b>Where links are identifiable in the budget papers</b> |
|---|--|--|
| <b>Cultural Agencies State collections management initiatives</b> | <b>Commitment to the Arts</b>                              | <b>Budget Paper No. 3, Chapter 2, page 52</b>            |
| <b>Refugee Support Program</b>                                    | <b>Commitment to Multicultural Affairs and Citizenship</b> | <b>Budget Paper No. 3, Chapter 2, page 53</b>            |
| <b>Increased Support for the Victorian Ombudsman</b>              | <b>Responsible Governance and Integrity</b>                | <b>Budget Paper No. 3, Chapter 2, page 53</b>            |
| <b>Arts Centre Melbourne critical works</b>                       | <b>Commitment to the Arts</b>                              | <b>Budget Paper No. 3, Chapter 2, page 54</b>            |
| <b>Museum Victoria exhibition renewal program</b>                 | <b>Commitment to the Arts</b>                              | <b>Budget Paper No. 3, Chapter 2, page 54</b>            |

**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 |
|-----------------------|-------------------------|
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**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;

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- (b) budget strategies; and

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

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**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;

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- (b) budget strategies; and

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

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

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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   |
|--|--|
| Evaluation of Pilot program of regional Department of Premier and Cabinet offices. | The Government has extended the original nine month pilot of the regional DPC offices for an additional 12 months. In 2012-13, \$0.900 million has been allocated through internal reprioritisation for the continued operation of the Ballarat and Bendigo offices. |

### 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.

All of the Department of Premier and Cabinet's projects and programs are aligned with the Government priorities.

### 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?

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- (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.

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- (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?

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

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**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 |
|-----------|----------------------|
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**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'.

|                               | 2011-12<br>(Revised<br>estimate)<br>(\$ million) | 2012-13<br>(Budget)<br>(\$ million) | Explanation for any variances<br>greater than $\pm 10\%$ (or greater than<br>\$100 million)  |
|-------------------------------|--|-------------------------------------|--|
| Employee benefits             | 206.234  | 202.003                             | N/A  |
| Grants and other<br>transfers | 114.334  | 99.476                              | The reduction is due to one-off<br>payments made in 2011-12 for:<br>business disruptions to VACT and<br>the Melbourne Symphony Orchestra<br>and IBAC implementation funding<br>transfer to Department of Justice |
| Other operating<br>expenses   | 175.875  | 158.605                             | N/A  |

#### 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  $\pm 10\%$  (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 ±10% (or greater than \$100 million)</b>   |
|---|---------------------|---------------------|--|
|   | <b>(\$ million)</b> | <b>(\$ million)</b> |  |
| Other Fixed Assets Given Free of Charge | <b>0.540</b>        | <b>0.540</b>        | <b>N/A</b>   |
| Water / Rates incurred for Own Use      | <b>0.214</b>        | <b>0.217</b>        | <b>N/A</b>   |
| COGS – Intra-government                 | <b>4.149</b>        | <b>4.436</b>        | <b>N/A</b>   |
| Operating supplies and consumables      | <b>101.106</b>      | <b>86.324</b>       | <b>The reduction in 2012-13 is mainly due to one-off payments made in 2011-12 for IBAC implementation costs and bushfire related activities.</b> |
| Purchase of Services                    | <b>51.499</b>       | <b>48.122</b>       | <b>N/A</b>   |
| Motor Vehicle Taxes - Registration      | <b>0.054</b>        | <b>0.056</b>        | <b>N/A</b>   |
| Maintenance                             | <b>7.260</b>        | <b>7.242</b>        | <b>N/A</b>   |
| Operating Leases                        | <b>10.619</b>       | <b>11.176</b>       | <b>N/A</b>   |
| Audit Services – Auditor General        | <b>0.223</b>        | <b>0.228</b>        | <b>N/A</b>   |
| Finance Expenses and Fees               | <b>0.207</b>        | <b>0.258</b>        | <b>The variance is due to multiple immaterial items.</b>   |

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  $\pm 10$  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.

|  | <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> |   |
| Entertainment expenses                 | 0.637               | N/A                 | See explanation below.  |
| Overseas travel                        | 0.427               | N/A                 |   |
| Legal expenses                         | 0.996               | N/A                 |   |
| Consultants*                           | 1.632               | N/A                 |   |
| Contractors*                           | 2.671               | N/A                 |   |
| Grants to non-government organisations | 3.239               | N/A                 |   |

\* *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.

**The current estimate of expenditure for 2011-12 includes all the DPC Portfolio except for information pertaining to Arts Agencies, as this information is not collected from the Agencies at the level requested.**

**The estimated expenditure for 2012-13 figures are currently not available and will be available in July.**

**Any variations of more than 10 per cent will not be known until the 2012-13 expenditure targets are established in July.**

**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.

| <b>Initiative</b>  | <b>Explanation</b>   |
|--|--|
| <b>Effective, sustainable, and efficient infrastructure at ACMI</b>              | <b>Funding for this output initiative commences in 2013-14.</b>  |
| <b>Implementation of National Framework for the Major Performing Arts Sector</b> | <b>Funding provided in 2012-13 comprises only an adjustment of \$0.188 million per annum to the base funding for the Malthouse Theatre as agreed by the Cultural Ministers Council. In 2013-14 other larger funding components of this initiative begin.</b> |
| <b>Melbourne Planetarium at Scienceworks critical technology replacement</b>     | <b>Funding for this output initiative commences in 2013-14.</b>  |
| <b>Urgent storage for cultural agency collections</b>                            | <b>Capital funding for this initiative does not commence until 2013-14.</b>  |
| <b>Museum Victoria exhibition renewal program</b>                                | <b>Funding for this asset initiative commences in 2013-14.</b>   |

**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:

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

| <b>Project</b> | <b>Value of funding<br/>(\$ million)</b> | <b>Policy objectives</b> |
|----------------|--|--------------------------|
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|                |  |                          |

**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.

| <b>Year</b> | <b>Estimated growth in expenditure (%)</b> | <b>Estimated growth in GSP (%)</b> | <b>Analysis</b> |
|-------------|--|------------------------------------|-----------------|
| 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 Portfolio has addressed the concept of 'operational efficiency by consolidating activities and minimising duplication and waste in administration, policy, corporate and management functions.**

**In 2012-13, the Portfolio also continues to reprioritise resources (both financial and staff) from within its base budget to fund Government election commitments and other initiatives. These include:**

- **Settlement Coordination Branch (\$0.580m)**
- **DPC Regional Offices (\$0.900m)**
- **Victorian Design Review Panel (\$0.654)**
- **Natural Disaster Assistance Unit (\$0.220)**
- **National Disability Insurance Scheme Secretariat (\$0.500)**

**Across the Arts Portfolio, new and escalating maintenance and programming costs are required to be met by Arts agencies through reprioritisation.**

**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)                           | <b>The Portfolio will meet its contribution to the Government's election commitment savings through a range of measures to reduce departmental and portfolio agency expenses by consolidating activities and minimising duplication and waste in administration, corporate and management functions.</b> | <b>The major impacts on service delivery will be felt across Arts agencies. Specific impacts will not be known though until savings are allocated by Arts Victoria to the agencies.</b> | 6.000  | <b>Not Applicable</b>                            |
| Government election commitment savings (2011-12 Budget)         |  |   | 17.080   |  |
| Measures to offset the GST reduction (2011-12 Budget)           |  |   | 2.000  |  |
| Capping departmental expenditure growth (2011-12 Budget Update) |  |   | 3.500  |  |
| Maintain a sustainable public service (2011-12 Budget Update)   |  |   | 4.200<br>(The Sustainable Public Service initiative is intended to constrain the funding available for employee salaries. This reduction in employee benefits is shown in BP5 p.121) |  |
| Any savings or efficiency initiatives in the 2012-13 Budget     |  |   | 3.200  |  |

**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.

| Area                          | 2009-10<br>(\$ million) | 2010-11<br>(\$ million) | 2011-12<br>(Estimated<br>\$ million) | 2012-13<br>(\$ million)  | 2013-14<br>(\$ million) | 2014-15<br>(\$ million) | Explanation for any area which does not decrease by the savings target  |
|-------------------------------|-------------------------|-------------------------|--------------------------------------|--|-------------------------|-------------------------|---|
| Ministerial staff             | 25.553                  | 28.047                  | 20.600                               | Estimated expenditure figures for the 2012-13 to 2014-15 financial years are not available as the detailed DPC budget is recast at the start of each financial year. |                         |                         | The 2010-11 expenditure includes expenditure of the previous and current Governments. The reduction in expenditure in 2011-12 reflects the current Government's election commitment to reduce Ministerial Office staff by 50. |
| Media and marketing positions | 1.437                   | 1.942                   | 1.230                                |  |                         |                         |   |
| Consultants                   | 3.226                   | 1.968                   | 1.632                                |  |                         |                         |   |
| Government advertising        | 2.265                   | 0.358                   | 0.105                                |  |                         |                         |   |
| Political opinion polling     | 0.414                   | 0.158                   | 0.000                                |  |                         |                         |   |
| External legal advice         | 1.030                   | 0.714                   | 0.996                                |  |                         |                         | The increased legislative program has required additional legal advice.   |
| Senior public service travel  | 1.543                   | 1.263                   | 1.154                                |  |                         |                         |   |

|                               |                |                |                |     |     |     |  |
|-------------------------------|----------------|----------------|----------------|-----|-----|-----|--|
| Government office floor space | 7.753          | 7.015          | 6.806          |     |     |     |  |
| Supplies and consumables      | 72.466         | 63.324         | 72.463         |     |     |     | The estimated increase in 2011-12 is mainly due to one-off payments made in 2011-12 for IBAC implementation costs and bushfire related activities.   |
| Savings from shared services  | 4.548          | 5.255          | 4.662          |     |     |     |  |
| Head office staff             | 37.107         | 39.352         | 46.680         |     |     |     | The estimated increase in 2011-12 is mainly due to EBA increases, the transfer of OMAC into DPC and the establishment of two DPC Regional Offices and the National Disability Insurance Secretariat. |
| <b>Total</b>                  | <b>157.342</b> | <b>149.396</b> | <b>156.328</b> | n/a | n/a | n/a |  |

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.

| Category | Why data are not available | How the Department will monitor whether or not it has achieved its savings target in this category |
|----------|----------------------------|--|
|          |                            |  |

## 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<br>(\$ million) | Funding for non-ongoing initiatives released in previous budgets<br>(\$ million) | Base funding/ongoing funding<br>(\$ million) | Total output cost (as in Service Delivery budget paper)<br>(\$ million)   |
|--|--|--|---|
| 6.558  | 47.858   | 487.952                                      | 621.879<br><br>(includes \$79.529 million Arts Agency external revenue which is not funding provided by government) |

### 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.

Total output cost is \$621.9. It should be noted that DPC's total output cost includes output appropriation and Arts Agency external revenue.

The difference between total output cost and total expenses is as follows:

|                              |       |
|------------------------------|-------|
| DPC Output Appropriation     | 542.4 |
| Arts Agency External Revenue | 79.5  |
| DPC Total Output Cost 12/13  | 621.9 |
| <b>Add</b>                   |       |
| Special appropriations       | 8.1   |
| DPC interest earned          | 9.7   |
| Total Revenue                | 639.7 |
| <b>Less</b>                  |       |
| Operating Result for 12-13   | -22.5 |
| Expenses                     | 617.3 |

**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.

The majority of investment in DPC’s asset base in 2012-13 is for restoration and renewal of cultural assets which is required in order to maintain the current level of operations/service. This is reflected by sustained Target levels for performance measures relating to the Arts and Cultural Agencies and the Arts Development and Access outputs.

Asset funding of \$6 million has been allocated in 2013-14 to upgrade current storage systems for the State collections. This will result in an increase to the 2014-15 Target for the performance measure, ‘Agency collections stored to industry standard’.

As part of the 2011-12 Budget asset funding was contributed toward the relocation of Circus Oz’s business and rehearsal premises. Once complete and fully operational, the asset investment is expected to result in an increased target for the measure, ‘Increased attendances at Major Performing Arts Organisations’.

**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 | Underlying reasons | Intended revised timing for use of the carried forward-funds |
|----------------|--|---------------------|--------------------|--|
| Output funding | Final carry forward amounts are not finalised until the end of the financial year and as a result, no exact figures are currently available. |                     |                    |  |

<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

|               |   |  |  |  |
|---------------|---|--|--|--|
| Asset funding | <b>Final carry forward amounts are not finalised until the end of the financial year and as a result, no exact figures are currently available.</b> |  |  |  |
|---------------|---|--|--|--|

## 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.

| 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 |
|--------------------|------------------------------------|------------------------|-----------------------|---------------------------------------|---|--|
| Not Applicable     |                                    |                        |                       |                                       |   |  |
|                    |                                    |                        |                       |                                       |   |  |
|                    |                                    |                        |                       |                                       |   |  |

**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.

| <b>Initiative/ change</b> | <b>Reasons for the initiative/ change</b> | <b>Underlying assumptions</b> | <b>Alternative scenarios</b> | <b>Impact of changes on service delivery</b> | <b>Performance measures or targets altered</b> | <b>Anticipated total value of revenue gained/foregone</b> |
|---------------------------|---|-------------------------------|------------------------------|--|--|---|
| Not Applicable            |   |                               |                              |  |  |   |
|                           |   |                               |                              |  |  |   |
|                           |   |                               |                              |  |  |   |

**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.

| Revenue measure/<br>concession/subsidy | 2011-12 rate | 2012-13 rate | Explanation |
|--|--------------|--------------|-------------|
| Not Applicable                         |              |              |             |
|  |              |              |             |

**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  |
|----------------------------|--|
| Sale of goods and services | Ticket sales for the particular NGV exhibitions vary from year to year. The Australian Centre for the Moving Image also has a biannual major exhibition program with the next scheduled in 2012-13 (none in 2011-12).  |
| Grants                     | In 2011-12 the Arts Indemnification funding for the MWM exhibitions is funded as a grant from the Major Events cap, in 2012-13 it will be funded through output appropriation.   |
| Other income               | 2010-11 was the 150 <sup>th</sup> anniversary of the National Gallery of Victoria and as a result of the anniversary a greater level of donations were received in 2010-11 and some related donations were also received in 2011-12, this increased level of donations is not expected to be sustained in 2012-13. |

**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?

|   |
|---|
| <p>In 2011 the Cultural Ministers Council agreed to a new national framework (the Framework) to support and fund Australia's Major Performing Arts sector. Funding has been provided as part of the 2012-13 Budget to implement this Framework, specifically:</p> <ul style="list-style-type: none"> <li>• An adjustment of \$0.188 million per annum to the base funding for the Malthouse Theatre to secure a matching contribution from the Commonwealth Government; and</li> <li>• A contribution of \$0.311 million per annum to the soon to be established 'Excellence Fund'</li> </ul> |
|---|

which aims to support Australia's Major Performing Arts companies so they can grow and expand their reach, quality and level of activities. Again this contribution will be matched by the Commonwealth.

- (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.

The Intergovernmental Agreement on Federal Financial Relations (IGA FFR), signed by COAG in 2008, established a new framework for performance reporting under intergovernmental agreements. The IGA FFR was intended to shift the focus from Commonwealth input controls to the attainment of nationally agreed outcomes, as set out in National Agreements (NAs). The COAG Reform Council (CRC) is responsible for reporting on the progress of the COAG reform agenda, as outlined in NAs and National Partnership Agreements (NPs).

The Department has transitioned to the performance reporting framework set out under the IGA FFR, and continues to work with Victorian agencies to ensure a whole of Victorian Government understanding of the framework. The Department has a role in coordinating reporting to the CRC, and ensuring that CRC reports provide a fair and accurate reflection of Victoria's performance. As part of this role, the Department works closely with the Department of Treasury and Finance, the CRC and the Department's Commonwealth and State and Territory counterparts. The Department also continues to provide whole of Victorian Government advice to ensure that COAG reporting requirements align as closely as possible with internal reporting requirements.

**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.

**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.

| <b>GGS/PNFC entity</b> | <b>Net debt,<br/>30 June<br/>2012</b> | <b>Net debt,<br/>30 June<br/>2013</b> | <b>Net debt,<br/>30 June<br/>2014</b> | <b>Net debt,<br/>30 June<br/>2015</b> | <b>Net debt,<br/>30 June<br/>2016</b> |
|------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|                        |                                       |                                       |                                       |                                       |                                       |

**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. Arts Regional Development | \$6.0 million                              | Existing                 | Supporting cultural programs across regional Victoria in partnership with local government and arts organisations | <ul style="list-style-type: none"> <li>Assistance to local government authorities that operate professionally managed public art galleries and performing arts centres;</li> <li>Direct support for arts companies touring visual and performing arts product to regional Victoria</li> <li>Assistance to arts organisations that co-ordinate or facilitate arts touring.</li> </ul> | <p>DPC Performance Statement measures:</p> <ul style="list-style-type: none"> <li>Scope / quality of programs offered by regional galleries and performing arts centres</li> <li>Quality and reach of touring product</li> <li>Funds leveraged from local government</li> <li>Audience / visitor numbers to funded venues and funded touring</li> </ul> | <ul style="list-style-type: none"> <li>Enhanced range of programming choices available to regional audiences</li> <li>Quality cultural works available across Victoria</li> <li>Economic benefits for regional communities</li> <li>Extended opportunities for Victorian producers and their works</li> </ul> | \$6.0 million in 2012-13.                             |

|  |               |          |  |   |   |   |  |
|--|---------------|----------|--|---|---|---|--|
| 2. Victorian Multicultural Commission Community Grants program | \$2.1 million | Existing | To support Culturally and Linguistically Diverse communities.            | By providing grants directly to ethnic community groups to support their programs and events.   | <p>DPC Performance Statement measures:</p> <ul style="list-style-type: none"> <li>Grants approved</li> <li>Proportion of grants approved, which are provided to organisations in regional/rural areas</li> <li>Victorian community grants paid in line with funding agreement milestones</li> </ul> | Funding provided to the new and emerging communities and the CALD seniors organisations reduces isolation and loneliness, increases health benefits and sense of community values, and thus reduces the cost of government health, education and justice services in future years.        | \$6.4 million over 2012-13 to 2014-15. |
| 3. Geelong Performing Arts Centre critical works               | \$2.0 million | New      | To ensure continued functionality of the Geelong Performing Arts Centre. | Asset renewal including the climate control and ventilation system, electrical plant and infrastructure, internal building fabric and finishes, toilets and internal plumbing, and external paving. | <p>DPC Performance Statement measures:</p> <ul style="list-style-type: none"> <li>Access: users/attendances at all agencies</li> <li>Visitors satisfied with visit: Geelong Performing Arts Centre</li> </ul>   | <ul style="list-style-type: none"> <li>Reduced risk of building closure</li> <li>OH&amp;S and public safety improvements</li> <li>Minimised disruption to business costs</li> <li>Minimised impact on community activities</li> <li>Maintenance of current levels of activity.</li> </ul> | \$2.0 million in 2012-13.              |

|  |                             |                        |  |  |  |   |  |
|--|-----------------------------|------------------------|--|--|--|---|--|
| <p><b>4. Promoting Community Harmony Program</b></p> | <p><b>\$1.5 million</b></p> | <p><b>Existing</b></p> | <p>To secure community harmony in Victoria through activities that:</p> <ul style="list-style-type: none"> <li>• foster understanding, appreciation and respect for faith and cultural diversity across the Victorian community; and</li> <li>• counter racial and religious vilification and social exclusion experienced by particular communities.</li> </ul> | <p>Promoting Harmony Grants program; and</p> <p>Promoting Harmony Initiatives in regional Victoria:</p> <ul style="list-style-type: none"> <li>• Regional CALD Youth Leadership Program;</li> <li>• Young Muslim Women in Regional Victoria Project; and</li> <li>• Multifaith Multicultural Youth Network (MMYN) Regional Initiatives.</li> </ul> | <p>DPC Performance Statement measures:</p> <ul style="list-style-type: none"> <li>• Cultural Diversity Week events supported by the Victorian Multicultural Commission</li> <li>• Attendance at Cultural Diversity Week flagship event, Viva Victoria</li> </ul> | <ul style="list-style-type: none"> <li>• Enhancement of Victoria's reputation as a successful multicultural community;</li> <li>• Strong and productive faith and cultural communities that can produce social and economic benefits for the State;</li> <li>• A stronger, more socially cohesive Victorian community; and</li> <li>• A reduction in economic and social disadvantage among cultural and religious groups.</li> </ul> | <p><b>\$4.7 million over 2012-13 to 2014-15.</b></p> |
|--|-----------------------------|------------------------|--|--|--|---|--|

|  |                             |                        |   |  |  |   |  |
|--|-----------------------------|------------------------|---|--|--|---|--|
| <p><b>5. Refugee Support Program (RSP)</b></p> | <p><b>\$1.3 million</b></p> | <p><b>Existing</b></p> | <p>To deliver place and community-based interventions that aim to strengthen newly arrived refugee communities, reduce the social and economic disadvantage experienced by humanitarian entrants and offset likely future demands on Government services.</p> | <p>The RSP contracts agencies to work with refugee communities to identify their needs and assist them to access services as well as support community-driven initiatives that address areas of concern.</p> | <p><b>DPC Performance Statement measures:</b></p> <ul style="list-style-type: none"> <li>• Active refugee support service Agreements</li> <li>• Local refugee communities developing local plans.</li> </ul> | <p>The RSP provides a critical boost to up-front support and services to humanitarian entrants living in Victoria, which would reduce even greater downstream outlays on health, public housing, criminal justice intervention, and other government services for those granted protection.</p> | <p><b>\$5.2 million from 2012-13 to 2015-16.</b></p> |
|--|-----------------------------|------------------------|---|--|--|---|--|

**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. Support for the Victorian College of the Arts | \$6.0 million                             | Existing                 | To ensure the VCA is able to properly fulfil its purpose and role as a premier teaching institution. | The funding is used to provide practical training, teaching and instruction in accordance with the needs and requirements of a school of the arts. | DPC Performance Statement measures: <ul style="list-style-type: none"> <li>Grant recipients who met or exceeded agreed outcomes</li> </ul> | <ul style="list-style-type: none"> <li>Increased creative and artistic development opportunities for students in their formative years</li> <li>Access to an elite arts training facility in Victoria ensures that Victorian students live, learn and work within their home State. In addition, the University is keen to attract interstate and international students to the College.</li> </ul> | \$18 million from 2012-13 to 2014-15.                 |

|   |                             |                   |   |   |  |  |   |
|---|-----------------------------|-------------------|---|---|--|--|---|
| <p><b>2. Cultural Agencies State collections management initiatives</b></p> | <p><b>\$2.5 million</b></p> | <p><b>New</b></p> | <p><b>Improved storage capacity to address unavoidable growth and current overcrowding of Victoria's cultural collections</b></p> | <p><b>The funding will be used to upgrade current stores, including reconfiguring and fit-out, and lease additional stores.</b></p> | <p><b>DPC Performance Statement measures:</b></p> <ul style="list-style-type: none"> <li>• <b>Agency collections stored to industry standard.</b></li> </ul> | <ul style="list-style-type: none"> <li>• <b>Mitigate risks to the State collection valued at \$4.9 billion;</b></li> <li>• <b>Allow agencies to continue to collect, preventing gaps in collection and lost opportunities to collect important items;</b></li> <li>• <b>Improve safety for agency collection workers; and</b></li> <li>• <b>Improve efficiency of current operations through better management and access of collections.</b></li> </ul> | <p><b>\$15.1 million from 2012-13 to 2015-16.</b></p> |
|---|-----------------------------|-------------------|---|---|--|--|---|

|                                       |                              |                        |   |  |   |  |  |
|---------------------------------------|------------------------------|------------------------|---|--|---|--|--|
| <p><b>3. Circus Oz relocation</b></p> | <p><b>\$14.7 million</b></p> | <p><b>Existing</b></p> | <p><b>To construct a purpose-built operational home for Circus Oz at the former Northern Metropolitan TAFE site in Collingwood.</b></p> | <p><b>Refurbishment of existing buildings to accommodate office space, workshops and rooms for public classes and a new building to accommodate the main rehearsal spaces.</b></p> | <p><b>DPC Performance Statement measures:</b></p> <ul style="list-style-type: none"> <li>• <b>Attendances at major performing arts organisations</b></li> <li>• <b>Infrastructure development projects</b></li> </ul> | <ul style="list-style-type: none"> <li>• <b>Enable all rehearsals and other Circus Oz business activities to occur concurrently;</b></li> <li>• <b>Improve Circus Oz's capacity for technical sophistication and innovation; and</b></li> <li>• <b>Improve the safety of working conditions for performers and other staff.</b></li> </ul> | <p><b>\$14.7 million in 2012-13.</b></p> |
|---------------------------------------|------------------------------|------------------------|---|--|---|--|--|

|   |                             |                        |   |  |  |   |  |
|---|-----------------------------|------------------------|---|--|--|---|--|
| <p><b>4. Cultural Precincts and Community Infrastructure Fund</b></p> | <p><b>\$3.0 million</b></p> | <p><b>Existing</b></p> | <ul style="list-style-type: none"> <li>• Enable Victoria’s cultural precincts to remain sustainable and attractive for investment, and cultural and tourism activities; and</li> <li>• Promote greater use and access to community owned facilities by Victoria’s culturally and linguistically diverse communities.</li> </ul> | <ul style="list-style-type: none"> <li>• Enhancement of streetscapes and public places to preserve and showcase identity of cultural precincts; and</li> <li>• Restoration or construction of community owned facilities.</li> </ul> | <p><b>DPC Performance Statement measures:</b></p> <ul style="list-style-type: none"> <li>• Cultural precinct enhancement grants paid in line with funding agreement milestones.</li> </ul> | <ul style="list-style-type: none"> <li>• Coordinated and value-added approach to the development of Melbourne’s major activity centres;</li> <li>• Increased capacity for greater volunteering and social activities;</li> <li>• Increased capacity for cultural programming; and</li> <li>• Enhanced liveability and attractiveness of Melbourne.</li> </ul> | <p><b>\$6 million from 2012-13 to 2013-14.</b></p> |
|---|-----------------------------|------------------------|---|--|--|---|--|

|  |                             |                        |  |   |  |  |   |
|--|-----------------------------|------------------------|--|---|--|--|---|
| <p><b>5. Southbank Cultural Precinct Redevelopment</b></p> | <p><b>\$4.9 million</b></p> | <p><b>Existing</b></p> | <p>To refurbish Hamer Hall improving acoustics and providing improved technical and back of house facilities creating more public spaces and improved food and beverage tenancies and improving circulation within the building.</p> | <p>Refurbishment of Hamer Hall including improved acoustics, staging systems and new auditorium seating as well as new and expanded foyer spaces, improved access to the Yarra River, and more sustainable power generation and waste management.</p> | <p><b>DPC Performance Statement measures:</b></p> <ul style="list-style-type: none"> <li>• Infrastructure development projects; and</li> <li>• Success measures of projects achieved.</li> </ul> | <p>Improved facilities will enable Arts Centre Melbourne to attract world's best performers and will provide a more active and attractive space for the public to visit.</p> | <p><b>\$4.9 million in 2012-13.</b></p> |
|--|-----------------------------|------------------------|--|---|--|--|---|

## 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 |
|----------------|------------------------------|
| 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.

There have been no changes to DPC's performance measures that are outcome based.

### 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.

| Grade                              | 30 June 2011<br>(FTE number) | 30 June 2012<br>(FTE number) | 30 June 2013<br>(FTE number)   |
|------------------------------------|------------------------------|------------------------------|--|
| Secretary                          | 1.0                          | 1.0                          | <p>FTE numbers as at the end of June 2013 cannot be accurately provided at this stage.</p> <p>The Department is currently progressing with workforce planning to achieve the Government's Sustainable Government Initiative relating to non-front line staff.</p> <p>These figures will be reported to Parliament in the Department's 2012-13 annual report.</p> |
| EO-1                               | 2.0                          | 2.5                          |  |
| EO-2                               | 14.6                         | 17.7                         |  |
| EO-3                               | 10.8                         | 11.0                         |  |
| VPS Grade 7 (STS)                  | 4.3                          | 11.8                         |  |
| VPS Grade 6                        | 64.2                         | 64.0                         |  |
| VPS Grade 5                        | 83.8                         | 95.4                         |  |
| VPS Grade 4                        | 87.2                         | 86.7                         |  |
| VPS Grade 3                        | 68.5                         | 70.9                         |  |
| VPS Grade 2                        | 15.2                         | 15.7                         |  |
| VPS Grade 1                        | 0                            | 1.2                          |  |
| Government Teaching Service        | 0                            | 0                            |  |
| Health services                    | 0                            | 0                            |  |
| Police                             | 0                            | 0                            |  |
| Allied health professionals        | 0                            | 0                            |  |
| Child protection                   | 0                            | 0                            |  |
| Disability development and support | 0                            | 0                            |  |
| Custodial officers                 | 0                            | 0                            |  |
| Other                              | 33.7                         | 29.7                         |  |
| <b>Total</b>                       | <b>385.3</b>                 | <b>407.7</b>                 |  |

Notes:

**DPC Core includes the following Divisions: Policy and Cabinet Group, Federalism, Citizenship and Climate Change Group, Government and Corporate Group and Arts Victoria.**

**Please note: Other category includes legal officers, ministerial transport officers and casual staff.**

**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

|            | <b>30 June 2011</b><br><b>(FTE number)</b> | <b>30 June 2012</b><br><b>(FTE number)</b> | <b>30 June 2013</b><br><b>(FTE number)</b>   |
|------------|--|--|--|
| Ongoing    | <b>330.9</b>                               | <b>352.2</b>                               | <b>FTE numbers as at the end of June 2013 cannot be accurately provided at this stage.</b>   |
| Fixed-term | <b>51.8</b>                                | <b>50.8</b>                                |  |
| Casual     | <b>2.6</b>                                 | <b>4.7</b>                                 |  |
| Total      | <b>385.3</b>                               | <b>407.7</b>                               | <p><b>The Department is currently progressing with workforce planning to achieve the Government's Sustainable Government Initiative relating to non-front line staff.</b></p> <p><b>It would be misleading to provide information at the level of changes at this stage as these will change according to the needs of the Department and progress with separations.</b></p> <p><b>These 2012-13 figures will be reported to Parliament in the Department's 2012-13 annual report.</b></p> |

Notes:

**Not applicable.**

**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;

|                   | 30 June 2011<br>(FTE number) | 30 June 2012<br>(FTE number) | 30 June 2013<br>(FTE number) | 30 June 2014<br>(FTE number) | 30 June 2015<br>(FTE number) |
|-------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| VPS positions     | 385.3                        | 407.7                        | N/A                          | N/A                          | N/A                          |
| Non-VPS positions | 0                            | 0                            | 0                            | 0                            | 0                            |

FTE numbers as at the end of June 2013 cannot be accurately provided at this stage.

The Department is currently progressing with workforce planning to achieve the Government's Sustainable Government Initiative relating to non-front line staff.

It would be misleading to provide information at the level of changes at this stage as these will change according to the needs of the Department and progress with separations.

These figures will be reported to Parliament in the Department's 2012-13 annual report.

- (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 - The Portfolio will meet its commitment by reducing the required number of VPS staff across the departments core branches and portfolio agencies. |             |                                  |         |         |

3 2011-12 Victorian Budget Update, December 2011, p.114

**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.

|             | <b>2010-11</b><br>(\$ million) | <b>2011-12</b><br>(\$ million) | <b>2012-13</b><br>(\$ million) | <b>2013-14</b><br>(\$ million) | <b>2014-15</b><br>(\$ million) | <b>2015-16</b><br>(\$ million) |
|-------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Consultants | 1.968                          | 1.632                          | Yet to be determined           |
| Contractors | 8.627                          | 2.671                          | Yet to be determined           |

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

Estimated expenditure figures for the 2012-13 to 2015-16 financial years are not available as the detailed DPC budget is recast at the start of each financial year.

**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.

Not Applicable