



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

2012-13 BUDGET ESTIMATES QUESTIONNAIRE

PARLIAMENTARY DEPARTMENTS

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 key strategic priorities for the Parliament that underpin its budget for 2012-13 and over the forward estimates to 2014-15 are:

- Ensure our funding model does not compromise the independence of the Parliament
- Expand and leverage specialist skills and knowledge of Parliament for the benefit of the Departments, Parliament and the community
- Support members in fulfilling their role to the best of their ability
- Leverage greater value from our information and technology systems and processes
- Optimise Parliament's physical infrastructure
- Increase public awareness of, and opportunities for engagement with, the functioning of Parliament

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

- Parliament's strategic priorities in 2012-13 and forward years reflect the new directions set by the Presiding Officers for the 57th Parliament as outlined in 1.1

- (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?

There has been a reduction of \$4m in funding for the Parliamentary Departments for 2012-13 and more for future financial years.

The Department of Legislative Council needs to allocate additional funding to the three new Council standing committees in the 57th Parliament. A BEREC submission was made for \$758,000 for 2012-13 and future years but was not approved. This will cause a significant cost pressure for the Department of Legislative Council (LC). In addition to this not being approved LC has been subject to a further reduction in funding resulting from overall budget cuts.

Currently there are 12 Joint Investigatory Committees and legislation has been passed to set up two new Joint Investigatory Committees - Accountability and Oversight (AO) Committee and the Independent Broad-based Anti-corruption Commission (IBAC) Committee bringing the total to 14 Committees. The two new committees (IBAC and AO Committee) are part of implementation of the 2010 Government election commitments. Additional funding of \$1.168m for 2012-13 and future years was requested through the BEREC process but was not approved. This will cause a significant cost pressure for the Joint Investigatory Committees (JIC). In addition to this not being approved JIC have been subject to a further reduction in funding resulting from overall budget cuts.

The Department of Legislative Assembly (LA) and the Department of Parliamentary Services (DPS) also have been subject to reduction in their base funding resulting from overall budget cuts.

The Parliamentary Departments will need to reduce service delivery in some areas to accommodate budget cuts. A review of the Committee operations may need to occur in order to apply budget cuts to Joint Investigatory Committees.

- (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.

In 2012-13 Parliament requested funding of \$62m over next 5 years (2012-2017) for Parliamentary Precinct Program which included significant restoration works to its stone facade, floor tiles, windows, walls and infrastructure (previously funded through Parliament's Heritage Asset Management Strategy), utilities and essential services including waterproofing of the front steps to eliminate water leakages to the offices below. Funding was only provided for waterproofing and other urgent works. This will mean that Stone restoration of the façade of the Parliament Building may need to be discontinued at a cost of dismantling the gantry and carrying out the remedial works where the gantry was located.

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
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Not Applicable	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?

Not Applicable. Parliament is not a service delivery Government Department

- (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
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Question 1.4 (Department of Treasury and Finance only) *Not Applicable*

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.

Question 1.5 (Department of Treasury and Finance only) *Not Applicable*

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) *Not Applicable*

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) *Not Applicable*

In the 2011-12 budget papers,¹ 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.

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
Establishment of the Accountability and Oversight (AO) and the Independent Broad-based Anti-corruption Commission (IBAC) Committees are part of the implementation of 2010 Government election commitments.	Additional ongoing output funding of \$1.168m was requested through the 2012-13 BEREC process to fund these two additional Joint Investigatory Committees but was not approved. This will cause a significant cost pressure for the Joint Investigatory Committees

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

On 6 October 2010 the Legislative Council resolved to establish a new Standing Committee system of 3 pairs of committees (6 Committees in total) which is based on that of the Australian Senate. Each committee consists of a References Committee and a Legislation Committee. The new committee system is now enshrined in the Legislative Council Standing Orders (Chapter 23) which provides that the committees be appointed at the commencement of each Parliament. Staff have now been appointed on an on-going basis.

Additional ongoing output funding of \$758,000 was requested through the 2012-13 BERC process but was not approved. This will cause a significant cost pressure for the Department of Legislative Council (LC).

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.

Video on Demand Project. The Department of Parliamentary Services currently film parliamentary sittings and web-stream them 'live', but don't have the capacity to store or support subsequent social media demands. There is an increasing demand for access to Parliamentary video footage post event. This initiative was not endorsed by the Treasurer to submit to BERC for additional funding in 2012-13.

The Department of Parliamentary Services (DPS) is responsible for providing 128 Members of the Parliament with an electorate office. Sourcing of new property which is consistent with the Member's expectations in terms of size and location and the existing selection criteria is becoming increasingly difficult under current funding arrangements. Parliament's submission for increase in funding for rents and outgoings of electorate offices in the 2012-13 and outward years was not endorsed by the Treasurer to submit to BERC in 2012-13. There is a high likelihood that Members of Parliament may be required to occupy smaller premises in fringe or secondary locations for Parliament to manage costs within allocated resources.

Parliamentary Precinct Program

Basic utilities within Parliament House are constantly breaking down, compromising habitation. Parliament House fails to meet OH&S, DDA and other basic regulatory requirements, placing users and the State at risk. An iconic heritage building has been neglected to the point that its ongoing integrity is compromised.

This heritage-listed building is now in critical need of significant restoration works to its stone facade, floor tiles, windows and infrastructure utilities. It also needs modernising of its office accommodation to improve Occupational Health and Safety (OH&S) and Disability Discrimination Act (DDA) compliance, and requires waterproofing of the front steps.

Parliament Applied for \$9.5m in 2012-13 of which \$3.63m was approved by BERC from Parliament's prior year surplus to complete the waterproofing of the front steps to Parliament House and other miscellaneous urgent works in 2012-13. Stone restoration works at the Parliament House may have to be discontinued due to lack of funding in 2012-13 and costs will need to be incurred to remove gantry and carry out remedial works where the gantry was located.

Question 2.3 (Department of Treasury and Finance only) Not Applicable

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) Not Applicable

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) Not Applicable

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.

Question 2.6 (Department of Treasury and Finance only) *Not Applicable*

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) *Not Applicable*

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

- (b) What features have been omitted and why?

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 (Revised estimate)	2012-13 (Budget)	Explanation for any variances greater than $\pm 10\%$ (or greater than \$100 million)
(\$ million)	(\$ million)	

Employee benefits (Excluding VAGO)	70.70	70.84	Variance < 10%
Grants and other transfers (Excluding VAGO)	0.0	0.0	No Variance
Other operating expenses (Excluding VAGO)	39.88	47.15	18.24% variance. This is due to estimated carry over of \$6.35m for Members budget transferred from 2011-12 to 2012-13 and reduction of \$4m in 2012-13 as budget cuts applied to Parliament.

Question 3.2

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

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

	2011-12	2012-13	Explanation for any variances greater than $\pm 10\%$ (or greater than \$100 million)
	(\$ million)	(\$ million)	
Rent & Utilities	7.75*	Not Available	
Communications (Phone, data, postage)	3.41*	Not Available	
Member's Electorate Office and Communication Budget	13.59*	Not Available	
Electorate Office Relocation & Refurbishment	1.29*	Not Available	
Information Technology	3.53*	Not Available	
Printing	1.75*	Not Available	

Members Travel & Subsistence	2.26*	Not Available
Subtotal of above listed categories	33.58*	Not Available
Total Other Operating Expenses	39.88	51.15

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 2012-13 expenditure estimates are not available since the budget process for 2012-13 has not been completed.

** 2011-12 expected expenditure figures are based on allocated 2011-12 budgets.*

Question 3.3

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

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

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

	2011-12	2012-13	Explanation for any variances greater than $\pm 10\%$ (or greater than \$100 million)
	(\$ million)	(\$ million)	
Entertainment expenses	0.154*	Not Available	
Air Travel (includes air travel budget for MPs)	0.969*	Not Available	
Legal expenses	0.357*	Not Available	
Consultants*	0.455*	Not Available	
Contractors*	1.029*	Not Available	
Grants to non-government organisations	0.00	Not Available	

* 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 2012-13 expenditure estimates are not available since the budget process for 2012-13 has not been completed.

* 2011-12 expected expenditure figures have been estimated based on straight line projection of the Feb-12 actual expenditure.

Question 3.4 Not Applicable

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

Initiative	Explanation
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Question 3.5 (Department of Treasury and Finance only) Not Applicable

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	Policy objectives
	(\$ million)	

Question 3.6 (Department of Treasury and Finance only) Not Applicable

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.

Difference of escalation provided by DTF & EBA increase will be absorbed by Parliament.

Increase in rental costs for Members’ electorate offices over and above the rate of escalation provided by DTF will be absorbed by the Department of Parliamentary Services.

Cost of regional sittings will be absorbed by Parliament.

There has been a reduction of \$4.0m in the base funding of the Parliamentary Departments for 2012-13 and more for future years.

All of the above listed additional costs have to be absorbed by the Parliament by implementing operational efficiencies, reviewing Committee operations and reducing services.

Question 4.2 Not Applicable

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)				
Government election commitment savings (2011-12 Budget)				
Measures to offset the GST reduction (2011-12 Budget)				
Capping departmental expenditure growth (2011-12 Budget Update)				
Maintain a sustainable public service (2011-12 Budget Update)				

Any savings or efficiency initiatives in the 2012-13 Budget

- Implement operational efficiencies
- Review Committee operations
- Reduce services
- Reduction in services
- \$4.0m reduction to the base funding of Parliamentary Departments.

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 (\$ million)	2010-11 (\$ million)	2011-12 (\$ million)	2012-13 (\$ million)	2013-14 (\$ million)	2014-15 (\$ million)	Explanation for any area which does not decrease by the savings target
Ministerial staff	0	0	0	Not Available	Not Available	Not Available	
Media and marketing positions	0	0	0	Not Available	Not Available	Not Available	
Consultants**	0.370 Revised to 0.726	0.582	0.455*	Not Available	Not Available	Not Available	
Government advertising	0	0	0	Not Available	Not Available	Not Available	

MPs Advertising	0.864	1.220	0.940*	Not Available	Not Available	Not Available
Parliamentary Department Advertising	0.067	0.111	0.166*	Not Available	Not Available	Not Available
Political opinion polling	0	0	0	Not Available	Not Available	Not Available
External legal advice	0.345	0.778	0.357*	Not Available	Not Available	Not Available
Senior public service travel ***	0.292	0.141	0.581*	Not Available	Not Available	Not Available
Government office floor space	7.07	6.68	6.740*	Not Available	Not Available	Not Available
Supplies and consumables	0.605	0.579	0.494*	Not Available	Not Available	Not Available
Savings from shared services	0	0	0	Not Available	Not Available	Not Available
Head office staff	48.27	52.42	51.33	Not Available	Not Available	Not Available
Total	58.239	62.511	61.063	Not Available	Not Available	Not Available

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
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** 2011-12 expected expenditure figures have been estimated based on straight line projection of the Feb-12 actual expenditure.*

*** 2009-10 Consultants figure was adjusted in 2010-11 Annual Report to include consultancies for Committee Enquiries.*

**** The figures exclude travel expense incurred by Members of Parliament.*

***** The 2012-13 & forward expenditure estimates are not available since the budget process for 2012-13 has not been completed.*

5. Asset and output initiative funding

Question 5.1

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

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

Funding for initiatives released in the 2012-13 Budget	Funding for non-ongoing initiatives released in previous budgets	Base funding/ongoing funding	Total output cost (as in Service Delivery budget paper)
(\$ million)	(\$ million)	(\$ million)	(\$ million)
Joint Investigatory Committees Nil	Nil	\$6.7m** of base funding (Escalated) for Joint Investigatory Committees in 2012-13	\$6.7m**
Legislative Council Nil	Nil	\$14.2m** of base finding (Escalated) for Department of Legislative Council in 2012-13 (Including Special Appropriation funding of \$11.4m)	\$14.2m**
Legislative Assembly Nil	Nil	\$26.4m** of base finding (Escalated) for Department of Legislative Assembly in 2012-13 (Including Special Appropriation funding of \$21.9m)	\$26.4m**
Parliamentary Services Nil	Nil	\$72.5m** of base finding (Escalated) for Department of Parliamentary Services in 2012-13	\$72.5m**

*** 2012-13 budget figures include a reduction of \$4.0m due to budget cuts applied to Parliamentary annual appropriation.*

Question 5.2

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

No variance in 2011-12 Budget Papers between Parliament of Victoria's total output cost and total

expenses from transactions for 2011-12 budget (Excluding VAGO).

No variance in 2012-13 Budget Papers between Parliament of Victoria's total output cost and total expenses from transactions for 2012-13 budget (Excluding VAGO).

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

None

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	Estimated Carry Over of Members Electorate Office and Communication Budget from 2011-12 to 2012-13	\$6,350,000 (Estimated)	Members can carry over up to 50% of their Electorate Office and Communication budget as per Members' Guide	2012-13 Financial Year.
Asset funding	Nil			

2 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

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. Parliament is not a service delivery Government Department

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
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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. Parliament is not a service delivery Government Department

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
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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. Parliament is not a service delivery Government Department

Revenue measure/ concession/subsidy	2011-12 rate	2012-13 rate	Explanation
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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
Output appropriations	Increase in output appropriation from 2011-12 revised estimates to 2012-13 budget is due to the net impact of: <ul style="list-style-type: none">• 2.5% indexation applied to base funding• \$6.35m estimated carry over of MP Electorate Office and Communication budget from 2011-12 to 2012-13• Reduction in 2012-13 output appropriation of \$4.0m for budget cuts.
Grants	A decrease of \$24K in Education Grant revenue from 2011-12 to 2012-13 as per revised agreement with the Department of Education & Early Childhood Development.

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?

Not Applicable. Parliament does not receive any Commonwealth Grants

- (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. Parliament does not receive any Commonwealth Grants

Question 7.2 (Department of Treasury and Finance only) Not Applicable

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) Not Applicable

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) Not Applicable

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.

GGG/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
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Question 8.2 (Department of Treasury and Finance only) Not Applicable

- (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) *Not Applicable*

- (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
Regional Sittings in 2012-13	\$319K estimated	New	A regional sitting is a meeting of the Parliament of Victoria outside of Melbourne, with each House meeting in a different location. The purpose of regional sittings is to give people outside of metropolitan Melbourne the opportunity to see their elected representatives at work and to learn about the processes of Parliament, and for members to engage with the local community.	The estimated budget is for broadcasting, security, venue & equipment hire, transportation, meals and accommodation expenditure required to conduct regional sittings.	The initiative will contribute to the existing performance measures of the Department of Legislative Council and the Department of Legislative Assembly and generally Parliament's key strategic objective of increasing public awareness of, and opportunities for engagement with the functioning of Parliament.	The initiative will provide insight to the Victorian community about the operation of the two houses of the Parliament and how legislation passes in Parliament.	It is estimated that \$319K will be required for this initiative.

Regional visits to schools	\$50K	Existing	<p>Taking the community engagement and education programs to regional areas. Senior tour guides travel to regional towns for two/three days and provide Parliamentary Information Talks (PITs) and Parliament Role Plays (PRPs) to local school students. The information provided during a PIT is relevant to the Victorian Essential Learning Standards (VELS) curriculum requirements. PRPs are interactive sessions, very popular with students, where they role play debating and passing a bill.</p>	<p>Travel, accommodation, venue hire, literature, display boards and other props used for presentations.</p>	<p>The initiative will contribute to the existing performance measures of the Department of Legislative Assembly. Feedback questionnaires are completed by teachers at the end of each visit.</p>	<p>Students who are otherwise too far from Melbourne to take part in the Parliament House program benefit from the visits. They enhance students' learning already taking place through VELS and help engage students at an early age about our democratic process.</p>	\$50K
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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
Parliamentary Precinct Program – Asset enhancement	\$3.63m have been made available from Parliament's prior year surplus for 2012-13.	New (This is a continuation of HAMS and other restoration projects)	Parliament House is a heritage-listed building in critical need of significant restoration works to its stone facade, floor tiles, windows, walls and infrastructure, utilities and essential services including waterproofing of the front steps to eliminate water leakages to the offices below. This funding has been made available to complete the waterproofing of the front steps to Parliament House and other miscellaneous urgent works	This funding is expected to be utilised in 2012-13	Maintain and secure the parliamentary precinct and continue its operations to service and support the legislative program.	The funding will be utilised in completing urgent works required to eliminate water leakages to the offices below the front steps of Parliament House	\$3.63m has been made available from Parliament's prior year surplus for 2012-13.

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
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Nil

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.

Nil

Question 10.3 (Department of Treasury and Finance only) *Not Applicable*

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) *Not Applicable*

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) *Not Applicable*

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.

Classification	30 June 2011 (Actual) (FTE)					30 June 2012 (Estimate) (FTE)					30 June 2013 (Estimate) (FTE)				
	Ongoing	Fixed	Casual	Funded	Total	Ongoing	Fixed	Casual	Funded	Total	Ongoing	Fixed	Casual	Funded	Total

		term		vacancy			term		vacancy			term		vacancy	
Legislative Assembly															
Grade 1	0.6				0.6				0.0						0.0
Grade 2	13.8			2.0	15.8	13.0			2.0	15.0	13.0			2.0	15.0
Grade 3	7.0				7.0	7.0				7.0	7.0				7.0
Grade 4	2.0			1.0	3.0	3.0	1.0			4.0	3.0	1.0			4.0
Grade 5	1.0				1.0	1.0				1.0	1.0				1.0
Grade 6	2.0	1.0			3.0	2.0				2.0	2.0				2.0
Executive Officer Grade 3	1.0				1.0	1.0				1.0	1.0				1.0
Executive Officer Grade 2	1.0				1.0	1.0				1.0	1.0				1.0
Total Legislative Assembly	28.4	1.0	0.0	3.0	32.4	28.0	1.0	0.0	2.0	31.0	28.0	1.0	0.0	2.0	31.0
Legislative Council															
Grade 1	1.0				1.0	1.0				1.0	1.0				1.0
Grade 2	6.0			2.0	8.0	5.0			2.0	7.0	5.0			2.0	7.0
Grade 3	6.0			1.0	7.0	6.0	1.0		1.0	8.0	6.0	1.0		1.0	8.0
Grade 4	1.4	1.0			2.4	2.0	1.4			3.4	1.0	1.0			2.0

Grade 5	1.0	1.0			2.0	1.0	3.0			4.0	1.0	2.0			3.0
Grade 6	3.8	1.0		0.2	5.0	5.0				5.0	2.0				2.0
Executive Officer Grade 3	1.0				1.0	1.0				1.0	1.0				1.0
Executive Officer Grade 2	1.0				1.0	1.0				1.0	1.0				1.0
Total Legislative Council	21.2	3.0	0.0	3.2	27.4	22.0	5.4	0.0	3.0	30.4	18.0	4.0	0.0	3.0	25.0
Parliamentary Services															
Grade 1					0.0					0.0					0.0
Grade 2	12.0	1.0		1.0	14.0	13.0			2.0	15.0	13.0			2.0	15.0
Grade 3	24.6	3.8		1.5	29.9	22.5	2.5		3.1	28.1	22.5	2.5		3.1	28.1
Grade 4	22.6	2.0		1.4	26.0	22.8			2.2	25.0	22.8			2.2	25.0
Grade 5	25.0	2.0		1.2	28.2	27.0	1.0		2.2	30.2	27.0	1.0		2.2	30.2
Grade 6	15.0	1.0			16.0	15.0			1.0	16.0	15.0			1.0	16.0
Sessional Staff			7.6		7.6			9.1		9.1			9.1		9.1
Executive Officer Grade 3	3.0				3.0	3.0				3.0	3.0				3.0
Executive Officer Grade 2	1.0				1.0	1.0				1.0	1.0				1.0
Total Parliamentary	103.2	9.8	7.6	5.1	125.7	104.3	3.5	9.1	10.5	127.4	104.3	3.5	9.1	10.5	127.4

Services															
Joint Investigatory Committees															
Grade 1					0.0					0.0					0.0
Grade 2	0.6			1.0	1.6	1.6				1.6	1.6				1.6
Grade 3	11.5	1.0		3.5	16.0	13.1			1.7	14.8	13.1			1.7	14.8
Grade 4					0.0	1.0				1.0	1.0				1.0
Grade 5	11.0	2.5		5.5	19.0	14.0	5.0		1.0	20.0	14.0	5.0		1.0	20.0
Grade 6	11.0	1.0			12.0	12.0	1.0			13.0	12.0	1.0			13.0
Executive Officer Grade 3					0.0					0.0					0.0
Executive Officer Grade 2					0.0					0.0					0.0
Total Committees	34.1	4.5	0.0	10.0	48.6	41.7	6.0	0.0	2.7	50.4	41.7	6.0	0.0	2.7	50.4
Members of Parliament															
Legislative Assembly	71.0				71.0	71.0				71.0	71.0				71.0
Legislative Council	34.0				34.0	34.0				34.0	34.0				34.0
Total Members of Parliament	105.0				105.0	105.0				105.0	105.0				105.0

Electorate Officers															
Legislative Assembly	159.3	4.5		7.5	171.3	157.7	5.2		8.5	171.4	157.7	5.2		8.5	171.4
Legislative Council	66.5	4.7		3.2	74.4	67.8	4.0		2.6	74.4	67.8	4.0		2.6	74.4
ALP Pool	8.9	0.4		0.9	10.2	10.0	0.0		0.2	10.2	10.0	0.0		0.2	10.2
Party Support		2.0			2.0		0.8		0.6	1.4		0.8		0.6	1.4
Total Electorate Officers	234.8	11.6	0.0	11.6	258.0	235.5	10.0	0.0	11.9	257.4	235.5	10.0	0.0	11.9	257.4

Notes:

Question 11.2 *See response to question 11.1*

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

	30 June 2011	30 June 2012	30 June 2013
	(FTE number)	(FTE number)	(FTE number)

Ongoing

Fixed-term

Casual

Total

Notes:

Question 11.3 Not Applicable

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 2014-15,³ please indicate for each year:

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

30 June 2011	30 June 2012	30 June 2013	30 June 2014	30 June 2015
(FTE number)	(FTE number)	(FTE number)	(FTE number)	(FTE number)

VPS positions

Non-VPS positions

- (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

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.

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)
Consultants	0.582	0.455*	Not Available	Not Available	Not Available	Not Available
Contractors	0.829	1.029*	Not Available	Not Available	Not Available	Not Available

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

** 2011-12 expected expenditure figures have been estimated based on straight line projection of the Feb-12 actual expenditure.*

*** The 2012-13 & forward expenditure estimates are not available since the budget process for 2012-13 has not been completed.*

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 65: In future responses to the Committee's budget estimates questionnaires, the Parliamentary Departments ensure that they provide accurate and complete responses to questions seeking explanations for variances in expenditure.

Parliament responded to questions 6.2 and 6.3(b) of 2011-12 Budget Estimates questionnaire based on the figures in its management reports. These PAEC questions were not clearly referenced to the figures in the Budget Papers.

The variances of -17.5% & 19.5% for employee benefits and other operating expenses respectively as noted by PAEC also includes variances for VAGO as the Budget Paper numbers do not show variances for Parliamentary Departments alone.

Please note below our response to variances for Parliamentary Departments only.

Response to PAEC recommendation 65 of the Report on the 2011-12 Budget Estimates (Question 6.2)

\$'000	10-11	11-12
	Outturn	Published
	Jun	Jun
Employee benefits	78,268.0	60,923.0

The variance for employee benefits is due to the same reason as explained in Parliament's response to question 6.1 of the 2011-12 Budget Estimates questionnaire. A three year actuarial assessment of Members' defined benefits superannuation cost is required under the Parliamentary Salaries and Superannuation Act. In 2010-11 \$18m was included in the budget for Members' defined benefits superannuation cost. This assessment needed to be completed for 2011-12 and the following two years. Therefore the budget for 2011-12 was lower by \$18m as compared to that in 2010-11.

Since a similar level of funding was expected to be provided in 2011-12, our response to this question was nil.

Response to PAEC recommendation 65 of the Report on the 2011-12 Budget Estimates (Question 6.3 b)

\$'000	10-11	11-12
	Outturn	Published
	Jun	Jun
Other operating expenses	38,686.6	49,025.5

The variance for other operating expenses is due to an estimated reduction of 2010-11 budgets by \$6.183m and increase of 2011-12 budget by the same amount for carry over of Members' budgets from 2010-11 to 2011-12.

In the absence of this adjustment the variance was less than 10% and therefore a nil response was provided.

\$'000	10-11	11-12	Var
	Outturn	Published	
	Jun	Jun	
Other operating expenses	38,686.6	49,025.5	27%
Prior to Adjustment	44,869.6	42,842.5	-5%