



## **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

### **2013-14 AND 2014-15 FINANCIAL AND PERFORMANCE OUTCOMES GENERAL QUESTIONNAIRE**

**PLACES VICTORIA**

**SECTION A: Output variances and program outcomes*****Question 1 (departments only)***

This question does not apply to your agency.

***Question 2 (departments only)***

This question does not apply to your agency.

***Question 3 (Department of Treasury and Finance only)***

This question does not apply to your agency.

**SECTION B: Asset investment (departments only)*****Question 4***

This question does not apply to your agency.

***Question 5***

This question does not apply to your agency.

***Question 6***

This question does not apply to your agency.

***Question 7***

This question does not apply to your agency.

***Question 8***

This question does not apply to your agency.

***Question 9 (Department of Treasury and Finance only)***

This question does not apply to your agency.

## SECTION B: Asset investment (non-departments only)

### Question 10

Please provide the following details for any asset investment project where actual expenditure in 2013-14 or 2014-15 varied by \$±10 million or more from the initial budget estimate at the start of the relevant year (**not** the revised estimate).

If there were no asset investment projects for your agency where the actual expenditure varied by \$±10 million or more from the budget estimate, you do not need to answer this question. If this is the case, please indicate 'no relevant projects' in the table(s) below.

(a) in 2013-14

Project	Estimated expenditure in 2013-14 (2013-14 budget papers) (\$ million)	Actual expenditure in 2013-14 (\$ million)	Explanation for variance	Estimated financial completion date in 2013-14 budget papers	Estimated financial completion date in 2014-15 budget papers	Explanation for any changes to the estimated financial completion date
No relevant projects						

(b) in 2014-15

Project	Estimated expenditure in 2014-15 (2014-15 budget papers) (\$ million)	Actual expenditure in 2014-15 (\$ million)	Explanation for variance	Estimated financial completion date in 2014-15 budget papers	Estimated financial completion date in 2015-16 budget papers	Explanation for any changes to the estimated financial completion date
No relevant projects						

**Question 11**

Please detail the initial budget estimates (**not** the revised estimate) for 'purchases of non-financial assets' for 2013-14 and 2014-15 (or equivalent line items in the cash flow statements) for your entity, the actual amounts of those line item in your annual reports and an explanation for any variances greater than  $\pm 10$  per cent or \$100 million.

<b>Initial budget estimate for 2013-14</b> <b>(\$ million)</b>	<b>Actual for 2013-14</b> <b>(\$ million)</b>	<b>Explanation for any variance greater than <math>\pm 10</math> per cent or \$100 million</b>
No relevant projects		

<b>Initial budget estimate for 2014-15</b> <b>(\$ million)</b>	<b>Actual for 2014-15</b> <b>(\$ million)</b>	<b>Explanation for any variance greater than <math>\pm 10</math> per cent or \$100 million</b>
No relevant projects	2.3	Purchase of Taylors Lake

## SECTION C: Revenue and appropriations

### Question 12

Please explain any variances greater than  $\pm 10$  per cent or \$100 million between the prior year's actual result and the actual result for 2013-14 and 2014-15 for each revenue/income category detailed in your operating statement. Please also indicate what any additional revenue was used for or how any reduced amounts of revenue impacted on service delivery.

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

If there were no revenue/income categories for your department/agency for which the 2013-14 and 2014-15 expenditure varied from the prior year's expenditure by more than  $\pm 10$  per cent or \$100 million, you do not need to answer this question. If this is the case, please indicate 'no relevant line items' in the table(s) below.

Revenue category	2012-13 actual (\$ million)	2013-14 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Land sales	115.1	290.5	Divestments of estates including Craigieburn, Aurora Town Centre, Footscray and Frankston sites. Variance is also due to an increase in the number of lot sales in the Aurora estate.	Increased profit.
Interest	0.9	2.4	Higher deposits with Treasury Corporation Victoria (TCV)	Increased profit.
Rental	3.4	2.8	Decrease number of rental lots following sale of properties	Decreased profit.
Grants	6.2	1.9	Reduced development activity in Revitalising Central Dandenong project resulting in decreased grants	Decreased profit.

Revenue category	2013-14 actual (\$ million)	2014-15 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Land sales	290.5	222.5	Significant divestment program in the 2014-15 financial year (including Craigieburn, 2 Footscray sites and Frankston)	Decreased profit.

### Question 13

Please explain any variances greater than  $\pm 10$  per cent or \$100 million between the initial budget estimate (**not** the revised estimate) and the actual result for 2013-14 and 2014-15 for each revenue/income category detailed in your operating statement. Please also identify any actions taken in response to the variations, either to mitigate or take advantage of the impact.

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

If there were no revenue/income categories for your department/agency for which the 2013-14 and 2014-15 expenditure varied from the initial budget estimate by more than  $\pm 10$  per cent or \$100 million, you do not need to answer this question. If this is the case, please indicate 'no relevant line items' in the table(s) below.

Revenue category	2013-14 budget estimate (\$ million)	2013-14 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	Actions taken in response
Interest	0.2	2.4	Higher deposits with TCV	None.
Rental	3.7	2.8	Decrease number of rental lots following sale of properties	None.

Revenue category	2014-15 budget estimate (\$ million)	2014-15 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	Actions taken in response
Land sales	238.8	222.5	Principally due to delayed settlements at the Riverwalk estate, with other smaller delays at a number of other projects pushing revenue into 2015-16	None.

**Question 14 (departments only)**

This question does not apply to your agency.

**Question 15 (departments only)**

This question does not apply to your agency.

**Question 16**

Regarding the trust accounts listed in the 'trust account balances' note to the financial statements in your entity's annual report, please identify any accounts from which payments were passed directly to other bodies without being counted in your entity's comprehensive operating statement. For each relevant account, please identify:

- (a) the value of payments;
- (b) the recipients of the payments; and
- (c) the purpose of the payments.

<b>Trust account</b>	<b>Total payments from the account to bodies other than the Department, 2013-14</b> <b>(\$ million)</b>	<b>Recipient of the payment</b>	<b>Purpose of the payment</b>
Places Victoria does not operate a trust account			

<b>Trust account</b>	<b>Total payments from the account to bodies other than the Department, 2014-15</b> <b>(\$ million)</b>	<b>Recipient of the payment</b>	<b>Purpose of the payment</b>
Places Victoria does not operate a trust account			

## SECTION D: Expenses

### Question 17

Please explain any variances greater than  $\pm 10$  per cent or \$100 million between the prior year's actual result and the actual result for 2013-14 and 2014-15 for each category of expenses detailed in your operating statement. Please also detail the outcomes in the community<sup>1</sup> achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

If there were no categories of expenses for your department/agency for which the 2013-14 and 2014-15 expenditure varied from the prior year's expenditure by more than  $\pm 10$  per cent or \$100 million, you do not need to answer this question. If this is the case, please indicate 'no relevant line items' in the table(s) below.

Expenses category	2012-13 actual (\$ million)	2013-14 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Employee expenses	26.2	12.7	Decrease in headcount following organisational restructure	In line with budget projections
Depreciation	10.6	0.6	Write-off of fixed assets in 2012-13 resulting in a smaller fixed assets base in 2013-14	Non-cash item
Purchase of Supplies and Consumables	98.9	205.2	This is consistent with the increase in income	Decreased profit.
Purchase of services	41.9	16.8	Controlled expenditure following organisation restructure	Increased profit.
(Gains)/losses from other economic flows	118.9	35.9	Mainly relates to inventory impairments. Net realisable value of inventories higher this year compared to prior year	Increased profit.

<sup>1</sup> That is, the impact of service delivery on the community rather than a description of the services delivered.

<b>Expenses category</b>	<b>2013-14 actual</b> <b>(\$ million)</b>	<b>2014-15 actual</b> <b>(\$ million)</b>	<b>Explanations for variances greater than ±10 per cent or \$100 million</b>	<b>Outcomes achieved by additional expenses/impact of reduced expenses</b>
Cost of goods sold	201.7	180.1	2013-14 had higher Cost of Sales allocation due to the significant divestment projects that occurred.	Increased profit.
(Gains)/losses from other economic flows	9.7	(10.0)	Impairment net reversals for \$10 million based upon improved forecast position for going projects. Prior year had a \$36 million impairment for development projects, offset by the release of a provision for a potential legal liability of \$26 million	Increased profit.

## Question 18

Please explain any variances greater than  $\pm 10$  per cent or \$100 million between the initial budget estimate (**not** the revised budget) and the actual result for 2013-14 and 2014-15 for each category of expenses detailed in your operating statement. Please also detail the outcomes in the community<sup>2</sup> achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

If there were no categories of expenses for your department/agency for which the 2013-14 and 2014-15 expenditure varied from the initial budget estimate by more than  $\pm 10$  per cent or \$100 million, you do not need to answer this question. If this is the case, please indicate 'no relevant line items' in the table(s) below.

Expenses category	2013-14 budget estimate (\$ million)	2013-14 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Employee expenses	15.8	12.7	Decrease in headcount following organisational restructure	In line with budget projections.
Interest on Short Term Borrowings	10.9	5.1	Divestment proceeds and increased lot sales have resulted in lower borrowings	Increased profit.
Purchase of Supplies and Consumables	244.5	205.2	In line with decrease in income	Increased profit.
Purchase of services	5.8	16.8	Mainly due to provision for potential legal liability, provision for onerous contracts and cost of consultants used for the divestment process	Decreased profit.
Maintenance	0.6	0.8	Maintenance expense incurred in relation to asset in Docklands.	Decreased profit.

<sup>2</sup> That is, the impact of service delivery on the community rather than a description of the services delivered.

Other property expenses	0	1.5	Expense incurred that was not budgeted	Decreased profit.
(Gains)/losses from other economic flows	0	35.9	Year-end impairments performed	Decreased profit.
Dividends	0	0.6	Dividends provided from the Revitalising Central Dandenong project	Decreased profit.

Expenses category	2014-15 budget estimate (\$ million)	2014-15 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
(Gains)/losses from other economic flows	-	(10.0)	Impairment net reversals are done at year-end based upon the latest project forecasts, so were not included in the budget.	Increased profit.

### Question 19 (departments only)

This question does not apply to your agency.

### Question 20

Please detail any changes to your department's/agency's service delivery as a result of expenditure reduction initiatives, e.g. changes to the timing and scope of specific programs or discontinued programs:

(a) in 2013-14

N/A

(b) in 2014-15

N/A

**Question 21 (departments only)**

This question does not apply to your agency.

**Question 22 (Department of Treasury and Finance only)**

This question does not apply to your agency.

**Question 23 (PNFC and PFC entities only)**

Please detail the value of dividends paid by your agency to the general government sector over the last three years, explaining the reasons for any significant changes over that period and the impact of any changes on the agency.

<b>Total dividends paid in 2012-13</b> <b>(\$ million)</b>	<b>Total dividends paid in 2013-14</b> <b>(\$ million)</b>	<b>Total dividends paid in 2014-15</b> <b>(\$ million)</b>	<b>Explanation for any variance greater than ±10 per cent or \$100 million</b>	<b>Impact of changes to dividends on the agency</b>
14.8	5.3	0.55	Dividend payments made in accordance with State Government directions	Cash outflow and decrease in equity

## SECTION E: Public sector workforce

### Question 24

Please detail the total full-time equivalent number of staff in your department/agency as at 30 June 2013, 30 June 2014 and 30 June 2015 in each of the following bands of levels, and explain the changes:

Level	Total FTE (30 June 2013)	Total FTE (30 June 2014)	Total FTE (30 June 2015)	Explanation for changes
VPS Grades 1-3	49.80	40.30	49.66	
VPS Grade 4	4.00	5.00	3.00	
VPS Grades 5-6 and STS	20.60	21.20	17.40	
EO	21.40	12.00	18.00	
Other				
Total of all staff (including non-VPS grades)	95.80	78.50	88.06	Restructure in 2012 -2013 and growth in 2014 -2015

**Question 25**

In the table below, please detail the salary costs for 2012-13, 2013-14 and 2014-15, broken down by ongoing, fixed-term and casual, and explain any variances greater than  $\pm 10$  per cent or \$100 million between the years for each category.

<b>Employment category</b>	<b>Gross salary 2012-13 (\$ million)</b>	<b>Gross salary 2013-14 (\$ million)</b>	<b>Gross salary 2014-15 (\$ million)</b>	<b>Explanation for any year-on-year variances greater than <math>\pm 10</math> per cent or \$100 million</b>
Ongoing	6.5	6.1	6.0	
Fixed-term	6.9	4.0	5.5	
Casual	0.03	0.03	0.07	
<b>Total</b>	<b>13.4</b>	<b>10.2</b>	<b>11.6</b>	Restructure in 2012 -2013 and growth in 2014 -2015

**Question 26**

Please detail the number of executives who received increases in their base remuneration in 2013-14 and 2014-15, breaking that information down according to what proportion of their salary the increase was, and explaining the reasons for executives' salaries increasing in each bracket.

<b>Increase in base remuneration</b>	<b>Number of executives receiving increases in their base rate of remuneration of this amount in 2013-14</b>	<b>Reasons for these increases</b>
0-3 per cent	8	Government Sector Executive Remuneration Panel (GSERP) executive remuneration increase
3-5 per cent		
5-10 per cent		
10-15 per cent		
greater than 15 per cent		

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2014-15	Reasons for these increases
0-3 per cent	10	GSERP executive remuneration increase
3-5 per cent		
5-10 per cent		
10-15 per cent		
greater than 15 per cent		

## SECTION F: Inter-sector flows

### ***Question 27 (Department of Treasury and Finance only)***

This question does not apply to your agency.

## SECTION G: Government decisions impacting on the finances

### Question 28

(a) Please detail any costs incurred during 2014-15 in the following categories as a result of machinery-of-government changes:

	(\$ million)
Consultants and contractors (including legal advice)	N/A
Relocation	N/A
Telephony	N/A
IT and records management	N/A
Rebranding	N/A
Furniture and fit-out	N/A
Other	N/A

(b) If these costs were met out of existing budgets, please indicate what projects, programs or areas the money was originally budgeted for.

N/A

(c) Please identify any benefits achieved during 2014-15 as a result of machinery-of-government changes, quantifying the benefits where possible.

None.

**Question 29**

Please identify any Commonwealth Government decisions during 2013-14 or 2014-15 which had not been anticipated in the State budget but which impacted on your entity's finances or activities during those years (including new funding agreements, discontinued agreements and changes to funding levels). Please quantify the impact on income and expenses where possible.

Commonwealth Government decision	Impact in 2013-14		Impact in 2014-15	
	on income (\$ million)	on expenses (\$ million)	on income (\$ million)	on expenses (\$ million)
N/A				

**Question 30**

Please identify any COAG decisions during 2013-14 or 2014-15 which had not been anticipated in the State budget but which impacted on your entity's finances or activities during those years (including new funding agreements, discontinued agreements and changes to agreements). Please quantify the impact on income and expenses where possible.

COAG decision	Impact in 2013-14		Impact in 2014-15	
	on income (\$ million)	on expenses (\$ million)	on income (\$ million)	on expenses (\$ million)
N/A				

**SECTION H: Fiscal and financial management strategies (Department of Treasury and Finance only)****Question 31**

This question does not apply to your agency.

**Question 32**

This question does not apply to your agency.

**SECTION I: Economic environment**

**Question 33 (Department of Treasury and Finance only)**

This question does not apply to your agency.

**Question 34 (Department of Treasury and Finance only)**

This question does not apply to your agency.

**Question 35 (Department of Treasury and Finance only)**

This question does not apply to your agency.

**Question 36 (Department of Treasury and Finance only)**

This question does not apply to your agency.

**Question 37**

Please identify any key economic variables for which there were variances in 2013-14 and 2014-15 between what was estimated in the initial budget for each year (**not** the revised estimate) and what actually occurred which had a significant impact on your department's/agency's finances, service delivery or asset investment. For each variance, please indicate:

- (a) what had been expected at budget time
- (b) what actually occurred
- (c) how the variance impacted on the budget outcomes (quantifying the impact where possible)
- (d) what decisions were made in response (including changes to service delivery, asset investment, borrowings etc.).

Expected economic result in 2013-14	Actual result in 2013-14	Impact of the variance on budget outcomes	Decisions made in response
N/A			

Expected economic result in 2014-15	Actual result in 2014-15	Impact of the variance on budget outcomes	Impact of the variance on service delivery
N/A			

## SECTION J: Previous recommendations

### ***Question 38 (departments only)***

This question does not apply to your agency.