

**PARLIAMENT OF VICTORIA**

Public Accounts and Estimates Committee



**2020-21**

**Financial and Performance Outcomes  
General Questionnaire**

**Department of Treasury and Finance**



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## Introduction – Financial and Performance Outcomes Questionnaire

The Committee's inquiry into the 2020-21 Financial and Performance Outcomes examines:

- the Government's actual expenditure and revenue compared to the budgeted expenditure and revenue
- the actual performance outcomes against the targeted performance outcomes at a departmental/agency level
- other expenditure unforeseen at the time of preparing the 2020-21 Budget and outcomes achieved.

The inquiry aims to benefit the Parliament and the community by:

- promoting the accountability, transparency and integrity of the executive and the public sector
- encouraging the effective and efficient delivery of public services and assets.

This questionnaire seeks information on the departmental/agency financials for the 2020-21 financial year, what was achieved during those years and how that compares to expectations.

### Timeline and format

Responses to this questionnaire are due by **5.00pm on Friday 29 October 2021**.

Please email the completed questionnaire (in word and pdf) to [paec@parliament.vic.gov.au](mailto:paec@parliament.vic.gov.au)

Please also email a signed copy.

### Consistency with the budget papers

Whenever referring to an initiative/program/project that is referred to in the budget papers, please use the same name as is used in the budget papers. This ensures that the Committee can correlate the information provided by the department with the information in the budget papers.

### Basis of consolidation

For departments, please use the same basis of consolidation as was used in the budget papers and in the budget portfolio outcomes statement in the department's annual report.

### Guidance

Please contact the secretariat should you require guidance in relation to any questions:

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## Section A: Output variances and program outcomes

### Question 1 (all departments) Completed output initiatives from past budgets

For all initiatives that were completed in 2020-21, please provide details of the outcomes achieved in the community and the outcomes actually achieved to date. Please use initiatives names as specified in *Budget Paper No.3: Service Delivery* and link the initiative to the responsible output(s) and portfolio(s).

Initiative	Year and funding allocated		Actual date of completion (month and year)	Expected outcomes	Actual outcomes	Output(s) and portfolio(s)
	Budget year	Funding allocated				
Demolition works at 80-90 Champion Road, Newport	2021-22	\$9 million	June 2021	Demolish the former TAFE buildings and warehouses at the Champion Road site, to reduce ongoing site maintenance costs and risks associated with unauthorised persons entering the premises.	The demolition was completed under budget and ahead of schedule and 90 percent of materials were recycled.	Commercial and Infrastructure Advice

## Question 2 (all departments) Program outcomes

Outcomes reflect the impact on the community of the goods and services provided by a department. The questions in this section all relate to the outcomes that the department contributed to in 2020-21.

- a) Using the format of the table below, please outline the five programs that delivered the most important outcomes in the community<sup>1</sup> achieved by the department in 2020-21 including:
- i. The name of the program
  - ii. The relevant output(s) and portfolio(s) responsible for delivery of the program
  - iii. The program objectives
  - iv. The actual outcome achieved
  - v. The actions taken to deliver the actual outcome (i.e. the most important elements/essential parts that led the department to deliver the outcome).

Program	Output(s) and portfolio(s)	Program objectives	Description of actual outcome achieved	Description of the actions taken to deliver the actual outcome
1. Delivering the 2020-21 Budget and 2021-22 Budget (DTF Annual Report 2020-21 page 8 and 14)	<b>Output:</b> Budget and Financial Advice  <b>Portfolio:</b> Treasurer	Advice contributes to the achievement of Government policies and priorities relating to optimising Victoria's fiscal resources	The State's <i>2020-21 Budget</i> was released in November 2020 and the <i>2021-22 Budget</i> in May 2021.	DTF provided advice to the Government throughout the year to support the achievement of Government policies and priorities relating to optimising Victoria's fiscal resources.  As part of the <i>2020-21 Budget</i> released on 24 November 2020, a revised four-step Fiscal Strategy to support the Government's response to the COVID-19 pandemic and economic recovery was adopted by the Government. The Fiscal Strategy was retained for the <i>2021-22 Budget</i> released on 20 May 2021.

<sup>1</sup> 'Outcomes' are the impact of service delivery on the community rather than a description of the services delivered. The Committee considers that an outcome could be considered important for a variety of reasons, such as the amount of funding allocated to the program, the public interest in the service or goods being delivered or where particular actions taken by the Department delivered improved outcomes.



2.	<p>Developing economic stimulus and relief packages to support Victorian businesses and households.</p> <p>(DTF Annual Report 2020-21 page 8 and 15)</p>	<p><b>Output:</b> Economic and Policy Advice</p> <p><b>Portfolio:</b> Treasurer</p>	<p>Advice contributes to the achievement of Government policies and priorities relating economic and social outcomes.</p>	<p>The economic stimulus and relief packages provided relief to businesses and households, including through payroll tax, land transfer duty and land tax.</p>	<p>DTF contributed to developing initiatives to support Victorian businesses and individuals.</p>
3	<p>Supporting delivery of social infrastructure projects including the Big Housing Build and the new Footscray Hospital (DTF Annual Report 2020-21 page 8 and 17)</p>	<p><b>Output:</b> Commercial and Infrastructure Advice</p> <p><b>Portfolio:</b> Treasurer</p>	<p>Improve how Government manages its balance sheet, commercial activities and public sector infrastructure.</p>	<p>The Footscray Hospital is now under construction, and work on the Big Housing Build is underway to transform the social and affordable housing landscape in Victoria.</p>	<p>Commercial and financial advice was provided for the new Footscray Hospital. DTF also coordinated the \$2.7 billion Building Works package to activate over 100 smaller construction and maintenance packages across Victoria to support jobs in response to the COVID-19 pandemic, as well as the Big Housing Build.</p>
4.	<p>Completing 400 COVID-related bio-cleans over 610 000m<sup>2</sup> of office space by the Shared Service Provider since 4 March 2020</p> <p>(DTF Annual Report 2020-21 page 8 and 18)</p>	<p><b>Output:</b> Services to Government</p> <p><b>Portfolio:</b> Assistant Treasurer</p>	<p>Deliver strategic and efficient whole of government common services</p>	<p>DTF completed 400 site cleans as of 30 June 2021 and a total of 610 000m<sup>2</sup> of office space since 4 March 2020.</p>	<p>DTF responded to requests for COVID-19 incident response cleans in Shared Service Provider managed premises which experienced a surge in May 2021 commensurate with the community outbreak that occurred at this time.</p>
5.	<p>Supporting the Victorian Government Purchasing Board in expanding the goods and services supply</p>	<p><b>Output:</b> Services to Government</p> <p><b>Portfolio:</b></p>	<p>Deliver strategic and efficient whole of government common services</p>	<p>An additional 125 agencies will be under the oversight of the Victorian Government Purchasing Board,</p>	<p>Significant work was undertaken to prepare for the expansion of the Victorian Government Purchasing Board (VGPB) supply policies to all agencies under the <i>Financial Management Act 1994</i>, in advance of a Governor in Council order taking effect from</p>

policy framework to an additional 125 agencies.  (DTF Annual Report 2020-21 page 8 and 17)	Assistant Treasurer		strengthening procurement oversight and accountability.	1 July 2021. Implementation of this initiative will strengthen procurement oversight and accountability and deliver procurement benefits by bringing approximately 125 additional agencies under the oversight of the VGPB.
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- b) Using the format of the table below, please outline the five least performing programs that did not deliver their planned outcomes in the community by the department in 2020-21 including:
- i. The name of the program
  - ii. The relevant output(s) and portfolio(s) responsible for delivery of the program
  - iii. The program objectives
  - iv. The actual outcome achieved
  - v. Explanation for not achieving the planned outcome (including a description of what actions were taken to try and achieve the planned outcome).

Program	Output(s) and portfolio(s)	Program objectives	Description of actual outcome achieved	Detailed explanation for not delivering the planned outcome
1. Annual financial management compliance report for the previous financial year is submitted to the Assistant Treasurer  (DTF Annual Report 2020-21 page 21)	<b>Output:</b> Budget and Financial Advice  <b>Portfolio:</b> Assistant Treasurer	Optimise Victoria's fiscal resources	The annual financial management compliance report was submitted later than the original due date.	The annual financial management compliance report was originally due in December 2020, however, was delayed due to a COVID-19 reporting extension provided to departments and agencies. The report was submitted in April 2021 and approved by the Assistant Treasurer in May 2021.

2.	Government land sales program, including Crown land  (DTF Annual Report 2020-21 page 28)	<b>Output:</b> Commercial and Infrastructure Advice  <b>Portfolio:</b> Treasurer	Advice contributes to the achievement of Government policies and priorities relating to Victoria's balance sheet, commercial activities and public sector infrastructure.	Sales of surplus Government land delivered revenue of \$97.13 million in 2020-21.	The lower 2020-21 actual is due to most land sales being delayed for the first six months of this financial year due to COVID-19 restrictions preventing auctions from being held.
3.	Accuracy of budget economic forecasting  (DTF Annual Report 2020-21 page 24)	<b>Output:</b> Economic and Policy Advice  <b>Portfolio:</b> Treasurer	Strengthen Victoria's economic performance	Economic forecasts will likely not be met for 2020-21.	Economic conditions arising from the COVID-19 pandemic have impacted negatively on economic growth.
4.	Gateway reviews undertaken  (DTF Annual Report 2020-21 page 27)	<b>Output:</b> Commercial and Infrastructure Advice  <b>Portfolio:</b> Treasurer	Advice contributes to the achievement of Government policies and priorities relating to Victoria's balance sheet, commercial activities and public sector infrastructure.	62 Gateway reviews were undertaken	The lower number of reviews in 2020-21 reflects deferral of some reviews to 2021-22 due to disruptions associated with COVID-19.
5.	n/a				

### Question 3 (all departments) Treasurer's advances and other budget supplementation

- a) Please identify all output(s) and portfolio(s) (and relate them to departmental programs) for which the department received additional funding after the initial Budget in 2020-21.

For each output, please quantify the additional funding, indicate the source of the additional funding (e.g. Treasurer's Advance, unused prior years appropriations under s32 of the *Financial Management Act 1994* (Vic), supplementation through a Temporary Advance under section 35 of the FMA, or any possible sources of funding as listed in the Resource Management Framework, section 4, pg. 58) and explain why additional funding was required after funding was allocated in the Budget.

Output(s) and portfolio(s)	Program	Program objectives	Funding allocated in 2020-21 Budget	Additional funding (\$ million)	Source of additional funding as per the Resource Management Framework	Funding utilised 2020-21	Reasons why additional funding was required
<b>Portfolio: DTF</b>							
Commercial and Infrastructure Advice	Suburban Rail Loop (SRL)	To progress development of the funding and financing strategy of the SRL project	Nil	0.65	Treasurer's Advance	0.65	Funding to progress work on the funding and financing strategy.
Commercial and Infrastructure Advice	Building demolition works at Newport	Building demolition works	Nil	1.50	Treasurer's Advance	0.97	Funding for building demolition works at Newport to prepare for possible sale in 2023-24.

Commercial and Infrastructure Advice	Demolition works at the former Energy Brix Australia Corporation site, Morwell	Land remediation	Nil	5.50	Treasurer's Advance	3.90	Funding for property demolition and remediation work at Morwell, including increased costs and discovery of additional asbestos.
Commercial and Infrastructure Advice	Business unit reform advisory services and scoping study	Advisory services and scoping study	Nil	7.50	Treasurer's Advance	6.50	Funding for advisory services and scoping study.
Commercial and Infrastructure Advice, and Budget and Financial Advice	Recovery tracking and analytics - Establishment	Tracking, recovering and analytical projects	Nil	0.90	Treasurer's Advance	0.76	Funding for additional capacity to support tracking, recovering and analytical work
Economic and Financial Policy	Social housing regulation review	Independent Review of Social Housing Regulation	Nil	2.00	Treasurer's Advance	2.00	Funding to support administrative arrangements for the Review of Social Housing Regulation.
Economic and Financial Policy	Big Housing Build: Victorian Homebuyer Fund	Accelerate Victorians into home ownerships	Nil	5.00	Treasurer's Advance	2.34	Funding to support the implementation of the Big Housing Build, Homebuyer Fund.
Economic and Financial Policy	Interstate Hotel Quarantine costs – March 2020 to December 2020	Interstate hotel quarantine costs	Nil	58.49	Treasurer's Advance	53.17	Funding for quarantine costs for interstate residents quarantined in NSW during the period 29 March to 31 December 2020.

Economic and Financial Policy	Big Housing Build: Expanded Social Housing Growth Fund (SHGF)	To build social housing dwellings to provide accommodation for some of the most vulnerable Victorians	Nil	845.95	Treasurer's Advance	845.95	Funding for projects which are approved as part of the SHGF's Rapid Grants Round Program.
Economic Regulatory Services	Support for the expansion of the Victorian Energy Upgrades program	Support for the expansion of the Victorian Energy Upgrades program	Nil	0.24	Treasurer's Advance	0.24	Funding to support the expansion of the Victorian Energy Upgrades program which includes establishing several new functions and processes commencing early 2021 and upgrade its IT system that supports the program.
Revenue Management and Administrative Services to Government	State Revenue Office (SRO) tax initiatives	To support the implementation costs related to tax revenue initiatives for 2021-22	Nil	0.30	Treasurer's Advance	0.00	Due to the overall SRO budget position the Treasurer's Advance was not required in 2020-21.
Services to Government	Implementation costs for the zero-emission vehicle initiative	Zero emission vehicle initiative for Victorian government car fleet	Nil	0.13	Treasurer's Advance	0.13	Funding to support the implementation of the zero-emission vehicle initiative for the Victorian government car fleet.

Services to Government	Centralised Accommodation Management Services (CAMS).	Delivery of the CAMS initiative	Nil	0.77	Treasurer's Advance	0.16	Funding to support Phase Two of a multi-phased Whole of Victorian Government (WoVG) Accommodation Densification Project, a core Centralised Accommodation Management (CAM) initiative.
Services to Government	Centralised Accommodation Management	Additional facilities management and accommodation costs due to COVID-19 pandemic	Nil	6.00	Treasurer's Advance	6.00	Funding to support the additional facilities management and accommodation costs due to COVID-19 pandemic.
<b>Subtotal (TAs)</b>				<b>934.93</b>		<b>922.76</b>	
Commercial and Infrastructure Advice	North East Link (NEL)	To oversee and provide commercial advice on the NEL project.	Nil	2.00	Section 32 of <i>Financial Management Act 1994</i> (carryover)	2.00	Funding to complete key infrastructure projects in 2020-21.
Economic Development	Hydrogen Energy Supply Chain (HESC) and various grant programs related to Invest Victoria	HESC study and various grant programs	Nil	10.73	Section 32 of <i>Financial Management Act 1994</i> (carryover)	10.73	Funding for the HESC study and various grant programs related to Invest Victoria.

Revenue Management and Administrative Services to Government	State Revenue Office (SRO) Compliance Program	Administration and enhancement of compliance programs	Nil	2.00	Section 32 of <i>Financial Management Act 1994</i> (carryover)	2.00	Funding to continue and expand the administration of SRO's compliance programs, including the implementation of new technologies to enhance compliance.
Services to Government	Various State Purchase Contracts (SPC)	Funding for SPCs going to market	Nil	0.56	Section 32 of <i>Financial Management Act 1994</i>	0.56	Funding for SPC's going to market which have been delayed by the COVID-19 pandemic.
<b>Subtotal (S32)</b>				<b>15.28</b>		<b>15.28</b>	
Services to Government	Various information and communications technology (ICT) projects, and procurement functions.	To implement various ICT projects and procurement functions.	Nil	11.80	Section 33 of <i>Financial Management Act 1994</i> (access To prior years' surplus)	8.26	Funding to implement the department's ICT projects, and support procurement functions for new and refreshed SPC tender and transition processes – Banking and Financial Services, Master Agency Media Services, and Personal Protective Equipment.
<b>Subtotal (S33)</b>				<b>11.80</b>		<b>8.26</b>	
<b>Total 2020-21</b>				<b>961.99</b>		<b>946.30</b>	



b) Please provide the details of the outcomes achieved from each of these programs.

<b>Output(s) and portfolio(s)</b>	<b>Program</b>	<b>Outcomes achieved</b>
<b>Portfolio: DTF Treasurer's Advance</b>		
Commercial and Infrastructure Advice	Suburban Rail Loop (SRL)	Commercial and legal advice to continue the analysis and implementation of the DTF-led Funding and Financing Strategy for the SRL project.
Commercial and Infrastructure Advice	Building demolition works at Newport	The demolition works at Newport were completed in June 2021. Works were completed on time and well under budget. Over 90 percent of materials removed from the site have been processed for recycling.
Commercial and Infrastructure Advice	Energy Brix Power Station demolition and remaining site clean-up	The demolition contract between HRL (in Liquidation) and Delta Demolitions was able to be completed to an effective standard including removal of all redundant and non-heritage listed infrastructure. Asbestos impacted soil stockpiles were remediated in accordance with Victorian Worksafe and EPA guidelines.
Commercial and Infrastructure Advice	Business unit reform advisory services and scoping study	The additional funding enabled the engagement of specialist advisory services to support the Government's announcement of the VicRoads Modernisation Project in March 2021, and the release of the Request for Expression of Interest in September 2021 for a joint venture partner with the State for the delivery of VicRoads' Registration and Licensing, and Custom Plates services.
Commercial and Infrastructure Advice, and Budget and Financial Advice	Additional funding for Budget and Finance, Infrastructure Advice & Office of Projects Victoria	The funding provided additional capacity to assist in recovery oversight and tracking, including core budget responsibilities and ongoing oversight of spending across government. Additional funding supplemented DTF and OPV's assurance and reporting processes for key capital projects in response to the Government's infrastructure program.

Economic and Financial Policy	Social housing regulation review	In 2020-21, the Review has undertaken consultation with stakeholders to inform the recommendations of the independent Panel. This work is ongoing. The Review is scheduled to deliver its final report in early to mid-2022.
Economic and Financial Policy	Big Housing Build: Victorian Homebuyer Fund (VHF)	Performance measures will be developed for the 2022-23 Budget.
Economic and Financial Policy	Interstate Hotel Quarantine costs (NSW) – March 2020 to December 2020	The Victorian State Government participates in the interstate reconciliation of hotel quarantine costs and has reimbursed NSW for Victorian residents' quarantine costs.
Economic and Financial Policy	Big Housing Build: Expanded Social Housing Growth Fund	The Rapid Grants Round was progressed over 2020-21 and 2021-22 providing \$740 million in funding commitments to the community housing sector for 89 projects to deliver 2352 social housing units.
Economic Regulatory Services	Expansion of the Victorian Energy Upgrades program	Developed new systems and processes for the new government cold room activity. Commenced development of systems and processes for the new heat pump activity. Completed preliminary work as part of the VEET Act reforms.
Services to Government	Victorian car fleet – Zero Emission Initiative	Zero Emissions Vehicle (ZEV) strategy has been developed for the roll-out of 400 ZEVs over two years.
Services to Government	Centralised Accommodation Management Services (CAMS) (2021-22 Budget Initiative)	The Government is on track to achieve the CAM savings target of \$103.9 million.
Services to Government	Centralised Accommodation Management (CAM)	DTF's Shared Services Provider incurred additional cleaning costs for government occupied buildings affected by COVID-19.

<b>Section 32</b>		
Commercial and Infrastructure Advice	North East Link (NEL)	The funding supported DTF's role in the NEL project including establishment of the State Tolling Corporation.
Economic Development	Hydrogen Energy Supply Chain (HESC) and various grant programs related to Invest Victoria	<ul style="list-style-type: none"> <li>❖ Hydrogen Energy Supply Chain (HESC) - Completion of the construction of the coal gasification facilities in February 2021 and the production of hydrogen commencing from March 2021. All construction of the Australian elements of the supply chain are now complete.</li> <li>❖ Investment Attraction and Assistance Program (IAAP) - It supports Invest Victoria/DTF to continue to meet its contractual arrangements with private companies investing in Victoria, creating jobs and capital outcomes that contribute to investment BP3 measures.</li> <li>❖ Jobs Investment Attraction and Assistance Program - It supports Invest Victoria/DTF to continue to meet its contractual arrangements with private companies investing in Victoria, creating jobs and capital outcomes that contribute to investment BP3 measures.</li> <li>❖ Globally Connected Investment and Trade Fund - It supports Invest Victoria/DTF to continue to meet its contractual arrangements with private companies investing in Victoria, creating jobs and capital outcomes that contribute to investment BP3 measures.</li> </ul>
Revenue Management and Administrative Services to Government	State Revenue Office (SRO) Compliance Program	Continued development and enhancements of digital applications, including digital duties programs and land tax applications, which assist in revenue collection and compliance activities on behalf of the State.
Services to Government	Various State Purchase Contracts (SPC)	Refreshed State Purchase Contracts for Print Management Services, Fuel and associated products, Professional Advisory Services, Staffing Services are all completed.
<b>S33</b>		
Services to Government	Various information and communications technology (ICT) projects and procurement functions	<ul style="list-style-type: none"> <li>❖ Various ICT projects including SRIMS upgrade, ICT Strategy Implementation, HCM, FinCloud (ERP), implementing and support of data analytics are on-track. \$1.5m has been rephased into 2021-22 due to recruitment delays due to COVID 19 and reprioritisation of ITS staffing to facilitate WFH.</li> <li>❖ Master Agency Media Services SPC completed including transition to new supplier.</li> <li>❖ Banking and Financial Services SPC tender process completed. New contracts commenced and full transition continues into 2021-22.</li> <li>❖ Personal Protective Equipment SPC business case has progressed and is pending approval.</li> </ul>

## Question 4 (Department of Health/Department of Health and Human Services only) 2020-21 Budget funding allocation and performance

### Not applicable for DTF

The 2020-21 Budget allocated \$2.8 billion output funding investment for ‘better patient outcomes to meet demand and support hospitals as the department transitions to COVID-normal including \$300 million for an elective surgery blitz’.<sup>2</sup>

- a) Please provide a detailed breakdown of the \$2.8 billion and the actual amount spent in 2020-21. Please provide an explanation for any variances of  $\pm 5\%$  according to the type of health care services provided.

Type of service - health care	2020-21 budget \$ million	2020-21 actual \$ million	Variance (%)	Explanation for variance	Outcomes delivered
Ambulance Victoria					
Elective surgery					
Community health services					
Mental health services					
~insert more lines as necessary~					
<b>Total</b>	<b>\$2,800</b>				

<sup>2</sup> Hon Martin Foley MP, 2020–21 Budget estimates hearing presentation: Health, supplementary evidence, received 4 December 2020, p. 4.

b) Please provide a detailed breakdown of any additional health portfolio expenditure that was announced after the 2020-21 Budget was handed down.

Type of service - health care	2020-21 allocation \$ million	2020-21 actual \$ million	Variance (%)	Explanation for variance	Outcomes delivered
Ambulance Victoria					
Elective surgery					
Community health services					
Mental health services					
Vaccine rollout					
Contact tracing					
COVID-19 Testing					
~insert more lines as necessary~					
<b>Total</b>					

c) For the following performance measures, please outline the amount allocated in the 2020-21 Budget and the actual amount spent in 2020-21. Please provide an explanation for the variance in expenditure (of ±5%) as well as the reason/s for not meeting or exceeding the target.

Performance measure	2020-21 target	2020-21 actual	2020-21 \$ million allocated	2020-21 \$ million actual	Expenditure variance (%)	Explanation
Proportion of ambulance patient transfers within 40 minutes						
Proportion of emergency (Code 1) incidents responded to within 15 minutes – statewide						
Proportion of emergency (Code 1) incidents responded to						

within 15 minutes in centres with more than 7 500 population						
Emergency patients admitted to a mental health bed within eight hours						
Occupied residential bed days						
Occupied sub-acute bed days						
Women screened for breast cancer by BreastScreen Victoria						
Persons screened for prevention and early detection of health conditions – pulmonary tuberculosis screening						
Participation rate of women in target age range screened for breast cancer						

d) What COVID-19 performance measures did the Department of Health have in place for the year 2020-21?

e) Where are those performance measures reported on?

f) What were the outcomes achieved against those performance measures in 2020-21?

g) To gain an understanding of Victoria’s health care system and performance, please provide the data for the following variables, including an explanation for the increase or decrease compared to the previous year’s data.

Category	As at 30 June 2017	As at 30 June 2018	As at 30 June 2019	As at 30 June 2020	As at 30 June 2021	Variance between 2020 and 2021 Explanation for the variance between 30 June 2020 and 2021
Number of patients treated in emergency departments						
Number of hospital beds						
Number of intensive care unit beds						
Average time spent in waiting rooms – emergency departments						
Number of patients waiting for treatment – elective surgery						

<b>Ambulance Victoria</b>	<b>2020-21 budget \$ million</b>	<b>2020-21 actual \$ million</b>	<b>Variance (%)</b>	<b>Explanation for variance</b>
Employee expenses (relating to frontline staff)				
Employee expenses (relating to frontline staff)				
	<b>As at 1 July 2020</b>	<b>As at 30 June 2021</b>		
Number of shifts per week, frontline				
Number of staff, frontline				



## Question 5 (Department of Families, Fairness and Housing/Department of Health and Human Services and Department of Education and Training only) Victorian Contribution to National Disability Insurance Scheme

Not applicable for DTF

- a) The 2020-21 Budget allocated \$1.7 billion to the Victorian Contribution to National Disability Insurance Scheme (NDIS).<sup>3</sup> In relation to outcomes achieved in the 2020-21 year, please provide the following information on disability services and support in Victoria.

Department of Families, Fairness and Housing/DHHS	30 June 2019	30 June 2020	30 June 2021
Number of people with disability in Victoria			
Number of NDIS participants			
Number of NDIS participants - identified as Culturally and linguistically diverse			
Number of clients transitioned to NDIS			
Participant satisfaction with services received			
Average wait time to access NDIS package			
Disability workforce - number of workers			
Victorian NDIS Implementation Taskforce - \$ million allocated			
Victorian NDIS Implementation Taskforce - \$ million spent			
Victorian NDIS Implementation Taskforce - outcomes achieved			
An update on NDIS Workforce and Skills Plan			

Department of Education and Training	30 June 2019	30 June 2020	30 June 2021
Number of school children identified with disability in Victoria			
Number of schools that received funding through NDIS			
Number of students that were supported through NDIS			
\$ amount spent to students with Disabilities Transport Program			
Number of students who accessed the Disabilities Transport Program			

<sup>3</sup> Department of Treasury and Finance, *Budget Paper No. 2: 2020–21 strategy and outlook*, Melbourne, 2020, p. 248.

Number of young people with disability who transitioned from school into employment or other options			
Number of parent/carer(s) and families that were supported to Early Childhood Intervention Services through NDIS			

b) What mechanisms did the Victorian Government have in place to ensure Victorians with disability and the Victorian community received value for money and quality services in exchange for the \$1.7 billion paid to the NDIS in 2020-21?

## Section B: Asset investment

### Question 6 (all departments) Capital expenditure variances, completion date and scope changes – existing projects

Please provide details of all capital asset programs where:

- there was a variance between TEI at announcement compared to the revised TEI as at 30 June 2021 of equal to or greater than  $\pm 5\%$  or \$50 million and an explanation for the variance
- the estimated completion date at announcement is different to the completion date as at 30 June 2021 and an explanation for the change
- the scope of the project at announcement is different to the scope of the project as at 30 June 2021.

*Capital expenditure*

***There were no DTF projects in 2020-21 where there was a variance between TEI at announcement compared to the revised TEI as at 30 June 2021 of equal to or greater than  $\pm 5\%$  or \$50 million.***

Project	Output(s) and portfolio(s) and/or agency responsible for the project	Total actual expenditure spent from announcement to 30 June 2021 (\$ million)	TEI at announcement (\$ million)	Revised TEI as at 30 June 2021 (\$ million)	Variance between TEI at announcement compared to Revised TEI as at 30 June 2021 Budget ( $\pm 5\%$ or \$50 million) explanation
Nil					

Completion date

Project	Output(s) and portfolio(s) and/or agency responsible for the project	Estimated completion date at announcement	Revised completion date as at 30 June 2021	Explanation
Greener Government Buildings	<b>Output</b> – Commercial and Infrastructure Advice <b>Portfolio</b> – DTF <b>Agency</b> – DTF	30 June 2019 (revised to 30 June 2020)	30 June 2022	The completion date for this project was impacted by delays due to the COVID-19 pandemic in implementing projects at various health services including: <ul style="list-style-type: none"> <li>• Eastern Health: Angliss Hospital</li> <li>• Maroondah Hospital</li> <li>• Peter James Centre Burwood</li> <li>• Monash Health: Moorabbin Hospital</li> <li>• Ballarat Health Services (across five sites)</li> <li>• Hesse Rural Health Service</li> </ul>
Better revenue management system	<b>Output</b> – Revenue Management and Administrative Services to Government <b>Portfolio</b> – DTF <b>Agency</b> - SRO	Quarter 4 2018-19	Practical completion achieved in Quarter 4 2020-21	Completion dates were revised for this program to allow for the development and implementation of IT systems to support legislative changes such as: <ul style="list-style-type: none"> <li>• COVID-19 related measures (2019-20 and 2020-21); Wagering and Betting Tax, and Land Use Victoria’s direction for the electronic lodgement of all property transactions (2018-19); Vacant Residential Land Tax and Commercial Passenger Levy Vehicle (2017-18); and</li> <li>• Foreign Purchaser Additional Duty, the Land Tax Absentee Owner Surcharge, and the Back to Work Scheme (2015-16).</li> </ul>
State Revenue Office Land Tax Compliance Program	<b>Output</b> – Revenue Management and Administrative Services to Government <b>Portfolio</b> – DTF <b>Agency</b> – SRO	Quarter 4 2018-19	Practical completion achieved in Quarter 2 2020-21	The commencement of the project was deferred due to a large volume of projects in the IT workplan and the reprioritization of some high value digital projects.
Centralised Accommodation Management Densification	<b>Output</b> – Services to Government <b>Portfolio</b> – DTF <b>Agency</b> – DTF	30 June 2021	30 June 2022	Key input into this project is the understanding of the strategy regarding the return to work and the future ways of working post COVID-19. This project has been delayed to achieve greater certainty around the path out of COVID-19 and its impact on the workforce.

*Scope*

***There were no DTF projects in 2020-21 where the scope of the projects at announcement was different than the scope of the project as at 30 June 2021.***

<b>Project</b>	<b>Output(s) and portfolio(s) and/or agency responsible for the project</b>	<b>Scope at announcement</b>	<b>Details of scope change(s) and date(s) scope changes occurred</b>
Nil			

## Question 7 (all departments) Details of actual capital expenditure – completed projects (or expected to be completed)

Please provide the following details about asset investment projects that were completed in the 2020-21 financial year:

- Project name, project objectives and Department(s), Output(s) and Portfolio(s) and/or Agency/Agencies responsible for delivery of the project
- Total Estimated Investment (TEI) at announcement
- Actual cost of project
- Estimated completion date at announcement
- Actual completion date
- Explanations for any variance in capital expenditure and/or completion date.

Project	Original project objectives	Responsible Department(s), Output(s) and Portfolio(s) and/or Agency/Agencies	TEI at announcement (\$ million)	Actual cost of project (\$ million)	Estimated completion date at announcement	Actual completed date	Variance explanation (\$ value variance and/or time variance)
Better revenue management system	To extend the useful life of the SRO's core revenue management system 'e-Sys' and avoid a high-risk, highly expensive systems replacement.	<b>Output</b> – Revenue Management and Administrative Services to Government <b>Portfolio</b> – DTF <b>Agency</b> - SRO	11.584 (Revised TEI 11.984)	11.982	Quarter 4 2018-19	Practical completion achieved in Quarter 4 2020-21	The TEI was increased by \$0.398 million in 2016-17 due to reprioritisation of funds. (Refer to 2016-17 Budget Paper 4 at page 59)
State Revenue Office Land Tax Compliance Program	To enhance Land Tax compliance by developing systems to streamline and automate parts of the compliance process.	<b>Output</b> – Revenue Management and Administrative Services to Government <b>Portfolio</b> – DTF <b>Agency</b> - SRO	2.625	2.625	Quarter 4 2018-19	Practical completion achieved in Quarter 2 2020-21	The commencement of the project was deferred due to a large volume of projects in the IT workplan and the reprioritisation of some high value digital projects.

### Question 8 (all departments) High-value high-risk projects, gateway reviews and business cases

Under the High Value High Risk (HVHR) Framework, a project will be classified as HVHR if it is a budget funded project that has a Total Estimated Investment (TEI) of over \$250 million. HVHR projects are subject to compulsory Gateway reviews, where Gates 1 through 6 are compulsory for all eligible projects: Gate 2 outlines the development of a business case.

Please list all projects included in the 2020-21 financial year that were allocated to the department and were classified as HVHR and project objectives. Please also specify which gateway reviews, if any, were completed during 2020-21 and business case details for each project.

***There were no HVHR projects for DTF in 2020-21.***

<b>HVHR Project</b>	<b>Original project objectives</b>	<b>Gateway review name/ Date completed</b>	<b>Date business case completed</b>	<b>Business case – publicly available? Y/N</b>	<b>Business case link (URL)</b>
Nil					

## Question 9 (all departments) Public Private Partnership (PPP) expenditure – existing and completed

Please provide the following information related to the department's PPP projects:

- The total estimated PPP investment value, the total actual expenditure from announcement to 30 June 2021, or the actual cost spent to 30 June 2021 (actual cost spent in the respective financial year) and the benefits of using the PPP financing model when delivering/funding a project over other financing methods.
- Where the estimated completion date at announcement is different to the completion date in the 2019-20 Budget and an explanation for any variance.
- Where the scope of the PPP at announcement is different to the scope of the project as it is presented in the 2019-20 Budget.

**DTF does not have any Public Private Partnership expenditure.**

*Investment value and benefit of using PPP model*

Project name	Project objectives	Output(s) and portfolio(s) and/or agency	Total estimated PPP investment value at the start of the project (\$ million)	Total actual expenditure since the announcement to 30 June 2021 (\$ million)	Actual expenditure in year ending 30 June 2021 (\$ million)	Benefits of using PPP model versus other delivery/funding models

*Completion date*

Project name	Output(s) and portfolio(s) and/or agency	Estimated completion date	Revised estimated completion date	Variance explanation

*Scope*

Project name	Output(s) and portfolio(s) and/or agency	Original scope	Revised scope	Explanation for scope changes



## Question 10 (Department of Transport only) Alliance contracting expenditure – existing and completed

**Not applicable for DTF**

Please provide the following information related to the department's alliance contracting projects:

- The total estimated investment value, the total actual expenditure from announcement to 30 June 2021, or the actual cost spent to 30 June 2021 (actual cost spent in the respective financial year) and the benefits of using the alliance contracting model when delivering/funding a project over other financing methods.
- Where the estimated completion date at announcement is different to the completion date in the 2019-20 Budget and an explanation for any variance.
- Where the scope of the alliance contract at announcement is different to the scope of the project as it is presented in the 2019-20 Budget.

*Investment value and benefit of using alliance contracting model*

Project name	Project objectives	Output(s) and portfolio(s) and/or agency	Total estimated investment value at the start of the project (\$ million)	Total actual expenditure since the announcement to 30 June 2021 (\$ million)	Actual expenditure in year ending 30 June 2021 (\$ million)	Benefits of using alliance contracting model versus other delivery/funding models

*Completion date*

Project name	Output(s) and portfolio(s) and/or agency	Estimated completion date	Revised estimated completion date	Variance explanation

*Scope*

Project name	Output(s) and portfolio(s) and/or agency	Original scope	Revised scope	Explanation for scope changes

## Section C: Revenue and appropriations

### Question 11 (all departments and entities) Revenue – variances from previous year

Please explain any changes equal to or greater than  $\pm 10\%$  or \$100 million between the actual result for 2019-20 and 2020-21 for each revenue category detailed in your operating statement. Please also indicate what any additional revenue was used for or how any reduced amounts of revenue affected service delivery and then link it to the relevant output and portfolio.

Please also detail the outcomes in the community<sup>4</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 revenue/income categories for the department/agency for which the 2020-21 expenditure changed from the prior year's expenditure by more than  $\pm 10\%$  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	2019-20 actual (\$ million)	2020-21 actual (\$ million)	Variance (\$ million)	Variance (%)	Explanations for changes $\pm 10\%$ or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, how was this achieved	Relevant output(s) and portfolio(s)
Output appropriations	441	506	65	15	<p>The increase in revenue is mainly due to:</p> <ul style="list-style-type: none"> <li>Funding received in 2020-21 totalling \$30.4 million after approved rephasing from 2019-20, including \$21.8 million for the Regulatory Reform Package, \$3.7 million for CAM Accommodation Densification Project, \$1.8 million for the</li> </ul>	The additional revenue was mainly applied to deliver new output initiatives published in the 2020-21 Budget Papers	Portfolio: DTF Output: All

<sup>4</sup>That is, the impact of service delivery on the community rather than a description of the services delivered.

					<p>Procurement Review Project: \$1.0 million for supporting COVID-19 pandemic recovery through procurement and \$0.5 million for the Expanded Procurement Reforms Project.</p> <ul style="list-style-type: none"> <li>• New Treasurer’s Advance funding of \$18.4 million in 2020-21, mainly including Business Unit Reform and scoping study (\$6.5 million), Energy Brix (\$3.9 million), the Victorian Homebuyer Fund (\$2.3 million), Social Housing Regulation Review (\$2.0 million) and Newport Site Demolition (\$1.0 million)).</li> <li>• Funding for Financial Management Act s37 Advances – advance repayment of \$10.5 million in 2020-21 for SSP Centralised Accommodation Management.</li> <li>• \$10.1 million in Capital Asset Charge and Depreciation for Ballarat Gov Hub.</li> <li>• The carryover has increased by \$11 million from 2019-20 to 2020-21 (mainly \$4.3 million for Suburban Rail Loop, \$3.8 million for Invest Victoria, and \$2 million for North East Link Project).</li> </ul>		
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					<ul style="list-style-type: none"> <li>• \$9.7 million for the Economic Survival Package, including \$8.5 million to SRO and \$1.2 million to DTF (Economic Division).</li> <li>• \$7 million full year impact for Infrastructure Victoria after machinery of government change.</li> </ul> <p>The increase in revenue is partially offset by:</p> <ul style="list-style-type: none"> <li>• A reduction of \$16.4 million in Financial Management Act s29 revenue, mainly related to Commonwealth funding for Invest Victoria – Hydrogen Energy Supply Chain.</li> <li>• Funding not applied in 2020-21 and carried over into 2021-22 totalling \$14.4 million. This mainly relates to Infrastructure Delivery and Regulatory Reform programs and the SRO administration cost of homebuilder applications.</li> </ul>		
Interest	1	0	-1	-100	The variance is primarily related to a machinery of government change on 1 August 2020 where Cenitex was transferred to the Department of Premier and Cabinet.	No impact - This is an administrative change only.	Portfolio: DTF Output: Services to Government

Sales of goods and services	204	40	-164	80	The variance is primarily related to a machinery of government change on 1 August 2020 where Cenitex was transferred to the Department of Premier and Cabinet.	No impact - This is an administrative change only.	Portfolio: DTF Output: Services to Government
Grants	9	29	20	222	The variance is primarily driven by additional funding received from the Department of Education and Training for Invest Victoria to support the University of Melbourne and Illumina Genomics Hub project.	Invest Victoria has received the full \$20m grant revenue in 2020-21. The funding received in advance will be used in the future years to deliver University of Melbourne and Illumina Genomics Hub project.	Portfolio: DTF Output: Invest Victoria
Other income	28	41	13	46	The variance is largely related to revenue from other Government Departments and Agencies following a rental & parking revenue review.	As the departments occupy the buildings, there are more funds to use to maintain the buildings. Any surplus is paid into the Consolidated Fund.	Portfolio: DTF Output: Commercial and Infrastructure Advice
<b>Total</b>	<b>683</b>	<b>617</b>	<b>-66</b>	<b>10</b>			

## Question 12 (all departments and entities) Revenue – variances from budget to actual

Please explain any variances equal to or greater than  $\pm 10\%$  or \$100 million between the initial budget estimate (not the revised estimate) and the actual result for 2020-21 for each revenue category detailed in your operating statement. Please also indicate what any additional revenue was used for or how any reduced amounts of revenue affected service delivery and then link it to the relevant output and portfolio.

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

Revenue category	2020-21 Budget estimate (\$ million)	2020-21 actual (\$ million)	Variance (\$ million)	Variance (%)	Explanations for changes $\pm 10\%$ or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, explain why	Relevant output(s) and portfolio(s)
Output appropriations	633	506	-127	20	<p>The variance is largely due to Invest Victoria's capacity to meet contractual commitments and to pursue new investment attraction activities being impacted by the COVID-19 pandemic related global economic conditions. Project milestones were forced to be delayed and renegotiated into forward years.</p> <p>In addition, \$19.5m funding to repay s37 FMA loan was not utilised due to the lower amount borrowed in 2019-20.</p>	Timing impact - The initiatives are expected to be delivered in 2021-22 and the forward years.	Portfolio: DTF Output: All
Interest	0	0	-	-	Not applicable	Not applicable	Not applicable
Sales of goods and services	32	40	8	25	The variance is primarily due to higher than budgeted revenue for	No impact – The additional revenue was	Portfolio: DTF

					the services provided by the Shared Services Provider (SSP) in relation to the Centralised Accommodation Management Services (CAMS) initiative.	used to deliver CAMS by the SSP.	Output: Services to Government
Grants	17	29	12	70	The variance is primarily driven by additional funding received from the Department of Education and Training for Invest Victoria to support the University of Melbourne and Illumina Genomics Hub project.	No impact - The funding received in advance will be used in the future years to deliver the University of Melbourne and Illumina Genomics Hub project	Portfolio: DTF Output: Invest Victoria
Other income	37	41	4	11	The variance is largely related to Government Owned Rents & Parking revenue due to a rental review to market from 1 July 2020.	As the departments occupy the buildings, there are more funds to use to maintain the buildings. Any surplus is paid into the Consolidated Fund.	Portfolio: DTF Output: Commercial and Infrastructure Advice.
<b>Total</b>	<b>719</b>	<b>617</b>	<b>-66</b>	<b>10</b>			

## Section D: Expenses

### Question 13 (all departments and entities) Expenses changed from previous year

Please explain any changes equal to or greater than  $\pm 10\%$  or \$100 million with regards to the actual result for 2019-20 and 2020-21 for each category of expenses detailed in your operating statement. Please explain any changes equal to or greater than  $\pm 10\%$  or \$100 million with regards the actual result for 2020-21 and the 2020-21 budget estimate. Please also detail the outcomes in the community<sup>5</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.

#### 2019-20 and 2020-21 Response <sup>2</sup>

Expense's category	2019-20 actual \$ million	2020-21 actual \$ million	Explanations for variances $\pm 10\%$ or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how was this achieved
Employee Benefits	272.3 <sup>2</sup>	238.7	<p>The decrease in employee benefits in 2020-21 is mainly due to the Machinery of Government (MoG) transfer of Cenitex to the Department of Premier and Cabinet (DPC) from 1 August 2020 (\$69.1m).</p> <p>The decrease is partially offset by the full year impact of \$4.7m from the MoG transfer of Infrastructure Victoria to DTF from DPC on 1 May 2020.</p> <p>Excluding the impact of the MoG changes, additional funding was provided in FY 2020-21 to deliver several initiatives including implementation of the Tax Compliance Program (\$10.4m), Big Housing Build (\$4.2m), Advice on Government initiatives related to COVID-19 (\$2.9m), further implementation of Central Accommodation Management CAM (\$1.5m), and a range of other commercial, infrastructure and transactional activities on behalf of the Government (\$6.8m).</p>	<p>MoG changes are administrative only.</p> <p>Outcomes from increased funding:</p> <ul style="list-style-type: none"> <li>Enhanced compliance in the collection of taxes, duties, and levies</li> <li>Implementation of a set of initiatives to improve Victoria's regulatory system and enable firms to innovate and reduce the cost of doing business.</li> <li>Administration of COVID-19 business relief initiatives and support economic recovery.</li> </ul>

<sup>5</sup>That is, the impact of service delivery on the community rather than a description of the services delivered.



Depreciation	35.9 <sup>2</sup>	21.9	<p>The decrease in depreciation in 2020-21 is mainly due to the MoG transfer of Cenitex to DPC (\$15.1m).</p> <p>The impact of the MOG transfer is partially offset by an increase in depreciation in 2021-21 due to the acquisition of the Ballarat GovHub.</p>	<p>MoG changes are administrative only.</p> <p>The additional funding was used in the acquisition of the Ballarat GovHub in April 2021.</p>
Interest Expense	0.9	-	N/A	N/A
Grants and Other Transfers	62.5	63.1	N/A	N/A
Capital Asset Charges	63.0	71.5	Higher capital asset charges in 2020-21 are mainly due to the acquisition of the Ballarat GovHub.	This is an internal charge only to show the cost of investments in assets.
Other Operating Expenses	252.8 <sup>2</sup>	187.0	<p>The decrease in other operating expenses in 2020-21 is mainly due to the MoG transfer of Cenitex to DPC (\$92.3m).</p> <p>Excluding the impact of the MoG changes, there was an increase in other operating expenses mainly attributable to the Department's system upgrades (\$13.4m), Regulatory reforms and the Victorian Homebuyer Initiatives (\$3.4m), and accommodation and property related costs (\$10.3m).</p> <p>Total Other Operating Expenses also contain the full year impact of \$2.3m from the MoG transfer of Infrastructure Victoria to DTF.</p>	<p>MoG changes are administrative only.</p> <p>Additional funding was used for the Implementation of COVID-19 business relief initiatives and supporting the economic recovery.</p>

## 2020-21 actual vs budget Response

Expenses category	2020-21 Budget \$ million	2020-21 Actual \$ million	Explanations for variances $\pm 10\%$ or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how was this achieved
Employee Benefits	228.1	238.7	N/A	N/A
Depreciation	28.0	21.9	The variance is primarily due to lower than budgeted depreciation costs for right-of-use assets under AASB-16.	N/A
Grants and Other transfers	142.2	63.1	The lower grants and other transfers were primarily due to a range of grants relating to the regulatory reform initiative and grants administered by Invest Victoria being delayed due to the COVID-19 pandemic.	During 2020-21, the regulatory reform initiative and the Invest Victoria grants programs were heavily impacted by the COVID-19 pandemic.  These grants initiatives are expected to be delivered in the 2021-22 financial year.
Capital Asset charges	71.5	71.5	N/A	N/A
Other Operating expenses	208.4	187.0	The lower other operating costs are mainly due to lower-than-expected professional services costs for Commercial Infrastructure Projects (\$6.0m), Regulatory Reform (\$4.5m), purchase of municipal valuations (\$3.0m), Invest Victoria's Research and Development Cash Flow Loans Initiative (\$2.5m), and the other supplies and services costs of \$5.4m (partially resulting from working from home arrangements due to the COVID-19 pandemic).	The delays in output deliverables has led to reduced expenses and a reduction in funding used by DTF.

## Question 14 Expenses/interventions related to COVID-19 pandemic response

For the year 2020-21, please outline the programs and/or initiatives that were announced as part of the Victorian Government's response to the COVID-19 pandemic in the order of the highest amount allocated.

Please indicate if the department made use of emergency advances and retroactive funding approvals.

Please note whether there are identified performance measures in the budget papers related to the announced programs and please provide details of the reported outcomes.

a) On budget

Name of the program/initiative	Program/initiative objectives	Expenditure as at 30 June 2021	Output/Portfolio	Use of emergency advances/retroactive funding approvals – Yes or No	Performance measures for the program/Initiative	Outcomes/project status
Big Housing Build: Expanded Social Housing Growth Fund	Up to 4 200 new social housing dwellings will be built by the community housing sector providing accommodation for some of the most vulnerable Victorians and to provide much needed stimulus to Victoria's economy.	\$3.77 million	DTF administered - Economic and Policy Advice	Yes – Treasurer's Advance	An indicator showing the value of funding commitments made as part of the Big Housing Build will be included in the 2022-2023 budget papers.	The Rapid Grants Round was progressed over 2020-21 and 2021-22 providing \$740 million in funding commitments to the community housing sector for 89 projects to deliver 2352 social housing units.

Support for households and businesses: Payroll tax relief for small and medium businesses	To assist businesses to keep workers employed during the COVID-19 pandemic	\$284.40 million	DTF administered	No	N/A	<p>SRO administered business relief measures as part of the Economic Survival Package.</p> <p>Administration of this measure will continue in 2021-22.</p>
Support for landlords and tenants: Land tax relief	To support landlords and tenants through the crisis and alleviate financial hardship	\$247.50 million	DTF administered	No	N/A	<p>SRO administered business relief measures as part of the Economic Survival Package.</p> <p>The Government has announced a reintroduction of the Commercial Tenancy Relief Scheme including 2021 land tax relief.</p> <p>Administration of this measure will continue in 2021-22.</p>
Big Housing Build: Land transfer duty waiver for residential property transactions	As part of the Government's response to the COVID-19 pandemic, a waiver of up to 50 per cent of land transfer duty will be available on the purchase of residential property in Victoria with a dutiable value of up to \$1 million.	\$336.59 million	DTF administered	No	N/A	<p>SRO administered business relief measures as part of the Economic Survival Package.</p> <p>Administration of this measure will continue in 2021-22.</p>

Support for households and businesses: Congestion levy waiver	To provide relief for car park owners and operators by waiving 25 per cent of the 2020 congestion levy	\$26.28 million	DTF administered	No	N/A	SRO administered business relief measures as part of the Economic Survival Package.  Relief measure is primarily complete, with minor amendments expected in 2021-22.
Regulatory reform package	The Government will support economic recovery through a set of initiatives to improve Victoria's regulatory system and enable firms to innovate and reduce the cost of doing business.	\$14.04 million	DTF controlled - Economic and Policy Advice	No	Contributes to broader DTF measures: <ul style="list-style-type: none"> <li>Regulation reviews completed</li> <li>Regulation reviews completed by scheduled date</li> </ul>	<ul style="list-style-type: none"> <li>Funding has been allocated to 22 reform initiatives that will make it easier for businesses to start up and grow, unlock investment, digitise processes and facilitate access to education and childcare</li> <li>Funding is on track to be fully allocated, expended and initiatives delivered by the end of 2021-22</li> <li>A number of regulatory reviews are underway in areas of concern for business.</li> </ul>

Venture Growth Fund	Funding is provided to co-invest into a venture debt facility with a private investor to inject more capital into the scaleup sector and support companies to grow that do not meet the requirements of traditional lenders.	\$0.29 million	DTF controlled - Invest Victoria	No	<ul style="list-style-type: none"> <li>• Increase funding supply to start-ups providing financial stimulus for them to continue to grow and create more jobs.</li> <li>• Matched funding from private capital investors.</li> <li>• Enhance venture investor skills in Victoria.</li> </ul>	<ul style="list-style-type: none"> <li>• Fund manager EOI issued in May 2021.</li> <li>• Selection panel formed in June 2021.</li> <li>• Two fund managers were selected (subject to further approval).</li> <li>• Fund design completed.</li> <li>• Funds expected to be launched in Q4 of 2021 calendar year.</li> </ul>
Support for households and businesses: Extend the regional First Homeowner Grant	This extension will give more Victorians the opportunity to live locally and enter the property market for the first time, while also supporting jobs in regional Victoria.	\$43.81 million	DTF administered	No	N/A	<p>SRO administered business relief measures as part of the Economic Survival Package.</p> <p>Administration of this measure will continue in 2021-22.</p>
Big Housing Build: Victorian Homebuyer Fund	The Victorian Homebuyer Fund will accelerate Victorians into home ownership. The fund will contribute to the purchase price in exchange for a proportionate equity interest in the property. This reduces the size of the deposit required and will help Victorians buy suitable homes sooner.	\$2.34 million	DTF controlled - Economic and Policy Advice	Yes – Treasurer’s Advance	Performance measures will be developed for the 2022-23 Budget.	The Victorian Homebuyer Fund was launched to the public on 8 October 2021.

Investment attraction package (International Investment Attraction Fund) (IIAF)	Funding is provided for a package of targeted financial incentives to attract business investment to Victoria in line with the Victorian Government's Foreign Direct Investment Strategy.	Nil	DTF controlled - Invest Victoria	No	2020-21 State Budget BP3 Invest Victoria performance measures: <ul style="list-style-type: none"> <li>• Wages generated from international investment secured through Government facilitation services and assistance.</li> <li>• Innovation expenditure generated from international investment secured through Government facilitation services and assistance.</li> </ul>	As at 30 June 2021, five projects have been considered for IIAF funding totalling \$17.82 million in commitments.
Economic Survival Package: Implementation	Funding is provided to the State Revenue Office and the Department of Treasury and Finance for additional resources to help implement the Economic Survival Package in response to the COVID-19 pandemic.	\$13.23 million	DTF controlled - Revenue Management and Administrative Services to Government	No	\$9.7 million budget estimate in 2020-21 Budget Paper 3, - page 137.	SRO administered in excess of \$900 million in business relief measures as part of the Economic Survival package. In addition to these revenue initiatives, SRO implemented the Homebuilder scheme and paid grants of approximately \$370 million, which is funded by the Commonwealth Government. Relief measures and grants will continue to be administered throughout the 2021-22 financial year.

Support for households and businesses: Commercial passenger vehicle services levy waiver	To support taxi and commercial passenger vehicle drivers, who are experiencing hardship as a result of the COVID-19 pandemic	\$5.78 million	DTF administered	No	N/A	SRO administered business relief measures as part of the Economic Survival Package.  Relief measure is primarily complete, with minor amendments expected in 2021-22.
Research and Development Cash Flow Loans	Eligible small and medium-sized enterprises claiming the Commonwealth Government's Research and Development Tax Incentive will have access to a \$50 million fund that will provide low interest loans for up to 80 per cent of their forecast refundable tax offset.	\$0.08 million	DTF controlled - Invest Victoria	No	<ul style="list-style-type: none"> <li>• \$50 million fund is delivered in full</li> <li>• % of loan pool recovered</li> <li>• Under 10% of fund recorded as bad debt</li> </ul>	<ul style="list-style-type: none"> <li>• 52 loan applications received; 33 assessed, 19 awaiting assessment.</li> <li>• 10 of 33 assessed and progressed to drawdown, with another 17 at approval or execution stage.</li> <li>• \$47 million in loan applications received and program will shortly close to new applications.</li> </ul>
Support businesses to open, relocate and expand in regional Victoria	To support regional businesses to open, relocate or expand, and help regional Victoria recover from the effects of the COVID-19 pandemic by providing the 50 per cent land	\$16.40 million	DTF administered	No	N/A	SRO administered business relief measures as part of the Economic Survival Package.  Administration of this measure will continue in 2021-22.



	transfer duty concession for commercial and industrial properties in regional Victoria from 1 January 2021.					
Supporting coronavirus (COVID-19) recovery through procurement	Funding is provided to better leverage the government procurement spend to create employment and training opportunities for members of the community most disadvantaged during the COVID-19 pandemic, in particular women and young people.	\$0.14 million	DTF controlled - Services to Government	No	Recruit a team to provide advice to government buyers on \$20m plus procurements to deliver outcomes for women and young people.	Team established and stakeholder engagement commenced.

b) Off budget<sup>6</sup>

Name of the program/initiative	Program/initiative objectives	Expenditure as at 30 June 2021	Output/Portfolio	Use of emergency advances/ retroactive funding approvals – Yes or No	Performance measures for the program/Initiative	Outcomes/project status
Hotel quarantine costs – interstate reimbursement	Reimbursement payments made to the New South Wales (NSW) State Government for the cost of quarantining international arrivals who reside in Victoria	\$53.17 million	DTF administered	Yes – Treasurer’s advance	N/A	The Victorian State Government participates in the interstate reconciliation of hotel quarantine costs and has reimbursed NSW for Victorian residents’ quarantine costs.
COVID-19 cleaning and security costs	To provide additional cleaning and security costs services in response to COVID-19	\$15.35 million	DTF Administered	Yes - \$6 million is funded by Treasurer’s Advance (noting the remaining cost is covered by DTF SSP within its operating budget)	N/A	SSP has incurred costs additional to its business-as-usual activities for the delivery of relating to the Government’s response to COVID-19 including: <ul style="list-style-type: none"> <li>➤ <b>\$2.59 million for Security</b> – e.g., additional guarding services for entrances by limiting the number of customers entering buildings</li> <li>➤ <b>\$10.74 million for Cleaning</b> – e.g., daily/touchpoint cleans, supply for hand sanitizer and hand disinfectant stations, additional clean for disinfection and</li> </ul>

<sup>6</sup> ‘Off budget’ is where funds for programs/initiatives are not appropriated in the budget and therefore are not accounted for in the budget. For those programs that received appropriations through specially created programs or subprograms of the budget are known as ‘on-budget arrangements’. For example, it could be that most COVID-19 initiatives are off budget items during 2020-21 unless prior budgeted programs were extended/expedited, etc due to COVID-19, then these would be classified as ‘on budget’.

						<p>decontaminations (including +400 COVID-19 bio clean requests).</p> <ul style="list-style-type: none"> <li>➤ <b>\$1.31 million for Rent &amp; other property related costs</b> – e.g. rent relief, additional after hours air-conditioning costs, installation of screens and physical distance signage and site inspections, supply of bio-hazard bins and monthly removal of COVID clinical bins.</li> <li>➤ <b>\$0.71 million for Service Provider Costs</b> – additional costs from the contracted services provider Jones Lang LaSalle to manage covid response, cleans, and re-entry facilitation.</li> </ul> <p>These costs have been offset by a reduction in accommodation costs driven by reduced activity in accommodation sites (\$4.8m). These have largely been made up of:</p> <ul style="list-style-type: none"> <li>➤ Electricity, gas and water</li> <li>➤ Reactive building repairs and maintenance costs</li> <li>➤ Removal and relocation costs.</li> </ul>
Cenitex working from home (WFH) arrangements	To better support VPS to work from home during the COVID-19 pandemic	\$0.52 million	DTF controlled - Services to Government	No	N/A	Supported Whole of Government WFH arrangements in July 2021. Cenitex transferred to the Department of Premier and Cabinet from 1 August 2021.

Liquor license fees	To support pubs, clubs, hotels and bottle-shops by waiving liquor licence renewal fees for 2020 for affected venues and small businesses.	\$0.10 million	DTF administered	No	N/A	SRO administered business relief measures as part of the Economic Survival Package.  The relief measure is primarily complete, with minor amendments expected in 2021-22.
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c) What additional budgetary control and tracking/traceability measures were introduced by the department in 2020-21 to ensure COVID-19 programs/initiatives were deployed effectively and in line with the intended purpose? Were any of these measures amended during 2020-21? If so, how and for what reason/s were they amended?

DTF has continued to use project codes for each of the COVID-19 programs in its Chart of Accounts to allocate the approved funding and track actual YTD expenditure against budget. DTF has also continued to follow advice on reporting and disclosure on *Coronavirus fiscal impacts* provided to all government departments.

In the DTF 2020-21 Annual Report, DTF made a number of disclosures relating to COVID-19 including disclosing the impact on the financial statements of lower revenue or COVID-19 related expenses.

## Question 15 (all departments and entities) Changes to service delivery from savings initiatives

For each of the savings initiatives detailed in the 2017-18 Budget, 2018-19 Budget, 2019-20 Budget and 2020-21 Budget<sup>7</sup> please provide the following details of the impact on service delivery:

- Savings target in the 2017-18, 2018-19, 2019-20 Budget and 2020-21 Budgets and the amount of the savings target allocated to the department/entity
- Actual savings achieved in 2017-18, 2018-19, 2019-20 and 2020-21 and the actions taken to achieve the savings target allocated and their impact, including the link to the relevant output and portfolio impacted.

Savings initiative in the Budget \$ million	Savings target allocated to the department/entity in 2020-21	Actual savings achieved in 2020-21 \$ million	Actions taken to achieve the allocated savings target	What was the impact as a result of the measures taken to achieve the savings target? <i>(e.g. frontline and/or other areas of business that saw the impact)</i> If no impact, how was this achieved	Which output(s) and portfolio(s) were impacted (if relevant)
<b>2017-18</b> Whole of Government efficiencies of \$196.6 million announced in Budget Paper 3 – Page 114	3.1*	3.1*	The Department undertook the following actions: (a) reduce purchase of supplies and services by finding efficiency measures such as better use of technology and systems; and (b) building in-house capability to reduce expenditure on consultants and contractors.	There was no impact on service delivery. The savings were achieved by reducing the costs associated with the service delivery.	Portfolio: DTF Output: All
*The 2017-18 budget savings were distributed to departments in two tranches across 2017-18 and 2018-19.					
<b>2018-19</b> There were no new savings initiatives announced in the 2018-19 Budget.	N/A	N/A	N/A	N/A	N/A

<sup>7</sup> If there were any savings and efficiencies initiatives introduced post 2020-21 Budget.

<p><b>2019-20</b> Whole of Government efficiencies of \$201.3 million announced in Budget Paper 3 – Page 126</p>	<p>1.3</p>	<p>1.3</p>	<p>The Department undertook the following actions: (a) reduce purchase of supplies and services by finding further efficiency measures such as better use of technology and systems; and (b) building in-house capability to reduce expenditure on consultants and contractors.</p>	<p>There was no impact on service delivery. The savings were achieved by reducing the costs associated with the service delivery.</p>	<p>Portfolio: DTF Output: All</p>
<p><b>2020-21</b> There were no new savings initiatives announced in the <i>2020-21 Budget</i>.</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>

### Question 16 (all departments) Achievement of reprioritisation of existing resources

The 2020-21 Budget includes targets for ‘reprioritisation and revenue offsets’ to fund new initiatives (2020-21 Budget Paper No.2, p.75). This is in addition to any savings or efficiencies resulting from expenditure reduction measures. For the department (including all controlled entities),<sup>8</sup> please indicate:

- a) what areas of expenditure (including projects and programs if appropriate) the funding was reprioritised from (i.e. what the funding was initially provided for)
- b) what areas of expenditure were the funds actually spent on
- c) for each area of expenditure (or project or program), how much funding was reprioritised in each year
- d) the impact of the reprioritisation (in terms of service delivery) on those areas.

DTF had no ‘reprioritisation and revenue offsets’ included in Budget Paper No.2, p.75.

Area of expenditure originally funded	Area of expenditure actually funded	Value of funding reprioritised in 2020-21 (\$ million)	Impact of reprioritisation of funding (if no impact, how was this achieved)	Output(s) and portfolio(s) impacted (if relevant)

<sup>8</sup> That is, please provide this information for the department on the same basis of consolidation as is used in the budget papers.

## Question 17 (all departments) Contractors, Consultants and Labour Hire Arrangements

Please indicate how much the department spent on contractors, consultants and labour hire arrangements during 2018-19, 2019-20 and 2020-21. Labour hire arrangements include the cost of engaging the labour recruiting firm, plus additional costs paid to the labour recruiting firm for the provision of the services of the contractor. Please also explain variances equal to or greater than  $\pm 10\%$  between years and list the business areas impacted and how.

Category	2018-19 Actual \$ million	2019-20 Actual \$ million	2020-21 Actual \$ million	Explanation for variances (2018-19 over 2019-20) $\pm 10\%$	Explanation for variances (2019-20 over 2020-21) $\pm 10\%$	Which business areas were impacted/benefitted and how?	Please link your response to relevant output(s) and portfolio(s)
Consultants	\$20.9	\$23.7	\$24.4	The 2019-20 increase related to the overall requirements for consultancies within the Department including the development of a Major Project Leadership Academy program, the commencement of the Suburban Rail Loop project and continuation of the North East Link project.	Variance is below the $\pm 10\%$	2019-20 increase relates to the Office of Projects Victoria and Commercial Division.	2019-20 increase is primarily attributable to Commercial and Infrastructure Advice output.
Contractors (Excluding Labour Hire)	\$15.1	\$24.4	\$26.1	The 2019-20 increase is predominantly related to the provision of accommodation services (Jones Lang Lasalle Australia Pty Ltd) due to the increased portfolio and implementation of the Centralised Accommodation Management program	Variance is below the $\pm 10\%$	2019-20 increase relates to the Shared Service Provider.	2019-20 increase is primarily attributable to Services to Government output.



Labour Hire	\$12.2	\$12.9	\$15.4	Variance is below the $\pm 10\%$	ICT changes associated with administration of Business Relief Measures.	2020-21 increase largely relates to ICT work carried out by SRO.	Administration of COVID-19 business relief initiatives.
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**Question 18 (PNFC and PFC entities only) Dividends and other amounts paid to the general government sector**

Please detail the type and value of dividends, amounts equivalent to dividends, non-dividend grants, and capital repatriations paid by your agency to the general government sector in 2020-21, explaining the reasons for any significant changes over that period and the impact of any changes on the entity.

Please provide the economic funding ratio or accounting funding ratio as applicable at 30 June 2021. Please provide details of the methodology used for the ratio calculation.

**This question does not apply to DTF.**

Type of dividend paid	2020-21 Budget (\$ million) <i>BP 4, pg. 20</i>	2020-21 Actual (\$ million)	Explanations for variances ±10% or \$100 million	Impact on the agency. If no impact, how was this achieved	Funding ratio at 30 June 2021

Economic funding ratio / accounting funding ratio as at 30 June 2021	Details of the methodology

## Section E: Overall financial performance

### Question 19 (all departments) Impact of COVID-19 on financial performance – 2020-21

Please outline and quantify, where possible, the impacts of the COVID-19 pandemic on the department/agency's financial performance.

Line item in the Comprehensive operating statement for the financial year ended 30 June 2021*	2020-21 Budget	2020-21 Actual	Explanation of the impact caused by COVID-19 pandemic
Total revenue and income from transactions	\$718.8 million	\$616.6 million	The COVID-19 pandemic has caused delays in the delivery of the following DTF initiatives, which resulted in a revenue reduction of \$92.29 million. These will be delivered over the forward years: <ul style="list-style-type: none"> <li>• <b>Invest Victoria</b> - Various grant programs (\$49.0 million); initiative for Research &amp; Development cashflow loans (\$1.56 million); and the Hydrogen Energy Supply Chain (\$36.4 million);</li> <li>• <b>Commercial and Infrastructure Advice</b> – North East Link project (\$3.5 million)</li> <li>• Various other initiatives (totalling \$1.83 million).</li> </ul>
Total expenses from transactions	\$678.2 million	\$582.2 million	The COVID-19 pandemic has caused delays in the delivery of the above initiatives, which have resulted in a reduction in the associated expenses totalling \$92.29 million.
Net result from transactions (net operating balance)	\$40.6 million	\$34.4 million	Refer above

\*Source of information: DTF annual report 2020-21 – BPO comprehensive Controlled Operating Statement for the year ended 30 June 2020

## Section F: Public sector workforce

### Question 20 (all departments and entities) Full Time Equivalent (FTE) staff by level and category

Please fully complete the table below, providing actual FTE staff numbers at 30 June 2019, at 30 June 2020 and 30 June 2021 (broken down by the categories listed below) for the department. Please include specific categories as relevant to the department/entity and where relevant, provide a description of what categories constitute 'other'. Please provide figures consolidated on the same basis as the expenditure for the department in the budget papers and detail which, if any, entities are included in the FTE numbers provided.

Category	30 June 2019 Actual FTE number	30 June 2020 Actual FTE number	30 June 2021 Actual FTE number
Secretary	1	1	1
EO-1	7	9	9
EO-2	26	37	35
EO-3	64	75	77
VPS Grade 7 (STS)	13	14	15
VPS Grade 6	271	289	328
VPS Grade 5	321	393	417
VPS Grade 4	263	289	312
VPS Grade 3	267	302	287
VPS Grade 2	93	108	116
VPS Grade 1	5	6	12
**Other	27	30	31
<b>Total<sup>9</sup></b>	<b>1359</b>	<b>1552</b>	<b>1640<sup>10</sup></b>

<sup>9</sup> Figures in table have been rounded.

<sup>10</sup> The growth in FTEs in 2019-20 is largely due to an increase in tax compliance staff for the SRO as part of the Advanced Compliance Program (75 FTE), additional staff for the ESC for energy enforcement (20 FTE), increases in staff to address workload changes for the Shared Services Provider (29 FTE), and additional staff for regulatory reviews and other Government programs (24 FTE).

The growth in FTEs in 2020-21 is largely due to additional resources allocated to procurement reform (8 FTE), IT fixed term projects (10 FTE), and other Government initiatives (15 FTE).

Executive FTE positions shown in the table include acting arrangements. The growth in executive positions in 2019-20 is largely due to the transfer of departmental Chief Financial Officer positions to DTF, and recruitment for new positions in Invest Victoria and the Office of Projects Victoria.

**\*Please provide a breakdown for Youth custodial and Custodial officers by level (for example, YW1, YW2, YW3, YW4, YW5 and YW6).**

**\*\*Other includes: casual staff, legal officers and senior regulatory analysts.**

**Numbers include FTE for the following entities:**

- Department of Treasury and Finance (including Better Regulation Victoria, Invest Victoria, and Office of Projects Victoria)
- State Revenue Office
- Essential Services Commission
- Infrastructure Victoria

## Question 21 (all departments and entities) Salary by employment category

In the table below, please detail the salary costs for 2018-19, 2019-20 and 2020-21, broken down by ongoing, fixed-term and casual, and explain any variances equal to or greater than  $\pm 10\%$  or \$100 million between the years for each category.

**Table 1: Department of Treasury and Finance (DTF)**

Employment category	Gross salary 2018-19 (\$ million)	Gross salary 2019-20 (\$ million)	Gross salary 2020-21 (\$ million)	Explanation for any year-on-year variances $\pm 10\%$ or \$100 million
Ongoing	74.0	87.3	99.3	<p>Approximately \$5 million of the 2019-20 variance can be attributed to Invest Victoria being part of DTF for only six months in 2018-19 following a Machinery of Government transfer of this function to DTF. The remainder of the 2019-20 variance can be attributed to additional funding to deliver programs such as the review of building and planning approvals processes, Suburban Rail Loop Project, commercial transactions, and implementation of the Centralised Accommodation Management program, all of which contributed to growth in DTF's ongoing workforce.</p> <p>The 2020-21 variance can be attributed to 2020-21 budget initiatives, including the Big Housing Build, Regulatory Reform package and Procurement Reform, and the creation of ongoing positions required to support each initiative.</p>
Fixed-term	2.9	4.7	7.1	<p>The 2019-20 variance is primarily attributed to fixed-term staff required to implement DTF's Information Technology strategy.</p> <p>The 2020-21 variance can be attributed to fixed-term staff delivering DTF's IT strategy and budget initiatives listed against the ongoing employment category.</p>
Casual	0.0	0.0	0.0	
<b>Total</b>	<b>76.9</b>	<b>92.0</b>	<b>106.3</b>	<p>Across all employment categories, includes salary progression within the bands, mobility payments and indexed salary increases outlined in the EBA, and time limited payments such as the working from home allowance also contribute to yearly increases in gross salary paid to VPS staff.</p>

**Table 2: State Revenue Office (SRO)**

Employment category	Gross salary 2018-19 (\$ million)	Gross salary 2019-20 (\$ million)	Gross salary 2020-21 (\$ million)	Explanation for any year-on-year variances $\pm 10\%$ or \$100 million
Ongoing	47.4	52.8	61.9	The 2020-21 variance can be attributed to the March 2020 EBA salary increases being processed in November 2020, December 2020 EBA salary increases, mobility payments and working from home allowances.
Fixed-term	3.6	4.1	3.9	
Casual	0.0	0.0	0.0	
<b>Total</b>	<b>51.0</b>	<b>56.9</b>	<b>65.8</b>	

**Table 3: Essential Services Commission (ESC)**

Employment category	Gross salary 2018-19 (\$ million)	Gross salary 2019-20 (\$ million)	Gross salary 2020-21 (\$ million)	Explanation for any year-on-year variances $\pm 10\%$ or \$100 million
Ongoing	11.8	13.6	16.5	The 2020-21 variance is attributed to additional funding secured for the Energy Fairness and Victorian Energy Upgrades (VEU) program expansion.
Fixed-term	2.6	2.6	3.7	
Casual	0.1	0.1	0.0	
<b>Total</b>	<b>14.5</b>	<b>16.2</b>	<b>20.2</b>	

**Table 4: Infrastructure Victoria**

Employment category	Gross salary 2018-19 (\$ million)	Gross salary 2019-20 (\$ million)	Gross salary 2020-21 (\$ million)	Explanation for any year-on-year variances $\pm 10\%$ or \$100 million
Ongoing	4.0	4.0	3.6	Fluctuating work program year-to-year with different resourcing requirements.
Fixed-term	0.1	0.7	1.8	
Casual	0.1	0.1	0.1	
<b>Total</b>	<b>4.2</b>	<b>4.8</b>	<b>5.5</b>	

**Question 22 (all departments and entities) Executive salary increases**

Please detail the number of executives who received increases in their base remuneration in 2020-21, 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.

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2020-21, apart from increases outlined in employment agreements			Reasons for these increases
	Female	Male	Self-described	
0-3%	11	10 <sup>(a)</sup>		One reclassification and progression through the salary bands reflecting performance, experience and workload.
3-5%	7	5		Progression through the salary bands reflecting performance, experience and workload.
5-10%	3 <sup>(b)</sup>	6		Progression through the salary bands reflecting performance, experience and workload.
10-15%				
greater than 15%				

(a) Includes two from the Essential Services Commission.

(b) Includes one from the State Revenue Office.



# Section G: Government decisions impacting on finances

## Question 23 (all departments and entities) Commonwealth Government decisions

Please identify any Commonwealth Government decisions during 2020-21 which had not been anticipated/not been concluded before the finalisation of the State budget in 2020-21 and their impact(s) on the department's/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(s) in 2020-21	
	on income (\$ million)	on expenses (\$ million)
Nil		

**Question 24 (all departments and entities) Commonwealth and National Cabinet decisions**

Please identify any Commonwealth and National Cabinet decisions during 2020-21 which had not been anticipated/not been concluded before the finalisation of the State Budget in 2020-21 and their impact(s) on the department’s/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.

Commonwealth Government decision	Impact in 2020-21	
	on income (\$ million)	on expenses (\$ million)
Nil		

National Cabinet decision	Impact in 2020-21	
	on income (\$ million)	on expenses (\$ million)
Nil		

## Section H: General

### Question 25 (all departments and entities) Reviews/studies undertaken

- a) Please list all internal<sup>11</sup> and external reviews/studies, established, commenced or completed by or on behalf of the department/agency in 2020-21 and provide the following information:
- i. Name of the review/study and which portfolio and output/agency is responsible
  - ii. Reasons for the review/study
  - iii. Terms of reference/scope of the review/study
  - iv. Timeline for the review/study
  - v. Anticipated outcomes of the review/study
  - vi. Estimated cost of the review/study and final cost (if completed)
  - vii. Final cost if completed
  - viii. Where completed, whether the review/study is publicly available and where.

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for the review/study	Terms of reference/scope	Timeline	Anticipated outcomes	Estimated cost (\$)	Final cost if completed (\$)	Publicly available (Y/N) and URL
Office of Projects Victoria International Major Infrastructure Projects Benchmarking Review	To obtain an understanding at a global level the adherence to cost and program of major infrastructure projects	Document initial vs final project cost and program data in OECD nations that deliver similar infrastructure projects. Determine frequency and extent of overruns to cost and program.	March-April 2021	Based on quantitative data, an understanding of the extent of cost and program overruns on global infrastructure projects to be able to compare Victoria's performance on similar projects.	\$330 000	\$330 000	No

<sup>11</sup> Internal reviews do not include internal costings. Internal reviews/studies include any reviews or studies undertaken by your department and not given to external consultants. Internal reviews/studies do not include inquiries carried out by Parliamentary Committees or reviews undertaken by integrity agencies.

Invest Victoria Review of the Victorian International Investment Strategy	To review the Victorian International Investment Strategy in light of the impact of the COVID-19 pandemic and validate priority sectors.	To enable an independent desktop review of the Victorian Government's International Investment Strategy that seeks to validate the priorities outlined in the Strategy, identify any potential gaps and recommend reasonable adjustments to account for the significant impact of COVID-19 on the international investment landscape.	August 2020 - October 2020	1. Review of the Strategy. 2. A final report, in an agreed format, that compiles all relevant components of the project at conclusion and includes the elements identified in the Engagement Objectives.	\$88 746 (excluding GST)	\$88 746 (excluding GST)	No
Invest Victoria Payroll tax BSF impact study	The objective of the study was to measure the direct effect of the support offered to businesses through various support programs, understand the impact these policies had on businesses and workers, assess the effectiveness.	The study assesses the support measures announced between March and August 2020, including the \$820 million in payroll tax waivers and refunds for the 2019-2020 financial year and \$1.47 billion in grants through the Business Support Fund.	The project commenced in August 2020 and was completed in November 2020.	A detailed report on an impact assessment of the payroll tax and business support package deployed in response to COVID-19 in Victoria.	\$105 000 (excluding GST)	\$105 000 (excluding GST)	No

<p>Invest Victoria An independent evaluation of the economic contribution of projects supported through the Investment Attraction and Assistance Program (IAAP).</p>	<p>As per the Victorian Treasury Guidelines, a program must be evaluated when the funding cycle is complete (even if it is a recurring program). The study's focus was to understand the outcomes of IAAP funded projects over the period 2015-2019 and to provide evidence-based recommendations to enhance future investment promotion activities.</p>	<ul style="list-style-type: none"> <li>- Evaluate the program's effectiveness as a foreign and domestic investment attraction program, directed by the program's guidelines and objectives.</li> <li>- Quantify the economic contribution of the IAAP funded projects to the State's economy to demonstrate the value of the program in terms of strategic economic impact.</li> </ul> <p>Provide recommendations and insights to Invest Victoria to enhance program design, monitoring and evaluation.</p>	<p>The review period was 2015-19. This project was formally commenced in June 2020 and was completed June 2021.</p>	<p>An evaluation report summarising the outcome of IAAP funded projects in last five years, evidence-based recommendations for streamlining future activities. A framework for future evaluations.</p>	<p>\$65 691 (including GST)</p>	<p>\$77 791 (including GST)</p> <p>A variation of \$12 100 was sought to undertake sectoral CBA work.</p>	<p>No</p>
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Invest Victoria Decarbonisation	To help inform the Victorian Government post COVID-19 responses to help drive FDI to the state and help key industries transition to a lower carbon future.	Stage 1 - Identify and develop green investment priorities and opportunities for inbound investment. Stage 2 - Develop a detailed plan to attract inbound foreign investment for identified priorities	This project formally commenced in June 2020 and was completed in November 2020.	The identification of potential investments associated with decarbonisation to pursue in the context of economic recovery including a considered view on potential sectors, markets and firms.	\$330 000 (including GST)	\$330 000 (including GST)  DELWP co-sponsored this project and contributed 50 per cent of the full cost.	No, as an Internal document, this work will be used to inform in market strategies and target firm plans.
Invest Victoria Development of an Urban Air Mobility industry policy blueprint	The development of an Urban Air Mobility (UAM) industry policy blueprint, addressing the economic benefits associated with Victoria actively attracting UAM leaders internationally	Presented a recommended pathway/s to support the emergence of a local industry.	August – October 2020	To support whole of government effort to develop a policy position on the State’s role in developing the sector.	\$316 364 (including GST)	\$316 364 (including GST)  VicTrack co-sponsored this project and contributed 50 per cent of the full cost.	No
Invest Victoria Economic Analysis of government participation models in the Advanced Aerial Mobility (AAM) sector	The development of and economic assessment including cost benefit analysis of different Government participation	Detailed quantification of economic benefits and evidence-based assessment of the change in the speed of development of the industry under	February – April 2021	To identify the incremental costs and benefits of three identified different cases for government participation and investment in the emerging AAM industry,	\$279 580 (excluding GST)	\$279 580 (excluding GST)  VicTrack co-sponsored this project and	No

	models in the AAM industry that have been identified in previous work undertaken.	each of the proposed pathways/options for Government presented.		including identifying all relevant material impacts and economic benefits associated with the defined project options and their proposed timing.		contributed \$100 000.	
Invest Victoria Review of the Hydrogen Energy Supply Chain Pilot Project (HESC) Engineering	To review and provide oversight of the engineering milestone deliverables submitted for the HESC by the Japanese consortium ensuring that the facility will be constructed, commissioned, and operated safely.	Provide advice and prepare reports regarding funding agreement engineering milestone deliverables for the HESC in particular: 1. Engineering Review at the Latrobe Valley facilities: 2. provide ongoing technical support for the HESC pilot project and Invest Victoria's involvement in all technical aspects of the HESC project. 3. Review of technical aspects of the commercialisation plan.	July 2020 – December 2021	Detailed review of the engineering milestone deliverables submitted for the Hydrogen Energy Supply Chain Pilot Project (HESC).	\$399 008 (including GST)	\$202 649.36 (including GST)	No

Invest Victoria Review of HESC Commercialisation plan	To review the Hydrogen Energy Supply Chain Pilot Project (HESC) Commercialisation Plan submitted by the Japanese consortium.	Provide a review of the three iterations of the Hydrogen Energy Supply Chain Pilot Project (HESC) Commercialisation Plan.	September 2020 – December 2021	Detailed review of the Commercialisation Plan submitted for the Hydrogen Energy Supply Chain Pilot Project (HESC) by the Japanese consortium.	\$243 644.50 (including GST)	\$121 770 (including GST) (final instalment to be paid on completion of the project)	No
Invest Victoria Alternative Funding mechanisms to assist small and medium businesses.	To undertake an analysis to define market opportunities across a series of alternative market interventions.	Complete a review of the industry landscape, complete some jurisdictional research and analyse the effectiveness of the following high priority funding initiatives: Venture debt fund, Commercialisation fund and a Credit guarantee scheme.	Completed in October 2020	This report provided the necessary insight, evidence and support in deciding potential initiatives would be most impactful in the Government's overarching economic recovery strategy. Providing recommendations on potential effective and impactful initiatives, and Identification of risks and design features.	\$181 818 (excluding GST)	\$181 818 (excluding GST)	No



- b) Please outline the Department's/Agencies in house skills/capabilities/expertise to conduct reviews/studies/evaluations/data analysis of the programs and services for which the Department /Agency is responsible.

The Office of Projects Victoria has the necessary skills to analyse project performance data.

While Invest Victoria has a certain amount of in-house capability in relation to these areas, it should be noted that:

**IAAP evaluation** – appropriate for program evaluation to be undertaken independently.

**Decarbonising the Victorian Economy** – considered to be a specialised area of expertise, which was (where appropriate) supplemented by in house expertise.

**HESC** - It was originally envisaged that an engineer would be recruited to provide this program management function and technical advice to Invest Victoria. However, due to the complexity of the HESC Pilot Project it was determined that a single engineer would not have sufficient breadth of expertise across all elements of the supply chain to accomplish this task. Invest Victoria went through a targeted procurement process in July 2020 seeking a supplier to provide the engineering consultancy services for the administration of the HESC funding agreement.

**Alternative Funding mechanisms** – required external specific expertise in capital markets analysis.

- The Department has extensive in-house analytical expertise that enables the provision of quality advice on the programs and services for which we are responsible.
- The Department has relevant specialist, quantitative analytical expertise in fields including, but not limited to:
  - time series econometric modelling that contributes to economic and revenue forecasting capabilities;
  - microeconomic modelling methods;
  - computable general equilibrium modelling;
  - big data analytical methods;
  - policy costing;
  - policy evaluation;
  - financial modelling; and
  - cost-benefit analyses.
- The Department regularly publishes our staff research publication *Victoria's Economic Bulletin* on the DTF website, that is illustrative of our in-house analytical capabilities.
- As part of our 2021-25 Corporate Plan, the Department has prioritised continuing to build economic modelling and forecasting capabilities under our objective to *Strengthen Victoria's Economic Performance*.

## Question 26 (all departments) Annual reports – performance measure targets and objective indicators

a) Please provide the following information on performance measures that did not meet their 2020-21 targets.

Performance measure	2020-21 target (Budget)	2020-21 actual (Annual report)	Variance	Explanation	Output(s) and portfolio(s) impacted
Unqualified audit reports/reviews for the State of Victoria Financial Report and Estimated Financial Statements	2	3	50 per cent	The higher 2020-21 reflects the delay of the Budget from May 2020 to November 2020 due to the COVID-19 pandemic.	Budget and Financial Advice
Annual financial management compliance report for the previous financial year is submitted to the Assistant Treasurer	Dec 2020	May 2021	n/a	This report was delayed due to a COVID-19 reporting extension provided to departments and agencies. The report was submitted in April and approved by the Assistant Treasurer in May 2021.	Budget and Financial Advice
Total output cost	32.8 million	36.7 million	12 per cent	The higher 2020-21 actual reflects internal reprioritisation of resources required to provide additional analysis and advice on government initiatives relating to COVID-19.	Budget and Financial Advice
Compliance revenue assessed meets target	>95 per cent	81 per cent	-15 per cent	Revenue from compliance programs was lower as less debts were pursued due to COVID-19 to reduce impacts on business.	Revenue Management and Administrative Services to Government

Ratio of outstanding debt to total revenue (monthly average)	<2 per cent	3.24 per cent	62 per cent	Higher debt levels and corresponding KPI results are attributable to a number of factors related to COVID-19 including: granting of payment deferrals and extensions, Land Tax (LTX) relief applications, temporary suspension of debt activities including reminder letters. Legal action and external debt collection, reduced payment capacity of taxpayers, and carry over of debt from 2019 LTX assessments.	Revenue Management and Administrative Services to Government
Timely handling of objections (within 90 days)	≥80 per cent	78 per cent	2 per cent	Minor variance between target and actual.	Revenue Management and Administrative Services to Government
Accuracy of estimating the employment growth rate in the State budget	≤1.0 percentage point variance	2.25	125 per cent	Victoria's economic and employment recovery was stronger and more rapid than forecast in the <i>2020-21 Budget</i> .	Economic and Policy Advice
Price approvals of regulated businesses	20	19	-5 per cent	No Local Government applications were received.	Economic Regulatory Services
Total output cost	31.7 million	32.3 million	1.8 per cent	Minor variance between target and actual.	Economic Regulatory Services
Gateway reviews undertaken	70	62	-11 per cent	The lower 2020-21 actual reflects the deferral of some reviews to the 2021-22 financial year due to disruptions associated with COVID-19. Gateway reviews are dependent upon the project/program team's readiness to undertake the review.	Commercial and Infrastructure Advice

Revenue from sale of surplus Government land including Crown land	150 million	97.1 million	-35 per cent	Most land sales were delayed for the first six months of this financial year due to COVID-19 restrictions preventing auctions from being held.	Commercial and Infrastructure Advice
Total accommodation cost	397 million	389 million	-2 per cent	Minor variance between target and actual.	Services to Government
Workspace ratio	12 square metre per FTE	13.7 square metre per FTE	14 per cent	The utilisation of the Serraview accommodation management system has improved data accuracy and the number of sites measured. Some of the buildings now included in the data set have inefficient older fitout designs and specific workplace needs which result in lower density, and this has resulted in higher 2020-21 actuals. Work continues on new fitout solutions and building restacking to improve the efficient use of workspaces.	Services to Government

b) Please provide the following information for objective indicators where data was not available at publication of the annual report

Objective indicators stated in annual report for which data was not available at date of publication	Best available data for 2020-21 and relevant date	Explanation for the absence of data in annual report	Action taken to ensure timely data for 2021-22 annual report
Nil			

## Question 27 (all departments and entities) Challenges experienced by department/agency

Please list a minimum of five main challenges/risks faced by the department/agency in 2020-21.

A significant challenge may be any matter or strategy that impacted the department/agency, whether it arose externally or internally or as a result of new policy or legislation.

	Challenge experienced	Internal/ External	Causes of the challenge	Action taken to manage the challenge/risk
1.	Challenging fiscal environment	External	Global economic uncertainty due to COVID-19	The Department has provided ongoing economic and financial analysis and advice to support the delivery of the Government's priorities, including its response to COVID-19.
2.	Delivering key publications remotely	External	Challenges in adjusting to remote work	DTF has successfully delivered on both the <i>2021-22 State Budget</i> and <i>2020-21 State Budget</i> , as well as other key publications including the <i>2020-21 Financial Report</i> .
3.	Information security in a remote working environment	Internal	Risk of cyber threats as staff work remotely	DTF has developed a cyber safety strategy which outlines how DTF protects information from internal and external threats as well as the systems and capability required to prevent information loss, malicious alteration and unauthorised use.
4.	Complex operating environment	Internal	Increased workload and resource allocation challenges due to the ongoing work to support Government in delivering BAU programs in addition to programs for economic recovery.	DTF's flexible workforce supports any short term resource gaps that arise. DTF also maintains good relations with Ministers and other stakeholders to assist in managing and prioritising the Department's workload.

5.	Attracting and retaining staff with the appropriate capabilities	Internal	Difficulties associated with delivering capability development activities such as facilitation of training, mentorship and other learning and development activities in a remote environment.	<p>To support the attraction of the right people and to reduce workload stress on managers and executive staff, a centralised recruitment function was launched in February 2021.</p> <p>Furthermore, DTF's LinkedIn Learning platform has been launched to support capability uplift for managers and staff in leading and working in a hybrid workplace. The 2021 DTF leadership program includes a new module 'coaching and managing up' to support leaders' capability and effectiveness in developing their staff.</p>
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**Question 28 (all departments) Newly created bodies**

Please list all newly created bodies (authorities, offices, commissions, boards and/or councils) created within the department in 2020-21 and provide the following information:

- Date body created
- Expenditure in relevant financial year
- FTE staff at end of relevant financial year
- Purpose/function(s) of the body

**DTF does not have newly created bodies created within the department in 2020-21.**

Name of the body	Date body created	Expenditure in 2020-21	FTE staff	Purpose/function(s) of the body	Who the head of the newly created body directly reports to

# Section I: Implementation of previous recommendations

## Question 29 (relevant departments only)

- a) Please provide an update on the status of the implementation of each of the below recommendations that were made by the Committee in its *Report on the 2019-20 Financial and Performance Outcomes* and supported by the Government.

The Government has not yet released its response to the Report on the 2019-20 Financial and Performance Outcomes.

Department	Recommendations supported by Government	Actions taken at 30 September 2021



- b) Please provide an update on the status of the implementation of each of the recommendations that were made by the Committee in its *Report on the 2017-18 and 2018-19 Financial and Performance Outcomes* supported by the Government.

Department	Recommendations supported by Government	Actions taken at 30 September 2021
Department of Treasury and Finance	<b>Recommendation 1:</b> The Department of Treasury and Finance (DTF) consider reporting on the actual revenue forgone and/or earned from individual revenue initiatives announced in State Budgets across the forward estimates.	DTF continues to report both new and existing revenue initiatives through both the State Budget and Budget Update publications. As indicated previously, actual revenue forgone and/or earned from revenue initiatives is reported in the Annual Financial Report (AFR). The AFR is audited by the Auditor-General.  DTF has and will continue to seek opportunities to enhance transparent reporting of revenue initiatives where possible, including in the tax expenditure tables in the annual State Budget and Budget Update publications.
Department of Treasury and Finance	<b>Recommendation 2:</b> All departments consider publishing their Social Procurement Strategies to enhance transparency and enable the evaluation of performance against strategic priorities.	DTF supports the recommendation to publish its Social Procurement Strategy. As at 30 September 2021 DTF is updating its Social Procurement Strategy and plans to publish it early in 2022.
Department of Treasury and Finance	<b>Recommendation 3:</b> The 2019-20 Model Report for the Victorian Government Departments consider including guidance on the reporting of reviews and studies undertaken by departments, including guidance on the associated costs and the outcomes that are expected to be delivered.	DTF is currently developing a definition of what would constitute a review or study for the purposes of inclusion in annual reports, and plans to consult with departments to inform inclusion in the 2021-22 Model Report. This work flows from DTF's previous response to this recommendation, which advised that implementing it would require establishing a robust definition of what constitutes a review or study which is sufficiently structured to merit reference in an annual report, and criteria to identify separately the cost of internal reviews and studies which are undertaken as part of normal policy development.

<p>Department of Treasury and Finance</p>	<p><b>Recommendation 13:</b> Where a project is removed from the High Value High Risk process and any future gateway reviews, an explanation for the removal of the project consider being published in either the relevant department’s annual report or the subsequent year’s budget.</p>	<p>DTF continues to implement the recommendation to publicly disclose projects where they have been removed from High Value High Risk framework.</p> <p>As at 30 June 2021, there are no instances of a project having been removed from the High Value High Risk process, based on the most recent project list published in the 2020-21 Annual Financial Report tabled 15 October 2021.</p>
<p>Department of Treasury and Finance</p>	<p><b>Recommendation 41:</b> The Department of Treasury and Finance consider amending the Model Report to require departments to outline in their annual reports the underlying reasons for significant proportions of output funding not being spent in a year and carried forward, and the subsequent impact on the delivery of services and outcomes for that year.</p>	<p>DTF is currently reviewing its existing guidance on the presentation of output reporting and plans to include updates in the 2021-22 Model Report which will encourage departments to outline the impact of output funding variances on service delivery and include additional detail on the underlying reason for any underspends.</p>
<p>Department of Treasury and Finance</p>	<p><b>Recommendation 48:</b> In line with the 2017–18 and 2018–19 Model Reports, the Department of Treasury and Finance consider disaggregating financial information by output not objective in future annual reports</p>	<p>The Department of Treasury and Finance (DTF) has agreed in principle to consider preparing the controlled financial statements by output. For the administered disclosures, initial review work will be undertaken to assess the relevance of output reporting disclosures.</p> <p>Furthermore, the department is committed to further streamline the Department’s financial statements which is supported by the Victorian Auditor General’s Office (VAGO).</p> <p>DTF will revisit this recommendation in line with streamlining the Department’s financial statements with the intent on improving the readability of the Annual Financial Statements and focus on what is important to help the users of the report.</p>

<p>Department of Treasury and Finance</p>	<p><b>Recommendation 51:</b> The Department of Treasury and Finance consider publishing guidance to explain the difference between the former economic funding ratio and the current insurance funding ratio to enable appropriate scrutiny of the financial sustainability of the Victorian Managed Insurance Authority and other relevant bodies.</p>	<p>The Department of Treasury and Finance (DTF) previously indicated that guidance on the Insurance Funding Ratio (IFR) would be published on the DTF website by the end of 2020-21. However, as part of the ongoing financial oversight of these entities, DTF is reviewing the methodology that underlies the calculation of the IFR to ensure it remains appropriate and will publish guidance material that reflects the outcome of this review by the end of 2021-22.</p>
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## Section J: Department of Treasury and Finance only

### Question 30 (DTF only) Revenue certification

The Resource Management Framework outlines that on receipt of a revenue certification invoice, DTF assesses actual departmental output performance against agreed performance measures based on output delivery. In the event that assessment at output level may be deemed inappropriate, DTF and the department may agree on alternative, suitable and appropriate performance information that could be used as the basis for revenue certification.<sup>12</sup>

Please detail all outputs which DTF assessed as not having met their measures for 2020-21, indicating for each:

- a) the relevant Department, output and portfolio
- b) the performance measure(s) not met
- c) the reasons provided by the Department for the performance measure(s) not being met
- d) the amount of the initial invoice
- e) the amount of revenue certified
- f) the evidence base used for the revenue certification.

Department	Output(s) and portfolio(s)	Performance measure(s) not met	Reason for not meeting the measure(s)	Initial invoice (\$ million)	Revenue certified (\$ million)	Evidence used for approving the invoice or not approving the invoice

Due to the material impact of the COVID-19 pandemic and its associated impacts on departmental resourcing and performance data, DTF adjusted its standard revenue certification process consistent with the treatment taken in 2019-20 to ensure that departments were not adversely disadvantaged.

While there were some performance measures that had been significantly affected by the pandemic, the associated invoice was fully certified. DTF assessed departmental revenue claims based on actual revenue drawdowns as well as other information that may be available outside of performance information.

<sup>12</sup> Resource Management Framework, pg. 101

### Question 31 (DTF only) Net cash flows from investments in financial assets for policy purposes – General Government Sector (GGS)

Financial assets include cash, investments, loans and placements. This question seeks to ascertain the variance behind the estimated value of the financial assets held versus the actual value of the financial assets and the projects that contributed to the variance.

Regarding the ‘net cash flows from investments in financial assets for policy purposes’ in the GGS cash flow statement for 2020-21, please provide:

- a) the top five projects that contributed to the variance recorded in each year
- b) the initial budget estimate (not the revised estimate) for net cash flow in 2020-21 (source: 2020-21 BP 4, pg. 11) and the actual net cash flow in 2020-21 ( )
- c) an explanation for variances between budget estimate and actual net cash flow.

	Project name	Department	Output(s) and portfolio(s)	Estimated net cash flow in 2020-21	Actual net cash flow in 2020-21	Variance explanation
1.	Victorian Transport Fund (VTF) drawdown	DTF	Commercial and Infrastructure Advice	1 877	930	The variance is driven by the timing of expenditure from the Victorian Transport Fund.
2.	Transport equity investments in public non-financial corporations	DOT	Public Transport	(267)	(20)	The variance to the published budget is primarily driven by DOT’s equity investment in public non-financial corporations. Building works were originally budgeted as a transfer of funding (an impact to policy purposes), however, was subsequently revised to a transfer of non-financial assets.
3.	Capital repatriations	DTF	Commercial and Infrastructure Advice	395	0.0	The variance primarily relates to negotiated changes in settlement periods of land sales since the original figures were published.
4.	Victorian Homebuyer Fund	DTF	Housing Concessions	(50)	0.0	The variance relates to estimated loans provided to eligible homebuyers as a co-contribution for their deposit that were included in the published budget but subsequently rephased into 2021-22.

5.	Solar Homes	DELWP	Solar Homes	(116)	(51)	The variance is driven by a slower than anticipated uptake in loans by consumers.
	Other			(645)	(596)	The remaining variance relates to a number of small variances across various portfolios.
	<b>Total net cash flow</b>			<b>1194</b>	<b>263</b>	

### Question 32 (DTF only) Purchases of non-financial assets – General Government Sector (GGS)

Regarding the ‘purchases of non-financial assets’ by the GGS in 2020-21 (source: 2020-21 BP 4, pg. 31), please compare the initial budget estimate for each department to the actual value of ‘purchases of non-financial assets’ for each department, explaining any variances equal to or greater than ±10% or \$100 million (please fill all blank spaces) and then link it to the relevant output and portfolio. For variance greater than ±10% or \$100 million, please provide a breakdown of the non-financial asset purchased.

By department	Types of non-financial assets	Initial budget estimate 2020-21 \$ million	Actual 2020-21 \$ million	Variance (%)	Variance explanation	Relevant Output(s) and portfolio(s)
Department of Health and Human Services	N/A	1 961	N/A	N/A	Effective from 1 February 2021, the Department of Health and Human Services (DHHS) was renamed the Department of Health, and the new Department of Families, Fairness and Housing was created. Consequently, a comparison is not applicable as DHHS did not record full year actual results for 2020-21.	N/A
Department of Health	Property, plant and equipment	1 961	1 207	-38%	The variance to budget is primarily due the Machinery of Government changes, effective 1 February 2021 where the Department of Health and Human Services (DHHS) was renamed the Department of Health, and the new Department of Families, Fairness and Housing was created. Funding for a number of capital projects was also rephased from 2020-21 to 2021-22 and the forward estimates.	Output: • Admitted Services  Portfolio: • Primarily Health

Department of Families, Fairness and Housing	N/A	N/A	61	N/A	Effective from 1 February 2021, the Department of Health and Human Services was renamed the Department of Health, and the new Department of Families, Fairness and Housing (DFFH) was created. Consequently, a comparison is not applicable as DFFH did not have a budget estimate in the <i>2020-21 Budget</i> .	N/A
Department of Jobs, Precincts and Regions	Property, plant and equipment	120	72	-40%	The variance to the original published budget is primarily due to a reclassification of project expenditure from capital to operating expenses for regional GovHubs, an underspend in AgriBio Expansion Space Fitout with expenditure to be incurred in 2021-22, and a reclassification of expenses for the NGV Contemporary capital project.	Output: <ul style="list-style-type: none"> <li>• Agriculture</li> <li>• Regional Development</li> </ul> Portfolio: <ul style="list-style-type: none"> <li>• Agriculture</li> <li>• Regional Development</li> <li>• Creative Industries</li> </ul>
Department of Transport	Property, plant and equipment	7 013	7,430	6%	The variance to the published budget is primarily due to expenditure across a number of major transport projects, including the Level Crossing Removal Project, Safer Road Infrastructure Program, New Trains for Sunbury, Regional Rail Sustainability and Geelong Rail Line Upgrade. Some of the funding for projects was held in contingency in the original published budget, including the Level Crossings Removal Project.	Output: <ul style="list-style-type: none"> <li>• Integrated Transport</li> <li>• Road Operations and Network Improvements</li> <li>• Creative Industries Cultural Infrastructure and Facilities</li> </ul> Portfolio: <ul style="list-style-type: none"> <li>• Public transport Major projects</li> </ul>



Department of Education and Training	Property, plant and equipment, Freehold Land, Crown Land and Land Improvement	2 178	1 689	-22%	The variance to the published budget is primarily due to rephases of spending from 2020-21 to 2021-22. This includes Upgrades and Modernisation, New Schools Construction and Education Plans and Land acquisition.	Output: <ul style="list-style-type: none"> <li>• School Education - Primary</li> <li>• School Education - Secondary</li> </ul> Portfolio: <ul style="list-style-type: none"> <li>• Education</li> </ul>
Department of Justice and Community Safety	Property, plant and equipment	1 439	926	-36%	The variance to the published budget is primarily due to rephases for a number of capital projects for prisons, including the Chisholm Road Prison project, the Men's Prison System Capacity project and the new youth Justice centre.	Output: <ul style="list-style-type: none"> <li>• Criminal Law Support and Reform</li> <li>• Prisoner Supervision and Support</li> <li>• Youth Justice Community Based services</li> </ul> Portfolio: <ul style="list-style-type: none"> <li>• Corrections</li> </ul>
Department of Environment, Land, Water and Planning	Property, plant and equipment, Freehold Land, Crown Land and Land Improvement	227	108	-53%	The variance to the published budget is primarily due to carryover and rephases across a number of capital projects, including Solar Homes projects, Enhancing Victoria's Liveability Through Improvements to the Parks and Reserves Estate, Melbourne Strategic Assessment, and other capital projects.	Output: <ul style="list-style-type: none"> <li>• Energy</li> <li>• Management of Public Lands and Forests</li> </ul> Portfolio: <ul style="list-style-type: none"> <li>• Energy, Environment and Climate Change</li> </ul>

Court Services Victoria	Property, plant and equipment	147	83	-44%	The variance to the published budget is primarily due to the carryover and rephase of a number of projects, including: the Bendigo Redevelopment, the Drug Court Pilot CBD and regional expansion, a new case management system for the Magistrates' Court and Children's Court, and a request to rephase of the Youth Justice Reforms.	Output: • Courts  Portfolio: • Corrections
Department of Premier and Cabinet	Property, plant and equipment	33	35	8%	Immaterial	N/A
Department of Treasury and Finance	Property, plant and equipment	138	118	-14%	The variance to the published budget reflects delays in various projects due to the COVID-19 pandemic, including works on DTF's own buildings and Greener Government Buildings implementations at various health services such as Eastern Health – Angliss Hospital, Maroondah Hospital, Monash Health – Moorabbin Hospital and Ballarat Health Services.	Output: • Services to Government  Portfolio: • Treasurer • Assistant Treasurer
Parliamentary Departments	Property, plant and equipment	30	31	3%	Immaterial	N/A

### Question 33 (DTF only) Revenue initiatives

Regarding the revenue initiatives announced in the 2020-21 Budget, please provide an explanation for the variances equal to or greater than ±10% or \$100 million between budget estimates and the actual results.

Initiative <sup>4</sup>	2020-21 Budget estimate (\$ million)	2020-21 actual (\$ million)	Explanation for any variance ±10% or \$100 million
<b>Bushfire recovery</b>			
Supporting business to relocate, expand and recover in bushfire-affected areas	(2.0)	(3.4)	The variance is primarily attributable to the number of transactions eligible for this grant being higher than expected.
Tax relief for communities affected by the bushfires	(1.1)	(0.6)	The variance can be attributable to a difference in the take-up of the support compared to the expectation.
<b>Coronavirus (COVID-19) Tax Relief</b>			
Support for households and businesses: Commercial passenger vehicle services levy waiver	(8.3)	(5.8)	The number of trips for the June 2020 quarter was lower than anticipated due to the COVID-19 pandemic.
Support for households and businesses: Congestion levy waiver	(30.0)	(26.3)	The number of leviable parking spaces in 2020-21 was less than anticipated.
Support for households and businesses: Extend the regional First Home Owner Grant	(23.6)	(43.8)	The variance is primarily attributable to the number of transactions eligible for this grant being higher than expected, due to a strong recovery in property market conditions after the easing of public health restrictions in late 2020.
Support for households and businesses: Liquor licence renewal fee waivers	(19.3)	(21.3)	The number of licensees eligible for a renewal fee waiver due to the COVID-19 pandemic were higher than anticipated.

Initiative <sup>4</sup>	2020-21 Budget estimate (\$ million)	2020-21 actual (\$ million)	Explanation for any variance ±10% or \$100 million
Support for households and businesses: Payroll tax relief for small and medium businesses	(327.8)	(284.4)	The value of waivers and refunds provided to businesses in 2020-21 was less than estimated. The total cost of waivers (\$957 million) was within 5 per cent of the 2020-21 Budget estimate (\$1 005 million) with \$672.6 million previously recognised in 2019-20.
Support for landlords and tenants: Land tax relief	(299.3)	(247.5) <sup>1</sup>	<p>The State has recognised land tax relief of \$247.5 million to eligible landowners in 2020-21, including further 2021 land tax relief announced as part of the reintroduced Commercial Tenancy Relief Scheme. This is in addition to relief provided during the 2019-20 financial year.</p> <p>The take up of land waivers related to 2020 and the initial 2021 land tax relief was lower than estimated at the 2020-21 Budget.</p> <p>The variance is due to the relief being demand driven, and subject to the amount of relief landlords provided to their tenants.</p>
Support for landlords and tenants: Waive 2021 vacant residential land tax	(6.1)	N/A <sup>2</sup>	
<b>Economic Support and Recovery</b>			
Big Housing Build: Land transfer duty waiver for residential property transactions of up to \$1 million	(125.9)	(336.6)	The variance is primarily attributable to the higher-than-expected number of property transactions, due to the strong recovery in property market conditions after the easing of public health restrictions in late 2020.
Land tax exemption for certain not-for-profit clubs	(1.7)	N/A <sup>3</sup>	

Initiative <sup>4</sup>	2020-21 Budget estimate (\$ million)	2020-21 actual (\$ million)	Explanation for any variance ±10% or \$100 million
New jobs tax credit	(224.6)	N/A	New jobs tax credits will be paid to businesses following reconciliation of annual returns, rather than through the financial year as originally anticipated. As a result, the revenue impact of this initiative will commence in 2021-22, not 2020-21 as presented in the <i>2020-21 Budget</i> .
Supporting businesses to open, relocate and expand in regional Victoria	(3.9)	(16.4)	The variance is primarily attributable to the average value of the concession for each eligible transaction being greater than expected.
<b>Other Measures</b>			
Distance-based charge for zero and low emission vehicles	(1.9)	N/A	There are no revenue impacts in 2020-21 as this measure commenced from 1 July 2021 (noting \$1.9 million was granted to VicRoads to assist with administering the measure).

<sup>1</sup> The State has recognised land tax relief of \$247 million to eligible landowners in 2020-21, including further 2021 land tax relief announced as part of the reintroduced Commercial Tenancy Relief Scheme. This is in addition to relief provided during the 2019-20 financial year.

<sup>2</sup> The SRO has confirmed that as at 30 June 2021, the vacant residential land tax waivers for 2021 had not been processed. Any waivers are now expected to flow through to the 2021-22 financial year.

<sup>3</sup> The SRO has confirmed that as at 30 June 2021, the land tax exemption for not-for-profit clubs had not been processed. The impact of the exemption is now expected to flow through to the 2021-22 financial year.

<sup>4</sup> Initiatives are not listed where there is no revenue impact, or the variance is less than ±10% or \$100 million between the *2020-21 Budget* estimates and the actual results.

### Question 34 (DTF only) Expenses by departments – General Government Sector (GGS)

Regarding expenses of the GGS in 2020-21 (source: 2020-21 BP 4, pg. 30), please compare the initial budget estimates (not the revised estimate) for each department to the actual expenses for each department, explaining any variances equal to or greater than ±10% or \$100 million (please fill all blank spaces) and then link it to the relevant output and portfolio.

By department	Initial budget estimate 2020-21 \$ million	Actual 2020-21 \$ million	Variance (%)	Variance explanation	Relevant output(s) and portfolio(s)
Department of Health and Human Services	33 747	N/A	N/A	Effective from 1 February 2021, the Department of Health and Human Services (DHHS) was renamed the Department of Health, and the new Department of Families, Fairness and Housing was created. Consequently, a comparison is not applicable as DHHS did not record full year actual results for 2020-21.	N/A
Department of Health	33 747	31 288	-7%	The variance is primarily driven by the portfolio responsibilities of Child Protection, Prevention of Family Violence, Housing and Disability being transferred from the Department of Health and Human Services to the Department of Families, Fairness and Housing, effective from 1 February 2021.	N/A
Department of Families, Fairness and Housing	N/A	2 840	N/A	Effective from 1 February 2021, the Department of Health and Human Services was renamed the Department of Health, and the new Department of Families, Fairness and Housing (DFFH) was created. Consequently, a comparison is not applicable as DFFH did not have a budget estimate in the <i>2020-21 Budget</i> .	N/A

Department of Jobs, Precinct and Regions	7 074	7 930	12%	<p>The variance against the published budget was primarily due to grant payments for COVID-19 support and recovery packages. Key programs were the Business Costs Assistance Program, Working for Victoria, the Community Sport Infrastructure Stimulus Program, the Business Support Fund and the Circuit Breaker Support Package.</p> <p>Also driving the variance was higher than expected grant payments to local government for the Financial Assistance Grants program from the Commonwealth.</p>	<p>Output:</p> <ul style="list-style-type: none"> <li>• Jobs</li> <li>• Trade and Global Engagement</li> <li>• Creative Industries Portfolio</li> <li>• Agencies</li> <li>• Tourism and Major Events</li> <li>• Sport, Recreation and Racing</li> <li>• Creative Industries Access, Development and Innovation</li> </ul> <p>Portfolio:</p> <ul style="list-style-type: none"> <li>• Industry Support and Recovery</li> <li>• Employment</li> <li>• Trade</li> <li>• Creative Industries</li> <li>• Tourism, Sport and Major Events</li> <li>• Community Sport</li> <li>• Racing</li> </ul>
Department of Transport	10 222	10 345	1%	<p>The minor variance against the published budget was primarily due to the recognition of budgeted expenses that were unable to be capitalised under accounting standards. Also driving the increase was the COVID-19 response for public transport. This included offsetting the impact of lower farebox revenue for operators to continue service</p>	<p>Output</p> <ul style="list-style-type: none"> <li>• Bus Services – Statewide</li> <li>• Train Services – Metropolitan</li> <li>• Train Services – Regional</li> <li>• Train Services – Statewide</li> </ul>

				delivery and additional cleaning to support public health.	<ul style="list-style-type: none"> <li>Tram Services Portfolio</li> <li>Public Transport</li> </ul>
Department of Education and Training	20 827	20 456	-2%	The variance compared with the published budget primarily relates to a lower consumption of supplies and consumables in schools and TAFEs resulting from the requirement for home-schooling, as part of the COVID-19 public health response. Also driving the variance was the timing of maintenance related programs and schools incurring less maintenance expenditure than expected. The timing of this expenditure was partially offset by an increase in employee expenses resulting from new initiatives announced as part of the <i>2021-22 Budget</i> , such as School Enrolment Based Funding.	Output: <ul style="list-style-type: none"> <li>School Education – Primary</li> <li>School Education – Secondary</li> <li>Training, Higher Education and Workforce Development</li> </ul> Portfolio: <ul style="list-style-type: none"> <li>Education</li> <li>Training and Skills</li> </ul>
Department of Justice and Community Safety	9 170	10 799	18%	The variance against the published budget is primarily driven by additional expenses associated with the establishment of COVID-19 Quarantine Victoria (with this funding held in contingency as part of the 2020-21 Budget), Victoria Police’s COVID-19 response, and the implementation of the Corrections and youth justice COVID-19 response initiative. Also driving the variance was the additional funding provided for the WorkCover Scheme Premium Order.	Output: <ul style="list-style-type: none"> <li>Policing and Crime Prevention</li> <li>Emergency Management</li> </ul> Capability Portfolio: <ul style="list-style-type: none"> <li>Police and Emergency Services</li> </ul>



Department of Environment, Land, Water and Planning	3 983	3 866	-3%	The variance against the published budget primarily relates to carryover and rephasing of expenditure in several projects such as the Suburban Parks Program, the Waste and Recycling Kerbside - Household Recycling Reforms, and Advanced Bushfire Management. This was partially offset by higher than budgeted grants expense for several projects including the Director of Housing for Energy Efficiency in Social Housing Program, the Gippsland Plantations Investment Program, and Cladding Safety Victoria.	Output: <ul style="list-style-type: none"> <li>• Energy</li> <li>• Management of Public Lands and Forests</li> <li>• Planning</li> </ul> Portfolio: <ul style="list-style-type: none"> <li>• Energy, Environment and Climate Change</li> </ul>
Court Services Victoria	767	756	-1%	Immaterial	N/A
Department of Premier and Cabinet	903	929	3%	Immaterial	N/A
Department of Treasury and Finance	8 585	9 088	6%	The variance is primarily due to additional grant payments relating to the Commonwealth's HomeBuilder program, which was administered by the State Revenue Office.	Output: <ul style="list-style-type: none"> <li>• Services to Government</li> </ul> Portfolio: <ul style="list-style-type: none"> <li>• Treasurer</li> </ul>
Parliamentary Departments	332	308	-7%	Immaterial	N/A

### Question 35 (DTF only) Economic variables

Please indicate the estimated and actual result for the following economic variables. For the estimate, please use the initial estimate used in preparing the 2020-21 budget papers. For any variance equal to or greater than  $\pm 0.5$  percentage points, please provide an explanation for the variance. Please fill all blank spaces.

Economic variable	Budget estimate 2020-21	Actual 2020-21 result	Variance	Explanation for variances equal to or greater than $\pm 0.5$ percentage points
Real gross state product	-4.00	N/A: final data for 2020-21 released 19 November 2021	N/A	N/A
Labour force participation rate	64.8	65.6	+0.8	The deviation is due to resilience in the economy as restrictions were progressively eased from October 2020. The participation rate recorded an all-time high by March 2021.
Unemployment rate – overall	7.75	6.2	-1.6	The unemployment rate declined steadily from March 2021 as restrictions were progressively eased. The unemployment rate continued to fall during 2020-21 despite the delta outbreak beginning in June 2021. Commonwealth and state government support to households and businesses contributed to a strong labour market and lower unemployment rate.
Unemployment rate – male	N/A	5.8	N/A	N/A
Unemployment rate – female	N/A	6.6	N/A	N/A
Underemployment rate	N/A	10.5	N/A	N/A
Youth unemployment	N/A	14.1	N/A	N/A
Youth underemployment	N/A	N/A	N/A	N/A
Consumer price index	0.75	1.4	+0.7	The higher CPI result was largely due to low base effects from the previous year, with low global oil prices and temporary free childcare in 2019-20 which unwound in 2020-21.

Wage price index	1.00	1.4	+0.4	N/A
Population	0.20	N/A: final data for 2020-21 released 16 December 2021	N/A	N/A
Household consumption	-7.20	-2.9	+4.3	Household consumption fell by less than expected in 2020-21 due to a stronger labour market, as well as household income that has held up, in part supported by government benefits. Consumer sentiment was in optimistic territory from October 2020.
Property prices	-10.7	6.0	+16.7	In the <i>2020-21 Budget</i> , Victorian dwelling prices were forecast to decline significantly over 2020-21 as the tapering of income support measures and expiration of mortgage deferrals were expected to weigh on prices. In late 2020, the Victorian property market rebounded strongly as record low mortgage rates, strong housing sentiment and multiple Government incentives fuelled strong price growth.
Property volume	-12.5	2.9	+15.4	Property transaction volumes increased significantly following the easing of public health restrictions in October 2020 supported by favourable credit conditions and strong housing sentiment. (Note: property volumes are estimated by contract dates and are incomplete at the time of writing. Actual volumes are based on estimates from the <i>2021-22 Budget</i> )
Employee expenses	29 971	30 044	0.24	N/A

## Question 36 (DTF only) COVID-19 pandemic response

a) What fiscal rules did Victoria have in place in 2020-21 and were any suspended or modified due to the pandemic? If so, which ones?

The Government's long-term financial management objectives to which the Government was committed were updated to reflect the prevailing economic environment and the Government's focus on jobs to support sound longer-term fiscal management. Similarly, the financial measures and targets for these objectives were also updated to better reflect the prevailing economic and fiscal conditions. This is outlined in:

- the *2020-21 Budget, Budget Paper 2, Chapter 1, pages 10-11* and *Budget Paper 4, Chapter 1, page 17*.
- the *2021-22 Budget, Budget Paper 2, Chapter 1, page 10* and *Budget Paper 5, Chapter 1, page 15*.

b) Some jurisdictions created fiscal space using provisions to reallocate spending across budget programs. To what extent did this occur in Victoria in 2020-21? Please provide some examples.

Under Victoria's provisions for the management of public finances, departments and agencies have internal operational flexibility to move output provision resources, including staff, consumables and funding, to meet changing priorities, subject to complying with statutory obligations and government policy priorities. They have similar authority, subject to the same qualifications, to re-order purchases of equipment and other assets. In addition, the Government may also reallocate funding as part of its consideration of new requests for funding in line with its priorities.

Given the uncertainties in operational needs occasioned by the COVID-19 pandemic, the *Appropriation (Interim) Act 2020* ('the Supply Act') provided approximately \$14.5 billion of Advance to the Treasurer appropriation during the first half of the 2020-21 financial year, some of which was allocated before commencement of the *Appropriation (2020-21) Act 2020* and was subsumed by the provisions of that Act into departmental appropriations as outlined on page 66, *2021-22 Budget Paper No. 2, Strategy and Outlook*.

The Government also implemented a framework to facilitate the movement and deployment of staff across the Victorian Public Sector to respond to the crisis (*Industrial relations framework for managing the coronavirus pandemic*).

c) Did DTF introduce additional monitoring and reporting requirements of departments in 2020-21 due to additional COVID-19 expenditure? If so, please provide details of the requirements.

DTF provided guidelines for tracking COVID-19-related financial impacts on Victorian Government departments, to assist with monitoring and reporting of such expenditure to support the publication of the Annual Financial Report.

DTF additionally provided advice on initiative/strategy specific processes for oversight of COVID-19 expenditure, including report backs to Cabinet committees, review processes for the release of approved funding, and cross-departmental governance arrangements. These all formed part of the overall accountability and governance process in Victoria.

d) Will DTF produce a special appendix of all potential liabilities (on and off budget) for COVID-19 related measures?

Accounting standards require the publication of Victorian Government liabilities and Government produced its *2020-21 Annual Financial Report* consistent with these Accounting Standards including the disclosure of contingent liabilities.

A special appendix of potential liabilities is not proposed as the accounting standard framework provides a consistent approach to liabilities across Government.

e) What have been the financial management implications of the declaration of the state of emergency and state of disaster during the COVID-19 pandemic?

The declarations, in and of themselves, did not have any financial management implications during the COVID-19 pandemic. The pandemic and its consequences on public health, jobs and the economy have had a significant impact on the Victorian budget as outlined in the *2020-21 Budget*.

Given the uncertainty created by COVID-19, the Government determined that publishing a budget in May 2020 for the 2020-21 financial year could not be undertaken with adequate certainty regarding either expenditure or revenue over the budget and forward estimates period. An alternative Supply Bill was enacted to provide financial capacity for the Government to meet the additional costs of managing the COVID-19 pandemic in 2019-20 and the first half year of the 2020-21 financial year (subsequently superseded by the *2020-21 Budget* and annual appropriation Act as outlined on p.66, *2021-22 Budget Paper 2 Strategy and Outlook*).

On 20 May 2020, the then Assistant Treasurer wrote to the President of the Legislative Council and the Speaker of the Legislative Assembly to inform them that as a consequence of the logistical difficulties faced by the public sector arising from the COVID-19 pandemic, the preparation under the *Financial Management Act 1994* (FMA) of the annual reports of some departments and public bodies for the 2019-20 financial year would be delayed.

Section 46(1) of the *Financial Management Act 1994* (FMA) requires that, for each department or public body with a reporting period that is a normal financial year, i.e. 1 July to 30 June, the relevant Minister for that department or public body cause its annual report, comprising its report of operations and audited financial statements, for the preceding financial year to be laid before each House by no later than 31 October, or if that is not a sitting day for the House, the first sitting day after 31 October.

With the agreement of the Auditor-General, the then Assistant Treasurer exercised his power under section 47(2) of the FMA to extend by six weeks, i.e. from eight to fourteen weeks, the period after the end of the financial year within which certain departments or public bodies with a reporting period that is a normal financial year must submit their financial statements to the Auditor-General. This extension only applied to 'non-material' entities.

- f) What risks associated with the emergency budgetary response have been identified by DTF and its insurers? How were these risks actively managed in 2020-21?

The Government approves funding to departments through the budget process and it is the responsibility of individual departments to monitor and manage budget risk, and to ensure they have appropriate insurance coverage.

The COVID-19 pandemic has presented significant challenges.

The Government's budget is predicated on a series of assumptions, including those related to the COVID-19 pandemic. If these assumptions do not eventuate, the actual financial outcomes may differ from the original budget. For this reason, the Government undertakes a sensitivity analysis in each budget to better understand the impact of variations in key assumptions.

The Government's budget incorporates contingency provisions to mitigate the impact of expenditure risks. Provisions are sized to allow for growth in Victoria's population and the derived increased demand for government services.

Public health restrictions to slow the spread of coronavirus (COVID-19) have impacted the delivery of the Government's capital program. The Government implemented a whole of government framework to assist delivery agencies to manage risks associated with the COVID-19 pandemic for projects at each stage of the project lifecycle. The framework facilitates outcomes that are best for individual projects, project workforces and broader economic recovery in Victoria. This coordinated approach is expected to reduce project and financial risk and preserve the project pipeline and competitive local industry.

More information on the impact of COVID-19 on the State's insurance agencies can be found in the *2020-21 Annual Financial Report, Chapter 4, Section 6.6, page 96*.

### Question 37 (all departments and entities) Enterprise Bargaining Agreement (EBAs)

Please list the Enterprise Bargaining Agreement (EBAs) concluded in 2020-21 that had an impact for the department/agency. For each EBA, please show the number of employees affected and the growth in employee expenses attributable to the EBA.

Enterprise Bargaining Agreement	Number of employees affected	Number of employees as a % of department/entity	Growth in employee expenses attributable to the EBA (\$ million)	Growth in employee expenses attributable to the EBA (\$ million) as a % of total employee expenses
VPS 2016 EA <sup>1, 2</sup>	1982 FTE <sup>3</sup>	94.5%	Estimated at approx. \$20.4 million ongoing annual impact. <sup>4</sup>	Average wage increase rate as per EBA - 3.25 per cent per annum.
ESS Super 2016 EA <sup>1</sup>	162 FTE <sup>5</sup>	96.4%	Estimated at approx. \$1.5 million ongoing annual impact. <sup>6</sup>	Average wage increase rate as per EBA - 3.25 per cent per annum.

<sup>1</sup> DTF interpretation of an 'EBA concluded in 2020-21' assumes that an existing EBA continues in force until it is either replaced by a new EBA or terminated. For example, the VPS EBA 2016 had a nominal expiry date of 31 December 2019 but continued in operation until it was replaced by the VPS EBA 2020 which was approved by the Fair Work Commission on 2 October 2020.

<sup>2</sup>Numbers include Cenitex which was part of DTF portfolio until August 2020 (VPS 2020 EBA was approved on 2 October 2020). Cenitex is now part of the DPC portfolio.

<sup>3</sup>FTE data at 25 September 2020.

<sup>4</sup>Calculation estimates are based on payroll data for Cenitex, DTF Department, State Revenue Office and Essential Services Commission at December 2015, escalated at the average annual rate of wage increases. The first salary increase in the VPS 2016 EA was on 1 January 2016.

<sup>5</sup>FTE data at 28 April 2021, (ESS Super 2021 EBA was approved by the Fair Work Commission on 28 April 2021).

<sup>6</sup> Calculation estimates are based on payroll data for ESS Super at May 2016 escalated at the average annual rate of wage increases. The first salary increase in the ESS Super 2016 EBA was on 17 June 2016.

## Section K: Treasury Corporation of Victoria only

Not applicable for DTF

### Question 38 Dividends

- a) Please explain the factors that have been involved in the negotiations with the Treasurer, in relation to the amount of dividends paid by the Treasurer Corporation of Victoria (TCV) in 2019-20 and 2020-21.

	Dividends paid in 2019-20	Dividends paid in 2020-21
Amount of dividends paid (\$ million)		
Factors that have been involved in the negotiations with the Treasurer to determine the amount of dividends paid.		

### Question 39 Commodity risk management

- a) Please provide details of how the COVID-19 pandemic impacted on TCV's Commodity Risk Management.

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**Question 40 Foreign exchange risk management**

a) Please provide details of how the COVID-19 pandemic impacted on TCV's Foreign Risk Management.

**Question 41 Public Private Partnership (PPP)/alliance contracting projects**

a) Please indicate how many PPP/alliance contracting projects (and which ones) TCV provided ‘project advisory services’ for in 2020-21. For each project, please also specify if the project is a newly confirmed engagement or if it was for a project that was already underway.

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b) Please indicate how many business cases TCV provided (and which clients these were for) as part of its ‘project advisory services’ in 2020-21. For each business case, also specify if the project forms part of the Department of Treasury and Finance’s Gateway Review Process.

Business case provided by TCV	Client	Gateway Review Process – Y/N