

Budget Estimates

1998-99



Presented by

The Honourable Alan Stockdale, M.P.

Treasurer of the State of Victoria

for the information of Honourable Members

Budget Paper No.3

Budget Estimates 1998-99
(1998-99 Budget Paper No.3)

Published by

The Department of Treasury and Finance

© State of Victoria 1998

This book is copyright. No part may be reproduced by any process except in accordance with the provisions of the Copyright Act.

Address all inquiries to:

The Secretary

The Department of Treasury and Finance

1 Treasury Place

Melbourne Vic 3002

Australia

ISSN 1320-6265

Published April 1998 by authority

Printed by

McPherson's Publishing Group

Table of Contents

Acronyms and Abbreviations	iii
Preface.....	1
Guide For Readers	7
Management Reform Program	7
Changes to the format of the Budget Estimates	8
Legislative and administrative framework for Government finances.....	9
Budget Estimates statements.....	12
Departmental Resources	17
Overview	17
Significance of changes in presentation of the information compared with previous years.....	17
Broad strategic overview of Budget Sector.....	17
Total Resources of Departments	18
Resources available	18
Use of Resources	20
Gross Fixed Asset Investment.....	21
Authority for departmental resources.....	22
Parliament	29
Part 1: Outlook and Outputs	29
Part 2: Financial Information.....	45
Department of Education.....	53
Part 1: Outlook and Outputs	53
Part 2: Financial Information.....	84
Department of Human Services	93
Part 1: Outlook and Outputs	93
Part 2: Financial Information.....	130

Table of Contents - *continued*

Department of Infrastructure	139
Part 1: Outlook and Outputs.....	139
Part 2: Financial Information	165
Department of Justice	173
Part 1: Outlook and Outputs.....	173
Part 2: Financial Information	215
Department of Natural Resources and Environment	225
Part 1: Outlook and Outputs.....	225
Part 2: Financial Information	273
Department of Premier and Cabinet	283
Part 1: Outlook and Outputs.....	283
Part 2: Financial Information	315
Department of State Development	323
Part 1: Outlook and Outputs.....	323
Part 2: Financial Information	353
Department of Treasury and Finance	361
Part 1: Outlook and outputs.....	361
Part 2: Financial Information	392
State Revenue	405
Summary of budget sector State revenue.....	405
Revenue.....	406
Grants received.....	428
The Public Account	453

Acronyms and Abbreviations

AAT	Administrative Appeals Tribunal
ACCP	Australian Centre for Cleaner Production
ACO	Asset Confiscation Office
AHC	Australian Hospital Care
AHCA	Australian Health Care Agreement
AIHW	Australian Institute of Health and Welfare
AIP	Accelerated Infrastructure Program
Aluvic	Aluminium Smelters of Victoria Pty Ltd (trustee and manager of Portland Smelter Unit Trust)
ANTA	Australian National Training Authority
ASC	Australian Securities Commission
ASX	Australian Stock Exchange
BEST	Bureau of Emergency Services Telecommunications
BPR	Business Process Re-engineering
CFA	Country Fire Authority
CFF	Committed Fund Facility
CGC	Commonwealth Grants Commission
CSDA	Commonwealth-State Disability Agreement
CSF	Community Support Fund
CSHA	Commonwealth-State Housing Agreement
DEETYA	Department of Employment, Education, Training and Youth Affairs
DHS	Department of Human Services
DNRE	Department of Natural Resources and Environment
DOE	Department of Education
DOI	Department of Infrastructure
DOJ	Department of Justice
DPC	Department of Premier and Cabinet
DSD	Department of State Development
DTF	Department of Treasury and Finance

EGMs	Electronic Gaming Machines
EMA	Emergency Management Australia
EPA	Environment Protection Authority
ESD	Electronic Services Delivery
ESSS	Emergency Services Superannuation Scheme
FAGs	Financial Assistance Grants
FID	Financial Institutions Duty
FIRS	Federal Interstate Registration Scheme
FMA	Financial Management Act 1994
FTMUT	Flexible Tariff Management Unit Trust
GAAP	Generally Accepted Accounting Principles
GBE	Government Business Enterprise
HACC	Home and Community Care
HC	Health Care
LLC	Liquor Licensing Commission
MFESB	Metropolitan Fire and Emergency Services Board
MRI	Magnetic Resonance Imaging
MRP	Management Reform Program
NCP	National Competition Policy
NCSC	National Companies and Securities Commission
NDRA	Natural Disaster Relief Arrangement
NEPC	National Environment Protection Council
NHT	Natural Heritage Trust
NRC	National Rail Corporation
NRM	National Roughness Measure (road surface)
NRTC	National Road Transport Commission
NSSC	National Schools Statistical Collection
PAC	Public Authority Contribution
PAD	Public Authority Dividend
PAI	Public Authority Income
PIN	Penalty Infringement Notice
PTC	Public Transport Corporation
PTE	Public Trading Enterprise
RRT	Resource Rent Tax
RTA	Road Traffic Authority
RTL	Road Transport Law
RWC	Rural Water Corporation

SBV	Small Business Victoria
SGL	Superannuation Guarantee Levy
SOE	State-Owned Enterprise
SPP	Specific Purpose Payments
SRO	State Revenue Office
TAC	Transport Accident Commission
TAFE	Technical and Further Education (post-secondary colleges)
TEC	Total Estimated Cost
VCGA	Victorian Casino and Gaming Authority
VCMC	Victorian Catchment Management Council
VET	Vocational and Educational Training
VGSO	Victorian Government Solicitor's Office
VHA	Victorian Hospitals Association
VicRoads	Roads Corporation of Victoria
VIMP	Victorian Initiative for Minerals and Petroleum
VWA	Victorian WorkCover Authority

Preface

The 1998-99 *Budget Estimates* comprises a summary of the activities supported from the Budget, the revenue and expenses of the budget sector, and the public services (outputs) which the Government expects to provide and to what end these services are being provided (Government outcomes).

For the 1998-99 Budget, the Victorian Government has changed the format of the Budget from a cash-based presentation to a more business like format recognising the full cost of activities. This change in focus reflects the Government's continual financial management reform and represents a move in 1998-99 to an accrual based budget. The move to an accrual-based format means that revenues and expenses are recognised when products and services are produced or delivered and not when cash is exchanged.

For the first time financial estimates are to be produced for each department in this Budget Paper using statements which are consistent with generally accepted accounting principles (GAAP).

For some years, the Victorian cash-based budget estimates have been presented in *Government Finance Statistics* (GFS) format. The GFS format is structured to show the impact of government finances on the economy, and so eliminates some items that are transfers within government. This format will continue to be used to present the Budget in Budget Paper No. 2, *Budget Statement* in line with the draft accrual formats issued by the Australian Bureau of Statistics.

The introduction of accrual budgeting in 1998-99 is a significant new initiative. The inclusion of full financial statements in *Budget Paper No.3* for each Department as well as accrual-based output group costs provide a more comprehensive view of the financial impact of Government decisions.

However, as with any significant change, the transition year requires the development of new budget policies to treat various financial items. These policies will still require further refinement before the potential of accrual-based budget information is fully realised.

The compilation of comparative data between 1997-98 and 1998-99 has been undertaken to assist the reader in determining the financial impact of Government decisions. Comparison of this data with other published

information such as the 'Financial Statements for the State of Victoria 1996-97' or departmental Annual Report financial statements should be considered within the context of these developing budget policies.

The further refinement of budget policies regarding the treatment of all financial items is expected to occur during 1998-99. This will both enhance the value and improve the comparability of the financial information in the Budget in future years.

The *Budget Estimates* paper is comprised of the following four statements:

- *Statement 1* which provides an aggregate summary and discussion of departmental estimates;
- *Statement 2* which details the output provision plans and performance targets for each department, accompanied by a standard set of financial statements. This statement is the primary source of information on service delivery by each department;
- *Statement 3* which outlines the State's revenue sources, including taxation revenue and both tied and untied grants to the State from the Commonwealth Government; and
- *Statement 4* which provides details of the transactions of the Public Account.

The format of both *Statement 1* and *Statement 2* have been extensively revised since the 1997-98 Budget. Beginning in 1998-99, they will incorporate a more comprehensive view of departmental strategic directions and their finances. The Statements will be based on a 'total resources' view of a department's activities with the inclusion of accrual-based financial tables, consistent with GAAP, which complement the output presentation introduced for all departments in the 1997-98 Budget.

This Budget paper also contains a *Guide for Readers* which provides a detailed explanation of the changes introduced in 1998-99. It outlines the legislative and administrative settings within which the budget is framed including an explanation of the changed appropriation types introduced in this Budget.

Similar to 1997-98, a budget to budget comparison is provided for the financial and output performance estimates. However, in keeping with established practice adjustments have been made to the published 1997-98 Budget figures so that comparisons are made on a consistent basis. These adjustments relate to:

- the inclusion of actual carryover amounts replacing the estimated departmental carryovers incorporated in the 1997-98 Budget; and

- the restructuring of appropriations on the basis of provision of outputs, net additions to the asset base and payments on behalf of the State replacing the former classifications of *current purposes* and *capital purposes*, and the consequential reclassification of certain expenditures between items.

Revised estimates of key 1997-98 Budget aggregates are presented in Budget Paper No. 2, while a report on the 1997-98 Budget outcome will be published in the *Financial Statements for the State of Victoria* for 1997-98 which is expected to be presented to Parliament in October 1998. Financial and output performance results will also be published in Departments' Annual Report.

A GUIDE FOR READERS

Guide For Readers

The *Guide for Readers* outlines the legislative and administrative settings within which the budget is developed and operates, and provides additional information on the new budget presentation and reporting standards of accrual output-based budgeting.

For further details on the content, structure and inter-relationships between the 1998-99 Budget Papers refer to the *Guide to the 1998-99 Budget Papers* which has been provided this year for the first time.

Management Reform Program

The management reform program (MRP) represents the culmination of a stream of financial and management reforms which were initiated as a result of findings in the *Report of the Victorian Commission of Audit* in 1993. The key objective of the reform program is to effect ongoing improvement of government services through the introduction of best practice financial management. The reforms link all resource provision to service delivery, with departments receiving revenue from government on the basis of outputs delivered and with increasing accountability for managers. The reforms support better allocation and utilisation of scarce resources to deliver better quality services to the public and to do so efficiently - best value for money.

The most significant impact of the reform program on the budget process will be bringing competitive pressures to bear on all aspects of public sector activity and highlighting opportunities for alternate service provision, including external provision of services.

The full impact of the management reforms will take effect over the next three to five years. Stage one was completed in last year's Budget with the introduction of output-based management for all departments. The next phase includes the introduction of a more business like focus and accrual concepts replacing cash in the 1998-99 Budget presentation and appropriations.

This combination of outputs and accrual budgeting means that the 1998-99 Budget presents measurable products and services for which the full cost can be

identified. This provides greater understanding of the Government's financial plan and accountability and generates greater contestability.

Progress of accrual output based management

The 1997-98 Budget presented the Government's plan on an output basis for the first time. The 1998-99 Budget sees all departments now presenting output budget information on a full cost basis using an accrual accounting framework.

For comparability purposes, 1997-98 Budget financial estimates have been translated into an accrual format.

During 1997-98, the Department of Treasury and Finance undertook a review of outputs and their associated performance measures in conjunction with the service delivery departments. This review has resulted in significant changes to published outputs and performance targets. These changes, combined with the move to accrual-based financial statements, means that any direct comparison with the information presented in the published 1997-98 *Budget Estimates* is not possible.

Reconciliation tables are provided to compare accrual and to cash estimates to assist readers who wish to compare this year to last.

Changes to the format of the Budget Estimates

Financial information presented in the Budget papers uses an accrual accounting format consistent with internationally recognised generally accepted accounting principles (GAAP).

The financial statements included in 1998-99 include:

- an *operating statement*, detailing accrual-based revenue and expenses relating to the provision of outputs during the financial year;
- a *statement of financial position* (balance sheet), detailing assets and liabilities of departments as at the end of the financial year; and
- a *cash flow statement*, providing information in relation to cash receipts and payments during the financial year.

Information on output groups and associated performance measures of departments supplement these financial statements.

In previous years, financial information in the Budget Papers was presented using the Government Finance Statistics (GFS) format - an internationally recognised economic statistical framework used to show the impact of government finances on the economy. The GFS framework is still used in

Budget Paper No. 2 *Budget Statement*. However, the GFS estimates for 1998-99 have been prepared on an accruals, rather than a cash-basis.

Differences in estimates between Budget Paper No. 2 and Budget Paper No. 3

A number of differences exist between estimates presented in Budget Paper No. 2 and Budget Paper No. 3. These reflect the different purposes of each Budget Paper.

Budget Paper No. 2 focuses on outlining the government's financial strategies and the impact of government policy on the economy. Consolidated financial estimates for the budget sector in an accrual GFS format are included in Budget Paper No. 2 as well as a discussion of how the Budget impacts on the State's economic outlook.

In contrast, Budget Paper No. 3 is based on a conventional accounting framework which indicates full revenue and costs from departmental operations. It is able to be used as a management and reporting aid details of departmental service provision plans and performance targets in addition to estimates of financial and operating resources.

To enable users to reconcile the differences between GFS and GAAP reports a reconciliation of the estimates between Budget Paper No. 2 and Budget Paper No. 3 is contained in the Appendix.

Legislative and administrative framework for Government finances

Constitution Act 1975

Under the *Constitution Act 1975* revenue from all taxes, imposts, rates, and duties imposed by the Parliament form the Consolidated Revenue. This revenue may be appropriated by Parliament to specific purposes. The Act also establishes the requirement that any money bill must be preceded by a message from the Governor, and that expenditure may be incurred only on warrants from the Governor. Bills for appropriating revenue or imposing taxes and charges must originate in the Legislative Assembly and such Bills may be rejected but not altered by the Legislative Council.

Financial Management Act 1994 and Financial Management Amendment Act 1998

The *Financial Management Act 1994* (FMA):

- relates to the financial administration of public moneys;
- prescribes the collection, management and expenditure of, and the subsequent accounting for, these moneys, public property and other property;
- establishes and defines the scope of the Consolidated Fund and the Trust Fund;
- requires annual reports to be prepared by all departments and public bodies. Annual financial statements are subject to audit by the Auditor-General and are now prepared on an accrual basis; and
- requires an Annual Financial Statement for the State to be prepared at the end of each financial year.

Section 40 of the Act relates to the Government's commitment to output-driven results by providing that a separate statement must accompany the Annual Appropriation Bills detailing the goods and services produced or provided by each department, a description of the amounts available to each department during the period, the estimated receipts and receivables of the department and such other information as the Minister determines. This requirement is fulfilled with the publication of *Statement 2* of this Budget paper.

As part of the implementation of an accrual output based system in 1998-99, the *Financial Management Act 1994* (FMA) has been amended through the *Financial Management (Amendment) Act 1998* to reflect the new accrual output-based budgeting, appropriation, performance monitoring and reporting regime.

The principal FMA amendment in the 1998 Act was the inclusion of a new section (section 33) which changes the present requirement for payments from the Consolidated Fund to be made only in the year of the appropriation, to one where departments will be able to pay for expenses or obligations or arrangements made incurred in respect of a financial year either during the year of the appropriation or in a subsequent year. The section also ensures that departmental financial assets are only applied in a manner consistent with the purposes for which they were established i.e. depreciation reserves must be spent on capital acquisition, provisions for employee entitlements must be spent on employee payments and provisions for creditors must be spent on creditor payments.

Audit Act 1994

The *Audit Act 1994* establishes the office of the Auditor-General as an independent officer of the Parliament and establishes the statutory body Audit

Victoria. The Act provides for the audit of the State finances, including the Annual Financial Statements. With effect from 1 July 1998, audits are to be conducted by “authorised persons” - persons appointed by the Auditor General following, in most cases, a competitive process.

The Act includes sections dealing with:

- the independence, tenure, powers and duties of the Auditor General;
- the competitive process for the appointment of “authorised persons”;
- the establishment, powers and functions of Audit Victoria;
- the performance audit of departments and agencies;
- payment of audit fees by departments and agencies; and
- the reporting of audits to Parliament.

The Public Account

The Public Account is the Government’s official bank account. The Account holds the balances of the Consolidated Fund and the Trust Fund.

The Public Account is maintained at one or more banks, as required by the *Financial Management Act 1994*. The State’s financial transactions on the Public Account are recorded in a Public Ledger.

The Act also provides for:

- temporary advances from the Public Account for a number of purposes related to the needs of the Government;
- investment of the Public Account in trustee securities; and
- temporary borrowings should the balance in the Consolidated Fund be insufficient to meet commitments during a financial year.

Consolidated Fund

The Consolidated Fund is the Government’s primary financial account, established by the *Financial Management Act 1994*, and receives all Consolidated Revenue under the Constitution Act from which payments appropriated by Parliament are made.

The Trust Fund

Within the Public Account, the Trust Fund embraces a range of special purpose accounts established for funds provided for purposes that are not necessarily subject to State appropriation. Examples of this includes specific purpose

payments from the Commonwealth on-passed by the State to third parties; holding balances in suspense accounts for accounting purposes; to functioning as operating and working accounts for commercial and departmental service units; and facilitating the receipt and disbursement of private funds held by the State in trust. Additional funds may also be established with the Trust Fund to receive State revenues hypothecated to particular purposes (eg. lotteries revenue for hospitals and charities).

Appropriations

Parliament appropriates funds either as a standing authority through Special Appropriation provided for under a range of Acts or annually pursuant to annual Appropriation Acts and the *Financial Management Act 1994*. Special Appropriations are generally instituted for payments which need to be made on an ongoing basis independent of the Government's annual budget.

The *Appropriation Act* currently provides global appropriations for departments. In a number of instances, (such as in the Department of Natural Resources and Environment for the Environment Protection Authority), the global appropriation is supplemented by separate appropriations required by legislation for specific purposes. In the case of Parliament, appropriations are on an output group basis.

In 1998-99, the Appropriation Bills will provide the legislative authority for a department to incur expenses and obligations and make arrangements up to the limit of the appropriation authority amount in the Bill. The Bill will provide for three appropriation purposes:

- provision of outputs;
- additions to the net asset base; and
- payments made on behalf of the State.

The change to appropriation types is to bring appropriations into line with the current range of Government financial management and budgetary reforms.

Budget Estimates statements

The *Budget Estimates* paper comprises four statements, which summarise the activities supported from the Budget, the total State revenue and Commonwealth grants received by the budget sector, and the allocation of funds to departments and output groups.

Since the Budget is brought down prior to the start of the financial year, no actual financial and performance measurement data for the previous year is

available for publication. However, the financial and performance information for the 1997-98 Budget estimates has been adjusted to an accrual basis as a basis for comparison.

Statement 1 - Departmental Resources

Statement 1 provides an aggregated summary and discussion of departmental financial estimates. This information is in an accrual-based format.

Statement 2 - Departmental Statements

The *Departmental Statements* incorporate a “total resources” view of each department, showing the full financial resources available to the department from all sources, the way these resources are used and the basis of the authority of the department to obtain and use these resources.

Part One of Statement 2 provides for each department, a series of output group tables outlining the description of the output group and the connection between the outputs in the group and outcomes Government is seeking to influence. Also included are selected performance measures and targets for the quantity, quality, and timeliness of provision of the output by the department. The full accrual cost of providing the outputs in each output group is also provided.

Part Two summarises financial information about the resources available to a department as well as the use of these resources. The budgeted financial statements: a statement of financial position (balance sheet), an operating statement, showing the department’s operating (output provision) revenue and expenses; and a cash flow statement are also provided. Tables also give details of the parliamentary authority for the department’s resources.

Statement 3 – State Revenue

Statement 3 outlines the various sources of Government revenue, including taxes, fees and fines, public authority income and Commonwealth grants.

Statement 4 - The Public Account

Statement 4 provides details of Public Account payments and receipts, including annual appropriations allocated to departments at both an aggregate and output group level. Allocations from annual appropriations are, however, notional since the Appropriation Act currently provides departments with global appropriations, not for each output group.

Style Conventions for Tables in Budget Paper 3, Budget Estimates

Figures in tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding.

All financial tables in this Budget Paper exclude Commonwealth grants on-passed to non-budget bodies and other jurisdictions unless otherwise indicated.

The notation used in the tables is as follows:

na	not available or not applicable. The notation is used in the Output Group Tables to indicate that output performance targets are not available.
nm	new measure for the 1998-99 Budget. The notation is used in the Output Group Tables to indicate that output performance targets are not appropriate for 1997-98 as the output performance measure is new.
..	zero, or rounded to zero
tbd	to be determined. This mostly applies to output performance measures, which are being developed during 1998-99, and for which historical data is lacking. In general, targets will be set on the basis of baseline data to be collected during 1998-99.
-	nil, no appropriate quantification, or not relevant
<	less than
≤	less than or equal to
>	greater than
≥	greater than or equal to
ongoing	continuing task

STATEMENT 1

**DEPARTMENTAL
RESOURCES**

Departmental Resources

Overview

The information provided in Statement 1 reflects the sum of the individual departmental information provided in Statement 2. As such this Statement does not represent the State aggregate position which is described in Chapter 3, *Fiscal Position and Outlook*, of Budget Paper No.2.

Statement 1 provides an aggregated summary and discussion of departmental estimates. The information is provided on an accrual-based format. Statement 2 provides information for each of the departments.

Significance of changes in presentation of the information compared with previous years

In previous years, the financial information in the Budget was presented using the *Government Finance Statistics* (GFS) format that is an internationally recognised economic statistical framework used to show the impact of government finances on the economy. The GFS framework continues to be used to describe the budget estimates in Budget Paper No. 2.

For the first time the financial information presented in this Budget paper uses an accrual accounting format consistent with internationally recognised generally accepted accounting principles (GAAP). The financial information provided this year includes an *operating statement*, *statement of financial position* (balance sheet), and a *cashflow statement*.

Further details on changes in the presentation since last year's budget have been provided in the *Guide to Readers*.

Broad strategic overview of Budget Sector

The 1998-99 Budget includes new spending initiatives on outputs totalling \$233.4 million in 1998-99 and \$271.4 million in 1999-2000. Spending has been targeted to address high priority needs in the health and education areas.

These initiatives are funded in part by efficiency gains and a reassessment of expenditure priorities across other departments totalling \$125.2 million in a full year. The remainder represents a net increase in departmental service delivery output funding, of which \$75 million has been allocated from the demand contingency provision built into the forward estimates.

The initiatives reflect the social gains to the community from the Government's sound financial management and reforms designed to deliver value-for-money services that meet the needs of the community.

The service delivery measures are part of the Government's long term strategy to deliver quality, value-for-money public services and infrastructure to the community, whilst reducing State debt.

Total Resources of Departments

The following discussion summarises the total resources available to Parliament and the Departments and how these resources are to be used. The summary reflects both operating and investing activities, and includes:

- operating revenue and expenditure, which determine the operating surplus or deficit;
- increases or reductions in investment in physical assets (including *inter alia* depreciation, asset sales and new asset purchases);
- increases or reductions in financial assets; and
- increases or reductions in liabilities.

For further details on individual departments refer to Statement 2.

Resources available

The total resources planned to be available to the departments in 1998-99 for the delivery of outputs, investment in departmental assets and other purposes are provided in Table 1.1.

Details of these receipts, on a departmental basis, are included in Statement 2.

Table 1.1: Summary of total departmental resources available

	(\$ million)	
	1997-98	1998-99
	Budget	Budget
<i>Outputs purchased by State government</i>	14 521.4	15 095.7
<i>Outputs purchased by other parties</i>	1 840.8	1 752.7
Operating revenue from provision of outputs sub-total	16 362.2	16 848.4
Government contribution to increasing net asset base	624.8	634.7
Funding for Payments made on behalf of the State	3 513.8	3 412.5

Source: Department of Treasury and Finance, Forward Estimates

Operating Revenue

Operating Revenue reflects the total funds available to departments for the provision of outputs. Revenue provided by the State government is provided through appropriations for the provisions of outputs. The appropriations provide authority to the departments to incur operating expenses relating to a department's provision of outputs. The revenue that departments receive from the government is set at the level that covers all budgeted expenses incurred in producing a given quality and quantity of that output.

Receipts for outputs provided by other parties are not paid into the Public Account, but are retained in the department's own bank accounts. As they are outside the Consolidated Fund, these funds are not required to be appropriated.

Additions to the net asset base

These receipts reflect the appropriation for the additions to the net asset base of a department. The appropriation provides authority for contributions by the State government to strengthen the department's financial position.

Receipts to make Payments made on behalf of the State

Payments made on behalf of the State are appropriated and allow departments to make payments for purposes which are government responsibility as a whole, not part of the department's own services

Use of Resources

Table 1.2 provides, in aggregate, the purposes to which the resources available to the Budget sector will be applied.

Table 1.2: Summary of departmental uses of resources

(\$ million)

	1997-98 Budget	1998-98 Budget
Output provision expenses	16 206.1	16 748.5
Payments made on behalf of the State	3 513.8	3 412.5
Gross Fixed Asset Investment less Depreciation	624.8	634.7

Source: Department of Treasury and Finance, Forward Estimates

Operating Expenses

Operating expenses for the provision of outputs are included in Table 1.3. These expenses reflect the total cost of production and include both cash and non-cash costs such as depreciation.

Table 1.3: Operating expenses by department

(\$ million)

Department	1997-98 Budget	1998-99 Budget
Parliament	101.2	103.4
Education	4 745.9	4 950.2
Human Services	6 409.2	6 679.1
Infrastructure	2 017.1	1 970.9
Justice	1 495.1	1 553.7
Premier and Cabinet	281.8	286.1
Natural Resources and Environment	624.5	659.7
State Development	215.3	197.8
Treasury and Finance	316.0	347.7

Source: Department of Treasury and Finance, Forward Estimates

Payments made on behalf of the State

Payments made on behalf of the State comprise of grants, subsidies and other payments and are payments made by departments on behalf of the State Government and do not directly reflect the operations of the departments. Table 1.4 provides a summary, by department, of these payments. Payments made on behalf of the State are funded through equivalent receipts.

Table 1.4: Payments made on behalf of the State by Department

20	Departmental Resources	Budget Estimates 1998-99
----	------------------------	--------------------------

(\$ million)		
Department	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>
Parliament	..	..
Education	561.8	615.1
Human Services	..	..
Infrastructure	291.8	301.9
Justice	94.8	37.7
Premier and Cabinet	..	..
Natural Resources and Environment	44.1	44.4
State Development	..	..
Treasury and Finance	2 521.2	2 413.4

Source: Department of Treasury and Finance, Forward Estimates

Details of Payments made on behalf of the State through each department are provided in Statement 2.

Gross Fixed Asset Investment

Gross fixed asset investment is the purchase of new assets. Departments can fund their gross fixed asset investment from three main sources: accumulated financial assets, appropriation increases and the non public account. Table 1.5 provides, in aggregate, the sources of funding estimated for the 1997-98 and 1998-99 Budgets.

As illustrated in Table 1.5 departments can fund their gross fixed asset investment from three main sources.

Table 1.5: Fund sources for Gross Fixed Asset Investment

(\$ million)		
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Financial Assets (attributable to depreciation expense)	738.4	770.2
Appropriation for increases in net asset bases	597.8	634.7
Fixed Asset Sales	..	..
Non Public Account and other (including retained earnings)	193.3	123.4

Source: Department of Treasury and Finance, Forward Estimates

A summary of the gross fixed asset investment for each department is provided in Table 1.6.

Table 1.6: Gross fixed asset investment by Department

(\$ million)		
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Parliament	2.5	3.7
Education	274.8	340.1
Human Services	268.5	325.7
Infrastructure	512.1	436.2
Justice	73.8	83.9
Premier and Cabinet	218.9	189.3
Natural Resources and Environment	86.8	78.6
State Development	39.0	18.5
Treasury and Finance	53.1	52.2
TOTAL	1 529.5	1 528.3

Source: Department of Treasury and Finance, Forward Estimates

Authority for departmental resources

This section details the Parliamentary authority for departmental resources in aggregate. Table 1.7 provides an aggregate summary of sources of funding for departments.

Further detail for each of the departments is provided in Statement 2.

Table 1.7: Departmental resources by authority

	(\$ million)	
	1997-98	1998-99
	Budget	Budget
Annual Appropriations	12 546.9	13 515.5
Receipts Credited Appropriations	1 078.8	993.6
Carryover of previous appropriations ^(a)	282.2	268.9
Special Appropriations	1 384.9	1 265.2
Trust Funds	1 108.0	1 309.8
Non Public Account and other sources	1 577.5	1 390.6
Total Authority	17 978.3	18 743.6

Source: Department of Treasury and Finance, Forward Estimates

Notes:

(a) Estimates carryover for 1998-99. Actual carryovers are subject to approval by the Treasurer prior to 30 June pursuant to Section 32 of the Financial Management Act 1994.

Annual Appropriations

Annual appropriations are the net amounts provided in the 1998-99 Appropriation Bills¹. Table 1.8 details the aggregate annual appropriations by type of appropriation. Details of all revenue sources for funding output delivery and investment in fixed assets are provided elsewhere in Statement 1.

Table 1.8: Gross Annual appropriations by purpose

	(\$ million)	
	1997-98	1998-99
	Budget	Budget
Provision of Outputs	13 289.3	13 860.8
Additions to net asset base	624.8	634.7
Payments made on behalf of the State	1 739.0	1 700.2
Total	15 653.1	16 195.7

Source: Department of Treasury and Finance, Forward Estimates

Details of appropriation amounts for each department are provided in Statement 2.

Receipts Credited Appropriations

Funds received from:

¹ These Bills are the *Appropriation (1998-99) Bill* and the *Appropriation (Parliament 1998-99) Bill*.

- agreed user charges for the provision of services by a department directly to third parties in return for payments; and
- Specific Purpose Payments from the Commonwealth

are paid into the Consolidated Fund, but pursuant to Section 29 of the *Financial Management Act 1994* some are made available to departments through being appropriated as additions to annual appropriations authorised by the Appropriation Acts.

Section 29 provides the legislative authority for specific receipts to be deemed to be appropriated on the terms and conditions agreed between the Treasurer and the relevant Minister. Departments, whilst still required to pay all receipts into the Consolidated Fund, are given access to all amounts over and above an agreed base. Receipts credited appropriations are also referred to as Annotated Appropriations.

An additional source of Receipts Credited Appropriations are funds from any sale of departmental fixed assets.

Table 1.9: Details of Receipts Credited

	<i>(\$ million)</i>	
	<i>1997-98</i>	<i>1998-99</i>
	<i>Budget</i>	<i>Budget</i>
User Charges	93.7	96.9
Commonwealth SPPs	985.1	896.8
Asset Sales	..	..
Total	1 078.8	993.6

Source: Department of Treasury and Finance, Forward Estimates

Special Appropriations

Special Appropriations are the amounts authorised under standing provisions of Acts, other than the annual Appropriation Act, that remain in force until amended or repealed by Parliament. As such they do not lapse each year as annual appropriations do.

Details of Special Appropriations for each department are provided in Statement 2, with a full listing provided in Statement 4.

Trust Funds

The Trust Fund comprises accounts in the State's Public Account categorised under four basic headings:

- State Government;

- Commonwealth Government;
- joint Commonwealth and State; and
- prizes, scholarships, research and private donations.

Details of Trust Fund receipts for each department are provided in Statement 2.

Aggregated details of changes in Trust Fund balances are provided in Statement 4.

Non Public Account Revenue and other sources

Revenue from these sources includes receipts from user charges and other revenue that are collected and retained by agencies. This includes fees and charges levied by VicRoads, TAFE Institutes, school councils and hospitals.

STATEMENT 2

**DEPARTMENTAL
STATEMENTS**

Parliament

Part 1: Outlook and Outputs

Overview

Parliament is the law-making body of the State. It also provides the base from which governments are formed. The political party or coalition which commands the support of a majority of Members in the Legislative Assembly forms the Government of the day.

The Parliament is composed of the Crown (represented by the Governor), the Legislative Council and the Legislative Assembly which, collectively, form the legislature. Parliament's functions may be broadly described as legislative, financial and representational. It authorises expenditure, debates Government policy and scrutinises Government administration.

The first Legislative Council met in 1851. That House was superseded in 1856 with the introduction of the bicameral system, when both Houses met for the first time in line with the principles of responsible government. The Legislative Council, as now constituted, comprises 44 Members representing 22 provinces. The Legislative Assembly comprises 88 Members, each representing one electoral district.

The powers of the two Houses are derived from the *Constitution Act 1975* which imposes limitations on the Council in respect of 'Money Bills', the Assembly being the primary authority for authorising Government expenditure.

A fundamental principle is the independent and separate nature of the two Houses and the need for organisational and structural arrangements to reflect this separation.

The administrative support services for the two Houses are provided by five parliamentary departments – the Legislative Council, the Legislative Assembly, Parliamentary Debates (Hansard), the Parliamentary Library and the Department of Parliamentary Services. Their primary function is to service the two Houses and the Committees, as well as to provide administrative support for Members and electorate offices.

In 1998-99, the Office of the Victorian Auditor-General has been transferred to the Parliament from the Department of Premier and Cabinet pursuant to the provisions of the *Audit (Amendment) Act 1997*. The budgets of both the Department of Premier and Cabinet and the Parliament have been adjusted accordingly.

The scrutiny and deliberative roles of the Parliament are enhanced by the system of Joint Investigatory Committees. Their role is to inquire, investigate and report upon proposals or matters referred to them by either House or by the Governor in Council or, in certain circumstances, upon a self-initiated reference.

The primary objective of the Parliamentary departments is to meet the demand for their services as efficiently as resources permit and to provide a level of service commensurate with modern-day requirements. The departments endeavour to continually improve their services by reviewing and implementing improved practices.

Review of 1997-98

During the 1997-98 financial year, the Parliament of Victoria implemented significant changes in financial management and streamlined its business and administrative processes, resulting in greater efficiencies and improved cost control. 1997-98 also saw significant capital works undertaken on Parliament House itself, including security and fire protection upgrades and the replacement of the Queens Hall slate roof.

1998-99 Outlook

For 1998-99, \$551 000 has been approved to assist the Parliamentary Departments in improving their services to Members of Parliament, including an amount of \$200 000 in Special Appropriations for the Joint Investigatory Committees to meet the costs of new investigations and research. In addition, an amount of \$2.8 million has been approved for new capital works for commencement in 1998-99. This amount will fund:

- major capital improvements to the 132 electorate offices situated throughout Victoria. These improvements will achieve standardisation across offices, which will in turn enable better planning, improved buying power due to increased volumes and tighter controls in terms of electorate office entitlements; and
- substantial repairs and improvements to the Parliament House building and gardens, including: plumbing and painting repairs, major water supply

renovations, the replacement of dysfunctional and potentially hazardous equipment, and the installation of a more efficient, less labour-intensive irrigation system.

The Parliamentary departments operate in an environment where the sitting patterns of the Parliament are unpredictable and where Members of Parliament seek ongoing improvement in the facilities which they rely upon to service their electorates. The provision of administrative and support services to the Parliament of Victoria is therefore a complex and challenging management task.

Output Information

The following section provides details of the outputs to be provided by the Parliament:

Table 2.1.1: Output Group Summary

	(\$ million)		
	1997-98	1998-99	Variation
	Budget	Budget	%
Legislative Council	12.4	17.0	37.5
Legislative Assembly	34.8	31.0	-10.8
Parliamentary Library	1.8	1.9	7.0
Parliamentary Debates	2.6	2.6	-2.1
Parliamentary and Electorate Support Services	29.8	30.8	3.3
Auditor General's Office	19.8	20.1	1.4
Total	101.2	103.4	2.2

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.1.2: Output Group Description and Outputs
Legislative Council**

Key Government Outcomes:

- To ensure that the business of the Upper House and committees is conducted in accordance with the law, standing orders, and/or resolutions of the Parliament.

Description of the Output Group:

- Provision of procedural advice to Members of the Legislative Council, processing of legislation, preparation of the records of the proceedings and documentation required for the sittings of the Council, provision of assistance to parliamentary committees and enhancement of public awareness of Parliament.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Procedural Support and Document Preparation			
<i>Quantity</i>			
House related documents produced ^(a)	number	nm	160
Documents tabled ^(b)	number	465	600
Questions processed	number	600	2 000
Bills and amendments processed	number	110	175
Visitors received ^(c)	number	10 000	80 000
Committee meetings serviced ^(d)	number	130	150
<i>Quality</i>			
Constitutional, parliamentary and statutory requirements met	per cent	nm	100
Members' queries satisfied	per cent	nm	75
Accuracy of procedural advice provided	per cent	nm	100
Committee inquiries completed within budget ^(d)	per cent	nm	100
<i>Timeliness</i>			
Statutory and parliamentary deadlines met	per cent	nm	100
Minutes and Notice Papers produced and made available within deadlines	per cent	nm	98
Committee inquiries completed within deadlines ^(d)	per cent	nm	100

Source: Parliament

Notes:

- (a) *Comprising: Minutes, Notice papers, Unanswered Question Papers and Joint Investigatory Committees Progress on Investigations.*
- (b) *1997-98 comparative is the sum of annual reports tabled and petitions tabled.*
- (c) *The figure reported for 1997-98 was exclusively related to Legislative Council whereas the figure reported for 1998-99 relates to both Houses of Parliament.*
- (d) *All committees are Joint Investigatory Committees comprising Members of both Houses and the costs are therefore apportioned between Output Groups 801 and 802.*

**Table 2.1.3: Output Group Costs
Legislative Council**

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	12.4	17.0	37.5
<i>Comprising:</i>			
Employee-related Expenses	8.2	12.7	54.6
Purchases of Supplies and Services	1.7	2.0	19.1
Depreciation	..	..	..
Capital Asset Charge	2.1	2.1	..
Other	0.4	0.2	-40.9

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.1.4: Output Group Description and Outputs
Legislative Assembly**

Key Government Outcomes:

- To ensure that the business of the Lower House and committees is conducted in accordance with the law, standing orders, and/or resolutions of the Parliament.

Description of the Output Group:

- Provision of procedural advice to Members of the Legislative Assembly, preparation of the records of the proceedings and documentation required for the sittings of the Legislative Assembly and provision of assistance to parliamentary committees and the promotion of public awareness of Parliament.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Procedural Support and Document Preparation			
<i>Quantity</i>			
House related documents produced ^(a)	number	nm	165
Documents tabled ^(b)	number	540	600
Questions processed	number	330	200
Bills and amendments processed	number	140	190
Visitors received	number	70 000	80 000
Committee meetings serviced ^(c)	number	150	150
<i>Quality</i>			
Constitutional, Parliamentary and statutory requirements met	per cent	nm	100
Members' queries satisfied	per cent	nm	75
Accuracy of procedural advice provided	per cent	nm	100
Committee inquiries completed within budget ^(c)	per cent	nm	100
<i>Timeliness</i>			
Statutory and parliamentary deadlines met	per cent	nm	100
Votes and Notice Papers produced and made available within deadlines	per cent	nm	98
Committee inquiries completed within deadlines ^(c)	per cent	nm	100

Source: Parliament

Notes:

- (a) *Comprising: Votes, Notice Papers, Questions Paper and Weekly Bill Lists.*
 (b) *1997-98 comparative is the sum of annual reports tabled and petitions tabled.*
 (c) *All committees are Joint Investigatory Committees comprising Members of both Houses and the costs are therefore apportioned between Output Groups 801 and 802.*

**Table 2.1.5: Output Group Costs
Legislative Assembly**

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	34.8	31.0	-10.8
<i>Comprising:</i>			
Employee-related Expenses	28.4	24.2	-14.7
Purchases of Supplies and Services	2.3	2.8	17.6
Depreciation	..	..	..
Capital Asset Charge	4.0	4.0	..
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.1.6: Output Group Description and Outputs
Parliamentary Library**

Key Government Outcomes:

- To ensure that Members of Parliament are in possession of information required to perform their duties efficiently and effectively.

Description of the Output Group:

- Provision of information, resources and research services to Members of Parliament, Parliamentary Officers and committees and the promotion of public awareness of the Parliament of Victoria and the education of citizens in the democratic processes of Westminster style government.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Information Provision Delivery of services whereby information is collated for a client in response to a specific request.			
<i>Quantity</i>			
Service requests satisfied	number	10 400	5 000 ^(a)
Pages of information delivered	number	nm	20 000
<i>Quality</i>			
Clients rating service at expected level or above	per cent	80	80
Questions successfully answered	per cent	nm	95
<i>Timeliness</i>			
Jobs completed within agreed client timeframes	per cent	nm	92
Information Access Creation of services to enable clients to access information themselves, both physically and electronically.			
<i>Quantity</i>			
Items processed for retrieval	number	nm	30 000
Client visits to the Library	number	nm	3 000
Searches on databases	number	nm	5 200
Information skills publications produced	number	nm	15
<i>Quality</i>			
Availability of databases	per cent	nm	90
<i>Timeliness</i>			
Availability of Daily Hansard by 10am following day of sitting	per cent	nm	95

**Table 2.1.6: Output Group Description and Outputs
Parliamentary Library - *continued***

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Research Provision of statistical, analytical and research briefings and publications in support or anticipation of Members' parliamentary responsibilities.			
<i>Quantity</i>			
Briefings provided	number	70	70
Publications produced	number	20	20
<i>Quality</i>			
Clients rating service at expected level or above	per cent	80	80
<i>Timeliness</i>			
Requests completed within agreed timeframe	per cent	80	90
 Public Relations and Education Provision of quality learning experiences for students and visitors to Parliament. Development of materials and events that promote awareness and understanding of the Parliamentary processes.			
<i>Quantity</i>			
PR brochures distributed	number	nm	17 500
Student visitors to Parliament	number	24 000	24 000
Teachers provided with in-service training	number	300	300
Teacher consultancies provided	number	nm	200
Eligible interns placed with Members	per cent	nm	95
PR events hosted/facilitated	number	nm	15
Members guest visitors received	number	nm	1 000
<i>Quality</i>			
Clients rating education service as satisfactory	per cent	90	90

Source: Parliament

Note:

- (a) *The increase in the Library's provision of on-line information services will result in more clients being able to access information themselves.*

**Table 2.1.7: Output Group Costs
Parliamentary Library**

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	1.8	1.9	7.0
<i>Comprising:</i>			
Employee-related Expenses	1.0	1.0	-2.1
Purchases of Supplies and Services	0.5	0.6	31.0
Depreciation	..	..	..
Capital Asset Charge	0.3	0.3	..
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.1.8: Output Group Description and Outputs
Parliamentary Debates (Hansard)**

Key Government Outcomes:

- The reporting and supply of permanent, accurate and timely records of the debates of Parliament and the proceedings of parliamentary committees, ministerial conferences, Youth Parliament, Children's Parliament and other forums as required.

Description of the Output Group:

- Hansard is a reporting and editing function producing *Daily Hansard*, an edited proof transcript of each day's parliamentary proceedings; *weekly Hansard*, the revised compilation of a week's proceedings of the Parliament; bound volumes, a compilation of the proceedings of a sessional period; sessional indexes, a reference to be used in conjunction with both weekly and bound editions of *Hansard*; and committee transcripts, edited transcripts of the proceedings of parliamentary committees.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Hansard, Sessional Indexes and Committee Transcripts			
<i>Quantity</i>			
Total number of printed pages	number	nm	12 355
<i>Quality</i>			
Accuracy and legibility of printed pages of appropriately edited transcript	per cent	nm	100
<i>Timeliness</i>			
Pages produced within agreed timeframe	per cent	95	100

Source: Parliament

**Table 2.1.9: Output Group Costs
Parliamentary Debates (Hansard)**

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	2.6	2.6	..
<i>Comprising:</i>			
Employee-related Expenses	1.7	1.6	-8.0
Purchases of Supplies and Services	0.6	0.6	..
Depreciation	..	..	..
Capital Asset Charge	0.4	0.4	..
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.1.10: Output Group Description and Outputs
Department of Parliamentary Services**

Key Government Outcomes:

- To provide high quality support services which enable the Parliament and State electorate offices to operate at optimum efficiency and effectiveness.

Description of the Output Group:

- Provision of ancillary services, including financial management, accounting services and property and facilities management to the Parliament of Victoria and State electorate offices.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Financial Management Provision of financial management and accounting services.			
<i>Quantity</i>			
Accounts processed	number	18 000	17 000
Financial reports produced	number	3 000	2 000
<i>Quality</i>			
Accounts paid within credit terms	per cent	80	95
<i>Timeliness</i>			
Reports prepared within required timelines	per cent	90	92
Property Management Management of the property and service related issues of the State electorate offices.			
<i>Quantity</i>			
Leases current	number	95	97
<i>Quality</i>			
Electorate offices property and infrastructure requests satisfactorily resolved	per cent	nm	85
<i>Timeliness</i>			
Electorate office fitouts completed on time and within budget	per cent	95	97
Ground and Facilities Maintenance Maintenance of the grounds and facilities of Parliament of Victoria.			
<i>Quality</i>			
Users rating the grounds and facilities as excellent	per cent	80	85
<i>Timeliness</i>			
Users requests satisfied on time	per cent	nm	80
Budget Estimates 1998-99	Parliament		41

Table 2.1.10: Output Group Description and Outputs
Department of Parliamentary Services - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Personnel Services Provision of personnel services to the Parliament of Victoria and State electorate offices.			
<i>Quantity</i>			
Payroll adjustments processed	number	8 000	5 000
<i>Quality</i>			
Corrections required to salaries payments	number	<50	<50
<i>Timeliness</i>			
Information requests satisfied within agreed timeframe	per cent	95	95

Source: Parliament

Table 2.1.11: Output Group Costs
Department of Parliamentary Services

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	29.8	30.8	3.3
<i>Comprising:</i>			
Employee-related Expenses	11.5	12.8	11.7
Purchases of Supplies and Services	12.9	12.4	-3.7
Depreciation	1.3	1.4	8.1
Capital Asset Charge	4.2	4.2	..
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.1.12: Output Group Description and Outputs
Victorian Auditor-General's Office**

Key Government Outcomes:

- ? Provision of quality independent external audit services in order to enhance accountability to the Parliament and efficient and effective use of public resources in Victoria.

Description of the Output Group:

- ? The Auditor-General, as the sole external auditor of Government, is responsible on behalf of the Parliament for the audit of the financial operations and resource management of the Victorian public sector.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Performance Audits Provision of quality audit reports to the Parliament on significant resource management issues in the Victorian public sector.			
<i>Quantity</i>			
Major/statewide performance audits carried forward or commenced as agreed with Parliament's Public Accounts and Estimates Committee	number	18	na ^(a)
Major reports tabled in Parliament	number	7	7
<i>Quality</i>			
Overall level of external satisfaction with audits	per cent	75	75
<i>Timeliness</i>			
Reports completed within timeframes agreed with Parliament	per cent	nm	95
<i>Cost</i>			
Services delivered within budgets	per cent	nm	100
Financial Audits Expression of audit opinions on the financial statements of audited agencies and on the Government's Annual Financial Statements within statutory deadlines and provision of quality audit reports to the Parliament on financial management and accountability issues in the Victorian public sector.			
<i>Quantity</i>			
Audit opinions issued to agencies ^(b)	number	530	500
Audit of Government's Annual Financial Statement	number	1	1
Major reports tabled in Parliament	number	2	2
Budget Estimates 1998-99	Parliament		43

**Table 2.1.12: Output Group Description and Outputs
Victorian Auditor-General's Office - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Financial Audits – <i>continued</i>			
<i>Quality</i>			
Overall level of external satisfaction with audit	per cent	70	70
<i>Timeliness</i>			
Audits completed within statutory deadlines	per cent	95	95
<i>Cost</i>			
Audits completed within budgets	per cent	nm	100

Source: Parliament

Notes:

- (a) Target to be agreed with the Public Accounts and Estimates Committee. Unavailable at the time of publication.
- (b) At 30 June 1997, based on the number of agencies established or varied by Parliament.

**Table 2.1.13: Output Group Costs
Victorian Auditor-General's Office**

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	19.8	20.1	1.4
<i>Comprising:</i>			
Employee-related Expenses	17.2	17.5	2.9
Purchases of Supplies and Services	1.5	1.6	1.3
Depreciation	1.0	0.8	-17.3
Capital Asset Charge	0.2	0.1	-42.3
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

Part 2: Financial Information

This part provides the financial tables that support Parliament's provision of outputs. This information can assist the reader to assess its financial performance.

The information provided includes a statement of financial position, operating statement and cash flow statement for the department as well as tables detailing Parliament expenses and revenue.

The total resources planned to be available to the department for the delivery of outputs, investment in departmental assets and other purposes in respect of the 1998-99 financial year are outlined in the following table.

Table 2.1.14: Summary of departmental resources available

	(\$ million)	
	1997-98 Budget	1998-99 Budget
Outputs purchased by State government	101.2	103.4
Outputs purchased by other parties	..	..
Operating revenue from provision of outputs sub-total	101.2	103.4
Government contribution to increasing net asset base	..	1.5
Funding for Payments made on behalf of the State	..	..
TOTAL	101.2	104.9

Source: Department of Treasury and Finance, Forward Estimates

The available resources are applied to three uses:

- the provision of outputs;
- payments on behalf of the State; or
- asset investment.

The table below shows the break-up of the available resources across the three categories of uses.

Table 2.1.15: Summary of use of resources

(\$ million)		
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Output provision expenses	101.2	103.4
Payments made on behalf of the State	..	..
Gross Fixed Asset Investment <i>less</i> Depreciation	..	1.5
Total Uses	101.2	104.9

Source: Department of Treasury and Finance, Forward Estimates

Payments on behalf of the State are payments made by the department on behalf of the State Government as a whole and do not directly reflect the operations of Parliament.

Table 2.1.16: Payments made on behalf of the State

(\$ million)		
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Payments made on behalf of the State	na	na

Source: Department of Treasury and Finance, Forward Estimates

The table below lists the source of funds for Gross Fixed Asset Investment for Parliament. Asset investment is equal to Gross Fixed Asset Investment (purchase of new assets) *less* reductions in existing fixed assets, through depreciation and asset sales.

Table 2.1.17: Gross Fixed Asset Investment

(\$ million)		
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Financial Assets (<i>attributable to depreciation expense</i>)	2.3	2.2
Appropriation for increases in the net asset base	..	1.5
Fixed Asset Sales	..	..
Non Public Account and other (including retained earnings)	0.3	..
Total Gross Fixed Asset Investment	2.5	3.7

Source: Department of Treasury and Finance, Forward Estimates

The operating statement, statement of financial position and a cash flow statement are provided below. This information includes non-public account revenue from services provided by the department to third parties in exchange for payment. Currently this includes user charges, and fees for services retained outside the Public Account.

Table 2.1.18: Departmental operating statement

46	Parliament	Budget Estimates 1998-99
----	------------	--------------------------

(\$ million)			
	1997-98	1998-99	Variation
	Budget	Budget	%
Operating Revenue			
Revenue from State Government ^(a)	101.2	103.4	2.2
Commonwealth	..	..	..
Other revenue ^(b)	..	..	..
Total	101.2	103.4	2.2
Operating Expenses			
Employee Related Expenses ^(c)	68.0	70.0	2.9
Purchases of Supplies and Services ^(d)	19.5	20.0	2.6
Depreciation ^(e)	2.3	2.2	-2.9
Capital Asset Charge	11.1	11.0	-0.6
Other Expenses	0.4	0.2	-40.9
Total	101.2	103.4	2.2
Operating Surplus/Deficit	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

Notes:

- (a) State government payments for provision of outputs. Includes estimated carryover of 1997-98 appropriation amounts. Actual carryover is subject to approval by the Treasurer prior to 30 June pursuant to Section 32 of the Financial Management Act, 1994.
- (b) Includes revenue for services delivered to parties outside government.
- (c) Includes salaries and allowances, superannuation contributions and payroll tax.
- (d) Includes payments to non-government organisations for delivery of services.
- (e) Includes amortisation of leased assets.

Table 2.1.19: Statement of Financial Position

(\$ thousand)

	Estimated as at 30 June		
	1998	1999	Variation %
Assets			
Current Assets			
Cash	1 023.0	1 023.0	..
Investments	..	..	..
Receivables	5 288.3	5 476.3	3.6
Prepayments	715.8	715.8	..
Inventories	73.5	73.5	..
Other Assets	..	..	..
Total Current Assets	7 100.7	7 288.7	2.6
Non-Current Assets			
Investments	690.7	690.7	..
Receivables ^(a)	35.0	809.0	..
Fixed Assets	139 951.9	141 447.9	1.1
Other Assets	..	..	..
Total Non-Current Assets	140 677.6	142 947.6	1.6
Total Assets	147 778.3	150 236.3	1.7
Liabilities			
Current Liabilities			
Payables	1 000.1	1 158.1	15.8
Borrowing	..	..	..
Employee Entitlements	2 828.3	3 016.3	6.6
Superannuation	..	..	..
Other Liabilities	..	..	..
Total Current Liabilities	3 828.4	4 174.4	9.0
Non-Current Liabilities			
Payables	..	..	..
Borrowing	..	..	..
Employee Entitlements	5 404.4	6 020.4	11.4
Superannuation	..	..	..
Other Liabilities	..	..	..
Total Non-Current Liabilities	5 404.4	6 020.4	11.4
Total Liabilities	9 232.8	10 194.8	10.4
Net Assets	138 545.5	140 041.5	1.1

Source: Department of Treasury and Finance, Forward Estimates

Notes:

(a) Increase in receivable is predominantly due from the State and results from appropriated but undrawn funds for depreciation and employee entitlements.

Table 2.1.20: Cash flow statement

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Cash flows from operating activities			
<i>Operating receipts</i>			
Receipts from State Government ^(a)	100.8	102.5	1.6
Commonwealth payments	..	..	..
Other	..	..	..
	<u>100.8</u>	<u>102.5</u>	<u>1.6</u>
<i>Operating payments</i>			
Employee related expenses	- 67.5	- 69.2	2.5
Purchases of supplies and services	- 19.4	- 19.9	2.6
Interest & finance expenses	..	..	..
Capital assets charge	- 11.1	- 11.0	-0.6
Current grants and transfer payments	- 0.4	- 0.2	-40.9
Capital grants and transfer payments	..	..	..
Net cash from Operating Activities	<u>2.5</u>	<u>2.2</u>	<u>-13.9</u>
Cash flows from Investing Activities			
Receipts from sale of land, fixed assets and investments	..	..	..
Purchases of non-current assets	- 2.5	- 3.7	-44.8
Net Cash used in investing activities	<u>- 2.5</u>	<u>-3.7</u>	<u>-44.8</u>
Cash flows from Financing Activities			
Receipts from appropriations – increase in net asset base	..	1.5	..
Capital repatriated to Government	..	..	..
Net borrowings and advances	..	..	..
Net Cash from financing activities	<u>..</u>	<u>1.5</u>	<u>..</u>
Net increase in cash held	..	..	..
Cash at beginning of period	<u>1.0</u>	<u>1.0</u>	<u>..</u>
Cash at end of period	<u>1.0</u>	<u>1.0</u>	<u>..</u>

Source: Department of Treasury and Finance, Forward Estimates

Notes:

(a) State government cash paid for provision of outputs.

Authority for resources

This section details on the Parliamentary authority for the resources provided to a Department for the provision of outputs, increases in the net asset base or payments which are made on behalf of the State.

Table 2.1.21: Authority for Departmental Resources

(\$ million)		
	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>
Annual Appropriations	61.3	68.7
Receipts Credited Appropriations	4.1	..
Gross Appropriation	65.4	68.7
Special Appropriations	35.4	36.0
Trust Fund Receipts	..	..
Non Public Account Revenue and other sources	..	..
Total Authority	100.8	104.7

Source: Department of Treasury and Finance, Forward Estimates

Annual appropriations

In 1998-99 Parliament will receive government annual appropriations totalling \$68.7 million. This figure is inclusive of the estimated carryover of funds from 1997-98. The actual carryover amount will be approved by the Treasurer pursuant to Section 32 of the *Financial Management Act 1994* prior to 30 June.

Table 2.1.22: Gross Annual Appropriations by purpose

(\$ million)		
	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>
Provision of Outputs	65.7	67.2
Additions to net asset base	..	1.5
Payments made on behalf of the State	..	..
Total	65.7	68.7

Source: Department of Treasury and Finance, Forward Estimates

Receipts Credited Appropriations

Pursuant to Section 29 of the *Financial Management Act 1994* funds are available as a result of:

- the provision of services directly to third parties by a department in return for payment (user charges);
- Specific Purpose Payments from the Commonwealth; or
- funds from the sale of departmental fixed assets.

In 1998-99 no department has applied for the proceeds of fixed asset sales to be credited to their appropriation pursuant to Section 29 of the *Financial Management Act 1994*.

Table 2.1.23: Details of Receipts Credited

	(\$ million)	
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
User Charges	4.1	..
Commonwealth SPPs	..	..
Asset Sales	..	..
Total	4.1	..

Source: Department of Treasury and Finance, Forward Estimates

Special Appropriations

Special Appropriations are used for ongoing payments which need to be made independently of the Government's annual budget priorities. Special appropriations represent a standing authority and do not lapse each year as annual appropriations do, but remain in force until amended or repealed by Parliament.

Table 2.1.24: Details of Special Appropriations

	(\$ million)	
	1997-98 Budget	1998-99 Budget
Clerk of The Parliaments - Act No. 8750	..	..
Legislative Assembly - Act No. 8750	0.3	0.3
Legislative Council - Act No. 8750	0.1	0.1
Parliamentary Committees - Act Nos. 7727/9765 and 64/1992	3.9	4.1
Parliament Contributory Super Fund - Act No. 7723, S13(1)(C)	18.1	18.1
Parliamentary Salaries and Allowances - Act No. 7723	12.9	13.2
Auditor General - Act No. 2 of 1994	0.2	0.2
Audit Act No. 2/1994, Part 4 - Audit of A-G's Office	..	..
Total	35.4	36.0

Source: Department of Treasury and Finance, Forward Estimates

Trust Fund Receipts

These receipts are paid into a Trust Account within the Public Account. The trust account must be set up pursuant to certain provisions contained in the Financial Management Act 1994 and are to enable departments to make payments for specific reasons as set out in the legislation authorising the creation of the trust account.

The funds paid into the account may come from four basic sources:

- State Government;
- Commonwealth Government;
- joint Commonwealth and State Government; or
- prizes, scholarships, research and private donations.

Non Public Account Revenue and other sources

Revenue from these sources includes receipts from user charges and other revenue that are collected and retained by agencies. This includes fees and charges levied by VicRoads, TAFE Institutes, school councils and hospitals.

Department of Education

Part 1: Outlook and Outputs

Overview

The mission of the Department of Education is to give Victorians the opportunity to benefit from high quality education and training.

The Department has as its core function the provision of services which support, coordinate and regulate the delivery of:

- school education provided through government and non-government schools; and
- tertiary education and training including vocational education and training provided through TAFE Institutes and private providers; and adult, community and further education provided through community providers and TAFE Institutes and higher education provided through universities.

In addition, the Department provides support and advisory services to the Minister for Education and the Minister for Tertiary Education and Training and is responsible for the effective management and administration of their respective portfolios.

A number of statutory bodies report to the Minister for Education. These include the Board of Studies, the Registered Schools Board, the Standards Council of the Teaching Profession and the Merit Protection Boards. The State Training Board and the Adult, Community and Further Education Board report to the Minister for Tertiary Education and Training.

In 1998 it is anticipated that government school education services will be provided to: 303 869 primary school students; 215 944 secondary school students; 5 079 students in Special Schools; and 267 237 non-government school students.

Tertiary education and training will be provided in 1998 to over 400 000 student enrolments amounting to: 64.6 million student contact hours of government funded vocational and further education and training; 2.74 million student contact hours of government funded adult community education; and approximately 182 000 places of higher education.

School education services are provided through a range of school structures, including: 1 253 Primary Schools; 269 Secondary Colleges; 40 Primary/Secondary schools; 81 Special schools for students with disabilities; 3 English Language Schools; and 678 non-government schools.

Similarly, in 1998 tertiary education and training services are being delivered through a range of educational institutions including: 18 TAFE institutes, including 5 TAFE divisions within universities; 750 private providers of vocational education and training; 440 adult community education organisations owned and managed by local communities; Adult Multicultural Education Services (20 locations) and the Council of Adult Education; 9 universities; and 17 private providers of higher education.

Scope and Coverage Statement

The output group and financial information for the Department of Education includes consolidated information for the following Portfolio entities:

- Department of Education
- Board of Studies
- Standards Council of the Teaching Profession
- Merit and Equity Boards
- Registered Schools Board
- State Training Board
- Adult, Community and Further Education Board
- Council of Adult Education
- 18 TAFE Institutes

Review of 1997-98

During 1997–98, the Department made significant progress towards ensuring that Victorians have access to high quality education and training services. Specifically, the Department:

- Strengthened the focus on student achievement through redevelopment of the Keys to Life literacy & numeracy program, the trial of the Victorian Student Achievement Monitor (VSAM) and the review of the Victorian Certificate of Education;
- Investigated future models for school governance arrangements through the Schools of the Third Millennium Project;
- Invested in communications and multimedia technology and its application to new learning techniques;
- Boosted support for student welfare through implementation of the Drug Education program and the provision of additional student counselling, welfare and support services;
- Introduced New Apprenticeships in Victoria;
- Adopted a quality management framework across the State Training System and further extended competitive tendering for the provision of education and training services;
- Increased customisation of Vocational Education and Training (VET) and Adult, Community and Further Education (ACFE) courses to meet client demand;
- Reviewed and modified governance arrangements in universities; and
- Maintained its position as the most efficient provider of educational services in Australia;

1998-99 Outlook

The Department has identified the following priorities designed to increase social advantage for the Victorian community:

- improve student learning outcomes in the areas of literacy and numeracy particularly in the early years of schooling;
- maximise the use of innovative information technology and multimedia across all sectors in both service delivery and corporate management;
- improve quality of teaching and student participation in mathematics, science and technology studies;
- further improve the quality of education and training services through extension of devolution and autonomy arrangements for educational institutions;

- further encourage lifelong learning through expansion of pathway mechanisms in education and training; and
- review services in education to ensure quality Departmental processes and systems.

In addition the Department is committed to achieving broad government strategies including:

- maximising value of public expenditure;
- further enhancing contestability in Departmental operations including competitive tendering and outsourcing arrangements and expansion of consumer choice in the types of services provided; and
- establishing management practices consistent with accrual output based management.

During 1998–99, the Department will develop, implement and further enhance a variety of programs and support services in each of the school education and tertiary education and training sectors.

School Education

During 1998–99 the Department will:

- Provide support for the establishment of comprehensive literacy programs in every primary school and support the implementation of the agreed National Literacy Plan—Literacy 2001;
- Conduct a research project to develop an Early Numeracy Program akin to the Keys to Life Early Literacy Program;
- Further expand the Languages other than English (LOTE) program in primary and secondary schools to all students from Years 3 to 9;
- Further develop models for school governance through the Schools of the Third Millennium Project;
- Develop infrastructure to facilitate implementation of Online Government 2001 with a Digital Resource Centre as the main education channel;
- Provide infrastructure and support to improve use of information technology and multimedia in teaching and learning and school administration;
- Support schools to implement learning technology plans to maximise the opportunities available through VicOne; utilise electronic material to support the implementation of the Curriculum and Standards Frameworks (CSF); and increase the application of multimedia in schools;

- Double student participation in the Victorian Youth Development Program;
- Provide support for an additional 350 students under the Program for Students with Disabilities and Impairments;
- Support the next wave of schools to develop drug education strategies under the Government's Turning the Tide initiative;
- Further increase participation in the VET in Schools program in government schools;
- Progress the Victorian Student Achievement Monitor (VSAM) to assess achievement in English and Mathematics of Year 7 and 9 students;
- Implement in schools the Government's response to the Suicide Prevention Task force in conjunction with the Department of Human Services and related agencies;
- Implement a strategic plan to improve the quality of teaching and learning outcomes in science education in years P-10; and
- Continue implementation of the Accountability Framework through the conduct of school reviews in Intakes 2 and 3 of Schools of the Future.

Tertiary Education and Training

During 1998–99, the Department will:

- Implement the recommendations from the Ramler Review on the provision of TAFE in the Melbourne Metropolitan area;
- Expand New Apprenticeships;
- Implement the National Training Framework;
- Provide greater opportunities and improved outcomes for under represented clients, particularly in rural areas using Adult and Community Education (ACE) infrastructure;
- Achieve training outcomes which meet the needs of small business;
- Encourage a training culture within industry, including to enhance training of the existing workforce;
- Implement the Office of Training and Further Education's (OTFE) Multimedia and Communication Training Strategy including ACE providers;
- Implement the Victorian Virtual Campus;
- Implement a framework for Further Education curriculum;

- Maintain and strengthen higher education delivery in regional Victoria; and
- Strengthen research and program delivery in science and technology in higher education in conjunction with State strategic planning for economic development.

Strategic Policy Advice, Portfolio-wide and Ministerial Services

The Department will also:

- Improve Services to Education through implementation of recommendations arising from the Departmental Quality Management Project;
- Commence a comprehensive program review and evaluation project in key Departmental program areas;
- Continue to encourage overseas student participation in Victorian schools, VET and higher education institutions, and internationalisation of education through associated projects; and
- Begin implementation of changes arising from the VCE Review.

Investment Proposals: Major New Works

During 1998–99 the Department will commence a number of new works including:

- Construction of two new schools;
- Replacement, relocation or consolidation of fourteen schools;
- Refurbishment or upgrading of thirty-seven schools; and
- Major development projects in four TAFE institutes along with a number of maintenance projects.

As well, the Department will be investing in computer hardware for students and teachers, in CASES 21, the redevelopment of the computer platform for schools administration, and continue investing in a new Human Resource Management System.

Competition Policy: Contestability and Choice

The Department is committed to reforms which promote contestability in the provision of education services, and provide greater choice for the users of those services.

During 1998–99 the Department will:

- Expand User Choice in the implementation of the New Apprenticeship program;
- Expand market mechanisms in Tertiary Education and Training;
- Further develop models for school governance through the Schools of the Third Millennium Project;
- Complete implementation of university governance reforms following recommendations of the Ministerial review of university governance;
- Further strengthen internationalisation in higher education;
- Finalise development of criteria for the recognition of private institutions as universities under Section 10 of the *Tertiary Education Act 1993*; and
- Enhance higher education private provider course approval mechanisms and measures to ensure course quality.

Output Information

The following section provides details of the outputs to be provided by Education:

Table 2.2.1: Output Group summary

	<i>(\$ million)</i>		
	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
School Education	3 762.2	3 958.4	5.2
Tertiary Education and Training	783.1	789.9	0.9
Strategic Policy Advice, Portfolio-Wide and Ministerial Services	28.6	27.8	-2.8
Total	4 573.9	4 776.1	4.4

Source: Department of Treasury and Finance, Forward Estimates

Table 2.2.2: Output Group Description and Outputs School Education

Key Government Outcomes:

- Ensuring that students are provided with the education and skills to give them the best chance for the future, including the need for all students to be literate, numerate, adept at information technology and to have a strong knowledge base.
- Enhancing education opportunities through innovative technologies and, as appropriate, reduce the current emphasis on capital infrastructure with investment in technological infrastructure.
- Enhancing reporting processes to parents and teachers about student progress to better identify student strengths and weaknesses.

Description of the Output Group:

The School Education Output Group encompasses the provision of government primary and junior secondary educational services to compulsory aged students, and the provision of senior secondary education services to post compulsory age students. This includes the provision of:

- a safe, effective learning environment through appropriately trained and qualified teachers and properly maintained physical environment;
- curriculum delivery to prescribed content and performance standards in the 8 key learning areas - English, Mathematics, Science, Languages Other Than English (LOTE), Study of Society and Environment, The Arts, Health and Physical Education and Technology; and
- curriculum delivery in accordance with the requirements of the Victorian Certificate of Education.

Also included are the provision of specialist services considered by the department to be additions to the base services. Outputs in this category include services provided to students with disabilities and impairments, students from language backgrounds other than English, and students with other special needs such as the requirement for student welfare services. In each of these cases, services are provided both through specialist settings such as special schools and language centres and through additional services to students in regular schools.

A number of specific educational programs and initiatives aimed at either intervention or extension of educational experiences are also included in this grouping, as are reporting and assessment services and financial assistance for non government students.

Table 2.2.2: Output Group Description and Outputs
School Education - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target^(a)	1998-99 Target^(a)
<i>Performance Measures</i>			
Primary Education Services Provision of education services to Victorian students in Government schools across the state of Victoria from Prep to Year 6.			
<i>Quantity</i>			
Students	number	301 706	303 869
Schools per 1 million population	number	nm	282.0
Schools per 1000 square kilometre	number	nm	5.7
<i>Quality</i>			
Schools providing timetabled access to the 8 Key Learning Areas in accordance with Curriculum and Standards Framework guidelines	per cent	100	100
Student teacher ratio	ratio	1:17.9 ^(b)	1:16.8
Computer student ratio	ratio	1:9.3 ^(b)	1:8.2
Primary class sizes 30 or less 30 (Feb census)	per cent	nm	92.9
Students achieving at or above expected levels in Years 3 and 5 in the LAP (Reading, Writing and Number)	per cent	90	90
<i>Timeliness</i>			
Student accommodation in place within one week of the start of the 1998 school year	per cent	nm	100
Secondary Education Services (Years 7 - 10) Provision of education services to Victorian students in Government schools in the state of Victoria from Year 7-10.			
<i>Quantity</i>			
Number of students	number	151 186	151 114
Schools per 1M population	number	nm	67.2
Schools per 1000 square kilometre	number	nm	1.4
Students receiving additional services for the Victorian Youth Development Program (VYDP)	number	nm	1 950

Table 2.2.2: Output Group Description and Outputs
School Education - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target^(a)	1998-99 Target^(a)
Performance Measures			
Secondary Education Services (Years 7 - 10) - <i>continued</i>			
<i>Quality</i>			
Schools providing access to the 8 Key Learning Areas in accordance with Curriculum & Standards Framework Fund guidelines	per cent	100	100
Student teacher ratio (Years 7 - 10)	ratio	1:12.3	1:12.4
Computer student ratio	ratio	1:6.3 ^(b)	1:5.8
Progression rate from Years 10 to 11	per cent	nm	95.4
Year 7-10 English class sizes under 25	per cent	nm	77.7
<i>Timeliness</i>			
Student accommodation in place within one week of the start of the 1998 school year	per cent	nm	100
Secondary Education Services (Years 11 - 12) Provision of education services to Victorian students in Government schools across the state of Victoria in Years 11 and 12.			
<i>Quantity</i>			
Students	number	64 137	64 830
<i>Quality</i>			
Apparent retention rate to Year 12	per cent	69.4	76.3
Progression rate from Year 11 to Year 12	per cent	nm	84.6
Student teacher ratio to Years 11 - 12	ratio	1:12.3	1:12.4
Years 11-12 English class sizes 25 or less	per cent	85.6	85.6
Computer student ratio	ratio	1:6.3 ^(b)	1:5.8
Average number of VCE units provided per school	number	nm	26.7
School leavers progressing to further education, training or work	per cent	nm	87.5
<i>Timeliness</i>			
Student accommodation in place within one week of the start of the 1998 school year	per cent	nm	100

Table 2.2.2: Output Group Description and Outputs
School Education - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target^(a)	1998-99 Target^(a)
Performance Measures			
Intensive Early Literacy and Numeracy Services Provision of intensive strategies to support students achieve the highest possible standards of literacy and numeracy including:			
<ul style="list-style-type: none"> provision of high quality structured, literacy and numeracy teaching in the early years of schooling; and provision of Reading Recovery intervention programs. 			
<i>Quantity</i>			
Year 1 cohort accessing Reading Recovery Programs	per cent	nm	15
<i>Quality</i>			
Students at the end of their second year at primary school reading and writing at an appropriate level	per cent	nm	85
Prep-2 students in certified Keys to Life schools	per cent	nm	79
<i>Timeliness</i>			
Materials and training provided according to published timelines	per cent	nm	100
Services to Students with Disabilities Provision of education services to Victorian students with disabilities and impairments in Government schools including provision of services in both regular schools and specialist settings.			
<i>Quantity</i>			
Students with disabilities and impairments in special settings	number	4 962	5 079
Students with disabilities and impairments in regular schools (end of school year count)	number	6 338	6 571
Specialist schools	number	82	80
Regular schools with students with disabilities and impairments	number	1 288	1 335
<i>Quality</i>			
Students placed in a Futures for Young Adults program	per cent	nm	100
<i>Timeliness</i>			
Assessment of applications for inclusion in program completed according to published timelines	per cent	nm	100

Table 2.2.2: Output Group Description and Outputs
School Education - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target^(a)	1998-99 Target^(a)
<i>Performance Measures</i>			
Services to Students from Language Backgrounds other than English Provision of English as a second language services to students from language backgrounds other than English including:			
<ul style="list-style-type: none"> • services provided in English language schools and centres for new arrival students, including the outposting program; • services provided in regular schools for students from a language background other than English. 			
<i>Quantity</i>			
Students receiving additional English as a second language services in regular schools	number	nm	39 262
New arrival students receiving intensive or targeted ESL support	number	nm	1 425 ^(c)
<i>Quality</i>			
Eligible students from language backgrounds other than English in schools receiving additional ESL services	per cent	nm	90.1
<i>Timeliness</i>			
Average waiting time between initial request for admission to an intensive ESL program, or targeted support, and commencement of program	days	nm	5
Services to Students with Other Special Learning Needs Provision of additional services to students experiencing educational disadvantage including:			
<ul style="list-style-type: none"> • services to students at educational risk in regular schools; • services for students in alternative programs; and • Koorie Education programs. 			
<i>Quantity</i>			
Students receiving additional services for redressing educational risk in regular schools	number	nm	208 718
Students receiving educational services in alternative programs	number	nm	1 288
Koorie Education workers	number	nm	72
Koorie Open Doors Education Campuses	number	nm	3
Budget Estimates 1998-99			Education
			65

Table 2.2.2: Output Group Description and Outputs
School Education - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target^(a)	1998-99 Target^(a)
Performance Measures			
Services to Students with Other Special Learning Needs - <i>continued</i>			
<i>Quality</i>			
Students receiving additional services for redressing educational risk in regular schools	per cent	nm	38.6
School community satisfaction with student programs provided	per cent	nm	75
<i>Timeliness</i>			
Schools receiving their calculated Special Learning Needs Index according to published timelines	per cent	nm	100
Vocational Education & Training in Schools			
<ul style="list-style-type: none"> • Provision of accredited Vocational Education and Training (VET) programs in Victorian schools (government and non-government); and • Provision of New Apprenticeships in Victorian Government schools. 			
<i>Quantity</i>			
Students participating in VET in Schools programs	number	7 200	10 500
Schools offering VET in Schools programs	number	nm	350
Accredited VET programs	number	15	23
<i>Quality</i>			
VCE students studying VET in Schools courses	per cent	nm	12
VET in Schools VCE units successfully completed	per cent	nm	85.5
New Apprenticeship for secondary student programs provided by schools	number	nm	8
School students undertaking part time New Apprenticeships	number	nm	200
<i>Timeliness</i>			
VET in Schools funding allocations provided to schools in accordance with published timelines (15th April - 31 August)	per cent	nm	100
Applications from schools to offer VET in Schools programs processed prior to end of Term 4	per cent	nm	100

Table 2.2.2: Output Group Description and Outputs
School Education - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target^(a)	1998-99 Target^(a)
Performance Measures			
New Learning Technologies, Multimedia and Open Learning			
Provision of:			
<ul style="list-style-type: none"> • Appropriate infrastructure and hardware to schools e.g. WAN, Multimedia computers; • access to high quality learning resources delivered over distance; • access to flexible and effective technology based professional development for departmental personnel; • access to information sharing and collaboration services; and • access to Science and Technology Centres and Navigator Schools. 			
<i>Quantity</i>			
Schools to be connected to the Internet	per cent	nm	100
Additional video conferencing for educational sites installed	number	nm	260
Computer student ratio all schools	ratio	1:7.7	1:7
Schools to be provided with email access	per cent	nm	100
Schools to have a minimum 64K link (as provided by VicOne)	per cent	nm	100
<i>Quality</i>			
Teacher ranking confidence in the use of technology resources as satisfactory or higher	per cent	nm	70
Professional development programs rated satisfactory or higher by participants	per cent	nm	70
<i>Timeliness</i>			
Delivery of Information Technology products and programs within published timelines	per cent	nm	75
Development of infrastructure projects within published timelines	per cent	nm	75

Table 2.2.2: Output Group Description and Outputs
School Education - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target^(a)	1998-99 Target^(a)
Performance Measures			
Student Support Services Provision of education services relating to:			
<ul style="list-style-type: none"> • student welfare including drug education issues; and • specialist support services for students in the areas of speech therapy, visiting teacher services for hearing, visually, health and physically impaired students, and curriculum services. 			
<i>Quantity</i>			
Students accessing early intervention and intervention student services	number	nm	115 000
Additional Schools (Government & Non-Government) developing Individual School Drug Education Strategies (ISDES)	number	nm	>750
<i>Quality</i>			
Students able to access student support services	per cent	nm	100
School community satisfaction with level of student support services provided	per cent	nm	70
Government schools implementing ISDES	per cent	nm	66.6
<i>Timeliness</i>			
Average time between the initial request for intervention service and the provision of that service	days	nm	4
School Education Quality Systems			
<ul style="list-style-type: none"> • Provision of student assessment and certification services for students in government and non-government schools including the Learning Assessment Program (LAP) in Years 3 and 5, the Victorian Student Achievement Monitor (VSAM) in Years 7 and 9, and the Victorian Certificate of Education in Years 11 and 12 (VCE). • Provision of school performance measurement and reporting services to the community to ensure and enhance the quality of school education through school annual reports, school audits and triennial school reviews. 			
<i>Quantity</i>			
Number of students tested			
• LAP	number	nm	104 000
• VSAM	number	nm	40 000
• VCE	number	nm	106 131
68	Education	Budget Estimates 1998-99	

Table 2.2.2: Output Group Description and Outputs
School Education - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target^(a)	1998-99 Target^(a)
Performance Measures			
School Education Quality Systems - <i>continued</i>			
Schools submitting school annual reports		nm	1 646
Schools completing school reviews annually		nm	630
Financial audits completed	number	nm	1 667
<i>Quality</i>			
Reliability of LAP assessment procedures	index (0-1)	nm	0.85
Reliability of VCE assessment procedures	index (0-1)	nm	0.85
<i>Timeliness</i>			
Availability of results			
• LAP	weeks	nm	7
• VSAM	weeks	nm	7
Annual reports submitted on time	per cent	nm	100
Reviews completed against established timetable	per cent	nm	100
Audits completed against established timetable	per cent	nm	100
Non government school financial assistance Provision of services for non government students including:			
<ul style="list-style-type: none"> • fare concession and conveyance allowance; • payment of State grants to non Government schools; • payment of Education Maintenance Allowance payments for students in non government schools; and • grants to non Government school organisations for student support service. 			
<i>Note: Does not include shared services to non Government students such as those provided by the Board of Studies.</i>			
<i>Quantity</i>			
Non government school students	number	260 000	267 237
<i>Timeliness</i>			
Grants processed according to published timelines	per cent	nm	100

Table 2.2.2: Output Group Description and Outputs
School Education - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target^(a)	1998-99 Target^(a)
Performance Measures			
Student Transport Services Provision of student transport services for government school students including:			
<ul style="list-style-type: none"> • fare concession services • conveyance allowances 			
<i>Quantity</i>			
Students supported by conveyance allowance	number	nm	35 600
<i>Timeliness</i>			
Payments made according to published schedule	per cent	nm	100
Educational Maintenance Allowance (Government schools) Administration of payment of Educational Maintenance Allowance payment to eligible Government school students.			
<i>Quantity</i>			
Students receiving EMA	number	nm	180 289
<i>Timeliness</i>			
EMA payments processed according to published timelines	per cent	nm	100

Notes:

- (a) *Output targets relate to calendar years 1997 and 1998.*
- (b) *1997-98 figure represents current achievement. 1997-98 Budget Paper target has been exceeded.*
- (c) *The number of new arrival students enrolling in government schools in Victoria fluctuates from year to year depending on immigration policy.*

**Table 2.2.3: Output Group Costs
School Education**

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	3 762.2	3 958.4	5.2
<i>Comprising:</i>			
Employee-related Expenses	2 307.9	2 446.5	6.0
Purchases of Supplies and Services	626.2	667.6	6.6
Depreciation	141.0	152.3	8.0
Capital Asset Charge	376.6	383.4	1.8
Other	310.5	308.6	-0.6

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.2.4: Output Group Description and Outputs
Tertiary Education and Training**

Key Government Outcomes:

- Promotion of choice, diversity and access to program for students wanting to enter the workforce, upgrade existing skills, or acquire new skills without discrimination on the basis of sex, race, age or disability.
- Appropriate and timely responsiveness to industry and community needs and maintenance of highest standards in the courses and training offered.
- Recognition and accreditation of skills gained in educational settings at work and at home and appropriate linkages and transfer of credits across all educational sectors
- Promotion of a culture of lifelong learning.
- Reliance on devolved rather than centralised decision making and operation through institutions which have a high degree of independence and self regulation.

Description of the Output Group:

- The major outputs in the Tertiary Education and Training Output Group relate to the purchase of vocational education and training delivery in priority industry areas, as provided through TAFE Institutes and private providers. Adult, community and further education services and community education support provided through a range of community settings are also included in this grouping, as is the provision of English language services through Adult, Migrant Education Services providers.
- Higher education places provided predominantly through universities, and increasingly through authorised private providers are also included. Other outputs in this group relate to quality assurance and regulatory services provided to the various types of tertiary education and training providers to ensure quality services are provided to Victorians.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target^(a)	1998-99 Target^(a)
Performance Measures			
Vocational and Further Education and Training Places Education and training places provided by TAFE Institutes and other providers, in accordance with priorities set by Government, industry and the community.			
<i>Quantity</i>			
Student contact hours of training and further education provided	number (million)	64.5	64.6
<i>Quality</i>			
Successful training completions as measured by module load completion rate	per cent	75	80
Increase in apprenticeships/traineeships	per cent	nm	17
Training activity budget allocated by competitive arrangements	per cent	12	15.5
72	Education	Budget Estimates 1998-99	

**Table 2.2.4: Output Group Description and Outputs
160: Tertiary Education and Training - *continued***

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target^(a)	1998-99 Target^(a)
Performance Measures			
Vocational and Further Education and Training Places - <i>continued</i>			
<i>Timeliness</i>			
Performance agreements with TAFE Institutes signed by 31 December	per cent	nm	100
Adult and Community Education Places and Community Support Education and training places and support for education for adults in community settings provided by community providers in accordance with priorities established by Government and through local and regional demand from individuals and the community			
<i>Quantity</i>			
Student contact hours of education and training activity provided	number (million)	2.74	2.74
<i>Quality</i>			
Successful completions as measured by module load completion rate	per cent	65	68
<i>Timeliness</i>			
Places purchased in accordance with advertised timetable	per cent	nm	100
Adult, Multicultural Educational Services Provision of English language and vocational programs through Adult Multicultural Education Services to assist the settlement of new arrivals to Australia and long-term residents, and to support new arrivals and residents to participate productively and fully in the community.			
<i>Quantity</i>			
Student contact hours of education and training activity provided	number (million)	nm	3.51
<i>Quality</i>			
Successful completions as measured by module load completion rate	per cent	nm	70
<i>Timeliness</i>			
Places delivered in accordance with advertised timetable	per cent	nm	100

**Table 2.2.4: Output Group Description and Outputs
Tertiary Education and Training - *continued***

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target^(a)	1998-99 Target^(a)
Performance Measures			
Vocational and Further Education and Training, and Adult and Community Education Quality Systems Provision of a range of services to providers and the community to ensure and enhance the quality of the education and training places purchased. The services include:			
<ul style="list-style-type: none"> • Curriculum and services; • course accreditation; • qualifications and certification; • recognition of providers; • contract management; • provider management quality improvement initiatives; and • flexible delivery including the use of communications and multi-media. 			
<i>Quantity</i>			
Private and community providers of VET and FE registered by STB and ACFEB per annum	number	nm	800
Community providers eligible for funding	number	nm	470
<i>Quality</i>			
Course accreditation devolved to authorised providers	number	nm	>20
Audit of contract compliance	number	nm	160
<i>Timeliness</i>			
Initiatives implemented to agreed timelines	per cent	nm	100
Higher Education Quality Systems Provision of a range of services to universities and private providers of higher education to ensure quality higher education services to Victorian students. These include:			
<ul style="list-style-type: none"> • negotiation of appropriate levels of Commonwealth resources and higher education places for universities; and • accreditation of higher education courses for delivery through private providers and authorisation of private providers to conduct higher education courses. 			
<i>Quantity</i>			
Accredited higher education courses approved for delivery through private providers	number	nm	19
Australian higher education places provided in Victorian universities	per cent	nm	27.85
74	Education	Budget Estimates 1998-99	

**Table 2.2.4: Output Group Description and Outputs
Tertiary Education and Training - *continued***

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target^(a)	1998-99 Target^(a)
Performance Measures			
Higher Education Quality Systems - <i>continued</i>			
<i>Quality</i>			
Private providers meeting quality standards	per cent	nm	100
<i>Timeliness</i>			
Private provider applications actioned within 14 days of receipt	per cent	100	100

Source: Department of Education

Notes:

(a) *Output targets relate to calendar years 1997 and 1998.*

**Table 2.2.5: Output Group Costs
Tertiary Education and Training**

	(\$ million)		
	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>	<i>Variation</i> %
Total cost of output group	783.1	789.9	0.9
<i>Comprising:</i>			
Employee-related Expenses	501.6	506.1	0.9
Purchases of Supplies and Services	113.8	118.3	4.0
Depreciation	56.9	59.1	4.0
Capital Asset Charge	92.6	91.0	-1.7
Other	18.2	15.4	-15.4

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.2.6: Output Group Description and Outputs
Strategic Policy Advice, Portfolio wide and Ministerial Services**

Key Government Outcomes:

The outputs within this grouping relate primarily to the development of strategic advice which reflects the Government's long-term policy objectives and mission of making Victoria a better place to live, invest and do business.

Key government policy objectives include:

- ensuring the provision of quality education and training services for effective learning outcomes;
- expanding scope for consumer choice;
- delivering high quality services at least cost to the taxpayer; and
- ensuring that Victoria has the infrastructure in place to attract new business and to contribute to a more productive economy.

Description of the Output Group:

This Output Group incorporates cross-portfolio outputs including information and promotional services, marketed at both the local community and overseas countries, and to services provided to attract international participation into the various education and training sectors. Other services include the provision of strategic policy advice to the Ministers in each education and training sector, including Department-wide strategic directions. Ministerial services and support services for the various statutory authorities and advisory bodies, including the Board of Studies, the State Training Board and the Adult, Community and Further Education Board are also included in this group, as is the regulation of the non-government school sector.

**Table 2.2.6: Output Group Description and Outputs
Strategic Policy Advice, Portfolio wide and Ministerial Services**

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target^(a)	1998-99 Target^(a)
Performance Measures			
Public Information and Marketing Services	Provision of promotional, marketing and education information services to the community. Services include:		
	<ul style="list-style-type: none"> • advertising services, newspaper supplements and publications promoting Departmental policies and initiatives; • telephone information services through the Education Line and TAFE Course lines; • public promotions such as Education Week, Adult Learners Week etc; • FOI requests, internal reviews and appeals conducted on request from the community; and • Ombudsmen complaints processed and reviewed on behalf of the community. 		
<i>Quantity</i>			
Expertise and knowledge to provide information and marketing services		na	na
76	Education	Budget Estimates 1998-99	

Table 2.2.6: Output Group Description and Outputs
Strategic Policy Advice, Portfolio wide and Ministerial Services -
continued

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target^(a)	1998-99 Target^(a)
Performance Measures			
Public Information and Marketing Services - continued			
<i>Quality</i>			
Customer satisfaction with public information services			
• Media	per cent	nm	65
• Promotional activities	per cent	nm	85
• Publishing (incl. News publications)	per cent	nm	95
<i>Timeliness</i>			
Percentage of public information services provided in accordance with published timelines and procedures			
• Media	per cent	nm	70
• Promotional activities	per cent	nm	75
• Publishing (incl. News publications)	per cent	nm	85
International Education Services Services included in this output include:			
<ul style="list-style-type: none"> • Marketing, recruitment, assessment and placement services for full-fee-paying overseas students in Victorian schools, and provision of marketing support for TAFE Institutes, and the higher education sector; • Marketing of the Department's capabilities, programs and services to off-shore markets; • Organisation of overseas delegations to visit Victorian education and training institutions; and • Organisation of teacher and principal exchange programs, student exchange programs and student study tours. 			
<i>Quantity</i>			
Overseas students studying at Victorian government schools	number	nm	800
Overseas students studying in Victoria as a percentage of Australian number of overseas students	per cent	nm	25
Overseas students studying at Victorian universities	number	nm	20 000
<i>Quality</i>			
Percentage of satisfaction of stakeholders in student services program	per cent	nm	100
Budget Estimates 1998-99		Education	
		77	

Table 2.2.6: Output Group Description and Outputs
Strategic Policy Advice, Portfolio wide and Ministerial Services -
continued

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target^(a)	1998-99 Target^(a)
<i>Performance Measures</i>			
<i>Timeliness</i>			
International student applications processed and placed in accordance with published guidelines and procedures	per cent	nm	100
Ministerial Services The services in this output include the provision of administrative support and services relating to Ministers' parliamentary and legislative responsibilities, involvement in Ministerial Councils and the preparation of speeches, briefings and responses to correspondence addressed to the Ministers.			
<i>Quantity</i>			
Correspondence prepared for Ministers' signature or responded to on behalf of Ministers	number	nm	6 000
<i>Quality</i>			
Ministerial satisfaction with/acceptance of services provided	per cent	nm	100
<i>Timeliness</i>			
Ministerial correspondence responded to in accordance with published timelines and procedures	per cent	nm	80
Correspondence prepared for Ministers signature, in accordance with published timelines and procedures	per cent	nm	90
Regulation of the Non Government School Sector In accordance with legislation governing the Registered Schools Board, the services in this output include:			
<ul style="list-style-type: none"> • Registration of non-government schools and non-government teachers; • Endorsement of non-government schools to accept Full Fee Paying overseas students; and • Registration reviews of non-government schools. 			
<i>Quantity</i>			
Expertise and knowledge to provide regulation, endorsement and registration services	number	na	na
<i>Quality</i>			

Registration reviews of non government schools conducted according to approved Registered Schools Board procedures	number	nm	120
--	--------	----	-----

**Table 2.2.6: Output Group Description and Outputs
Strategic Policy Advice, Portfolio wide and Ministerial Services -
continued**

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target^(a)	1998-99 Target^(a)
<i>Performance Measures</i>			
<i>Timeliness</i>			
Teachers registered in accordance with published timelines and procedures	per cent	nm	98
Schools registered in accordance with published timelines and procedures	per cent	nm	100
Department-wide Strategic Policy Advice Provision of Department wide strategic policy advice to Ministers in the areas of resource management and budget policy, employee relations strategies, corporate and business planning strategies, intergovernmental relations and national policy and legal advice.			
<i>Quantity</i>			
Expertise and knowledge to deliver strategic policy advice		na	na
<i>Quality</i>			
Ministerial satisfaction with/acceptance of policy advice	per cent	nm	100
<i>Timeliness</i>			
Advice provided in accordance with the timeline specified by the Ministers	per cent	nm	100
Strategic Directions for Schools and Support for Boards Advice on policy and strategic directions for school education to the Minister and support for statutory boards including:			
<ul style="list-style-type: none"> • advice on curriculum and assessment policy in particular the Victorian Certificate of Education and the Curriculum and Standards Framework; • advice on school structural and governance arrangements including Schools of the Third Millennium; and • support for the Board of Studies and the Merit Protection Boards. 			
<i>Quantity</i>			
Expertise and knowledge to deliver strategic policy advice		na	na
<i>Quality</i>			
Ministerial satisfaction with/acceptance of policy advice on school education issues	per cent	nm	100
<i>Timeliness</i>			
Advice provided in accordance with the timeline specified by the Minister	per cent	nm	100
80	Education	Budget Estimates 1998-99	

Table 2.2.6: Output Group Description and Outputs
Strategic Policy Advice, Portfolio wide and Ministerial Services –
continued

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target^(a)	1998-99 Target^(a)
<i>Performance Measures</i>			
Strategic Directions for Vocational and Further Education and Training, and Adult and Community Education including Support for Boards Advice on VET and ACFE policy and strategic directions to Ministers, the ACFE Board and State Training Board in relation to the education and training market, quality assurance and regulation, accreditation, training packages and certification, and capital and other infrastructure.			
<i>Quantity</i>			
Expertise and knowledge to deliver strategic advice on directions for VET/ACFE		na	na
<i>Quality</i>			
Ministerial and Board satisfaction with/acceptance of quality of strategic policy advice with VET and ACE system management	per cent	nm	100
<i>Timeliness</i>			
Advice provided in accordance with the timeline specified by the Minister	per cent	nm	100
Strategic Directions for Higher Education Provision of policy advice to the Minister for Tertiary Education and Training in relation to higher education including Joint Commonwealth/State and Commonwealth initiatives.			
<i>Quantity</i>			
Expertise and knowledge to provide advice on strategic directions for higher education		na	na
<i>Quality</i>			
Ministerial satisfaction with/acceptance of policy advice relating to higher education issues	per cent	nm	100
<i>Timeliness</i>			
Advice provided in accordance with the timeline specified by the Minister	per cent	nm	100

Source: Department of Education

Notes:

(a) *Output targets relate to calendar years 1997 and 1998.*

**Table 2.2.7: Output Group Costs
Strategic Policy Advice, Portfolio wide and Ministerial Services**

(\$ million)			
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	28.6	27.8	-2.8
<i>Comprising:</i>			
Employee-related Expenses	17.2	16.6	-3.5
Purchases of Supplies and Services	10.8	10.5	-2.4
Depreciation	0.4	0.5	14.7
Capital Asset Charge	0.2	0.2	..
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

Part 2: Financial Information

This part provides the financial tables that support the department's provision of outputs. This information can assist the reader to assess a department's financial performance.

The information provided includes a statement of financial position, operating statement and cash flow statement for the department as well as tables detailing departmental expenses and revenue.

The total resources planned to be available to the department for the delivery of outputs, investment in departmental assets and other purposes in respect of the 1998-99 financial year are outlined in the following table.

The consolidated financial statements for the Department include the commercial and community funded activities of TAFE Institutes that do not form part of the cost of outputs purchased by the State Government.

Table 2.2.8: Summary of departmental resources available

(\$ million)

	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
<i>Outputs purchased by State government</i>	4 110.4	4 297.6
<i>Outputs purchased by other parties</i>	691.2	708.6
Operating revenue from provision of outputs sub-total	4 801.6	5 006.2
Government contribution to increasing net asset base	32.7	95.1
Funding for Payments made on behalf of the State	561.8	615.1
TOTAL	5 396.1	5 716.3

Source: Department of Treasury and Finance, Forward Estimates

The available resources are applied to three uses:

- the provision of outputs;
- payments on behalf of the State; or
- asset investment.

The table below shows the break-up of the available resources across the three categories of uses.

Table 2.2.9: Summary of use of resources
(\$ million)

	1997-98 Budget	1998-99 Budget
Output provision expenses	4 745.9	4 950.2
Payments made on behalf of the State	561.8	615.1
Gross Fixed Asset Investment less Depreciation	32.7	95.1
Total Uses	5 340.4	5 660.3

Source: Department of Treasury and Finance, Forward Estimates

Payments on behalf of the State are payments made by the department on behalf of the State Government as a whole and do not directly reflect the operations of the department.

Table 2.2.10: Payments made on behalf of the State
(\$ million)

	1997-98 Budget	1998-99 Budget
Commonwealth Non-Government School Grants	561.8	615.1

Source: Department of Treasury and Finance, Forward Estimates

The table below lists the source of departmental funds for Gross Fixed Asset Investment. Asset investment is equal to Gross Fixed Asset Investment (purchase of new assets) less reductions in existing fixed assets, through depreciation and asset sales.

Table 2.2.11: Gross Fixed Asset Investment
(\$ million)

	1997-98 Budget	1998-99 Budget
Financial Assets (<i>attributable to depreciation expense</i>)	203.2	216.8
Appropriation for increases in the net asset base	32.7	95.1
Fixed Asset Sales	..	..
Non Public Account and other (including retained earnings)	38.9	28.3
Total Gross Fixed Asset Investment	274.8	340.1

Source: Department of Treasury and Finance, Forward Estimates

The operating statement, statement of financial position and a cash flow statement are provided below. This information includes non-public account revenue from services provided by the department to third parties in exchange for payment. Currently this includes user charges, and fees for services retained outside the Public Account.

Table 2.2.12: Departmental operating statement
(\$ million)

Budget Estimates 1998-99	Education	85
--------------------------	-----------	----

	1997-98 Budget	1998-99 Budget	Variation %
Operating Revenue			
Revenue from State Government ^(a)	4 110.4	4 297.6	4.6
Commonwealth	252.9	263.7	4.2
Other revenue ^(b)	438.3	444.9	1.5
Total	4 801.6	5 006.2	4.3
Operating Expenses			
Employee Related Expenses ^(c)	2 972.6	3 116.9	4.9
Purchases of Supplies and Services ^(d)	772.1	817.9	5.9
Depreciation ^(e)	203.2	216.8	6.7
Capital Asset Charge	469.4	474.6	1.1
Other Expenses	328.6	324.0	-1.4
Total	4 745.9	4 950.2	4.3
Operating Surplus/Deficit	55.8	56.0	0.4
Funds provided to meet Payments on behalf of the State			
State Government Sources			
Other Sources	561.8	615.1	9.5
Total Funds provided to meet payments on behalf of the State	561.8	615.1	9.5
Payments made on behalf of the State			
School Grants	561.8	615.1	9.5
Total Payments made on behalf of the State	561.8	615.1	9.5

Source: Department of Treasury and Finance, Forward Estimates

Notes:

- (a) State government payments for provision of outputs. Includes estimated carryover of 1997-98 appropriation amounts. Actual carryover is subject to approval by the Treasurer prior to 30 June pursuant to Section 32 of the Financial Management Act, 1994.
- (b) Includes revenue for services delivered to parties outside government.
- (c) Includes salaries and allowances, superannuation contributions and payroll tax.
- (d) Includes payments to non-government organisations for delivery of services.
- (e) Includes amortisation of leased assets.

Table 2.2.13: Statement of Financial Position

(\$ thousand)

	<i>Estimated as at 30 June</i>		
	1998	1999	Variation %
Assets			
Current Assets			
Cash	161 400	161 387	..
Investments	323 384	323 384	..
Receivables	63 532	63 532	..
Prepayments	13 942	13 942	..
Inventories	6 059	6 059	..
Other Assets	6 979	6 979	..
Total Current Assets	575 294	575 281	..
Non-Current Assets			
Investments	2 374	2 374	..
Receivables	88 185	202 852	-(a)
Fixed Assets	5890 974	5999 298	1.8
Other Assets	0	0	..
Total Non-Current Assets	5981 533	6204 524	3.7
Total Assets	6556 828	6779 806	3.4
Liabilities			
Current Liabilities			
Payables	183 265	185 198	1.1
Borrowing	1 945	1 945	..
Employee Entitlements	175 936	187 813	6.8
Superannuation	0	0	..
Other Liabilities	0	0	..
Total Current Liabilities	361 146	374 956	3.8
Non-Current Liabilities			
Payables	11 705	11 705	..
Borrowing	0	0	..
Employee Entitlements	665 878	738 998	11.0
Superannuation	0	0	..
Other Liabilities	1 963	1 963	..
Total Non-Current Liabilities	679 546	752 666	10.8
Total Liabilities	1040 692	1127 622	8.4
Net Assets	5516 136	5652 184	2.5

Source: Department of Treasury and Finance, Forward Estimates

Notes:

(a) Increase in receivable is predominantly due from the State and results from appropriated but undrawn funds for depreciation and employee entitlements.

Table 2.2.14: Cash flow statement

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Cash flows from operating activities			
<i>Operating receipts</i>			
Receipts from State Government ^(a)	4 022.2	4 182.9	4.0
Commonwealth payments	252.9	265.3	4.9
Other	438.3	443.3	1.1
	4 713.4	4 891.5	3.8
<i>Operating payments</i>			
Employee related expenses	-2 903.2	-3 031.9	4.4
Purchases of supplies and services	- 771.6	- 817.5	5.9
Interest & finance expenses	- 1.0	- 0.6	-40.3
Capital assets charge	- 469.4	- 474.6	1.1
Current grants and transfer payments	- 325.7	- 321.4	-1.3
Capital grants and transfer payments	- 0.5	- 0.5	..
Net cash from Operating Activities	242.1	245.1	1.2
Cash flows from Investing Activities			
Receipts from sale of land and fixed assets	30.0	15.0	-50.0
Purchases of non-current assets	- 274.8	- 340.1	23.8
Net Cash used in investing activities	- 244.8	- 325.1	32.8
Cash flows from Financing Activities			
Receipts from appropriations - increase in net asset base	32.7	95.1	190.4
Capital repatriated to Government	- 30.0	- 15.0	-50.0
Net borrowings and advances	- 0.1	..	-100.0
Net Cash from financing activities	2.7	80.1	..
Net increase in cash held	..	..	..
Cash at beginning of period	161.4	161.4	..
Cash at end of period	161.4	161.4	..
Cash Flows on behalf of State			
Receipts from Appropriations	..	..	..
Other	- 561.8	- 615.1	9.5
	- 561.8	- 615.1	9.5
Cash outflows from operating activities	561.8	615.1	9.5
Cash outflows from investing activities	..	..	..
Cash outflows from financing activities	..	..	..
Net Cash Flows on behalf of State	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

Notes:

(a) State government cash paid for provision of outputs.

Authority for resources

This section details on the Parliamentary authority for the resources provided to a Department for the provision of outputs, increases in the net asset base or payments which are made on behalf of the State.

Table 2.2.15: Authority for Departmental Resources
(*\$ million*)

	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>
Annual Appropriations	4 100.4	4 354.4
Receipts Credited Appropriations	42.7	38.0
Gross Appropriation	4 143.1	4 392.4
Special Appropriations	0.3	0.3
Trust Fund Receipts	592.9	910.9
Non Public Account Revenue and other sources	614.2	412.7
Total Authority	5 350.4	5 716.3

Source: Department of Treasury and Finance, Forward Estimates

Annual appropriations

In 1998-99 the Department of Education will receive government annual appropriations totalling \$4 392.4 million.

Table 2.2.16: Gross Annual Appropriations by purpose
(*\$ million*)

	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>
Provision of Outputs	4 110.4	4 297.4
Additions to net asset base	32.7	95.1
Payments made on behalf of the State	..	..
Total	4 143.1	4 392.4

Source: Department of Treasury and Finance, Forward Estimates

Receipts Credited Appropriations

Pursuant to Section 29 of the *Financial Management Act 1994* funds are available as a result of:

- the provision of services directly to third parties by a department in return for payment (user charges);
- Specific Purpose Payments from the Commonwealth; or
- funds from the sale of departmental fixed assets.

In 1998-99 no department has applied for the proceeds of fixed asset sales to be credited to their appropriation pursuant to Section 29 of the *Financial Management Act 1994*.

Table 2.2.17: Details of Receipts Credited
(\$ million)

	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>
User Charges	0.8	0.8
Commonwealth SPPs	42.0	37.2
Asset Sales	..	..
Total	42.7	38.0

Source: Department of Treasury and Finance, Forward Estimates

Special Appropriations

Special Appropriations are used for ongoing payments which need to be made independently of the Government's annual budget priorities. Special appropriations represent a standing authority and do not lapse each year as annual appropriations do, but remain in force until amended or repealed by Parliament.

Table 2.2.18: Details of Special Appropriations

	(\$ million)	
	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>
Special Appropriations		
Education Volunteer Workers Compensation-Act No. 6240, S34
Total

Source: Department of Treasury and Finance, Forward Estimates

Trust Fund Receipts

These receipts are paid into a Trust Account within the Public Account. The trust account must be set up pursuant to certain provisions contained in the Financial Management Act 1994 and are to enable departments to make payments for specific reasons as set out in the legislation authorising the creation of the trust account.

The funds paid into the account may come from four basic sources:

- State Government;
- Commonwealth Government;

- joint Commonwealth and State Government; or
- prizes, scholarships, research and private donations.

Non Public Account Revenue and other sources

Revenue from these sources includes receipts from user charges and other revenue that are collected and retained by agencies. This includes fees and charges levied by VicRoads, TAFE Institutes, school councils and hospitals.

Department of Human Services

Part 1: Outlook and Outputs

Overview

The Department of Human Services (DHS) covers the responsibilities of the Ministers for Health, Aged Care, Youth and Community Services, Housing, and Aboriginal Affairs. The Department funds or directly delivers a diverse range of services within this broad portfolio, whose mission is to ensure that the people of Victoria have access to services that protect and enhance their social well-being and to best allocate available resources to meet their needs.

Most services are provided by agencies under funding and service agreements with the Department. These include Government-related agencies such as public hospitals, health care networks, public nursing homes, and a range of non-government organisations providing mainly welfare services. The Department also provides some services directly, in particular, public rental housing, intellectual disability accommodation, child protection and some mental health services.

The output group and financial information for the Department of Human Services includes consolidated financial information for the following portfolio entities:

- public hospitals;
- health care networks;
- ambulance services;
- Victorian Health Promotion Foundation;
- public nursing homes; and
- Department of Human Services (including appropriations for the Office of Housing)

Office of Housing is classified as a non-budget sector entity and only the net transferred to it from the budget sector is reported in these financial statements. Collectively these entities form the Department for the purposes of the Budget.

Principal responsibilities

The principal responsibilities of the Department of Human Services cover:

- high quality, efficient health care services through the public hospital system;
- residential and rehabilitation care to older and disabled persons, and funding to enable older persons to continue to live at home;
- adequate and affordable housing assistance to those Victorians most in need of housing;
- a wide range of other human services programs which concentrate on the provision of services to the vulnerable;
- programs to promote the economic and social development of Aboriginal communities and their cultural heritage; and
- Government concessions designed to ensure that low income groups are not denied reasonable access to essential services.

Primary goals and key strategies

The Department has identified six primary goals and associated strategies to guide its operations over the next three years. These are to:

- improve services for the most vulnerable sectors of the client population, by:
 - dealing with the most urgent unmet needs; and
 - implementing strategies which focus on the broad, interrelated needs of vulnerable groups;
- improve and maintain high quality services and facilities for clients, by:
 - providing safe and secure facilities for the Department's clients; and
 - continuously improving the quality of human service delivery;
- strengthen population-wide interventions and outcome measurement by:
 - maintaining and strengthening Victoria's leadership in medical research;
 - utilising evidence-based research to underpin responsive service model development and resource allocation; and
 - strengthening early intervention and prevention strategies to reduce inappropriate and unnecessary use of tertiary services;

- strengthen service integration to better tailor services to clients' needs, by:
 - implementing models of more integrated service purchasing tailored to the life stage or continuing care needs of clients; and
 - modifying service products to address gaps in service provision;
- achieve a more adequate mix and equitable distribution of human services, by:
 - meeting and managing demand for increased services arising from changes in population, demography and technology;
 - developing and maintaining the viability of essential human services in local communities;
 - better utilising technology to improve access to services, particularly in rural communities; and
 - better utilising capital infrastructure to improve community access to local services;
- drive further performance improvement in purchased and directly delivered services, by:
 - extending the level of contestability and private sector involvement in the human services sector;
 - maintaining a high level of technical efficiency in hospital service provision;
 - enhancing electronic service delivery and use of information technology across the human services sector;
 - contributing to the reform of intergovernmental finances and clarification of State and Commonwealth responsibilities; and
 - achieving best practice in performance measurement within the Victorian public sector.

Review of 1997-98

The Department's financial and output performance is broadly in line with the 1997-98 Budget forecasts with the exception of changes mainly in the area of Commonwealth-State financial relations:

- Late finalisation of 1997-98 funding under the CSHA caused a slowdown in the new housing commitments and this has affected the 1997-98 housing capital program. Subsequent to the 1997-98 State Budget, the Commonwealth also made a further reduction in funding under the Commonwealth-State Housing Agreement of \$13.5 million;
- The Section 90 decision of the High Court invalidating business franchise fees has meant that the Victorian Health Promotion Foundation is now funded directly from the Consolidated Fund, rather than via tobacco franchise fees. The amount provided, however, is in line with the 1997-98 Budget estimate.

1998-99 Outlook

The Department's 1998-99 Budget reflects the Government's commitment to substantially advance its three year goals and strategies over the next twelve months, building on the major service redevelopments and improvements in the efficiency of service delivery achieved in recent years.

In aggregate, DHS cost of outputs for 1998-99 are estimated at \$6 344.1 million, an increase of \$263 million over 1997-98, the most significant component of which is in the Acute Health output group which is projected to increase by \$133 million. Asset investments for DHS in 1998-99 are \$325.7 million, an increase of \$57.2 million over 1997-98.

Demand-related funding

Growth funding of \$69.7 million in 1998-99 will enable the Department to meet underlying demand pressures on the service system, in particular from population growth and ageing. Demand-related funding will include:

- increased funding for public hospitals (\$47.8 million) to meet anticipated output growth of 1.6%, growth in treatments associated with new technology, and provision for the additional medical costs and loss of private patient revenue associated with the continuing decline in private health insurance;
- funding to provide additional outputs to meet demand pressures in other Human Services' programs (\$21.9 million), including:

- State contribution to growth in the Home and Community Care program (\$5 million);
- growth in demand for specialist rehabilitation and palliative care services (\$5.5 million);
- additional accommodation, case management, day program and attendant care services to disabled people in response to growth in the disabled population (\$4.6 million);
- growth in demand for the provision of aids and equipment to those with profound or severe disabilities (\$2 million);
- growth in demand for genetic screening services (\$0.8 million);
- maintenance of additional secure custodial beds for juvenile offenders (\$2.4 million); and
- growth in demand for pre-school services due to increases in the four year old population, and increases in the participation rate for pre-school services (\$1.6 million in 1998-99, rising to \$2.5 million in 1999-2000).

Service Improvements

In addition to the demand-related funding which is being provided, the 1998-99 Budget provides a further \$30.3 million to enable the following initiatives to be put in place:

- enhanced maternity support services (\$12.9 million) to improve the quality and continuum of care for women and their babies prior to, during and following childbirth, including additional targeted services for women with special needs;
- provision of the first 75 beds of the new Victorian Institute of Forensic Mental Health Institute (\$2 million);
- expansion of Medical and Public Health Research to enhance Victoria's leadership in this area (\$4 million);
- establishment of a new food quality agency known as Food Safety Victoria to ensure Victorian food is of the highest quality and meets international safety standards (\$2.4 million);
- continued operation of the Helimed 1 Air Ambulance in the context of statewide provision of helicopter services (\$1.7 million);
- accommodation and support for the most urgent clients on the Disability Service Needs Register (\$3.3 million); and

- Stage 1 of the Specialist Children's/Early Intervention Services Redevelopment (\$4.1 million).

The Budget also incorporates an additional \$8.8 million for implementation for Suicide Prevention Task Force Recommendations in 1998-99.

The Department will also institute a number of initiatives in 1998-99 to supplement current service provision through the achievement of corporate, program and regional savings over and above the Government's 1.5 per cent annual productivity improvement requirement including from the sale of Health Computing Services. These include:

- the provision of aids and equipment to those with profound or severe disabilities (\$5.1 million in addition to the \$2 million growth related funding noted earlier);
- pneumonia prevention initiatives (\$2 million);
- residential rehabilitation services for young people with a psychiatric disability (\$3.1 million);
- a package of youth, child protection and family support (\$2.8 million);
- establishment of a Complex Care Initiative as a pilot project for clients whose needs relate to the responsibilities of a number of DHS programs (\$1 million)
- redevelopment and improvement of information from within hospitals in regards to Acute and Mental Health Data (\$5 million non-current);
- further implementation of the Hospital Information Technology and Telecommunications Strategy, with additional non-recurrent funds to match the recurrent \$12.5 million funding provided in 1997-98 (\$12.5 million);
- implementation of an information services strategy (\$15.6 million non-recurrent) to enhance the Department's capacity to achieve on-line service provision in 2001 in line with the Government's commitment, address the year 2000 issue and achieve more efficient data exchange between DHS and the agencies from which it purchases services;
- Growth funds for non-emergency ambulance services for pensioners and for replacement of metropolitan ambulance vehicles (\$2.2 million)
- Ambulance Services information technology infrastructure upgrade (\$3 million non-recurrent);
- reduction in waiting times for restorative and denture care provided by the Schools Dental Service and the Community Dental Service (\$4.8 million);

- improved access of people with acquired brain injury to needed services (\$1 million);
- implementing recommendations of the Victorian Government's response to the Bringing Them Home Report (\$0.3 million); and
- implementing the Koori Services Improvement Strategy (\$0.3 million) and strengthened placement and support services for aboriginal children (\$1.1 million).

Improvements to housing services will also continue to be implemented in 1998-99, through:

- introduction of a segmented waiting list with improved identification of high need groups, and the provision of more rapid access into long term housing for these groups;
- increasing the supply of accommodation to high need groups, through redirection of existing stock and acquisition and modification of housing, especially for priority groups such as the homeless and people with a disability;
- redeveloping the Kensington High Rise Estate as the first step in the strategic redevelopment of older inner urban high rise estates; and
- continued reform of housing programs to improve their efficiency, responsiveness and integration with other DHS programs to enable early intervention and integrated care for people who are the most vulnerable in society.

New capital infrastructure

Excluding the Office of Housing, the Department will spend an additional \$64 million on new capital infrastructure in 1998-99, with total estimated costs of \$168.9 million, including:

- \$16.7 million (TEC \$43.8 million) for the continuing implementation of the Metropolitan Health Care Services Plan;
- \$11 million (TEC \$15 million) for the upgrade of equipment in metropolitan and rural hospitals;
- \$16.1 million (TEC \$40.7 million) for capital investments in acute care facilities in non-metropolitan areas;
- \$4.2 million (TEC \$19.1 million) for capital investments in aged care and nursing home facilities in non-metropolitan areas;

- \$2.5 million (TEC \$3.5 million) for Stage 2 of the Forensic Mental Health Institute;
- \$2 million (TEC \$4.5 million) for Medical Research Institutes; and
- \$2.3 million (TEC \$12.9 million) for development of Multi Purpose Services at Mt Beauty, Ouyen, and Timboon and other small integrated health services at Inglewood, Tallangatta and Kaniva.

Significant resources committed in the 1997-98 capital program will be allocated to the implementation of the Department's fire risk management strategy.

The Budget includes an appropriation of \$310.5 million from Office of Housing asset sales, other internal sources and funds carried forward from previous years.

Housing capital works will include:

- \$53 million for acquisition of transitional housing, to be managed by the community;
- \$34 million for acquisition of Supported Housing to provide accommodation for people with disabilities or the frail aged, who are also clients of other Departmental programs. This stock will include both community managed stock and public rental stock;
- \$77.5 million for acquisition of general public rental stock, including reprofiling of the stock to better match the requirements of people who are most in need of housing;
- \$8 million to commence the redevelopment of the Kensington high rise estate. A further \$36 million will be set aside to enter contractual arrangements for further redevelopment of other public housing estates in line with a long term strategy;
- \$24.5 million for acquisition of long term community managed housing, particularly for groups such as disadvantaged singles, youth, families, people with disabilities, and frail older persons;
- \$8 million for acquisition of Aboriginal Housing administered by the Aboriginal Housing Board Victoria (AHBV); and
- \$99.8 million for physical improvement of public rental and community managed stock, including AHBV stock. This includes upgrades, disability modifications, fire safety works, and conversions, where appropriate, of bedsitters to one bedroom units.

Rural Health Services

Building on the success of rural programs such as Healthstreams and other initiatives to improve access to specialist services in rural areas, the Department is currently developing a Rural Health Strategy aimed at improving the health status of country Victorians. The strategy will be integrated with the Victorian Rural and Regional Framework and the redeveloped National Rural Health Strategy and will focus on health promotion and illness prevention, the redevelopment of rural health facilities, the introduction of community safety initiatives and the utilisation of the latest technology to improve access to services to rural communities.

Commonwealth/State Agreements

Almost all of the largest specific purpose payments (SPPs) received by the Department of Human Services are currently at various stages of renegotiation, including the Australian Health Care Agreement (Medicare Agreement); the Commonwealth State Housing Agreement; the Commonwealth State Disability Agreement; the Public Health Outcomes Funding Agreement; broadbanding of health-related SPPs and the funding agreement for veterans' hospital services with the Department of Veterans' Affairs. This means that there is far greater uncertainty than usual about the size and the terms and conditions of funding from the Commonwealth for the Budget and forward estimates period.

Output Information

The following section provides details of the outputs to be provided by Human Services:

Table 2.3.1: Output Group summary

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Acute Services	2 858.7	2 991.7	4.7
Ambulance Services	158.9	169.6	6.8
Age Care Services	703.8	760.5	8.1
Coordinated Care Services	182.5	183.7	0.7
Mental Health Services	417.7	437.5	4.8
Public Health Services	186.5	202.3	8.5
Disability Services	504.1	528.6	4.9
Youth and Family Services	482.8	494.4	2.4
Concessions to Pensioners and Beneficiaries	241.6	255.6	5.8
Aboriginal Services	8.9	9.3	4.6
Housing Assistance ^(a)	335.4	310.9	-7.3
Total	6 080.9	6 344.1	4.3

Source: Department of Treasury and Finance, Forward Estimates

Notes:

- (a) Subsequent to the 1997-98 State Budget, a productivity and per capita reduction in Commonwealth State Housing Agreement Funding was brought down in the Federal Budget (May 1997) This will result in final appropriations for Housing reducing to \$321.9 million. A further productivity and per capita reduction, with consequential state matching adjustment, is included in the estimates for 1998-99.

**Table 2.3.2: Output Group description and Outputs
Acute Health Services**

Key Government Outcomes:

- Enhancement of health outcomes by purchasing high quality acute health services which are accessible and relevant to individual and community needs.

Description of the Output Group:

- Acute hospital inpatient, ambulatory and emergency services and community based services which substitute for hospital care.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Admitted Patients			
<i>Quantity</i>			
Weighted Inlier Equivalent Separation (WIES) (multi day and same day services)	number	741 000	759 000
Separations	number	897 000	923 000
<i>Quality</i>			
Public hospital beds accredited by the Australian Quality Council or the Australian Council on Healthcare Standards ^(a)	per cent	nm	90
<i>Timeliness</i>			
Urgent (Category 1) patients waiting more than 30 days for elective surgery (as at 30 June)	number	0	0
Semi-urgent (Category 2) patients waiting more than 90 days for elective surgery (as at 30 June)	number	3 650	2 550
Reduction in number of emergency admission blockages (patients waiting more than 12 hours)	per cent annual change	10	5
Non-admitted Patients			
<i>Quantity</i>			
Outpatient encounters (Victorian Ambulatory Classification System Group A patients)	number	1 891 000	1 891 000

**Table 2.3.2: Output Group Description and Outputs
Acute Health Services - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Emergency Services			
<i>Quantity</i>			
Occasions of emergency care ^(b)	number (million)	nm	1.06
<i>Quality</i>			
24 hour emergency departments	number	nm	33
<i>Timeliness</i>			
Emergency category 1: treated immediately	per cent	100	100
Emergency category 2: treated in 10 minutes	per cent	70	75
Emergency category 3: treated in 30 minutes	per cent	70	72
Home Based Services			
<i>Quantity</i>			
Hospital in the Home (HIH) bed days	number	62 000	67 000
Post acute care clients	number	nm	4 000
<i>Quality</i>			
Compliance with HIH program policy and guidelines	per cent	nm	100
Training & Development			
<i>Quantity</i>			
First year graduate nurses places (EFT)	number	985	985

Source: Department of Human Services

Note:

(a) *Hospital accreditation covers Admitted, Non-admitted Patients and Emergency Departments*

(b) *Indicator under development*

**Table 2.3.3 Output Group Costs
Acute Health Services**

(\$ million)

	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
Total cost of output group	2 858.7	2 991.7	4.7
<i>Comprising:</i>			
Employee-related Expenses	1 978.8	2 107.2	6.5
Purchases of Supplies and Services	598.6	594.9	-0.6
Depreciation	116.9	122.9	5.1
Capital Asset Charge	164.3	166.7	1.4
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.3.4: Output Group Description and Outputs
Ambulance Services**

Key Government Outcomes:

- Access to high quality, cost-effective, outcome-oriented patient transport services.

Description of the Output Group:

- Metropolitan, rural and statewide ambulance services provided for time critical, non-time critical and routine patients.

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Emergency Services			
<i>Quantity</i>			
Metropolitan cases	number	161 400	178 600
Country cases ^(a)	number	65 200	70 400
Rotary wing cases	number	1 200	1 200
<i>Quality</i>			
Audited cases meeting clinical practice standards	per cent	nm	90
<i>Timeliness</i>			
Emergency response time (Code 1) in 50 per cent of cases – metro ^(b)	minutes	8	8
Emergency response time (Code 1) in 90 per cent of cases – metro ^(b)	minutes	14	14
Non-emergency Services (road and fixed wing)			
<i>Quantity</i>			
Road cases	number	nm	147 800
Fixed wing cases	number	3 500	3 500
<i>Quality</i>			
Audited cases meeting clinical practice standards	per cent	nm	90
<i>Timeliness</i>			
Pre-booked cases meeting time requirements +/- 15 minutes	per cent	nm	85

Table 2.3.4: Output Group Description and Outputs**Ambulance Services - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Externally Based Clinical Training			
<i>Quantity</i>			
Student course days	number	nm	700
<i>Quality</i>			
Students successfully completing course	per cent	nm	95
<i>Timeliness</i>			
Qualified applicants admitted to course	per cent	nm	100

Source: Department of Human Services

Note:

(a) *Previously published 1997-98 target based on incorrect data*

(b) *Emergency Code 1 refers to a time critical incident to which one or more ambulances are dispatched*

**Table 2.3.5: Output Group Costs
Ambulance Services**

(\$ million)

	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
Total cost of output group	158.9	169.6	6.8
<i>Comprising:</i>			
Employee-related Expenses	96.6	101.4	4.9
Purchases of Supplies and Services	49.0	54.4	11.1
Depreciation	7.5	7.9	5.3
Capital Asset Charge	5.7	5.8	1.7
Other	0.1	0.1	22.0

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.3.6: Output Group Description and Outputs
Aged Care Services**

Key Government Outcomes:

- Access to high quality health and community care services at the local community level that are responsive to the needs of older people.

Description of the Output Group:

- Purchase of a range of home, community, rehabilitation and specialist sub-acute based services for older people and purchase of palliative care services.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Community Care			
<i>Quantity</i>			
Carers assisted ^(a)	contacts	9 200	15 000
In home food services	number	5 330 500	5 330 500
Aged care assessments	number	48 600	48 600
<i>Quality</i>			
Services meeting HACC national standards	per cent	nm	70
Palliative Care			
Palliative care bed days ^(b)	number	45 300	53 300
Prevention and Promotion Programs			
<i>Quantity</i>			
Senior citizens' week participants	number	325 000	350 000
Rehabilitation and Sub-acute Health Services			
<i>Quantity</i>			
Sub-acute and rehabilitation beddays	number	367 500	374 500
Community rehabilitation client attendances ^(c)	number	500 000	575 000

Source: Department of Human Services

nb. Quality and timeliness measures are being developed for this output group in the context of the Government's Management Reform Program.

Notes:

- (a) Victorian Carers' initiative. 1997-98 target was previously incorrectly published as 2 300. Increase attributable to redirection of funding from establishment costs to service delivery
- (b) Additional funding for palliative care output is also being directed towards the provision of community bereavement counsellors.
- (c) Previously published as "Community rehabilitation - occasions of service".

**Table 2.3.7: Output Group Costs
Aged Care Services**

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	703.8	760.5	8.1
<i>Comprising:</i>			
Employee-related Expenses	327.2	349.1	6.7
Purchases of Supplies and Services	188.2	204.7	8.7
Depreciation	16.0	16.8	5.1
Capital Asset Charge	33.0	34.6	4.8
Other	139.4	155.2	11.4

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.3.8: Output Group Description and Outputs
Coordinated Care Services**

Key Government Outcomes:

- Access to a range of high quality community health, dental health and drug treatment services which are coordinated at the local community level and are responsive to people's needs.

Description of the Output Group:

- Purchase and/or provision of community health services, dental health services and drug treatment services in local communities.

Major Outputs/Deliverables	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Dental Health Services			
<i>Quantity</i>			
School Dental Service courses of care ^(a)	number	129 450	105 200
Community Dental Program people treated	number	nm	185 350
<i>Quality</i>			
Ratio of emergency to general courses of care	ratio	nm	42:58
<i>Timeliness</i>			
Waiting time for restorative care ^(b)	months	12	14
Waiting time for dentures ^(b)	months	16	24
Community Health Services			
<i>Quantity</i>			
Occasions of Community Health service ^(c)	number	633 100	633 400
Drug Treatment Services			
<i>Quantity</i>			
Episodes of Residential Care	number	nm	5 000
Episodes of Community Based Care	number	nm	35 410

Source: Department of Human Services

Note:

- (a) Demand for school dental services falling following the introduction of co-payments in response to the loss of Commonwealth funding.
- (b) Despite significant new state funding, waiting times are expected to rise in relation to last year's target. This is due to the loss of funding through the Commonwealth Dental Health Program which ceased operating in December 1996.
- (c) Previously published as "Total direct client contacts in the Community Health Program".

**Table 2.3.9: Output Group Costs
Coordinated Care Services**

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	182.5	183.7	0.7
Comprising:			
Employee-related Expenses	90.3	87.8	-2.8
Purchases of Supplies and Services	50.8	54.5	7.2
Depreciation	5.1	5.3	5.0
Capital Asset Charge	3.0	3.4	13.5
Other	33.3	32.8	-1.7

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.3.10: Output Description and Outputs
Mental Health Services**

Key Government Outcomes:

- Access to high quality services at the local community level which are accessible and responsive to the needs of people with a mental illness.

Description of the Output Group:

- Purchase of services for people with a mental illness and provision of residential rehabilitation and community support to people with serious mental illness.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Adult Mental Health Services			
<i>Quantity</i>			
Beds	number	1 030	1 030
Registered clients	number	26 530	31 520
Registered client contacts	number	1 440 400	1 594 400
<i>Quality</i>			
Consumer and carer satisfaction :			
- change from previous year	per cent	nm	+5
Child and Adolescent Mental Health Services			
<i>Quantity</i>			
Beds	number	76	76
Registered clients	number	4 080	4 480
Registered client contacts	number	75 400	82 900
<i>Quality</i>			
Consumer and carer satisfaction :			
- change from previous year	per cent	nm	+5
Aged Persons Mental Health Services			
<i>Quantity</i>			
Beds	number	820	820
Registered clients	number	5 520	6 070
Registered client contacts	number	149 300	164 200
<i>Quality</i>			
Consumer and carer satisfaction :			
- change from previous year	per cent	nm	+5

**Table 2.3.10: Output Description and Outputs
Mental Health Services - *continued***

<i>Major Outputs/Deliverables</i>	<i>Unit of Measure</i>	<i>1997-98 Target</i>	<i>1998-99 Target</i>
<i>Performance Measures</i>			
Forensic Mental Health Services			
<i>Quantity</i>			
Beds	number	58	75
Registered clients	number	1 140	1 250
Registered client contacts	number	40 300	44 280
Psychiatric Disability Support Services			
<i>Quantity</i>			
Residential rehabilitation and supported housing services - resident bed days ^(a)	number	54 700	117 100
Home based/out-reach housing support – resident bed days	number	278 000	278 000

Source: Department of Human Services

Note:

(a) *Includes significant internal redirection of funds towards residential rehabilitation services for young people with psychiatric disabilities.*

**Table 2.3.11: Output Group Costs
Mental Health Services**

	<i>(\$ million)</i>		
	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
Total cost of output group	417.7	437.5	4.8
Comprising:			
Employee-related Expenses	277.5	285.3	2.8
Purchases of Supplies and Services	110.0	121.8	10.8
Depreciation	2.7	2.7	..
Capital Asset Charge	27.6	27.8	0.7
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.3.12: Output Description and Outputs
Public Health Services**

Key Government Outcomes:

- A healthy community where illness, injury and premature death are minimised and the public's health is protected.

Description of the Output Group:

- Provision of purchased and direct population health services aimed at promoting good health, researching and informing the underlying causes of ill-health, detecting and responding to major health threats, controlling health hazards by licensing regulation and codes of practice, and providing quality advice on policy matters.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Health Intelligence & Research			
<i>Quantity</i>			
Research projects funded	number	nm	63
<i>Quality</i>			
Published papers	number	nm	7
<i>Timeliness</i>			
Project milestones met	per cent	nm	99
Workforce and Infrastructure Development			
<i>Quantity</i>			
Public health training opportunities provided	number	nm	1 123
<i>Quality</i>			
Training courses recognised and approved	per cent	nm	100
<i>Timeliness</i>			
Training courses delivered to plan	per cent	nm	100

**Table 2.3.12 Output Description and Outputs
Public Health Services - continued**

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Preventative Services			
<i>Quantity</i>			
Immunisation coverage:			
- at 2 years old	per cent	75	75
- at school entry	per cent	90	90
- at 17 years old	per cent	90	90
Screens for preventable illnesses	number	nm	800 000
<i>Quality</i>			
Target population screened within specified timeframes	per cent	nm	70
<i>Timeliness</i>			
Statutory approvals issued within specified timelines	per cent	nm	100
Environmental Protection			
<i>Quantity</i>			
Inspections and investigations	number	nm	6 265
<i>Quality</i>			
Emergency responses within designated plans, procedures and protocols	per cent	nm	100
<i>Timeliness</i>			
Emergency responses within designated timeframes	per cent	nm	100

**Table 2.3.12: Output Group Description and Outputs
Public Health Services - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Health Promotion			
<i>Quantity</i>			
Inquiries on internet homepage	number	nm	1.03m
Contacts through community information campaigns	number	nm	2.1m
<i>Quality</i>			
Information products in community languages other than English	per cent	nm	30
<i>Timeliness</i>			
Emergency media releases within 24 hours of public health alert	per cent	nm	100
Specialist Services			
<i>Quantity</i>			
Whole blood collections ^(a)	number	nm	220 000
<i>Quality</i>			
Average annual donations per donor	number	nm	2

Source: Department of Human Services

Note:

(a) *Previously published as "Blood donations".*

**Table 2.3.13: Output Group Costs
Public Health Services**

(\$ million)

	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
Total cost of output group	186.5	202.3	8.5
<i>Comprising:</i>			
Employee-related Expenses	16.5	17.2	4.0
Purchases of Supplies and Services	129.6	138.2	6.6
Depreciation	1.9	2.0	3.6
Capital Asset Charge	1.5	1.8	18.1
Other	37.0	43.1	16.5

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.3.14: Output Group Description and Outputs
Disability Services**

Key Government Outcomes:

- Access to high quality services that advance the development and promote the dignity of people with intellectual, physical and/or sensory disabilities.

Description of the Output Group:

- Purchase and provision of continuing care and support services for people with disabilities, their carers and their families.

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Congregate Residential Care Services			
<i>Quantity</i>			
Clients in congregate residential care facilities	number	1 190	902
<i>Quality</i>			
Clients with appropriate day activities	per cent	nm	80
Total accommodation and support clients in congregate care	per cent	25	15
Community Based Accommodation and Support Services			
<i>Quantity</i>			
Clients in shared supported accommodation	number	nm	5 288
<i>Quality</i>			
% of clients successfully achieving the majority of objectives in their program plan	per cent	nm	100
Community Access Services			
<i>Quantity</i>			
Occupied EFT places in day programs	number	nm	4 197
Futures for Young Adults clients	number	nm	2 223
<i>Quality</i>			
% of clients successfully achieving the majority of objectives in their program plan	per cent	nm	100

**Table 2.3.14: Output Group Description and Outputs
Disability Services - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Equipment Services			
<i>Quantity</i>			
Items of aids and equipment supplied	number	14 800	32 100
People accessing aids and equipment programs	number	nm	20 845
<i>Quality</i>			
% of referrers/carers/clients satisfied with response to clients' needs (annual survey)	per cent	nm	75
Respite Services			
<i>Quantity</i>			
Carer households provided with a break through respite services	number	nm	4 000
<i>Timeliness</i>			
Respite information provided to client within 3 working days	per cent	nm	100
Case Management & Brokerage Services			
<i>Quantity</i>			
Individuals and families receiving case management services through Client Services Teams	number	nm	3 300
Individuals and families receiving flexible funds through Making a Difference	number	nm	900
Specialist Behavioural Services			
<i>Quantity</i>			
Specialist Services provided	number	nm	700
<i>Quality</i>			
Clients successfully achieving majority of goals in their program plan	per cent	nm	100

**Table 2.3.14: Output Group Description and Outputs
Disability Services - continued**

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Information & Advocacy Services			
<i>Quantity</i>			
Visitors to funded Disability Services information sites	number	nm	300 000
Clients receiving individual advocacy support	number	nm	300
<i>Quality</i>			
Disability Services home pages regularly updated	per cent	nm	100
Quality Improvement Activities			
<i>Quantity</i>			
Research projects funded	number	nm	15
<i>Quality</i>			
Funded and direct service providers participating in self assessment process	per cent	nm	100

Source: Department of Human Services

**Table 2.3.15: Output Group Costs
Disability Services**

	<i>(\$ million)</i>		
	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
Total cost of output group	504.1	528.6	4.9
Comprising:			
Employee-related Expenses	210.9	203.6	-3.5
Purchases of Supplies and Services	196.9	223.8	13.7
Depreciation	8.2	8.2	..
Capital Asset Charge	11.7	11.9	1.0
Other	76.5	81.2	6.2

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.3.16: Output Group Description and Outputs
Youth and Family Services**

Key Government Outcomes:

- Access to services that support members of the community at critical life stages, particularly families and young people, and promote their health and well-being and develop their capacity to function independently.

Description of the Output Group:

- Purchase or provision of protective services for children at risk, early intervention services for individuals and families facing personal or financial crisis, juvenile justice services, a range of primary and secondary services which support the role of families as primary carers, preschool and childcare services and accommodation and support services for homeless people.

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Children's Services			
<i>Quantity</i>			
Funded preschool places	number	60 250	62 500
<i>Quality</i>			
Percentage of funded agencies meeting quality assurance processes and mechanisms	per cent	nm	90
<i>Timeliness/Access</i>			
Preschool participation rate	per cent	92	92
Parenting and Child Development			
<i>Quantity</i>			
Total number of clients	number	nm	178 000
<i>Quality</i>			
Percentage of services provided to families and individuals in target group	per cent	nm	95
<i>Timeliness/Access</i>			
Children 0-1 month enrolled at Maternal & Child Health Service	per cent	98	98

**Table 2.3.16: Output Group Description and Outputs
Youth and Family Services - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Community Services			
<i>Quantity</i>			
Funded hours of Neighbourhood House Coordination ^(a)	number	234 000	234 000
Family and Individual Support			
<i>Quantity</i>			
Total number of clients	number	nm	162 000
<i>Quality</i>			
Percentage of services provided to families and individuals in target group	per cent	nm	95
Youth Services			
<i>Quantity</i>			
Youth support client contacts ^(b)	number		tbd
Juvenile justice custodial facilities occupancy rate	per cent	nm	85
<i>Quality</i>			
Juvenile justice clients on community based orders	per cent	nm	>80
<i>Timeliness</i>			
Sentenced offenders service plans completed within 6 weeks	per cent	nm	80
Accommodation Support and Assistance			
<i>Quantity</i>			
Homeless persons support and accommodation capacity	number	nm	7 200
<i>Quality</i>			
Clients with an agreed case plan	per cent	nm	90

**Table 2.3.16: Output Group Description and Outputs
Youth and Family Services - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Protection and Placement Services			
<i>Quantity</i>			
Referral to child protection services	number	31 000	31 500
<i>Quality</i>			
Cases reinvestigated within 12 months of closure	per cent	nm	<20
<i>Timeliness</i>			
Protective investigation cases closed within 90 days	per cent	nm	80

Source: Department of Human Services

Note:

(a) *In previously published material this measure referred to average weekly total funded hours*

(b) *Indicator under development*

**Table 2.3.17: Output Group Costs
Youth and Family Services**

	<i>(\$ million)</i>		
	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
Total cost of output group	482.8	494.4	2.4
<i>Comprising:</i>			
Employee-related Expenses	135.0	137.6	1.9
Purchases of Supplies and Services	113.0	123.2	9.0
Depreciation	5.1	5.1	..
Capital Asset Charge	5.7	5.7	..
Other	223.9	222.8	-0.5

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.3.18: Output Group Description and Outputs
Concessions To Pensioners And Beneficiaries**

Key Government Outcomes:

- Access to affordable basic services for pensioners and/or low income households.

Description of the Output Group:

- Development and coordination of the delivery of concessions and relief grants to eligible consumers and concession card holders.

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Energy Concessions			
<i>Quantity</i>			
Households receiving mains electrical concessions	number	658 000	678 000
Households receiving mains gas concessions	number	493 000	508 000
Households receiving non-mains energy concessions ^(a)	number	15 840	16 300
Water and Sewerage Concessions			
<i>Quantity</i>			
Households receiving water and sewerage rates concessions	number	464 000	510 000
Municipal Rates Concessions			
<i>Quantity</i>			
Households receiving pensioner concessions for municipal rates and charges	number	409 000	421 000

**Table 2.3.18: Output Group Description and Outputs
Concessions To Pensioners And Beneficiaries - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Trustee Services			
<i>Quantity</i>			
Clients receiving State Trustee services	number	nm	14 420
<i>Quality</i>			
Compliance with standards	per cent	nm	90
<i>Timeliness</i>			
Responses and ongoing management within agreed product specific service level	per cent	nm	90

Source: Department of Human Services

Notes

(a) *Previously published 1997-98 target (18,250) was based on incorrect data and has subsequently been revised.*

**Table 2.3.19: Output Group Costs
Concessions To Pensioners And Beneficiaries**

	(\$ million)		
	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>	<i>Variation</i> %
Total cost of output group	241.6	255.6	5.8
Comprising:			
Employee-related Expenses	0.6	0.7	11.5
Purchases of Supplies and Services	4.6	4.7	2.0
Depreciation	..	..	..
Capital Asset Charge	..	..	..
Other	236.4	250.2	5.9

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.3.20: Output Group Description and Outputs
Aboriginal Services**

Key Government Outcomes:

- Implementation of policies, programs and services which meet the needs of Victoria's Aboriginal communities and promote their self management.

Description of the Output Group:

- Provision of programs which promote an understanding and appreciation of Victoria's Aboriginal cultural heritage and the economic and social development of Aboriginal communities.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Strategic Policy and Program Advice			
<i>Quality</i>			
Briefs completed within agreed deadlines and accepted by Minister	per cent	nm	85
<i>Timeliness</i>			
Briefs completed within agreed timelines	per cent	nm	85
Cultural Heritage Management and Legislation Services			
<i>Quantity</i>			
Mining licence referrals	per cent	nm	100
Local government planning scheme reviews completed	per cent	nm	100
Aboriginal cultural sites evaluated and recorded ^(a)	number	nm	tbd
<i>Timeliness</i>			
Extractive industry licence referrals processed within 28 days	per cent	nm	100
High priority Aboriginal Cultural sites evaluated and recorded within 1 month	per cent	nm	100

Source: Department of Human Services

Note:

(a) *Indicator under development*

**Table 2.3.21: Output Group Costs
Aboriginal Services**

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	8.9	9.3	4.6
Comprising:			
Employee-related Expenses	3.0	3.9	30.6
Purchases of Supplies and Services	2.9	2.4	-17.7
Depreciation	0.1	0.1	..
Capital Asset Charge	0.1	0.1	..
Other	2.8	2.8	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.3.22 Output Group Description and Outputs
Housing Assistance**

Key Government Outcomes:

- Access to public and community-based rental housing assistance, private sector rental and home ownership assistance, appropriate to need.

Description of the Output Group:

- Provision and purchase of adequate, affordable and accessible short term emergency and transitional housing, and longer term needs-based housing assistance, targeted to greatest need, delivered cost-effectively and coordinated with support services where required.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Crisis Supported and Transitional Housing			
<i>Quantity</i>			
Homeless persons (households) assisted during year (est) ^(a)	number	nm	16 800
Aboriginal Housing			
<i>Quantity</i>			
Households assisted (tenancies) at end of year (AHBV)	number	nm	950
Long Term Housing Assistance			
<i>Quantity</i>			
Households assisted (as at 30 June) ^(b)	number	nm	66 000
Allocations made during year on a priority basis	per cent	nm	55
<i>Quality</i>			
Tenants satisfied or very satisfied (measured by national customer satisfaction surveys)	per cent of national average	nm	95
<i>Timeliness</i>			
Average waiting time to allocation (wait turn)	months	nm	30
Average waiting time to allocation (Priority)	months	nm	4

**Table 2.3.22 Output Group Description and Outputs
Housing Assistance - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Private Rental Assistance			
<i>Quantity</i>			
Bonds and Housing Emergency grants issued during year	number	nm	30 000
<i>Timeliness</i>			
Bonds approved within 3 days	per cent	nm	90
Home Ownership and Renovation Assistance			
<i>Quantity</i>			
Home renovation inspection reports during year	number	2 500	2 500
<i>Quality</i>			
Loans in arrears by more than 30 days	per cent	nm	<4
<i>Timeliness</i>			
Time from request to receipt of home renovation advice	days	nm	9

Source: Department of Human Services

Note:

- (a) *Includes households assisted through both Director-owned and community owned properties (such as Ozanan House, the Gill, Missions and various refuges) which are part funded through housing assistance programs.*
- (b) *New measure includes community managed long term housing.*

**Table 2.3.23: Output Group Costs
Housing Assistance**

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	335.4	310.9	-7.3
Comprising:			
Employee-related Expenses	..	..	..
Purchases of Supplies and Services	..	..	..
Depreciation	..	..	..
Capital Asset Charge	..	..	..
Transfer Payment contribution to public Trading Enterprise ^(a)	335.4	310.9	-7.3

Source: Department of Treasury and Finance, Forward Estimates

Notes:

(a) Subsequent to the 1997-98 State Budget, a productivity and per capita reduction in Commonwealth State Housing Agreement funding was brought down in the Federal Budget (May 1997) This will result in final appropriations for Housing reducing to \$321.9 million. A further Commonwealth productivity and per capita reduction, with consequential state matching adjustment, is estimated for 1998-99.

Part 2: Financial Information

This part provides the financial tables that support the department's provision of outputs. This information can assist the reader to assess a department's financial performance.

The information provided includes a statement of financial position, operating statement and cash flow statement for the department as well as tables detailing departmental expenses and revenue.

The total resources planned to be available to the department for the delivery of outputs, investment in departmental assets and other purposes in respect of the 1998-99 financial year are outlined in the following table.

The consolidated financial statements for the Department include the commercial and community-funded activities of hospitals that do not form part of the cost of outputs purchased by the State Government.

Table 2.3.24: Summary of departmental resources available

(\$ million)		
<i>Resources</i>	<i>1997-98</i>	<i>1998-99</i>
	<i>Budget</i>	<i>Budget</i>
<i>Outputs purchased by State government</i>	5 541.1	5 840.8
<i>Outputs purchased by other parties</i>	891.5	870.5
Operating revenue from provision of outputs sub-total	6 432.5	6 711.3
Government contribution to increasing net asset base	46.3	96.2
Funding for Payments made on behalf of the State	..	..
TOTAL	6 478.8	6 807.5

Source: Department of Treasury and Finance, Forward Estimates

The available resources are applied to three uses:

- the provision of outputs;
- payments on behalf of the State; or
- asset investment.

The table below shows the break-up of the available resources across the three categories of uses.

Table 2.3.25: Summary of use of resources

(\$ million)		
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Output provision expenses	6 409.2	6 679.1
Payments made on behalf of the State	..	..
Gross Fixed Asset Investment <i>less</i> Depreciation	46.3	96.2
Total Uses	6 455.5	6 775.3

Source: Department of Treasury and Finance, Forward Estimates

Table 2.3.26 Payments made on behalf of the State

(\$ million)		
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Payments made on behalf of the State	na	na

Source: Department of Treasury and Finance, Forward Estimates

The table below lists the source of departmental funds for Gross Fixed Asset Investment. Asset investment is equal to Gross Fixed Asset Investment (purchase of new assets) *less* reductions in existing fixed assets, through depreciation and asset sales.

Table 2.3.27: Gross Fixed Asset Investment

(\$ million)		
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Financial Assets (<i>attributable to depreciation expense</i>)	163.5	171.1
Appropriation for increases in the net asset base	46.3	96.2
Fixed Asset Sales	..	..
Non Public Account and other (including retained earnings)	58.7	58.3
Total Gross Fixed Asset Investment	268.5	325.7

Source: Department of Treasury and Finance, Forward Estimates

The operating statement, statement of financial position and a cash flow statement are provided below. This information includes non-public account revenue from services provided by the department to third parties in exchange for payment. Currently this includes user charges, and fees for services retained outside the Public Account.

Table 2.3.28: Departmental operating statement

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Operating Revenue			
Revenue from State Government ^(a)	5 541.1	5 840.8	5.4
Commonwealth	10.6	10.9	2.8
Other revenue ^(b)	880.9	859.6	-2.4
Total	6 432.5	6 711.3	4.3
Operating Expenses			
Employee Related Expenses ^(c)	3 264.8	3 426.7	5.0
Purchases of Supplies and Services ^(d)	1 630.2	1 711.1	5.0
Depreciation ^(e)	176.8	184.4	4.3
Capital Asset Charge	252.6	257.7	2.0
Other Expenses	1 084.8	1 099.1	1.3
Total	6 409.2	6 679.1	4.2
Operating Surplus/Deficit	23.3	32.2	38.1

Source: Department of Treasury and Finance, Forward Estimates

Notes:

- (a) State government payments for provision of outputs. Includes estimated carryover of 1997-98 appropriation amounts. Actual carryover is subject to approval by the Treasurer prior to 30 June pursuant to Section 32 of the Financial Management Act, 1994
- (b) Includes revenue for services delivered to parties outside government.
- (c) Includes salaries and allowances, superannuation contributions and payroll tax.
- (d) Includes payments to non-government organisations for delivery of services.
- (e) Includes amortisation of leased assets.

Table 2.3.29 Statement of financial position ^(a)
 (\$ thousand)

	<i>Estimated as at 30 June</i>		
	1998	1999	Variation %
Assets			
Current Assets			
Cash	214 628	194 363	-9.4
Investments	308 312	308 312	..
Receivables	142 662	142 662	..
Prepayments	28 267	28 267	..
Inventories	32 740	32 740	..
Other Assets	42 210	42 210	..
Total Current Assets	768 818	748 553	-2.6
Non-Current Assets			
Investments	51 223	41 223	-19.5
Receivables	48 680	102 167	109.9 ^(b)
Fixed Assets	3 478 727	3 596 650	3.4
Other Assets	0	0	..
Total Non-Current Assets	3 578 630	3 740 040	4.5
Total Assets	4 347 448	4 488 593	3.2
Liabilities			
Current Liabilities			
Payables	208 354	208 354	..
Borrowing	12 538	12 538	..
Employee Entitlements	389 804	394 870	1.3
Superannuation	909	909	..
Other Liabilities	86 105	86 105	..
Total Current Liabilities	697 710	702 776	0.7
Non-Current Liabilities			
Payables	126 285	126 285	..
Borrowing	13 349	13 349	..
Employee Entitlements	317 372	365 793	15.3
Superannuation	70	70	..
Other Liabilities	17 445	17 445	..
Total Non-Current Liabilities	474 521	522 942	10.2
Total Liabilities	1 172 232	1 225 719	4.6
Net Assets	3 175 216	3 262 874	2.8

Source: Department of Treasury and Finance, Forward Estimates

Notes:

- (a) Funds are held by external health agencies including Hospitals to cover creditors, staff leave liabilities, lease commitments and other current liabilities. Funds generated through fund raising and donations are applied towards research and/or upgrading of facilities, equipment or other tied purposes.
- (b) Increase in receivable is predominantly due from the State and results from appropriated but undrawn funds for depreciation and employee entitlements.

Table 2.3.30 Cash flow statement

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Cash flows from operating activities			
<i>Operating receipts</i>			
Receipts from State Government ^(a)	5 496.7	5 787.3	5.3
Commonwealth payments	10.6	10.9	2.8
Other	880.9	852.1	-3.3
	6 388.2	6 650.3	4.1
<i>Operating payments</i>			
Employee related expenses	-3 220.6	-3 373.2	4.7
Purchases of supplies and services	-1 630.2	-1 711.1	5.0
Interest & finance expenses	..	..	..
Capital assets charge	- 252.6	- 257.7	2.0
Current grants and transfer payments	- 802.4	- 826.6	3.0
Capital grants and transfer payments	- 282.3	- 272.4	-3.5
Net cash from Operating Activities	200.0	209.2	4.6
Cash flows from Investing Activities			
Receipts from sale of land, fixed assets and investments	17.0	40.8	140.0
Purchases of non-current assets	- 268.5	- 325.7	21.3
Net Cash used in investing activities	- 251.5	- 284.9	13.3
Cash flows from Financing Activities			
Receipts from appropriations - increase in net asset base	46.3	96.2	108.0
Capital repatriated to Government	- 17.0	- 40.8	140.0
Net borrowings and advances	..	..
Net Cash from financing activities	29.3	55.4	89.4
Net increase in cash held	- 22.2	- 20.3	-8.7
Cash at beginning of period	236.8	214.6	-9.4
Cash at end of period	214.6	194.4	-9.4

Source: Department of Treasury and Finance, Forward Estimates

Notes:

(a) State government cash paid for provision of outputs.

Authority for resources

This section details on the Parliamentary authority for the resources provided to a Department for the provision of outputs, increases in the net asset base or payments which are made on behalf of the State.

Table 2.3.31 Authority for Departmental Resources

	(\$ million)	
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Annual Appropriations	3 791.6	4 168.2
Receipts Credited Appropriations	802.6	711.1
Gross Appropriation	4 594.2	4 879.3
Special Appropriations	961.8	1 057.8
Trust Fund Receipts	50.7	29.7
Non Public Account Revenue and other sources	840.7	840.8
Total Authority	6 447.4	6 807.5

Source: Department of Treasury and Finance

Annual appropriations

In 1998-99 the Department of Human Services will receive government annual appropriations totalling \$4 879.3 million. This figure is inclusive of the estimated carryover of funds from 1997-98. The actual carryover amount will be approved by the Treasurer pursuant to Section 32 of the *Financial Management Act 1994* prior to 30 June.

Table 2.3.32 Gross Annual Appropriations by purpose
(\$ million)

	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Provision of Outputs	4 547.9	4 783.0
Additions to net asset base	46.3	96.2
Payments made on behalf of the State	..	..
Total	4 594.2	4 879.3

Source: Department of Treasury and Finance

Receipts Credited Appropriations

Pursuant to Section 29 of the *Financial Management Act 1994* funds are available as a result of:

- the provision of services directly to third parties by a department in return for payment (user charges);
- Specific Purpose Payments from the Commonwealth; or
- funds from the sale of departmental fixed assets.

In 1998-99 no department has applied for the proceeds of fixed asset sales to be credited to their appropriation pursuant to Section 29 of the *Financial Management Act 1994*.

Table 2.3.33 Details of Receipts Credited

	(\$ million)	
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
User Charges	2.0	2.4
Commonwealth SPPs	800.6	708.7
Asset Sales	..	..
Total	802.6	711.1

Source: Department of Treasury and Finance

Special Appropriations

Special Appropriations are used for ongoing payments which need to be made independently of the Government's annual budget priorities. Special appropriations represent a standing authority and do not lapse each year as annual appropriations do, but remain in force until amended or repealed by Parliament.

Table 2.3.34: Details of Special Appropriations

136	Human Services	Budget Estimates 1998-99
-----	----------------	--------------------------

(\$ million)		
Special Appropriations	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>
Totalisator Act No. 6353, Sec 103 - Hospitals & Charities Fund	113.6	124.1
Casino Control Act No. 47/1991, Sec 114 - H&C Fund	7.3	8.0
Gaming Machine Control Act No. 53/1991, Secs 137 & 138	518.1	596.0
Club Keno Act No. 56/1993, Sec 7(5) - H&C Fund	2.6	2.5
Sportsbook-Gaming & Betting Act 37/1994-Cont to H & C Fund	..	..
Tattersall Consultations Act No. 6390	320.2	327.1
Crown Proceedings - Act No. 6232	..	..
Business Franchise Fees (Safety Net) Act 1997	..	..
FMA No. 18/1994, S10 - Current Appropriation of C/W Grants	..	..
Total	961.8	1 057.8

Source: Department of Treasury and Finance

Trust Fund Receipts

These receipts are paid into a Trust Account within the Public Account. The trust account must be set up pursuant to certain provisions contained in the *Financial Management Act 1994* and are to enable departments to make payments for specific reasons as set out in the legislation authorising the creation of the trust account.

The funds paid into the account may come from four basic sources:

- State Government;
- Commonwealth Government;
- joint Commonwealth and State Government; or
- prizes, scholarships, research and private donations.

Non Public Account Revenue and other sources

Revenue from these sources includes receipts from user charges and other revenue that are collected and retained by agencies. This includes fees and charges levied by VicRoads, TAFE Institutes, school councils and hospitals.

Department of Infrastructure

Part 1: Outlook and Outputs

Overview

The Department of Infrastructure's overall aim is to strengthen the strategic capacity of infrastructure through integrated planning and land-use strategies and the provision of competitive infrastructure services, to support Victoria's economic development and quality of life.

The Department supports the three Ministerial portfolios of Planning and Local Government, Transport, and Roads and Ports. The output group and financial information for the Department of Infrastructure includes the Department and a series of portfolio agencies, including Roads Corporation (VicRoads), the Public Transport Corporation (PTC), the Docklands Authority and the Melbourne City Link Authority.

The Department's collective functions and responsibilities extend from road construction and traffic management, public transport services, major projects and land use planning to building services and regulations and heritage conservation. Infrastructure investment planning, building and local governance, strategic and statutory planning, ports, transport and marine safety and regulation are also the responsibility of the Department, its agencies and smaller regulatory bodies.

Review of 1997-98

The establishment of the Department has provided the platform for integration across land-use and infrastructure planning, development projects and operations.

The Department, in 1997-98, achieved considerable integration of transport infrastructures and land use systems to meet the future needs of business and industry. Significant examples include:

- Improvement in the efficiency of the transport system through structural reforms and financial performance of PTC businesses to achieve revenue and efficiency targets:
 - the remaining government bus fleet was transferred to a private consortium, Melbourne Bus Link, in April 1998 heralding Victoria as the first state in Australia to operate fully privatised bus services;
 - new incentive-based contracts with all metropolitan private bus companies effective from January 1998 delivering improved services;
 - establishment of four separate entities for PTC's metropolitan train and tram services to attain structural efficiencies prior to privatisation and an entity for country passenger services; and
 - corporatisation of V-Line Freight and Vic Track from 1 July 1997.
- Major road works contributing to strategic road networks completed and opened to traffic in 1997-98:
 - opening of the Eastern Freeway extension from Doncaster to Springvale Road, including the installation of Drive Time Information in December 1997;
 - completion of the duplication of the Ballarat Bypass to the Sunraysia Highway in February 1998;
 - completion of the last section of duplication of the Princes Highway East between Melbourne and Traralgon in October 1997; and
 - completion of the sealing of the Great Alpine Road between Slatey Cutting and Dinner Plain in July 1997 and to Horsehair Plain in April 1998;
 - opening of the Darnum Interchange on the Princess Highway East in January 1998.
- Contributions to portfolio investment projects that provide lasting economic benefit, support local industry and state development including:
 - a published update of *Transporting Melbourne*, a coordinated strategy to meet the transport needs of the metropolitan area, as a basis for investment evaluation assessment;
 - award to Docklands Stadium Consortium the right to embark on the \$386 million project in September 1997, with construction commenced in December 1997, and development agreements for Yarra Waters

Precinct, Business Park precinct and the provision of trunk infrastructure; and

- commencement of construction for the National Gallery of Victoria redevelopment in April 1998 and the Imax Theatre opening in May 1998.
- Coordination between agencies on critical infrastructure and precinct projects to deliver transport and land-use efficiencies:
 - scheduling of works at Jolimont to enable the rationalisation of rail functions, timely construction of Federation Square, and integration of the Exhibition Street extension into the plans for Melbourne City Link; and
 - infrastructure solutions for Docklands and the Sports and Entertainment Precinct.

In delivering the whole of government approach to the development of rural and regional plans, initiatives and policy the Department has:

- completed the co-location of departmental local government, planning and roads expertise within regions to facilitate a more holistic approach to development needs of local communities;
- commenced regional consultation by providing for leaders in regional areas and local councils to develop Regional Strategy Plans and to develop rural initiatives;
- published *Transporting Victoria*, an integrated transport strategy for regional Victoria, by June 1998; and
- through the Pride of Place initiative, provided substantial support to rural and regional projects.

Planning reforms and the rationalisation of local government systems has provided the basis for longer term consistency in strategic and policy based planning. For local governance, a series of performance indicators has been developed and is being implemented in pursuit of a rigorous performance regime.

To achieve higher standards of design and better urban design outcomes in Victoria's cities and towns, the draft urban design policy was disseminated for public comment. Completion of new planning schemes by all municipalities under the Victorian Planning Provisions will substantially simplify the development approvals process to encourage new investment.

Through the Department, Victoria has provided substantial leadership in the areas of road and rail reform, advocating national reforms and consistency in regulation and safety issues. Major successes were achieved in the areas of rail safety, the regulation of mass limits and B Doubles, and progress on the sale of the National Rail Corporation and single management of the national interstate rail network. At a national level Victoria has also actively participated and influenced marine safety policies and programs and discussions in the areas of planning, building and roads.

1998-99 Outlook

In 1998-99 the Department will focus on initiatives for integrated and efficient transport, land use and infrastructure systems in metropolitan Melbourne and rural and regional Victoria. Key initiatives include:

Major development projects:

- improved access to Melbourne's sports precinct around Melbourne Park and the Melbourne Cricket Ground, including relocation of the Batman Avenue tram and new pedestrian links through the precinct;
- construction of the Federation Square deck and superstructure commencing in July 1998;
- Docklands developments including:
 - Yarra Waters Precinct by Mirvac Limited commencing in October 1998;
 - trunk infrastructure by Transfield Powercor Consortium commencing by mid 1998;

Development of government's long-term policies and projects for rural and regional Victoria including:

- completion of the Rural and Regional Strategy, working with the Department of Premier and Cabinet;
- completion of five Regional Action Plans to provide strategic direction for non metropolitan Victoria;
- improving the rural road network through projects such as duplication of the Calder Highway, works on the Black Forest section commenced in January 1998; and
- development of electronic service delivery initiatives to improve rural accessibility to VicRoads services.

Integration and implementation of longer term strategies for land-use, roads and public transport:

- commencement of a long term metropolitan strategy to guide land-use and transport planning requirements;
- strengthen key links with the road network widening of the West Gate Freeway between Western Ring Road and Westgate Bridge, development of the Springvale Bypass (Westall Road) and upgrading of the Western Port Highway;
- a major program of road rehabilitation and reconstruction in urban and rural areas;
- development of urban design policy to address emerging state wide urban development issues; and
- implementation of a ports performance monitoring system and the development of a longer term ports strategy.

Improvements to the public transport system through public transport privatisation in concert with the Department of Treasury and Finance and improving linkages between transport modes, including:

- critical safety and operational projects to ensure the safety and operation of the public transport system prior to privatisation;
- adoption of a performance based contract model of service delivery by letting franchises to improve patronage and efficiency for the two suburban train operations (Hillside and Bayside), two tram operations (Yarra and Swanston) and country V-Line Passenger services;
- corporatisation by 1 July 1998 of the five new entities prior to privatisation; and
- new model contracts for school and country bus services modified to recognise specific operational and services characteristics.

Implementation of the local government performance management regime with planning systems and processes to improve overall outcomes through:

- adoption of new planning schemes and municipal strategic statements to provide improved council management and clear strategic directions for all councils;
- comprehensive information in the areas of community satisfaction, financial performance and operating costs, and comparative information on service specific indicators;

- suspension of rate capping for local government provided that councils can demonstrate value for money through the performance management regime; and
- infrastructure reporting to benchmark local management and financial performance.

Coordination and implementation of organisational development strategies including:

- high level contract management centre to provide cross-agency expertise;
- new structural efficiencies including the privatisation of the Building Services Agency;
- development of business on-line services by 2001 for selected driver licensing and vehicle registration transactions and services, issue of planning certificates and registration of building contractors and consultants; and
- improved systems for coordination between agencies, sharing of expertise, technology and information.

Output Information

The following section provides details of the outputs to be provided by the Department of Infrastructure:

Table 2.4.1: Output Group Summary

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Strategic Land Use, Transport and Built Form Planning	5.0	9.8	94.6
Public Transport Services	1 212.1	1 153.5	-4.8
Transport Infrastructure and Public Development Projects	603.0	612.1	1.5
Transport Safety and Standards	120.3	119.7	-0.4
Local Governance Planning and Development	76.7	75.7	-1.3
Total	2 017.1	1 970.9	-2.3

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.4.2: Output Group Description and Outputs
Strategic Land Use, Transport and Built Form Planning**

Key Government Outcomes:

- Development of Victoria's transport infrastructure and land-use systems to support the Government's goals for economic development and improved quality of life.

Description of the Output Group:

- Coordination of the development of infrastructure with land-use development to provide a long-term framework and sound basis for investment decision making. Delivery of integrated built-form infrastructure strategies for metropolitan Melbourne and regional Victoria to inform business investment decisions, and coordinate land development, transport, energy and resource infrastructure.

<i>Major Outputs/Deliverables</i>	Unit of measure	1997-98 Target	1998-99 Target
Performance Measures			
Land Use and Transport Planning Strategies Integrated long term strategic plans and frameworks for the Melbourne metropolitan area and regional Victoria and coordination of development projects which impact these plans.			
<i>Quantity</i>			
Strategic long term metropolitan land use and transport planning review	date	nm	June 1999
Regional strategies (5) and rural policies	date	nm	Dec 1998
<i>Quality</i>			
Projects completed against agreed plans and timeframes	per cent	nm	100
<i>Timeliness</i> (included in quality measure)			
Transport Policy and Reform Policies and strategies for the efficient and effective delivery of public transport and road infrastructure, including representations to the Federal Government for support for land transport investments in Victoria and infrastructure policies.			
<i>Quantity</i>			
Transport policy review completed	date	nm	Apr 1998
Non-motorised transport users strategy	date	nm	Mar 1999
<i>Quality</i>			
Projects completed against agreed plans and timeframes	per cent	nm	100
<i>Timeliness</i> (included in quality measure)			

Table 2.4.2: Output Group Description and Outputs
Strategic Land Use, Transport and Built Form Planning - *continued*

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of measure	1997-98 Target	1998-99 Target
Port and Shipping Strategy Strategies for improved linkages to road and rail networks and mechanisms for the effective monitoring, analysis and support of the port and maritime industries in Victoria.			
<i>Quantity</i>			
Strategic planning and infrastructure study	date	nm	Dec 1998
<i>Quality</i>			
Projects completed against agreed plans and time frames	per cent	nm	100
<i>Timeliness</i> (included in quality measure)			

Source: Department of Infrastructure

Table 2.4.3: Output Group Costs
Strategic Land Use, Transport and Built Form Planning

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	5.0	9.8	94.6
<i>Comprising:</i>			
Employee-related Expenses	2.1	5.5	-
Purchases of Supplies and Services	1.8	3.5	97.1
Depreciation	0.1	0.1	..
Capital Asset Charge	0.4	0.1	-78.9
Other	0.7	0.6	-6.9

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.4.4: Output Group Description and Outputs
Public Transport Services**

Key Government Outcomes:

- In pursuit of providing a world class public transport service at reduced cost to the taxpayer, the Government aims to privatise services by March 1999. Privatisation will include specification of minimum service levels, maintenance of safety standards and transfer of risk to the private operators. The Government will retain flexibility to influence the provision of public transport services to address future needs.

Description of the Output Group:

- Public transport services in line with required service performance and financial targets, consistent with the Government's policy. The output group consolidates the delivery of all public transport across Victoria. It includes metropolitan train, tram and bus services, school and country bus services, taxi services for the disabled, country and interstate train services, and rail freight services.

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of measure	1997-98 Target	1998-99 Target
Metropolitan Train Services Metropolitan rail passenger system and services through contract arrangements with operators.			
<i>Quantity</i> (included in quality measure)			
<i>Quality</i>			
Train passengers carried	number million	>112.6	>112.6 ^(a)
<i>Timeliness</i>			
Services within 5 minutes of timetable			
• Peak	per cent	90	90 ^(a)
• All day	per cent	94	94 ^(a)
Metropolitan Tram Services Metropolitan light rail and tram passenger system and services through contract arrangements with operators.			
<i>Quantity</i> (included in quality measure)			
<i>Quality</i>			
Tram passengers carried	number million	>115.4	>115.4 ^(a)
<i>Timeliness</i>			
Services no more than 5 minutes late or 1 minute early	per cent	88	88 ^(a)
Budget Estimates 1998-99		Infrastructure	147

**Table 2.4.4: Output Group Description and Outputs
Public Transport Services - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of measure	1997-98 Target	1998-99 Target
Country and Interstate Train Services Rail passenger services and associated road coaches in country Victoria through contract arrangements with operators and rail passenger services between Melbourne and Sydney.			
<i>Quantity</i> (included in quality measure)			
<i>Quality</i>			
Train and road coach passengers carried	number million	nm	8.314 ^(a)
<i>Timeliness</i>			
Road coach services within 5 minutes of timetable	per cent	98.5	98.5 ^(a)
Inter-urban train services within 5 minutes of timetable (all day)	per cent	93.5	93.5 ^(a)
Inter-city train services within 10 minutes of timetable (all day)	per cent	96	96 ^(a)
Inter-State train services within 30 minutes of timetable	per cent	95	95 ^(a)
Metropolitan Bus Services Passenger route bus services in Melbourne through contract arrangements with operators.			
<i>Quantity</i> (included in quality measure)			
<i>Quality</i>			
Bus passengers carried	number million	Nm	91.5
Timetabled bus services delivered	per cent	Nm	99
Achievement of best practice benchmark costs	per cent	Nm	97.3
<i>Timeliness</i>			
Bus services within 5 minutes of timetable	per cent	95	95

**Table 2.4.4: Output Group Description and Outputs
Public Transport Services - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of measure	1997-98 Target	1998-99 Target
Country Bus Services Passenger route bus services in rural Victoria through contract arrangements with operators.			
<i>Quantity</i> (included in quality measure)			
<i>Quality</i>			
Country bus passengers carried	number million	nm	10.9
Timetabled bus services delivered	per cent	nm	99
<i>Timeliness</i>			
Bus services within 5 minutes of timetable	per cent	95	95
Fast Track Freight Contribution to cost of providing rail based haulage of LCL (less than a container load) freight in country Victoria.			
<i>Quantity</i>			
Maintain Freight Gates for the provision of Fast Track and charity services	number of locations	nm	28
<i>Quality</i>			
Reduction in number of customer complaints	per cent	nm	10
<i>Timeliness</i>			
Fast Track service consignments within agreed delivery time	per cent	nm	95
Taxi Services for the Disabled Subsidised taxi transport for people with severe permanent disabilities.			
<i>Quantity</i>			
Taxi trips taken			
• Passenger Only	number	nm	5 014 000
• With Wheelchair	number	nm	348 500
Applications assessed	number	25 000	25 000
<i>Quality</i>			
Reduction in customer complaints	per cent	nm	10
<i>Timeliness</i>			
Applications completed within 10 working days	per cent	80	90
Budget Estimates 1998-99	Infrastructure		149

**Table 2.4.4: Output Group Description and Outputs
Public Transport Services - *continued***

Major Outputs/Deliverables Performance Measures	Unit of measure	1997-98 Target	1998-99 Target
School Bus Services School bus transport services in rural and outer metropolitan locations through contract arrangements with private operators.			
<i>Quantity</i>			
School bus services delivered	number	1 652	1 625 ^(b)
<i>Quality</i>			
Timetabled bus services delivered	per cent	nm	99
<i>Timeliness</i>			
Services within 5 minutes of timetable	per cent	nm	95
Night Transport Services Late night transport services in metropolitan Melbourne.			
<i>Quantity</i> (included in quality measure)			
<i>Quality</i>			
Passengers carried	number million	nm	0.083
<i>Timeliness</i>			
Services within 5 minutes of timetable	per cent	nm	95

Source: Department of Infrastructure

Note:

(a) Subject to negotiation of Service Agreements with the contracted suppliers.

(b) Reflects service integration.

**Table 2.4.5: Output Group Costs
Public Transport Services**

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	1 212.1	1 153.5	-4.8
<i>Comprising:</i>			
Employee-related Expenses	5.5	4.9	-9.8
Purchases of Supplies and Services	350.6	376.0	7.2
Depreciation	0.4	2.0	-
Capital Asset Charge	493.1	500.6	1.5
Other	362.5	270.0	-25.5

Source: Department of Treasury and Finance, Forward Estimates

150 Infrastructure Budget Estimates 1998-99

**Table 2.4.6: Output Group Description and Outputs
Transport Infrastructure and Public Development Projects**

Key Government Outcomes:

- Efficient provision, restoration and maintenance of built form infrastructure and new public facilities to ensure business and industry can exploit opportunities in an increasingly competitive global marketplace and to enhance the quality of life in Victoria.
 - Improved accessibility, reduced road user costs and maintenance of safe, reliable and efficient road conditions.
 - Improved access between industry, port, rail and airport facilities in particular through development of the City Link by linking three major freeways.
 - Major development projects to improve the urban amenity and encourage private sector investment.
 - Efficient and orderly movement of road users and road freight.

Description of the Output Group:

- Management, development and maintenance of Victoria's strategic road network and development of major public projects. It includes extensions and development of the road system, road maintenance and traffic management, and contributes to non-metropolitan and national rail infrastructure.

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of measure	1997-98 Target	1998-99 Target
Non-Electrified Rail Track System Contribution to cost of providing access to non-electrified Victorian Government owned rail infrastructure and contribution to the cost of national rail track infrastructure.			
<i>Quantity</i>			
Length of track under management	km	nm	5 125
<i>Quality</i>			
Percentage of track under temporary speed restriction	per cent	nm	5
<i>Timeliness</i>			
Services delayed due to track condition/management	per cent	nm	5

Table 2.4.6: Output Group Description and Outputs
Transport Infrastructure and Public Development Projects - *continued*

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of measure	1997-98 Target	1998-99 Target
Road System Development Extensions to and development of the Principal Road Network, including City Link.			
<i>Quantity</i>			
Length of road pavement ^(a)	lane km	nm	50 600
Number of structures	number	nm	4 640
Length of roadside	carriage- way km	nm	23 820
City Link project delivered by Transurban in accordance with project documents	per cent	nm	100
<i>Timeliness</i>			
Programmed works >\$5m completed on time and on budget	per cent	nm	100
State works undertaken by Transurban in accordance with agreed time frame	per cent	nm	100
Road System Maintenance Maintenance of safe efficient and acceptable road conditions at least overall cost to the community. Activities included in this output are roadside maintenance including grass cutting.			
<i>Quantity</i>			
Road pavement resurfaced	km	nm	4 250
Road pavement rehabilitated	lane km	nm	610
<i>Quality ^(b)</i>			
Road pavement with unacceptable roughness (>140 NRM over 500m)	km	nm	360
Proportion of travel on smooth roads (<110 NRM)	per cent	nm	86
Structures with load height or width deficiencies	number	nm	150
<i>Timeliness</i>			
Programmed maintenance completed on time and on budget	per cent	nm	100

Table 2.4.6: Output Group Description and Outputs
Transport Infrastructure and Public Development Projects - *continued*

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of measure	1997-98 Target	1998-99 Target
Traffic Management and Information Management of efficiency of traffic movement and reduction in congestion for Melbourne and major rural cities through strategies including: Principal Traffic Routes, freight initiatives, intelligent transport systems, priority access schemes for cyclists and pedestrians, passenger transport priority and State route numbering and delineation.			
<i>Quantity</i>			
Principal Traffic Routes treated with traffic management improvements	per cent	nm	12
Arterial roads with traffic flow management (total arterial network)			
• Rural (km)	km	nm	18 936
• Urban (km)	km	nm	3 236
Traffic incidents attended	number	nm	40 000
<i>Quality</i>			
Reduction in travel time on Principal Traffic Routes	per cent	nm	2
Additional travel time per kilometre (congestion indicator)			
• Peak – am	mins/km	0.72	0.68
• Peak – pm	mins/km	0.58	0.56
• Off peak	mins/km	0.41	0.40
• All day	mins/km	0.52	0.50
Restoration time for 85 per cent of traffic incidents	minutes	nm	50
<i>Timeliness</i> (included in quality measure)			

Table 2.4.6: Output Group Description and Outputs
Transport Infrastructure and Public Development Projects - *continued*

Major Outputs/Deliverables Performance Measures	Unit of measure	1997-98 Target	1998-99 Target
Major Public Construction and Land Development Management and delivery of nominated public construction and land development projects including Docklands.			
<i>Quantity</i>			
Victorian Government major projects ^(c)			
• Docklands			
– commence Stage 1 of Yarra Waters precinct	date	nm	Dec 1998
– commence trunk infrastructure	date	nm	Jul 1998
• Melbourne Museum			
– complete building construction	date	nm	Jun 1999
• National Gallery of Victoria			
– commence construction	date	nm	Apr 1999
• Federation Square			
– complete deck construction	date	nm	Jun 1999
• Mont Park Residential Development			
– commence development construction	date	nm	Feb 1999
• Sports and Entertainment Precinct			
– complete tram route relocation	date	nm	Jun 1999
• Jolimont Precinct coordination			
– complete project	date	nm	Dec 1999
<i>Quality</i>			
Projects delivered within budget against agreed plans and time frames	per cent	nm	100
<i>Timeliness</i> (included in quality measure)			

Source: Department of Infrastructure

Notes:

- (a) Includes completed and opened roads only.
 (b) NRM – national roughness measure.
 (c) Does not include all projects.

**Table 2.4.7: Output Group Costs
Transport Infrastructure and Public Development Projects**

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	603.0	612.1	1.5
<i>Comprising:</i>			
Employee-related Expenses	139.5	128.6	-7.8
Purchases of Supplies and Services	119.6	133.6	11.8
Depreciation	267.3	272.0	1.7
Capital Asset Charge	47.6	46.1	-3.2
Other	28.9	31.7	9.4

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.4.8: Output Group Description and Outputs
Transport Safety and Standards**

Key Government Outcomes:

- Improved transport safety to reduce the frequency, severity and cost to the community of accidents and incidents, and improved benefits to business from a reduction in costs of regulation and a shift from compliance to performance based standards.

Description of the Output Group:

- Implementation of performance based standards for compliance by transport providers to reduce the cost of regulation to business, raise safety levels and improve transport efficiency through regulation reform, education and prevention.

<i>Major Outputs/Deliverables</i>	Unit of measure	1997-98 Target	1998-99 Target
Performance Measures			
Marine Safety Regulation and Accreditation Promotion and encouragement of marine safety by setting effective standards, survey of vessels and accident investigation certification of marine operators competencies, dissemination of marine safety information and coordination of response to oil pollution.			
<i>Quantity</i>			
New vessels surveyed	number	nm	165
Vessels in service surveyed	number	nm	680
Marine operators certificates issued	number	nm	220
<i>Quality</i>			
Recreational boating conforms to safety standards	per cent	nm	95
Reported oil pollution incidents responded to and resolved	per cent	nm	100
<i>Timeliness</i>			
All surveys/certificates issued within established time frames	per cent	90	100
Oil pollution incidents responded to within 4 hours of report	per cent	90	90
Taxi and Tow Truck Services Administration and regulation of the taxi, hire car, special purpose vehicle, restricted hire car and tow truck industries.			
<i>Quantity</i>			
Taxis audited ^(a)	number	9 000	9 000
Tow Trucks licensed	number	650	650

**Table 2.4.8: Output Group Description and Outputs
Transport Safety and Standards - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of measure	1997-98 Target	1998-99 Target
<i>Taxi and Tow Truck Services - continued</i>			
<i>Quality</i>			
Taxis and tow trucks conform to quality standards	per cent	nm	>90
Serious taxi service complaints investigated ^(b)	number	375	370
Telephone at Tow Truck Allocation Centre answered within 45 seconds	per cent	nm	95
<i>Timeliness</i>			
Preliminary investigation of serious taxi service complaints completed within 10 working days	per cent	nm	85
Allocation of accident to tow truck depot within 5 minutes	per cent	nm	85
Road Safety Improvement to the safety of all road users in accordance with the Government's Safety First strategy including; coordination of road safety programs between agencies, improvement to high frequency road crash sites, development and promotion of educational programs for road users, and maintenance and enhancement of vehicle safety standards.			
<i>Quantity</i>			
Blackspot/blacklength treatments	number	nm	200
Railway level crossing treatments	number	nm	25
Road user programs	number	nm	72
<i>Quality</i>			
Reduction in casualties at treated blackspot/blacklength sites	per cent	15	15
Reduction in road user casualties			
• Drivers	per cent	5	5
• Passengers	per cent	5	5
• Motorcyclists	per cent	5	5
• Bicyclists	per cent	2	2
• Pedestrians	per cent	5	5

Table 2.4.8: Output Group Description and Outputs
Transport Safety and Standards - continued

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of measure	1997-98 Target	1998-99 Target
Road Safety - continued			
Fatal crashes per annum due to vehicle defects	per cent	1.5	1.5
Vehicle fleet which passes each first roadworthy certificate inspection	per cent	25	25
<i>Timeliness</i> (included in quality measure)			
Public Transport Safety Regulation and Accreditation Development of a comprehensive public bus and rail transport safety accreditation system.			
<i>Quantity</i>			
Accreditation applications processed			
• Rail	number	nm	33
• Bus	number	nm	600
<i>Quality</i>			
Accreditation applications completed within 6 months	per cent	nm	100
Audits carried out within 12 months of accreditation	per cent	nm	100
<i>Timeliness</i> (included in quality measure)			
Driver Licensing and Vehicle Registration Registration and licensing services, revenue collection and information services.			
<i>Quantity</i>			
Driver licences issued	number	nm	105 700
Driver licences renewed	number	nm	158 200
Vehicle registrations issued	number	nm	353 200
Vehicle registrations renewed	number	nm	3 240 500
Vehicle registration transfers	number	nm	782 100
Vehicle and driver information requests processed	number	nm	636 400

Table 2.4.8: Output Group Description and Outputs
Transport Safety and Standards - continued

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of measure	1997-98 Target	1998-99 Target
<i>Driver Licensing and Vehicle Registration – continued</i>			
<i>Quality</i>			
User satisfaction with registration and licensing	per cent	nm	>90
Current registration and licensing records	per cent	nm	98
<i>Timeliness</i>			
Customers served within 10 minutes in licensing and registration offices	per cent	80	>80
Average time to answer central telephone calls	seconds	nm	40
Road Use Management Development and implementation of nationally uniform transport regulation and enhanced regulatory standards and management of commercial vehicle operations.			
<i>Quantity</i>			
Milestones achieved in implementation of National Heavy Vehicle Reforms	number	nm	5
<i>Quality</i>			
Cost of transporting goods (user cost/ distance)			
• Urban Freight	cents / km	nm	31.5
• Rural Freight	cents / km	nm	9.5
<i>Timeliness</i> (included in quantity measure)			

Source: Department of Infrastructure

Notes:

(a) Including audit of both driver and vehicle.

(b) Serious complaints including refusing fares, assault and multi purpose taxi fraud.

**Table 2.4.9: Output Group Costs
Transport Safety and Standards**

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	120.3	119.7	-0.4
<i>Comprising:</i>			
Employee-related Expenses	32.9	28.9	-12.1
Purchases of Supplies and Services	79.3	81.8	3.1
Depreciation	0.1	0.3	-
Capital Asset Charge	1.7	2.4	47.6
Other	6.3	6.4	0.2

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.4.10: Output Group Description and Outputs
Local Governance Planning and Development**

Key Government Outcomes:

- Improvements to Victoria's quality of life and competitiveness through reform of local government and simplification of planning, building and environmental standards and regulations.

Description of the Output Group:

- Delivery of simplified, streamlined and consistent principles that support business and community development and investment decisions. Policy outcomes include complementary reforms in local governance, statutory planning and public construction which also underpin the Strategic Land Use, Transport and Built Form Planning output.

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of measure	1997-98 Target	1998-99 Target
Statutory Planning and Environment Assessment Efficient administration of planning and environment assessment legislation and regulation and implementation of planning reform through assistance to councils in producing new strategic planning schemes.			
<i>Quantity</i>			
New Planning Schemes completed (total of 81 ^(a))	date	nm	Jun 1999
Environment Effects Statement requests assessed	number	nm	40
<i>Quality</i>			
Reduction in planning scheme amendments	per cent	nm	30
Reduction in planning application processing time by councils	per cent	nm	10
<i>Timeliness</i> (included in quality measure)			
Urban Design and Building Initiatives Provide strategic advice to support informed decision making by the building and development industry through planning, building and urban design policies, project facilitation, the provision of demographic and spatial forecasts and information and education programs.			
<i>Quantity</i>			
Planning policy guidelines	number	nm	4
Public construction and asset management guidelines	number	nm	4
Market information and demographic forecasts	number	nm	5
Budget Estimates 1998-99	Infrastructure		161

**Table 2.4.10: Output Group Description and Outputs
Local Governance Planning and Development - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of measure	1997-98 Target	1998-99 Target
Urban Design and Building Initiatives - <i>continued</i>			
<i>Quality</i>			
Projects completed against agreed plans and timeframes	per cent	nm	100
<i>Timeliness</i> (included in quality measure)			
Heritage Conservation Implementation of a system of heritage protection for Victoria through identification, provision of advice, delivery of information and education programs and management of resources through compliance mechanisms.			
<i>Quantity</i>			
Heritage places assessed	number	nm	500
Heritage permits and consents issued	number	nm	400
<i>Quality</i>			
Damage to historic shipwrecks in Victorian waters	instances	nm	<5
<i>Timeliness</i>			
Statutory time frames met	per cent	nm	100
Local Governance Performance Standards and Regulation Management and development of the Victorian system of local government to ensure delivery of good governance, development opportunities and valued, cost effective services to all Victorians.			
<i>Quantity</i>			
Local government's participation in Electronic Service Delivery Program	number of councils	nm	20
Funding and Service Agreements for public library services reviewed and updated	number	nm	43
Performance measurement system incorporated in Council reporting	date	nm	Sep 1999

Table 2.4.10: Output Group Description and Outputs
Local Governance Planning and Development - *continued*

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of measure	1997-98 Target	1998-99 Target
Local Governance Performance Standards and Regulation - <i>continued</i>			
Development of common contract conditions and specifications for key council services	per cent of services	nm	30
<i>Quality</i>			
All local laws comply with National Competition Policy	date	nm	Jun 1999
Service charters in place for all major council services ^(a)	date	nm	Jun 1999
<i>Timeliness</i>			
Council reports lodged within statutory time frames	per cent	nm	100
Land Transactions Monitoring Ensure Integrity in government land transactions.			
<i>Quantity</i>			
Submissions assessed (externally initiated)	number	nm	650
<i>Quality</i>			
Transactions comply with Government policy	per cent	nm	100
<i>Timeliness</i>			
Response to submissions completed within three days	per cent	nm	80

Source: Department of Infrastructure

Note:

(a) *Includes individual schemes for French and Sanstone Islands, Port of Melbourne and Alpine Resorts.*

**Table 2.4.11: Output Group Costs
Local Governance Planning and Development**

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	76.7	75.7	-1.3
<i>Comprising:</i>			
Employee-related Expenses	22.4	21.0	-6.3
Purchases of Supplies and Services	16.0	17.6	10.1
Depreciation	1.0	0.1	-86.0
Capital Asset Charge	3.8	0.5	-85.7
Other	33.4	36.4	8.9

Source: Department of Treasury and Finance, Forward Estimates

Part 2: Financial Information

This part provides the financial tables that support the department's provision of outputs. This information can assist the reader to assess a department's financial performance.

The information provided includes a statement of financial position, operating statement and cash flow statement for the department as well as tables detailing departmental expenses and revenue.

The total resources planned to be available to the department for the delivery of outputs, investment in departmental assets and other purposes in respect of the 1998-99 financial year are outlined in the following table.

Table 2.4.12: Summary of departmental resources available

Resources	(\$ million)	
	1997-98 Budget	1998-99 Budget
Outputs purchased by State government	1 918.7	1 870.9
Outputs purchased by other parties	112.1	100.0
Operating revenue from provision of outputs sub-total	2 030.8	1 970.9
Government contribution to increasing net asset base	216.2	154.6
Funding for Payments made on behalf of the State	291.8	301.9
TOTAL	2 538.8	2 427.4

Source: Department of Treasury and Finance, Forward Estimates

The available resources are applied to three uses:

- the provision of outputs;
- payments on behalf of the State; or
- asset investment.

The table below shows the break-up of the available resources across the three categories of uses.

Table 2.4.13: Summary of use of resources

	(\$ million)	
	1997-98 Budget	1998-99 Budget
Output provision expenses	2 017.1	1 970.9
Payments made on behalf of the State	291.8	301.9
Gross Fixed Asset Investment less Depreciation	216.2	154.6
Total Uses	2 525.2	2 427.4

Source: Department of Treasury and Finance, Forward Estimates

Payments on behalf of the State are payments made by the department on behalf of the State Government as a whole and do not directly reflect the operations of the department.

Table 2.4.14: Payments made on behalf of the State

<i>(\$million)</i>		
	<i>1997-98</i>	<i>1998-99</i>
	<i>Budget</i>	<i>Budget</i>
Employer contributions to superannuation	..	1.3
Commonwealth On-passed	291.8	300.6
Total	291.8	301.9

Source: Department of Treasury and Finance, Forward Estimates

The table below lists the source of departmental funds for Gross Fixed Asset Investment. Asset investment is equal to Gross Fixed Asset Investment (purchase of new assets) less reductions in existing fixed assets, through depreciation and asset sales.

Table 2.4.15: Gross Fixed Asset Investment

<i>(\$ million)</i>		
	<i>1997-98</i>	<i>1998-99</i>
	<i>Budget</i>	<i>Budget</i>
Financial Assets (<i>attributable to depreciation expense</i>)	268.9	274.5
Appropriation for increases in the net asset base	216.2	154.6
Fixed Asset Sales	..	..
Own account and other (including retained earnings)	26.9	7.1
Total Gross Fixed Asset Investment	512.1	436.2

Source: Department of Treasury and Finance, Forward Estimates

The operating statement, statement of financial position and a cash flow statement are provided below. This information includes non-public account revenue from services provided by the department to third parties in exchange for payment. Currently this includes user charges, and fees for services retained outside the Public Account.

Table 2.4.16: Departmental operating statement

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Operating Revenue			
Revenue from State Government ^(a)	1 918.7	1 870.9	-2.5
Commonwealth	..	0.0	
Other revenue ^(b)	112.1	100.0	-10.8
Total	2 030.8	1 970.9	-2.9
Operating Expenses			
Employee Related Expenses ^(c)	202.3	188.9	-6.6
Purchases of Supplies and Services ^(d)	567.3	612.5	8.0
Depreciation ^(e)	268.9	274.5	2.1
Capital Asset Charge	546.7	549.8	0.6
Other Expenses	431.9	345.1	-20.1
Total	2 017.1	1 970.9	-2.3
Operating Surplus/Deficit ^(f)	13.7	0.1	-99.6
Funds provided to meet Payments on behalf of the State			
From Government	..	1.3	
Other Sources	291.8	300.6	3.0
Total Funds provided to meet payments on behalf of the State	291.8	301.9	3.5
Payments made on behalf of the State			
Employer contributions to superannuation	..	1.3	
Commonwealth On-passed	291.8	300.6	3.0
Total Payments made on behalf of the State	291.8	301.9	3.5

Source: Department of Treasury and Finance, Forward Estimates

Notes:

- (a) State government payments for provision of outputs. Includes estimated carryover of 1997-98 appropriation amounts. Actual carryover is subject to approval by the Treasurer prior to 30 June pursuant to Section 32 of the Financial Management Act, 1994.
- (b) Includes revenue for services delivered to parties outside government.
- (c) Includes salaries and allowances, superannuation contributions and payroll tax.
- (d) Includes payments to non-government organisations for delivery of services.
- (e) Includes amortisation of leased assets.
- (f) The surplus shown in 1997-98 arises from the budget policy treatment applied in that year only. The budget policy applying from 1998-99 onwards has been amended to provide a more accurate reflection of the financial position of the Department for those years.

Table 2.4.17: Statement of Financial Position ^(a)
(\$ thousand)

	<i>Estimated as at 30 June</i>		
	<i>1998</i>	<i>1999</i>	<i>Variation</i> %
Assets			
Current Assets			
Cash	92 364	87 324	-5.5
Investments	1 332	1 382	3.8
Receivables	35 962	36 642	1.9
Prepayments	2 782	2 782	..
Inventories	13 566	13 566	..
Other Assets	..	..	..
Total Current Assets	146 004	141 694	-3.0
Non-Current Assets			
Investments	35 100	35 100	..
Receivables	3 325	3 325	..
Fixed Assets	12 748 073	12 887 795	1.1
Other Assets	..	..	..
Total Non-Current Assets	12 786 498	12 926 220	1.1
Total Assets	12 932 502	13 067 914	1.0
Liabilities			
Current Liabilities			
Payables	208 144	210 701	..
Borrowing	..	..	..
Employee Entitlements	17 453	17 646	1.1
Superannuation	39 100	39 100	..
Other Liabilities	23 779	23 779	..
Total Current Liabilities	288 476	291 226	..
Non-Current Liabilities			
Payables	707	707	..
Borrowing	..	..	..
Employee Entitlements	42 946	42 946	..
Superannuation	471 063	471 063	..
Other Liabilities	92 837	92 837	..
Total Non-Current Liabilities	607 553	607 553	..
Total Liabilities	896 029	898 779	..
Net Assets	12 036 473	12 169 135	1.1

Source: Department of Treasury and Finance, Forward Estimates

Note:

(a) This does not include the PTC, Docklands Authority and Melbourne City Link Authority.

Table 2.4.18: Cash flow statement

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Cash flows from operating activities			
<i>Operating receipts</i>			
Receipts from State Government ^(a)	1 918.7	1 870.3	-2.5
Commonwealth payments	..	..	..
Other	112.9	100.0	-11.4
	<hr/>	<hr/>	<hr/>
	2 031.5	1 970.2	-3.0
<i>Operating payments</i>			
Employee related expenses	- 202.3	- 188.7	-6.7
Purchases of supplies and services	- 553.4	- 610.1	10.2
Interest & finance expenses	..	..	..
Capital assets charge	- 546.7	- 549.8	0.6
Current grants and transfer payments	- 312.3	- 267.9	-14.2
Capital grants and transfer payments	- 119.6	- 77.2	-35.5
	<hr/>	<hr/>	<hr/>
Net cash from Operating Activities	297.2	276.5	-7.0
Cash flows from Investing Activities			
Receipts from sale of land, fixed assets and investments	15.5	22.0	42.2
Purchases of non-current assets	- 512.1	- 436.2	-14.8
	<hr/>	<hr/>	<hr/>
Net Cash used in investing activities	- 496.6	- 414.2	-16.6
Cash flows from Financing Activities			
Receipts from appropriations - increase in net asset base	216.2	154.6	-28.5
Capital repatriated to Government	- 15.5	- 22.0	42.2
Net borrowings, advances and other financing	- 9.1	0.1	-100.8
	<hr/>	<hr/>	<hr/>
Net Cash from financing activities	191.6	132.7	-30.8
Net increase in cash held	- 7.8	- 5.0	-35.5
Cash at beginning of period	100.2	92.4	-7.7
	<hr/>	<hr/>	<hr/>
Cash at end of period	92.4	87.4	-5.4

Source: Department of Treasury and Finance, Forward Estimates

Notes:

(a) State government cash paid for provision of outputs.

Authority for resources

This section details on the Parliamentary authority for the resources provided to a Department for the provision of outputs, increases in the net asset base or payments which are made on behalf of the State.

Table 2.4.19: Authority for Departmental Resources

(\$ million)

	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>
Annual Appropriations	1 856.3	1 934.0
Receipts Credited Appropriations	92.8	90.7
Gross Appropriation	1 949.1	2 024.7
Special Appropriations	185.8	0.8
Trust Fund Receipts (excluding State funds)	315.9	300.7
Non Public Account Revenue and other sources	88.0	99.9
Total Authority	2 538.8	2 426.1

Source: Department of Treasury and Finance, Forward Estimates

Annual appropriations

In 1998-99 the Department of Infrastructure will receive government annual appropriations totalling \$1 934 million. This figure is inclusive of the estimated carryover of funds from 1997-98. The actual carryover amount will be approved by the Treasurer pursuant to Section 32 of the *Financial Management Act 1994* prior to 30 June.

Table 2.4.20: Gross Annual Appropriations by purpose

(\$ million)

	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>
Provision of Outputs	1 732.9	1 870.1
Additions to net asset base	216.2	154.6
Payments made on behalf of the State	..	1.3
Total	1 949.1	2 026.0

Source: Department of Treasury and Finance, Forward Estimates

Receipts Credited Appropriations

Pursuant to Section 29 of the *Financial Management Act 1994* funds are available as a result of:

170	Infrastructure	Budget Estimates 1998-99
-----	----------------	--------------------------

- the provision of services directly to third parties by a department in return for payment (user charges);
- Specific Purpose Payments from the Commonwealth; or
- funds from the sale of departmental fixed assets.

In 1998-99 no department has applied for the proceeds of fixed asset sales to be credited to their appropriation pursuant to Section 29 of the *Financial Management Act 1994*.

Table 2.4.21: Details of Receipts Credited

(\$ million)		
	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>
User Charges	..	..
Commonwealth SPPs	92.8	90.7
Asset Sales	..	..
Total	92.8	90.7

Source: Department of Treasury and Finance, Forward Estimates

Special Appropriations

Special Appropriations are used for ongoing payments which need to be made independently of the Government's annual budget priorities. Special Appropriations represent a standing authority and do not lapse each year as annual appropriations do, but remain in force until amended or repealed by Parliament.

Table 2.4.22: Details of Special Appropriations

(\$ million)

	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>
Planning Schemes - Panels Act No. 6849, Sec 28	0.7	0.7
Marine Board - Act No. 52/1988	0.1	0.1
Business Franchise Act No. 9272/1979, S13(2) - Better Roads	185.0	..
FMA No. 18/1994, S10 - Current Appropriation of C/W Grants	..	..
The Superannuation Fund Act 50 of 1988 S 30 – Transport	..	..
The Super. Fund Act 50 1988 S 64(4) Interest - Transport	..	..
FMA No 18/1994, Sec 10 - Capital Appropriation of C/W Grants	..	..
Total	185.8	0.8

Source: Department of Treasury and Finance, Forward Estimates

Trust Fund Receipts

These receipts are paid into a Trust Account within the Public Account. The trust account must be set up pursuant to certain provisions contained in the *Financial Management Act 1994* and are to enable departments to make payments for specific reasons as set out in the legislation authorising the creation of the trust account.

The funds paid into the account may come from four basic sources:

- State Government;
- Commonwealth Government;
- joint Commonwealth and State Government; or
- prizes, scholarships, research and private donations.

Non Public Account Revenue and other sources

Revenue from these sources includes receipts from user charges and other revenue that are collected and retained by agencies. This includes fees and charges levied by VicRoads, TAFE Institutes, school councils and hospitals.

Department of Justice

Part 1: Outlook and Outputs

Overview

The output group and financial information for the Department of Justice includes consolidated information for the following Portfolio entities:

- Department of Justice;
- Victoria Police;
- Equal Opportunity Commission;
- Office of Public Prosecutions; and
- Victorian Electoral Commission.

The Department of Justice provides the primary organisational, policy and management focus for the five separate Ministerial responsibilities within the Justice Portfolio (namely those of the Attorney-General; Minister for Corrections; Minister for Fair Trading; Minister for Police and Emergency Services; and Minister for Women's Affairs).

Within these responsibilities, the constitutional independence of the judiciary, the operational independence of the Victoria Police, the Director of Public Prosecutions and other statutory legal offices and appointees, and the operational autonomy of the State's fire and emergency service organisations must also be recognised.

The Department's combination of portfolio policy responsibilities and service delivery obligations can be broadly categorised as follows:

Policy and legislative services

- Provide policy, legislative and program development advice and executive services to the Ministers.
- Secure cooperation, coordination and cohesion amongst portfolio agencies to enhance service delivery capabilities.

- Promote increased efficiency, effectiveness and accountability of service delivery and resource management in all organisations associated with the justice portfolio.

Justice services

- Provide administrative support to the system of Courts, Boards and Tribunals.
- Ensure legal services are provided on behalf of the public in the operation of Courts and Tribunals.
- Oversee the planning and provision of correctional services for the State.
- Oversee the planning and provision of policing services for the State.
- Ensure legal advisory services are provided to Government.

Fire and emergency services

- Oversee the planning and management of arrangements to prevent and respond to fire and other emergencies affecting public safety.

Equity and information services

- Enforce fair trading laws, license certain classes of business, and provide consumer dispute avoidance and resolution services.
- Provide equity and human rights information and complaint resolution services.
- Advance the status of women in Victoria.
- Maintain an effective system for the registration of births, deaths and marriages.

Review of 1997-98

The Department expects to meet its overall 1997-98 budget and program performance targets and will be in a position to build on a range of policy initiatives and service improvements already commenced.

1998-99 Outlook

Within the Department's vision for 'A Safe and Fair Victoria' outlined in its Corporate Plan for the period 1998-2001, major targeted outcomes from policy implementation and improved service delivery initiatives in 1998-99 have been grouped under five broad strategic goals as follows:

Community safety and crime prevention - a shared responsibility

Expected Outcomes:

- People will feel safe in their homes and in the streets.
- Further reductions will be achieved in the incidence of crime and road accidents and the impact of fire, flood, tempest and other major emergency events will be lessened.

Strategies:

- Promoting partnerships between police, emergency service agencies, local government, the community and the private sector.
- Implementing enhanced drug and firearm safety controls.
- Promoting continuing productivity improvements in the emergency services.

Major initiatives for 1998-99:

- Continued implementation of VicSafe community safety and crime prevention partnerships including the 'Safer Cities and Shires' program.
- Pursue service improvements within the Victoria Police that will deliver enhanced services to the community.

- Feasibility studies into the consolidation and outsourcing of computer aided dispatch services from emergency services communications centres across country Victoria and the introduction of mobile data and automatic location functionality into emergency service organisation vehicles to enhance emergency response capabilities.
- Further investment in the provision of Community Support Facilitators in the Country Fire Authority to enhance volunteer recruitment and community awareness of fire risk prevention and management.
- Participation in the National Motor Vehicle Task Force to reduce motor vehicle theft.

Accessible justice that meets community expectations

Expected Outcomes

- Public confidence in the criminal justice system maintained and enhanced.
- Quicker and more efficient disposition of court and tribunal matters.

Strategies:

- Undertake legislative and procedural reforms in consultation with community and stakeholders.
- Implementation and review of new services.
- Redesigned administration and infrastructure renewal.

Major initiatives for 1998-99:

- Implementation of proposals to rationalise the structure of tribunals and achieve operational improvements (Victorian Civil and Administrative Tribunal).
- A review of the Infringement Notices system to modernise relevant legislation and further improvements to fines enforcement administration to ensure that fines are paid within a reasonable time of the offence being detected and the penalty imposed (Traffic Camera Office/Enforcement Management Unit project).
- Development of proposals to reform and streamline civil court procedure so

- that disputes are resolved more quickly with consequent benefits to business and the wider community (Civil Justice Review project).
- Amendment to a number of acts including the Crimes (Criminal Trials) Act which will improve the efficiency of the criminal justice system through improved criminal trial procedures.

Fair Trading - good for customers; good for business

Expected Outcomes

- An ethical business and trading environment with reduced levels of disputation.
- Regulation and enforcement activity meets both consumer and business needs.
- Reducing the administrative and financial costs of regulations upon small business while maintaining and enhancing consumer protection.

Strategies:

- Reducing administrative/regulatory costs through competition policy reviews, online service delivery, business process re-engineering and rationalised service structures.
- Developing and implementing a Victorian 'Good Business' program.

Major initiatives for 1998-99:

- ? Implement the transfer of responsibility for administering regulations concerning Second-Hand Dealers and Pawnbrokers from local government municipalities to the Department.
- ? Further development of proactive compliance enhancement focussing on 'prevention by education' to avoid and deter breaches of regulatory requirements.

Achieving equality of opportunity

Expected Outcomes

- Advances in the status of women in Victoria.
- Lower incidence of unlawful discrimination.

Strategies:

- Pro-active promotions and management of policies for women.
- Addressing the impacts of changes to Commonwealth and State anti-discrimination legislation on service demand and supply capabilities.

Major initiatives for 1998-99:

- Development of a 'Futures for Women' two year action plan with specific coordinated, across government, initiatives that support safer environments, economic security through employment and education opportunities, health and family support, and the encouragement of women into decision making and leadership positions.

Effective services delivered at a realistic cost

Expected Outcomes

- Continuous improvement in quality and productivity.
- Competitive and contestable service delivery.
- Lowest possible cost to the taxpayer.

Strategies:

- Service improvement and productivity savings arising from benchmarking and business process re-engineering, contracting for service delivery, use of new technologies, capital infrastructure improvement and other organisation development initiatives in line with Government policy for continued downsizing within the public sector.

Major initiatives for 1998-99:

- Further rationalisation of corporate management functions and various output support services across the Department to reduce operating costs and achieve productivity targets.

- Finalisation of the outsourcing proposed for the Traffic Camera Office/ Enforcement Management Unit and the outsourcing of Departmental Information Technology Technical Services functions.
- Major investment in Victoria Police Information Technology Architecture and Applications to improve service delivery outcomes, information management and analysis.
- Significant capital injections to support an accelerated program of court and police station infrastructure renewal and consolidation.

Output Information

The following section provides details of the outputs to be provided by the Department of Justice:

Table 2.5.1: Output Group summary

	(\$ million)		
	1997-98	1998-99	Variation
	<i>Budget</i>	<i>Budget</i>	%
Legal and Court Services	230.4	236.9	2.8
Equity and Information Services	62.8	70.5	12.3
Correctional Services	179.8	179.4	-0.2
Community Safety	59.8	61.2	2.4
Crime Prevention by Police and Community Support Programs	239.4	250.2	4.5
Incident and Event Management	139.7	145.2	4.0
Crime Investigations	260.2	270.5	4.0
Road Safety and Road Trauma Reduction	195.4	203.1	4.0
Supporting the Judicial Process	68.4	71.1	3.9
Police Information and Licensing Services	59.3	65.6	10.5
Total	1 495.1	1 553.7	3.9

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.5.2: Output Group Description and Outputs
Legal and Court Services**

Key Government Outcomes:

- People's rights and freedoms are protected and community expectations are met through a fair and just system of criminal justice and an accessible, equitable and responsive system of civil procedures.

Description of the Output Group:

The outputs of the group maintain and further develop criminal and civil justice policy and procedures by providing:

- policy advice on law reform and executive support to the Attorney General;
- legal advice, solicitor and prosecutorial services to and on behalf of government;
- administrative support for case processing in the jurisdictions of the various State Courts, Statutory Boards and Tribunals including support for the provision of legal aid services and alternative processes for the resolution of civil disputes; and
- enforcement services that give effect to judicial fines, orders and warrants, assist the collection of other State and local government penalty payments and the confiscation of the assets derived from criminal activity and held by accused persons in certain types of criminal cases.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
-----------------------------------	------------------------	-----------------------	-----------------------

Services to the Attorney-General The provision of services as required by the Attorney General entail:

- coordination of research, consultation and advice to the Attorney General on legal policy and law reform proposals intended for implementation through new or amending legislation and attention to pre and post parliamentary implementation matters;
- assistance with executive matters including correspondence, administration of legislation, administrative reviews of agencies and support for advisory councils, committees and ad hoc task forces within the Attorney-General's portfolio.

Quantity

Policy and implementation briefs/issues addressed	number	nm	1 600
Legislative program matters (Approval in Principle, Bill at Cabinet submissions)	number	nm	40 to 50
Ministerial and general correspondence responded to	number	nm	3 000
Committees and Task Forces supported	number	nm	17

Table 2.5.2: Output Group Description and Outputs
Legal and Court Services - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Services to the Attorney-General – <i>continued</i>			
<i>Quality</i>			
Minister's satisfaction with the quality and timeliness of services provided	level	high	high
<i>Timeliness</i>			
Completion of reviews and proposals identified for parliamentary sessions	per cent	nm	100
 Legal Advice to Government Provides advice to government on constitutional and other legal matters and a full range of disputation, prosecutorial, commercial and property related legal services on behalf of client Government Departments.			
Quantity			
Client services (VGSO)	hours	nm	41 400
<i>Quality</i>			
Client satisfaction with quality and timeliness of advice provided	level	high	high
<i>Timeliness</i>			
(included in quality measure above)			
 Criminal Prosecutions Preparation and conduct of proceedings relating to the prosecution of offences under the criminal law undertaken on behalf of the Director of Public Prosecutions.			
Quantity			
Proceedings prepared and disposed of on behalf of the Crown	number	7 000	7 250
<i>Timeliness</i>			
Matters prepared within agreed timelines	per cent	nm	95

Table 2.5.2: Output Group Description and Outputs
Legal and Court Services - continued

<i>Major Outputs/Deliverables</i>	<i>Unit of Measure</i>	<i>1997-98 Target</i>	<i>1998-99 Target</i>
<i>Performance Measures</i>			
Support for Legal Aid Services This output represents the agreed State Government contribution for legal aid services via Victoria Legal Aid. (Victoria Legal Aid also receives direct funding from the Commonwealth Government to assist people in prosecuting or defending matters under Commonwealth Jurisdiction).			
Quantity			
Services provided by Victoria Legal Aid:			
• New applications for grants of assistance approved	number	33 000	31 500
• Duty lawyer services provided in Magistrates and Children's Courts	number	nm	38 000
• Legal advices given	number	35 000	35 000
• Telephone information enquiries	number	68 000	68 000
• Education and information workshops conducted	number	nm	750
<i>Quality</i>			
(see timeliness measure below)			
<i>Timeliness</i>			
Elapsed time for processing applications for assistance:			
Processed same or following day	per cent	nm	50
Processed within 5 days	per cent	nm	75
Processed within 10 days	per cent	nm	85
Processed within 15 days	per cent	nm	95
Courts and Tribunals Case Processing The disposition of criminal, civil and administrative appeal matters in the jurisdictions of the various Courts, Statutory Boards and Tribunals.			
Supreme Court			
Quantity			
Matters initiated	number	nm	5 300
Matters finalised	number	nm	3 700
Matters pending	number	nm	1 600
<i>Quality</i>			
Court user satisfaction rating	level	nm	high

Table 2.5.2: Output Group Description and Outputs
Legal and Court Services - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Courts and Tribunals Case Processing – <i>continued</i>			
<i>Timeliness</i>			
Criminal matters finalised within agreed elapsed time benchmarks (within 12 months from committal to disposition)	per cent	nm	90
Civil matters finalised within agreed elapsed time benchmarks (benchmark not yet agreed)	per cent	nm	na
County Court			
Quantity			
Matters initiated	number	nm	12 250
Matters finalised	number	nm	10 050
Matters pending	number	nm	18 900
<i>Quality</i>			
Court user satisfaction rating	level	nm	high
<i>Timeliness</i>			
Civil matters finalised within agreed elapsed time benchmarks (within 12 months)	per cent	nm	na
Criminal matters finalised within agreed elapsed time benchmarks (within 12 months)	per cent	nm	70
Magistrates Court			
Quantity			
Matters initiated	number	nm	311 000
Matters finalised	number	nm	279 900
Matters pending	number	nm	31 100
<i>Quality</i>			
Court user satisfaction rating	level	nm	high
<i>Timeliness</i>			
Civil matters finalised within agreed elapsed time benchmarks (from readiness to hearing within 12 weeks)	per cent	nm	90

**Table 2.5.2: Output Group Description and Outputs
Legal and Court Services - *continued***

Major Outputs/Deliverables	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Magistrates Court - continued			
Criminal matters finalised within agreed elapsed time benchmarks			
• (contest mention to hearing within 12 weeks)	per cent	nm	90
• (committals arrest to hearing within 18 weeks)	per cent	nm	90
Coroner's Court			
Quantity			
Matters initiated	number	nm	3 600
Matters finalised	number	nm	3 000
Matters pending	number	nm	600
<i>Quality</i>			
Court user satisfaction rating	level	nm	high
<i>Timeliness</i>			
Matters finalised within agreed elapsed time standards (Twelve months from the time death reported until matter completed)	per cent	nm	90
Boards and Tribunals			
Quantity			
Matters initiated	number	nm	68 300
Matters finalised	number	62 600	61 300
Matters pending	number	nm	8 100
<i>Quality</i>			
Tribunal user satisfaction	level	nm	high
<i>Timeliness</i>			
Matters finalised within agreed elapsed time benchmarks:			
AAT Planning (from lodgement to completion within 14 weeks)	per cent	nm	70
AAT General & Taxation			
• (Matters other than Traffic Accident Compensation from lodgement to hearing 80% within 20 weeks)	per cent	nm	80

Major Outputs/Deliverables	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
<ul style="list-style-type: none"> (Traffic Accident Compensation matters from the time they advise Tribunal ready to proceed within 30 weeks) 	per cent	nm	80

Table 2.5.2: Output Group Description and Outputs
Legal and Court Services - continued

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Boards and Tribunals – continued			
AAT Land Valuation Division (within 10 weeks)	per cent	nm	100
Residential Tenancies Tribunal (From lodgement to hearing within 4 weeks)	per cent	nm	95
Small Claims Tribunal (From lodgement to hearing within 12 weeks)	per cent	nm	95
Domestic Buildings Tribunal (From lodgement to completion within 16 weeks)	per cent	nm	95
Alternative Dispute Resolution Provides low cost, informal, accessible dispute resolution mechanisms and processes for minimising civil disputes. Customers (including plaintiffs, defendants and legal representatives) are referred from government agencies (including courts, prosecuting and registering agencies), Local Government and other community agencies.			
Quantity			
General/Dispute resolution advisory service enquiries responded to	number	7 098	8 150
Disputes received for resolution	number	nm	1 500
Public education activities conducted	number	200	210
<i>Quality</i>			
Resolution of mediation options that are activated/ conducted	per cent	nm	37
Client satisfaction	per cent	nm	75
<i>Timeliness</i>			
Files closed within 30 days	per cent	66 ^(a)	70
Enforcement of Court Orders Enforcement services (including the Sheriff's Office) giving effect to judicial fines, orders and warrants. Fines enforcement services are also provided to other state and local Government agencies ^(b) .			
Quantity			
Court orders issued for service	number	nm	360 000
Warrants processed	number	nm	262 000
<i>Quality</i>			
Ratio of warrants received to warrants finalised	per cent	nm	na
Net revenue to Government	\$m	nm	35.0
Client satisfaction rating	level	nm	high
186	Justice	Budget Estimates 1998-99	

Table 2.5.2: Output Group Description and Outputs
Legal and Court Services - *continued*

Major Outputs/Deliverables	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Enforcement of Court Orders – <i>continued</i>			
<i>Timeliness</i>			
Warrants finalised/orders served in accordance with procedural benchmarks (within 21 days after warrant received by Sheriff's Office)	per cent	nm	100
Asset Confiscation Implements matters concerning the confiscation of the assets derived from criminal activity and held by accused persons in certain types of criminal cases. ^(c)			
Quantity			
Cases in which ACO plays direct role in ongoing management of real property for benefit of state	number	nm	40
Cases in which ACO plays direct role in ongoing management of real property for benefit of victims	number	nm	30
Confiscation orders resulting in sale of real property	number	nm	16
Restraining orders in respect of non real property	number	nm	120
<i>Quality</i>			
Ratio of cost of administration to proceeds generated in same financial year	ratio	nm	4:3
<i>Timeliness</i>			
Median elapsed times from restraint or seizure to closure of file	days	nm	720

Source: Department of Justice

Notes:

- (a) 1997-98 budget target revised following review (budget target 80).
- (b) Warrant finalisation rates are under negotiation in the development of outsourcing arrangements.
- (c) Proceeds generated from enhanced confiscation activities will generally not be realised until subsequent financial years due to court time lag.

**Table 2.5.3: Output Group Costs
Legal and Court Services**

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	230.4	236.9	2.8
<i>Comprising:</i>			
Employee-related Expenses	109.2	109.3	..
Purchases of Supplies and Services	66.1	73.4	11.0
Depreciation	9.9	8.7	-11.4
Capital Asset Charge	21.0	21.3	1.5
Other	24.2	24.2	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.5.4: Output Group Description and Outputs
Equity and Information Services**

Key Government Outcomes:

- An ethical business and trading environment is maintained with the minimum levels of government regulation and enforcement activity necessary to meet both consumer and business needs;
- The status of women in Victorian society is advanced, unlawful human rights discrimination is eliminated and assistance is provided to victims of serious crime; and
- Statutory obligations concerning the maintenance of registry information are met.

Description of the Output Group:

The outputs of the group inform people of their rights and responsibilities and generally educate the community to prevent discrimination and unethical behaviour. The outputs of the group also support the maintenance and use of public information registers.

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Fair Trading Compliance Enhancement Develops and administers an effective legislative and regulatory framework for fair trading and business affairs, and provides dispute avoidance, complaint resolution, compliance enforcement and product safety services to meet the needs of both business and consumers.			
Quantity			
Business Names Registered	number	56 000	56 000
Occupational Licence Registrations issued	number	nm	13 300
Annual Statement Renewals examined	number	nm	11 600
Telephone enquiries	number	450 000	500 000
Written complaint resolution activities conducted	number	nm	13 000
Compliance enhancement and enforcement activities	number	nm	3 371
Trust funds administered	number	nm	6
Quality			
Minister's satisfaction rating with timeliness and quality of advice and other services	level	high	high
Matters resolved satisfactorily	per cent	nm	80

**Table 2.5.4: Output Group Description and Outputs
Equity and Information Services - *continued***

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Fair Trading Compliance Enhancement – <i>continued</i>			
Trust Fund investments at agreed rate of return benchmarks	per cent	nm	100
<i>Timeliness</i>			
Response to telephone enquiries within customer service benchmark standards	per cent	85	85
Written complaints finalised within 10 weeks	per cent	nm	80
Same day processing of registrations/ updates of business names	per cent	95	95
Occupational licences issued within agreed time frames	per cent	100	100
Investigations resolved within elapsed time benchmarks	per cent	80	80
Advancing the Status of Women The provision of services as required by the Minister for Women's Affairs entails:			
<ul style="list-style-type: none"> • Research, consultation, development and coordination of policy advice on the impact of government policy initiatives on women; • Assistance with coordination of executive matters and support for advisory councils, ad hoc committees and task forces within the Women's Affairs portfolio; and • project management, information and consultancy services on Women's Affairs to Justice and other Departments. 			
Quantity			
Policy briefs/issues addressed	number	nm	220
<i>Quality</i>			
Minister's satisfaction with quality and timeliness of services provided	level	high	high
Victoria Women's Council satisfaction with the quality and timeliness of services provided	level	nm	high
<i>Timeliness</i>			
Achievement of strategic project milestone targets	per cent	nm	100

Table 2.5.4: Output Group Description and Outputs
Equity and Information Services - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Implementation of Equal Opportunity Legislation Provides an impartial complaint resolution service for complaints lodged by any member of the Victorian public under state or commonwealth legislation; informs people of their rights and responsibilities and generally educates the community to prevent discrimination; undertakes research on discrimination and advises the Government on discriminatory legislation through the Attorney General.			
Quantity			
Complaints files finalised	number	nm	1 300
Public inquiries responded to	number	nm	33 925
Legal advices provided	number	nm	660
'Public Voice'-information and education	number	nm	300
<i>Quality</i>			
Customers satisfaction ratings of services provided	level	nm	high
<i>Timeliness</i>			
Formal complaints investigated and determined within statutory timeframes	per cent	nm	100
Public Advocacy and Guardianship Services Provides advocacy services for people with disabilities. Includes advice and reports on independent investigations and enquiries to the Guardianship and Administration Board, and administrative support and training for volunteer Community Visitors, Community Guardians and Independent Third Persons.			
Quantity			
Public information services provided	number	nm	10 000
Volunteers supported and trained	number	nm	700
Advocacy Investigations	number	580	850
Advice/Reports on independent investigations and enquiries provided to Guardianship and Administration Board	number	nm	600
Guardianship Services total case load	number	700	750
<i>Quality</i>			
Enquiries resolved	per cent	95	95
Client satisfaction with services provided	level	nm	high
<i>Timeliness</i>			
Formal matters processed within legislative requirements	per cent	nm	100
Budget Estimates 1998-99			Justice
			191

**Table 2.5.4: Output Group Description and Outputs
Equity and Information Services - *continued***

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Support for Victims of Crime Provides referral to appropriate support agencies for victims of crime, administers the Victims Counselling scheme and community program funding to establish victim support networks and specialist statewide services, and makes court ordered Criminal Injuries Compensation payments.			
Quantity			
Calls received	number	nm	15 000
Clients accessing Victims Counselling Scheme ^(a)	number	3 000	5 000
Grants made to Victim Support Networks	number	nm	15
Public education activities conducted	number	nm	250
Criminal Injuries Compensation payments made	number	nm	2 000
<i>Quality</i>			
Client satisfaction rate	per cent	nm	85
<i>Timeliness</i>			
Helpline Telephone enquiries responded to within benchmarks	per cent	nm	100
Follow up material to victims issued within 1 day	per cent	nm	100
State Electoral Service Maintains electoral roll and implements State Parliamentary elections. The Victorian Electoral Commission also conducts Municipal elections and non government elections on a fee for service basis through competitive tenders.			
Quantity			
Elections and by-elections conducted			
• State Parliamentary	number	1	1
• Municipal	number	3	20
• Non-government	number	12	40
Elector enrolment changes	number	450 000	500 000
Training programs conducted for election officials	number	4	21
New elector lists dispatched to Members of Parliament	number	1 452	1 452
Jury lists provided to courts	number	14	14
<i>Quality</i>			
Election results contested in the Courts	number	nm	0

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Post election implementation review reports provided	per cent	nm	100

**Table 2.5.4: Output Group Description and Outputs
Equity and Information Services - *continued***

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Registration of Births Deaths and Marriages Creates and maintains a database of Victorian births, deaths and marriages, changes of names and adoptions pursuant to the Births, Deaths and Marriages Registration Act 1996 and Commonwealth/State agreements.			
Provides statutory birth, death, marriage and change of name certificates for official uses and for family history and research purposes.			
Delivers a range of non-compulsory market priced products and services to business, government and individuals.			
Quantity			
Registration transactions	number	126 100	126 100
Certificate transactions (Statutory and Non statutory products)	number	nm	351 000
<i>Quality</i>			
Registration error rate	per cent	1.2	0.8
<i>Timeliness</i>			
Certificate turnaround times			
• mail (same day)	per cent	50	50
• counter (1.5 minutes)	per cent	70	70
Non statutory transaction turnaround times	days	21	21

Source: Department of Justice

Notes

(a) 1997-98 budget target revised following review (budget target 10 000).

**Table 2.5.5: Output Group Costs
Equity and Information Services**

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	62.8	70.5	12.3
<i>Comprising:</i>			
Employee-related Expenses	23.9	23.5	-1.8
Purchases of Supplies and Services	35.1	44.1	25.7
Depreciation	2.6	1.8	-32.0
Capital Asset Charge	1.1	1.1	..
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.5.6: Output Group Description and Outputs
Correctional Services**

Key Government Outcomes:

- Prisoners are contained and offenders effectively supervised in a manner that meets community expectations of safety, reparation and encouragement to adopt a law abiding lifestyle.

Description of the Output Group:

- The outputs of the group ensure that correctional dispositions of the Courts and orders of the Adult Parole Board are implemented through the management of the state's system of correctional facilities and programs for the containment and rehabilitation of prisoners and the community based supervision of offenders. Policy and strategic program development advice and information is provided to the Minister for Corrections and contractual arrangements with the private sector are developed and monitored to ensure service delivery compliance against agreed performance standards.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Services to Minister for Corrections The provision of services as required by the Minister including:			
<ul style="list-style-type: none"> • Research, development and coordination of policy advice on the impact of government law and order policy initiatives on the provision of correctional services; and • Assistance with coordination of executive matters within the Correctional Services portfolio. 			
Quantity			
Policy briefs provided and completed instructions	number	nm	600
Ministerial correspondence and other executive matters	number	nm	530
<i>Quality</i>			
Minister's satisfaction with the quality and timeliness of services provided	level	high	high
<i>Timeliness</i> (Included in quality measure above)			

Table 2.5.6: Output Group Description and Outputs
Correctional Services - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Correctional Services Contract Management and Service Monitoring			
Development and monitoring of contractual arrangements and service agreements with the private and public sector providers to ensure compliance against agreed performance standards.			
Quantity			
Number of service agreements and contracts managed	number	nm	5
<i>Quality</i>			
Proportion of providers/contractors assessed as complying with their contractual or service requirements as at the end of each service period	per cent	nm	100
<i>Timeliness</i>			
Proportion of performance reports provided on time by corrections contractors and correctional services monitor	per cent	nm	90
Proportion of payments acquitted by purchaser within timelines	per cent	nm	100
Prison Services Provision of facilities and programs for the containment and rehabilitation of prisoners. ^(a)			
Quantity			
Daily number of prisoners by security classification ^(b) :			
• Maximum	number	1 116	1 150
• Medium	number	1 210	1 250
• Minimum	number	324	300
• Total	number	2 650	2 700
Average daily prison capacity utilisation rate	per cent	89.5	91

**Table 2.5.6: Output Group Description and Outputs
Correctional Services - continued**

<i>Major Outputs/Deliverables</i>	<i>Unit of Measure</i>	<i>1997-98 Target</i>	<i>1998-99 Target</i>
<i>Performance Measures</i>			
Prison Services – continued			
<i>Quality</i>			
Proportion of prison services agreements benchmark measures achieved	per cent	nm	90
Average prisoner 'out of cell hours' by classification			
• Maximum	hours	nm	9.4
• Medium	hours	nm	12.6
• Minimum	hours	nm	14.9
Proportion of sentenced prisoners working	per cent	≥86.4	86.4
Proportion of prisoners participating in education	per cent	nm	90
<i>Timeliness</i>			
Proportion of prisoners classified within benchmark timelines	per cent	nm	90
Community Correctional Services Provision of facilities and programs for the community based supervision of offenders. ^(c)			
Quantity			
Community Supervision orders managed	number	nm	17 000
Average daily offenders under community based supervision	number	7 900	8 000
<i>Quality</i>			
Proportion of orders successfully completed	per cent	≥80	75
<i>Timeliness</i>			
Proportion of offenders inducted within seven working days of the commencement of their order	per cent	nm	95

Source: Department of Justice

Notes:

- (a) Projected prisoner numbers are currently under revision in conjunction with ABS census data. Revised targets will be available mid May 1998.
- (b) Revised estimates for 1997-98 following review, budget targets were maximum 1 072, medium 1 308, minimum 468, total 2 848 prisoners.
- (c) Projected offender numbers are currently under revision in conjunction with ABS census data. Revised targets will be available mid May 1998.

**Table 2.5.7: Output Group Costs
Correctional Services**

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	179.8	179.4	-0.2
<i>Comprising:</i>			
Employee-related Expenses	76.7	61.2	-20.3
Purchases of Supplies and Services	91.8	107.8	17.5
Depreciation	7.3	6.4	-12.4
Capital Asset Charge	4.0	4.1	1.6
Other	..	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.5.8: Output Group Description and Outputs
Community Safety**

Key Government Outcomes:

- People feel safe in their day to day lives; and
- Readiness for fire and other emergencies is maintained and effectively coordinated.

Description of the Output Group:

- The outputs of the group increase public safety and protection for individuals and property. It does this through the strategic development and delivery of the Minister for Police and Emergency Services' portfolio commitments and associated legislative reform and program implementation initiatives and by the provision of operational funding support to the State's fire and emergency services agencies and the purchase of community safety and crime prevention services.

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Services to Minister for Police and Emergency Services The provision of services as required by the Minister for Police and Emergency Services, including:			
<ul style="list-style-type: none"> • strategic policy advice and executive support on police, emergency services, community safety and crime prevention issues; and • direction and support to improve the structural efficiency and effectiveness in the coordination and delivery of the State's police, fire and emergency services. 			
Quantity			
Estimates of demand for policy briefs, completed instructions and Ministerial correspondence concerning:			
<ul style="list-style-type: none"> • Policing matters and the strategic development of community safety and crime prevention services 	number	nm	850
<ul style="list-style-type: none"> • Emergency management arrangements 	number	nm	195
Quality			
Minister's satisfaction with the quality and timeliness of services provided	level	high	high
Timeliness (Included in quality measure above)			

Table 2.5.8: Output Group Description and Outputs
Community Safety - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Community Safety and Crime Prevention Grants	Purchase of services from community organisations and associated program administration.		
Quantity			
Grant applications received:			
• Safer Cities and Shires Program	number	nm	30
• START (includes Youth Sports Role Model)	number	nm	210
• Vic Law Enforcement Drug Foundation	number	nm	130
• Crime Prevention and Victims Aid Fund	number	nm	3
Quality			
Achievement of milestone targets for grant processing	per cent	nm	100
Timeliness			
(as above for quality measure)			
Support for Emergency Readiness	Makes Government contributions to operational funding of fire and emergency service organisations and provides special funding for strategic development project initiatives and support programs. ^(a)		
Quantity			
Government funding ensures combined service capacity is maintained		na	na
Quality			
Audited municipal emergency management plans meeting Ministerial guidelines (VICSES)	per cent	nm	100
Participants completing emergency management training courses/workshops (VICSES)	number	nm	1 500

**Table 2.5.8: Output Group Description and Outputs
Community Safety - continued**

<i>Major Outputs/Deliverables</i>	<i>Unit of Measure</i>	<i>1997-98 Target</i>	<i>1998-99 Target</i>
<i>Performance Measures</i>			
Support for Emergency Readiness – continued			
<i>Timeliness</i>			
Proportion of responses to emergency calls meeting benchmark times			
• MFESB fire suppression response (8 mins)	per cent	nm	90
• Vic SES Road Accident Rescue response	per cent	nm	95

Source: Department of Justice

Note:

(a) *Operational grants to fire services made under legislative provision do not purchase specific outputs or service levels*

**Table 2.5.9: Output Group Costs
Community Safety**

	<i>(\$ million)</i>		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	59.8	61.2	2.4
<i>Comprising:</i>			
Employee-related Expenses	7.2	6.7	-6.7
Purchases of Supplies and Services	11.7	12.8	10.0
Depreciation	0.9	0.8	-11.0
Capital Asset Charge	3.0	3.0	..
Other	36.9	37.8	2.3

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.5.10: Output Group Description and Outputs
Crime Prevention by Police and Community Support Programs**

Key Government Outcomes:

- A level of public order and community confidence is maintained which enables people to go safely about their lawful pursuits.

Description of the Output Group:

Outputs of the group establish and promote:

- a visible police presence in the community through general and targeted police public relations events and accessible operational service locations;
- police involvement in community and interagency partnerships aimed at crime prevention or addressing local crime issues, reducing the fear of crime and enhancing awareness of public safety issues; and
- police participation in planned and coordinated responses to major emergencies and disasters.

Major Outputs/Deliverables	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Visible and accessible police presence in the community Output establishes and promotes a high level of visible police presence in the community through general and targeted police patrols (vehicle, foot, bicycle), public relations events and accessible operational service locations.			
Quantity			
Hours of patrol	hours	nm	1 709 617
Hours of assistance at police stations/work areas	hours	nm	1 241 348
Public relations events conducted	number	9	9
Quality			
Proportion of people who believe police are easy to get in contact with	per cent	85	87.4
Police crime prevention programs and partnerships Output establishes and promotes police involvement in community and interagency partnerships aimed at crime prevention or addressing local crime issues, reducing the fear of crime and enhancing awareness of public safety issues.			
Quantity			
Hours of police service	hours	nm	357 272
Quality			
Proportion of people who are satisfied with police support for community programs	per cent	nm	76
Budget Estimates 1998-99	Justice		203

**Table 2.5.10: Output Group Description and Outputs
Crime Prevention by Police and Community Support
Programs - *continued***

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Police emergency response readiness Output establishes and promotes police participation in planned and coordinated responses to major emergencies and disasters.			
Quantity			
Joint exercises conducted	number	nm	≥36
Quality			
Proportion of Regional Emergency Response Planning Committees that conduct a minimum of two meetings per year	per cent	nm	100
Timeliness			
Proportion of Regional Emergency Response Planning Committee debriefs conducted within 6 weeks of a major incident occurring in that District	per cent	nm	100

Source: Department of Justice

**Table 2.5.11: Output Group Costs
Crime Prevention by Police and Community Support Programs**

	<i>(\$ million)</i>		
	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
Total cost of output group	239.4	250.2	4.5
<i>Comprising:</i>			
Employee-related Expenses	182.8	182.6	-0.1
Purchases of Supplies and Services	47.9	57.3	19.6
Depreciation	2.5	3.2	24.9
Capital Asset Charge	5.9	6.9	16.9
Other	0.4	0.4	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.5.12: Output Group Description and Outputs
Incident and Event Management**

Key Government Outcomes:

- Timely and appropriate responses to crime incidents, emergencies and public events are provided.

Description of the Output Group:

Outputs of the group provide:

- Police response to calls for assistance, including emergencies, serious incidents, offence attendance and routine calls responses to calls for emergency assistance; and
- Management and policing of public events and demonstrations and the management and provision of VIP and protective security.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Response to incidents Output provides police response to calls for assistance, including emergencies, serious incidents, offence attendance and routine calls responses to calls for emergency assistance.			
Quantity			
Responses to call for assistance	number	nm	657 900
<i>Quality</i>			
Proportion of the community who agree Victoria Police are timely in responding to calls for assistance	per cent	nm	71
<i>Timeliness</i>			
(Included in quality measure above)			
Event management and response Output provides management and policing of public events and demonstrations and the management and provision of VIP and protective security.			
Quantity			
Managed events	number	nm	114
<i>Quality</i>			
Proportion of crowd controlled major events and demonstrations which do not result in major incidents	per cent	nm	100
<i>Timeliness</i>			
Proportion of police attendances in accord with timelines specified in Event Management Plans	per cent	nm	100
<i>Source: Department of Justice</i>			
Budget Estimates 1998-99	Justice		205

**Table 2.5.13: Output Group Costs
Incident and Event Management**

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	139.7	145.2	4.0
<i>Comprising:</i>			
Employee-related Expenses	111.8	115.4	3.2
Purchases of Supplies and Services	21.9	23.9	9.0
Depreciation	2.4	2.4	..
Capital Asset Charge	3.5	3.5	..
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.5.14: Output Group Description and Outputs
Crime Investigations**

Key Government Outcomes:

- The incidence and effects of crime in the community are minimised

Description of the Output Group:

- The outputs of the group provide for the investigation of reported and detected crimes against the person, property crimes, and detected illegal drug activity.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Investigation of crimes against the person The output provides for the investigation of reported and detected crimes against the person (including murder, sexual assault, armed robbery and physical assault).			
Quantity			
Total investigation time	hours	nm	601 000
<i>Quality</i>			
Proportion of recorded offences against the person resolved	per cent	69.9	69.9
<i>Timeliness</i>			
Proportion of reported offences resolved within 90 days	per cent	nm	67.4
Investigation of crimes against property The output provides for the investigation of reported and detected property crimes (including burglary, theft, arson and deception).			
Quantity			
Total investigation time	hours	nm	677 281
<i>Quality</i>			
Proportion of recorded property offences resolved	per cent	25.8	25.8
<i>Timeliness</i>			
Proportion of reported offences resolved within 90 days	per cent	nm	25.4

**Table 2.5.14: Output Group Description and Outputs
Crime Investigations - *continued***

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Investigation of illegal drug activity The output provides for the investigation of reported and detected illegal drug activity (including cultivation, manufacture and trafficking).			
Quantity			
Total hours of investigation	hours	nm	310 000
Quality			
Proportion of drug offences resolved	per cent	nm	92.5
Timeliness^(a)			
Proportion of reported offences resolved within 90 days	per cent	nm	tbd

Source: Department of Justice

Note:

(a) *Timeliness target subject to further historical data analysis and establishment of baseline performance.*

**Table 2.5.15: Output Group Costs
Crime Investigations**

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	260.2	270.5	4.0
<i>Comprising:</i>			
Employee-related Expenses	208.3	215.0	3.2
Purchases of Supplies and Services	41.4	45.1	8.9
Depreciation	4.0	4.0	..
Capital Asset Charge	6.5	6.4	-0.4
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.5.16: Output Group Description and Outputs
Road Safety and Road Trauma Reduction**

Key Government Outcomes:

- Road safety is maximised in Victoria.

Description of the Output Group:

The outputs of the group provide:

- Targeted police services to reduce the incidence of impaired driving and other traffic offences; and
- Attendance at and investigation of collisions and other major road traffic incidents.

Major Outputs/Deliverables	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Targeted road traffic law enforcement The output provides targeted police services to reduce the incidence of impaired driving and other traffic offences.			
Quantity			
Total hours of operation	hours	nm	56 500
Quality			
Community rating of Victoria Police performance in making the roads safe to use	per cent	nm	80.5
Proportion of operations in line with priorities identified in the Road Safety Priority Program	per cent	nm	100
Timeliness			
Achievement of timelines contained in the Road Safety Priority Program	per cent	nm	100
Road traffic incident management The output provides for attendance at and investigation of collisions and other major road traffic incidents. ^(a)			
Quantity			
Incidents attended	number	nm	41 358

Source: Department of Justice

Note:

(a) *Quality and timeliness measures are under development, based respectively on a 'black spot' accident investigations pilot program and enhanced capacity to collect data on response times to priority 1 collisions.*

**Table 2.5.17: Output Group Costs
Road Safety and Road Trauma Reduction**

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	195.4	203.1	4.0
<i>Comprising:</i>			
Employee-related Expenses	156.7	161.6	3.2
Purchases of Supplies and Services	30.7	33.4	8.9
Depreciation	3.3	3.3	..
Capital Asset Charge	4.8	4.7	-0.4
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

Table 2.5.18: Output Group Description and Outputs Supporting the Judicial Process

Key Government Outcomes:

- Community expectations of the criminal justice system are met in the provision of safe custody of alleged offenders and police support for judicial processes.

Description of the Output Group:

The outputs of this group provide:

- prosecution services, court case presentation, bail processing and reporting, offender and suspect processing, support to and attendance at Coronial inquiries and court security; and
- safe custody and transportation for persons in police custody and ensuring the safety of all persons visiting police cells.

Major Outputs/Deliverables	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Provision of justice services The output provides prosecution services, court case presentation, bail processing and reporting, offender and suspect processing, support to and attendance at Coronial inquiries and court security.			
Quantity			
Total hours of service	hours	nm	2 112 000
Quality			
Proportion of Cases which result in a plea of guilty	per cent	nm	79
Proportion of Cases which result in costs being awarded against police	per cent	nm	<1
Timeliness			
Time elapsed between date charges are laid and final disposition of cases prosecuted in the Magistrates and Children's Courts.	days	nm	95
Management of custodial services The output provides safe custody and transportation for persons in police custody and ensuring the safety of all persons visiting police cells.			
Quantity			
Total hours of prisoner supervision	hours	nm	271 872

Table 2.5.18: Output Group Description and Outputs Supporting the Judicial Process - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Management of custodial services – <i>continued</i>			
<i>Quality</i>			
Achievement of quality and timeliness standards specified in outsourced service contracts	per cent	nm	100
<i>Timeliness</i>			
(Included in quality measure above)			

Source: Department of Justice

Table 2.5.19: Output Group Costs Supporting the Judicial Process

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	68.4	71.1	3.9
<i>Comprising:</i>			
Employee-related Expenses	55.0	56.7	3.1
Purchases of Supplies and Services	10.7	11.7	9.0
Depreciation	1.4	1.4	..
Capital Asset Charge	1.3	1.3	..
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.5.20: Output Group Description and Outputs
Police Information and Licensing Services**

Key Government Outcomes:

- Probity is maintained through efficient and timely information, licensing and vetting services

Description of the Output Group:

The outputs of this group provide:

- responses to applications and requests for material under freedom of information and other information requests from government, community and private sector organisations; and
- criminal records/probity checks for and the issue of licenses, (including firearms and private agents control, liquor licensing, vehicle registration, compliance for the gaming and vice industries, second hand dealers and pawn brokers).

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Provision of information services The output provides responses to applications for material under freedom of information and other information requests from government, community and private sector organisations.			
Quantity			
Freedom of information requests processed	number	nm	1 830
Ministerial matters processed	number	nm	520
<i>Quality</i>			
Proportion of requests which comply with Ministerial/Legislative requirements	per cent	nm	100
<i>Timeliness</i>			
Proportion of requests finalised within agreed timeframes	per cent	nm	100
Provision of licensing and vetting services The output provides criminal records/probity checks for and the issue of licenses, (including firearms and private agents control, liquor licensing, vehicle registration, compliance for the gaming and vice industries, second hand dealers and pawn brokers).			
Quantity			
Police record checks conducted	number	135 000	150 000
<i>Quality</i>			
(Included in timeliness measure below)			

**Table 2.5.20: Output Group Description and Outputs
Police Information and Licensing Services - *continued***

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Provision of licensing and vetting services - <i>continued</i>			
<i>Timeliness</i>			
Proportion of checks conducted/licenses issued within agreed timeframes	per cent	nm	85

Source: Department of Justice

**Table 2.5.21: Output Group Costs
Police Information and Licensing Services**

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	59.3	65.6	10.5
<i>Comprising:</i>			
Employee-related Expenses	45.6	51.0	11.9
Purchases of Supplies and Services	11.5	12.4	7.1
Depreciation	1.0	1.0	..
Capital Asset Charge	1.2	1.2	..
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

Part 2: Financial Information

This part provides the financial tables that support the department's provision of outputs. This information can assist the reader to assess a department's financial performance.

The information provided includes a statement of financial position, operating statement and cash flow statement for the department as well as tables detailing departmental expenses and revenue.

The total resources planned to be available to the department for the delivery of outputs, investment in departmental assets and other purposes in respect of the 1998-99 financial year are outlined in the following table.

Table 2.5.22: Summary of departmental resources available

	(\$ million)	
	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>
<i>Outputs purchased by State government</i>	1 484.4	1 541.9
<i>Outputs purchased by other parties</i>	11.9	12.4
Operating revenue from provision of outputs sub-total	1 496.3	1 554.3
Government contribution to increasing net asset base	44.1	51.0
Funding for Payments made on behalf of the State	94.8	37.7
TOTAL	1 635.2	1 643.0

Source: Department of Treasury and Finance, Forward Estimates

The available resources are applied to three uses:

- the provision of outputs;
- payments on behalf of the State; or
- asset investment.

The table below shows the break-up of the available resources across the three categories of uses.

Table 2.5.23: Summary of use of resources

(\$ million)		
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Output provision expenses	1 495.1	1 553.7
Payments made on behalf of the State	94.8	37.7
Gross Fixed Asset Investment <i>less</i> Depreciation	44.1	51.0
Total Uses	1 634.0	1 642.4

Source: Department of Treasury and Finance, Forward Estimates

Table 2.5.24: Payments made on behalf of the State

(\$ million)		
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Grants to Households and persons	34.2	5.7
Operating Supplies and Services	26.2	1.3
Commonwealth On-passed	34.4	30.7
Total	94.8	37.7

Source: Department of Treasury and Finance, Forward Estimates

The table below lists the source of departmental funds for Gross Fixed Asset Investment. Asset investment is equal to Gross Fixed Asset Investment (purchase of new assets) *less* reductions in existing fixed assets, through depreciation and asset sales.

Table 2.5.25: Gross Fixed Asset Investment

(\$ million)		
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Financial Assets (<i>attributable to depreciation expense</i>)	29.7	33.0
Appropriation for increases in the net asset base	44.1	51.0
Fixed Asset Sales	..	..
Own account and other (including retained earnings)	..	- 0.1
Total Gross Fixed Asset Investment	73.8	83.9

Source: Department of Treasury and Finance, Forward Estimates

The operating statement, statement of financial position and a cash flow statement are provided below. This information includes non-public account revenue from services provided by the department to third parties in exchange for payment. Currently this includes user charges, and fees for services retained outside the Public Account.

Table 2.5.26: Departmental operating statement

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Operating Revenue			
Revenue from State Government ^(a)	1 484.4	1 541.9	3.9
Commonwealth	..	..	..
Other revenue ^(b)	11.9	12.4	4.2
Total	1 496.3	1 554.3	3.9
Operating Expenses			
Employee Related Expenses ^(c)	977.3	983.0	0.6
Purchases of Supplies and Services ^(d)	368.8	421.9	14.4
Depreciation ^(e)	35.3	33.0	-6.6
Capital Asset Charge	52.2	53.5	2.5
Other Expenses	61.5	62.3	1.4
Total	1 495.1	1 553.7	3.9
Operating Surplus/Deficit	1.2	0.6	..
Funds provided to meet Payments on behalf of the State			
From Government	60.4	7.0	-88.4
Other Sources	34.4	30.7	-10.6
Total Funds provided to meet payments on behalf of the State	94.8	37.7	-60.2
Payments made on behalf of the State			
Grants to Households and persons	34.2	5.7	-83.4
Operating Supplies and Services	26.2	1.3	-95.0
Commonwealth On-passed	34.4	30.7	-10.6
Total Payments made on behalf of the State	94.8	37.7	-60.2

Source: Department of Treasury and Finance, Forward Estimates

Notes:

- (a) State government payments for provision of outputs. Includes estimated carryover of 1997-98 appropriation amounts. Actual carryover is subject to approval by the Treasurer prior to 30 June pursuant to Section 32 of the Financial Management Act, 1994.
- (b) Includes revenue for services delivered to parties outside government.
- (c) Includes salaries and allowances, superannuation contributions and payroll tax.
- (d) Includes payments to non-government organisations for delivery of services.
- (e) Includes amortisation of leased assets.

Table 2.5.27: Statement of Financial Position

(\$ thousand)

	Estimated as at 30 June		
	1998	1999	Variation %
Assets			
Current Assets			
Cash	126 205	126 317	0.1
Investments	82 978	82 978	..
Receivables	97 051	101 366	4.4
Prepayments	7 476	7 476	..
Inventories	8 864	8 864	..
Other Assets	776	776	..
Total Current Assets	323 349	327 776	1.4
Non-Current Assets			
Investments	..	..	..
Receivables	26 546	52 558	98.0 ^(a)
Fixed Assets	685 706	736 645	7.4
Other Assets	..	..	..
Total Non-Current Assets	712 252	789 203	10.8
Total Assets	1035 601	1116 979	7.9
Liabilities			
Current Liabilities			
Payables	231 859	231 402	-0.2
Borrowing	..	..	..
Employee Entitlements	64 022	68 337	6.7
Superannuation	..	..	..
Other Liabilities	332	332	..
Total Current Liabilities	296 212	300 070	1.3
Non-Current Liabilities			
Payables	24 826	24 826	..
Borrowing	..	..	..
Employee Entitlements	256 111	282 123	10.2
Superannuation	..	..	..
Other Liabilities	..	..	..
Total Non-Current Liabilities	280 937	306 949	9.3
Total Liabilities	577 149	607 019	5.2
Net Assets	458 452	509 960	11.2

Source: Department of Treasury and Finance, Forward Estimates

Notes:

(a) Increase in receivable is predominantly due from the State and results from appropriated but undrawn funds for depreciation and employee entitlements.

Table 2.5.28: Cash flow statement

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Cash flows from operating activities			
<i>Operating receipts</i>			
Receipts from State Government ^(a)	1 458.4	1 511.6	3.6
Commonwealth payments	..	..	..
Other	11.9	12.4	4.2
	1 470.3	1 524.0	3.7
<i>Operating payments</i>			
Employee related expenses	- 951.3	- 952.7	0.2
Purchases of supplies and services	- 368.8	- 421.9	14.4
Interest & finance expenses	- 0.1	- 0.1	..
Capital assets charge	- 52.2	- 53.5	2.5
Current grants and transfer payments	- 61.1	- 61.9	1.4
Capital grants and transfer payments	- 0.3	- 0.3	..
Net cash from Operating Activities	36.5	33.6	-8.0
Cash flows from Investing Activities			
Receipts from sale of land, fixed assets and		..	
Purchases of non-current assets	- 73.8	- 83.9	13.7
Net Cash used in investing activities	- 73.8	- 83.9	13.7
Cash flows from Financing Activities			
Receipts from appropriations - increase in net asset base	44.1	51.0	15.8
Capital repatriated to Government	..	..
Net borrowings and advances	- 0.5	- 0.5	..
Net Cash from financing activities	43.6	50.5	15.9
Net increase in cash held	6.3	0.2	-96.7
Cash at beginning of period	119.9	126.2	5.3
Cash at end of period	126.2	126.4	0.2
Cash Flows on behalf of State			
Receipts from Appropriations	25.0	..	-100.0
Other	- 35.4	- 32.0	-9.8
	- 10.4	- 32.0	206.8
Cash outflows from operating activities	10.6	32.1	203.5
Cash outflows from investing activities	..	..
Cash outflows from financing activities	..	..
Net Cash Flows on behalf of State	0.1	0.1	-35.6

Source: Department of Treasury and Finance, Forward Estimates

Notes:

(a) State government cash paid for provision of outputs.

Authority for resources

This section details on the Parliamentary authority for the resources provided to a Department for the provision of outputs, increases in the net asset base or payments which are made on behalf of the State.

Table 2.5.29: Authority for Departmental Resources

(\$ million)

	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>
Annual Appropriations	1 407.3	1 481.8
Receipts Credited Appropriations	85.1	61.1
Gross Appropriation	1 492.4	1 542.9
Special Appropriations	95.1	75.0
Trust Fund Receipts	12.9	13.2
Non Public Account Revenue and other sources	34.4	31.2
Total Authority	1 634.9	1 662.3

Source: Department of Treasury and Finance, Forward Estimates

Annual appropriations

In 1998-99 the Department of Justice will receive government annual appropriations totalling \$1 542.9 million. This figure is inclusive of the estimated carryover of funds from 1997-98. The actual carryover amount will be approved by the Treasurer pursuant to Section 32 of the *Financial Management Act 1994* prior to 30 June.

Table 2.5.30: Gross Annual Appropriations by purpose

(\$ million)

	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>
Provision of Outputs	1 448.3	1 491.9
Additions to net asset base	44.1	51.0
Payments made on behalf of the State	25.0	..
Total	1 517.4	1 542.9

Source: Department of Treasury and Finance, Forward Estimates

Receipts Credited Appropriations

Pursuant to Section 29 of the *Financial Management Act 1994* funds are available as a result of:

- the provision of services directly to third parties by a department in return for payment (user charges);
- Specific Purpose Payments from the Commonwealth; or
- funds from the sale of departmental fixed assets.

In 1998-99 no department has applied for the proceeds of fixed asset sales to be credited to their appropriation pursuant to Section 29 of the *Financial Management Act 1994*.

Table 2.5.31: Details of Receipts Credited

(\$ million)

	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>
User Charges	60.1	59.9
Commonwealth SPPs	25.0	1.2
Asset Sales	..	..
Total	85.1	61.1

Source: Department of Treasury and Finance, Forward Estimates

Special Appropriations

Special Appropriations are used for ongoing payments which need to be made independently of the Government's annual budget priorities. Special appropriations represent a standing authority and do not lapse each year as annual appropriations do, but remain in force until amended or repealed by Parliament.

Table 2.5.32: Details of Special Appropriations

(\$ million)

	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>
Defence Reserves Re- Employment Board - Act No. 4989	0.1	..
Chief Justice - Act No. 8750	0.2	0.2
County Court Judges - Act No. 6230	7.8	8.0
Puisne Judges - Act No. 8750	4.3	4.1
Magistrates - Act No. 8184	11.9	12.2
Crimes Compensation Tribunal - Act No. 9992	1.3	1.2
Lay Observer - Act No. 6291	0.2	..
Police Service Board - Act No. 6338	..	..
Patriotic Funds Council - Act No. 6331	0.1	0.1
Compensation To Jurors - Act No. 7651	..	..
Crown Proceedings - Act No. 6232	2.0	2.0
Solicitor's Board - Act No. 6291	0.2	..
Electoral Expenses - Act No. 6224, Sec 315	6.2	19.6
Criminal Injuries Compensation - Act No. 9992, Sec 15	59.0	25.0
Police Assistance Compensation Act No. 7722	..	..
SES Volunteer Workers Compensation-Act No. 57/1987	0.1	0.1
Judges Court of Appeal - Act No. 8750	1.5	2.1
President, Court of Appeal - Act No. 8750	0.2	0.2
Co-Operative Housing Act No. 6226, Sec 77(2) – Indemnities	..	..
Total	95.1	75.0

Source: Department of Treasury and Finance, Forward Estimates

Trust Fund Receipts

These receipts are paid into a Trust Account within the Public Account. The trust account must be set up pursuant to certain provisions contained in the *Financial Management Act 1994* and are to enable departments to make payments for specific reasons as set out in the legislation authorising the creation of the trust account.

The funds paid into the account may come from four basic sources:

- State Government;
- Commonwealth Government;
- joint Commonwealth and State Government; or
- prizes, scholarships, research and private donations.

Non Public Account Revenue and other sources

Revenue from these sources includes receipts from user charges and other revenue that are collected and retained by agencies. This includes fees and charges levied by VicRoads, TAFE Institutes, school councils and hospitals.

Department of Natural Resources and Environment

Part 1: Outlook and Outputs

Overview

The Department of Natural Resources and Environment encompasses the portfolios of *Conservation and Land Management* and *Agriculture and Resources*. Through diverse service mechanisms the Department aims to:

- generate wealth through the sustainable development of Victoria's primary and natural resource based industries;
- protect and enhance the State's environment, natural resources and attractions;
- improve the quality of life for Victorians through increased employment opportunities and the provision of clean, healthy and safe food and environment; and
- support land management and land-related transactions by providing integrated, authoritative and co-ordinated land information and definition systems.

Major responsibilities related to the pursuit of these aims include:

- facilitating microeconomic reform, productivity improvements and market-focused production in primary industries (including agriculture, forestry, fishing, minerals, petroleum and water supply) to encourage industry development and generate wealth;
- encouraging sustainable management practices and responsible resource use for the long term benefit of all Victorians, by preventing the degradation of soil and water, regulating access to fisheries and protecting native flora and fauna;
- managing most of Victoria's public land including coastal land, parks and reserves and State forests, to provide opportunities for conservation, tourism, recreation, education and research; and

- providing certainty of title and accurate geographic, survey and valuation information to support land tenure and transactions and natural resource management.

The output group and financial information for the Department of Natural Resources and Environment includes consolidated information for the Environment Protection Authority.

Review of 1997-98

Major achievements during 1997-98 have included:

- implementation of new arrangements for catchment management involving the establishment of *Catchment Management Authorities* in each of the nine non-metropolitan catchment and land protection regions;
- development and release of the *Victorian Coastal Strategy* and *Biodiversity Strategy* to provide direction for the management of public land and conservation of biodiversity on a long-term sustainable basis;
- the launch of the *Land Channel* as a significant part of strategies to increase the availability of departmental information and services to the public by electronic means;
- the formation of *Parks Victoria* to manage Victoria's national and regional parks, gardens and waterways;
- completing the consolidation of previously disparate program areas dealing with land management and information with the formation of *Land Victoria*; and
- rationalisation of ten Melbourne CBD locations into a new head office and 5 service delivery locations.

Other factors affecting the department's performance during 1997-98 are:

- negotiations with the Commonwealth concerning programs to be funded through the *National Heritage Trust*, with an estimated \$34 million being agreed for 1997-98;
- a significant increase in the number of Native Title claims within Victoria with consequential implications for the department as both a major provider of information to the Native Titles Tribunal and as the major manager of public land;
- the completion of reviews of 7 pieces of legislation as part of a program of over 50 reviews under the *National Competition Policy* requirements; and

- one of the worst fire seasons on record, with the number of fires to the end of March almost twice the 20 year average, requiring diversion of resources from other operations and substantial budget supplementation.

1998-99 Outlook

The Department has made a contribution to the redirection of budget sector resources into priority areas across government which will be achieved across a broad range of the Department's operations.

Principles which will drive the implementation of necessary expenditure reductions will include improved targeting of resource allocation towards the achievement of the Government's strategic priorities for Natural Resources and Environment and the maintenance and improvement of services to our rural and regional customers. Efficiencies will focus on head office and metropolitan Melbourne.

The Department has been allocated new capital and current funds for new initiatives with outcomes oriented to the high priority needs of key client groups and the community.

These initiatives include:

- implementation of the Government's vision for Port Phillip Bay with improved tourist facilities around the Bay, including preparations for the 1999 World Sailing Championships;
- continued use of technology to increase access to high quality information by the Department's customers and reduce business costs as well as improve the efficiency of internal operations across the Department's more than 200 rural locations, with key initiatives being:
 - the commencement of the *Land Titles Automation* project, and
 - further development of the *Land Channel* and related electronic service delivery initiatives;
- commence operation of a statewide network of VHF radio communication repeaters to provide a high standard service to support emergency operations, particularly fire suppression;
- redevelopment of the Marine and Fisheries Research Institute and the associated refurbishment of Snob's Creek to provide world class scientific facilities;
- further development of the Victorian Initiative for Minerals and Petroleum program that will provide detailed geological data to encourage and support

industry investment, particularly in gas and oil exploration in offshore areas adjacent to Victoria;

- extension of the present coverage of computerised road network data (the State Digital Road Network) across rural Victoria to assist with the dispatch of emergency services;
- initiatives to facilitate development of the Victorian aquaculture industry and to improve returns to wool growers through electronic marketing arrangements;
- upgrading of ageing infrastructure at Wilson's Promontory to meet environmental standards and improve visitor facilities;
- provide opportunities to develop and utilise the skills of rural women in local businesses and in broader economic development; and
- development of the *Groundwater Management Strategy* and *Water for Agriculture* initiative to improve access to water resources and the environmental outcomes of water and floodplain management.

Environment Protection Authority (EPA)

The EPA is responsible for protecting the beneficial uses of the air, water and land from the adverse impacts of wastes and unwanted noise. To do this EPA uses a range of mandatory and discretionary tools.

The EPA's role has evolved over the past 27 years from traditional 'command and control' methods to become strongly client focused. Its approach is now best described as based on *facilitative regulation* focusing on areas where uses of the environment may potentially conflict, and striving for seamlessness with respect to other processes, both statutory and non-statutory.

The *Environment Protection Act 1970* requires the Authority to consider the social and economic development of Victoria when setting environmental standards. EPA does this in a number of ways but principally by involving stakeholders in the development and implementation of strategies to improve environmental quality.

EPA neither owns nor manages any sectors of the environment but must achieve its goals through influencing those who do. Influencing does not mean avoiding responsibility, and is only sometimes achieved through such means as prosecution.

As more people recognise their corporate or individual roles in maintaining environmental quality, the emphasis has moved strongly to identifying strategic alliances and forming or facilitating partnerships such as:

- ? the creation of the Victorian Catchment Management Council (VCMC) and the Catchment Management Authorities which have created major opportunities to address Victoria's chronic water quality problems through strategic alliances;
- ? Environment Improvement Plans (EIP), and the Cleaner Production Partnerships Program in rural Victoria;
- ? the establishment of effective partnerships with Business Victoria which has produced a high level of confidence for investors about the environment approvals process, and in turn raised the overall environmental performance of industry in waste minimisation delivering double benefits to the community; and
- ? linkages with the financial sector which have strengthened EPA's understanding of the needs of investors and of the importance of systems, such as for contaminated land, being in place to deliver mutually beneficial outcomes.

EPA is working to influence both national and international policy development. In particular EPA is playing a significant role in National Environment Protection Council (NEPC) and Australian and New Zealand Environment and Conservation Council (ANZECC) processes and is involved in a number of national reviews including the review of Commonwealth/State roles and responsibilities and the National Greenhouse Strategy.

EPA's innovation sometimes leads to the development of services that are better delivered by others and both EcoRecycle Victoria (ERV) and the Australia Centre for Cleaner Production (ACCP) emerged from EPA activities. This approach enables EPA to concentrate on core functions.

Output Information

The following section provides details of the outputs provided by the Department of Natural Resources and the Environment:

Table 2.6.1: Output Group summary

	(\$ million)		
	1997-98	1998-99	Variation
	Budget	Budget	%
Minerals and Petroleum	12.7	12.3	-2.7
Forest Management	92.2	89.6	-2.8
Fire Management	38.0	40.0	5.2
Fisheries	16.1	17.4	7.7
Agriculture Industries	118.2	135.2	14.4
Agriculture Quality Assurance	20.2	19.4	-3.7
Catchment Management and Sustainable Agriculture	87.4	122.5	40.2
Pest Plant and Animal Management	14.2	15.4	8.8
Water	4.8	7.0	44.4
Land Management and Information	88.8	75.7	-14.8
Conservation and Recreation	87.7	87.3	-0.5
Environment Protection	44.2	37.9	-14.2
Total	624.5	659.7	5.6

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.6.2: Output Group Description and Outputs
Minerals and Petroleum**

Key Government Outcomes:

- Increased investment in natural resource based industries, generating wealth through sustainable development of industry and natural resources.

Description of the Output Group:

- The stimulation of wealth generation through the sustainable development of Victoria's earth resources by facilitating increased investment in exploration for minerals and petroleum. This will lead to:
 - the establishment of new producing operations;
 - competitive sources of gas supply; and
 - extractive industry products

while ensuring that community expectations for health, safety and environmental management of those operations are met.

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Minerals and Petroleum Industry Regulation Services To provide a consistent and transparent licensing regime together with health, safety and environmental standards, monitoring and enforcement that ensure industry operations meet community expectations.			
Quantity			
Audits of high risk or critical sites completed	number	nm	350
<i>Quality</i>			
Exploration and mining licenses which are not active	per cent	nm	20 ^(a)
<i>Timeliness</i>			
Mining industry workplans not processed in one month	per cent	nm	20 ^(b)
Mining license applications received in the twelve month period not determined after four months	per cent	20	20
Exploration license applications received in the twelve month period not determined after three months	per cent	20	20

**Table 2.6.2: Output Group Description and Outputs
Minerals and Petroleum - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Minerals and Petroleum Industry Development and Information To promote the development of mining, petroleum and extractive industries in Victoria by facilitating significant projects and maintaining, updating and developing relevant information.			
<i>Quantity</i>			
Targeted industry information packages released	number	nm	25
<i>Quality</i>			
Strategic areas of the State covered by airborne geophysics	per cent	80	75
Strategic areas of the State covered by new geological mapping	per cent	35	40
Strategic areas of the State covered by full GIS databases	per cent	50	55
<i>Timeliness</i>			
Input to Environment Effects Statements completed according to EES panel timeliness	per cent	nm	90 ^(c)
Victorian Initiatives for Minerals & Petroleum (VIMP) data releases meeting timetable	per cent	nm	90

Source: Department of Natural Resources and Environment

Notes:

- (a) *Non-active licenses refers to those licenses which should be cancelled for reasons of extended failure to do work or other misdemeanor, and measures MPV activity in ensuring that responsible operators predominate in this industry.*
- (b) *Measures rate at which MPV processes detailed workplans which are proposed by mining industry proponents following the grant of license - involves consultation across DNRE.*
- (c) *Measures timeliness of inputs to planning processes.*

**Table 2.6.3: Output Group Costs
Minerals and Petroleum**

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	12.7	12.3	-2.7
<i>Comprising:</i>			
Employee-related Expenses	7.9	7.4	-6.0
Purchases of Supplies and Services	3.7	3.7	..
Depreciation	0.5	0.8	40.1
Capital Asset Charge	0.5	0.5	..
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.6.4: Output Group Description and Outputs
Forest Management**

Key Government Outcomes:

- Generating wealth through the sustainable development of industry and natural resources.

Description of the Output Group:

- To ensure ecologically sustainable management of State forests for a range of productive, conservation and recreation uses. Productive uses of State forest to be on a fully-commercial basis within a framework which provides reliable and long-term supply of products as a basis for investment and growth within the forest industries.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Forest Plans and Prescriptions To prepare plans, codes, prescriptions and guidelines which continue to improve the framework for ecologically-sustainable management of the State's native forests.			
Quantity			
Forest Management Plans completed	number	nm	2
Forest Management Area (FMA) audits of compliance with the Code of Forest Practices	number	nm	4
Regional Forest Agreements (RFA) completed	number	nm	1
<i>Quality</i>			
Compliance with key audit indicators in each FMA	per cent	nm	90
<i>Timeliness</i>			
Strategies to address audit outcomes in each FMA completed by	date	nm	Jun 1999
Forest Production Supply of wood and other products from State Forests on a sustainable basis.			
Quantity			
Production volume			
– Sawlogs	m ³	950 000	950 000
– Residual logs	m ³	650 000	800 000
– Pulpwood	m ³	550 000	500 000
Area of regrowth forest thinned	ha	nm	5 200

**Table 2.6.4: Output Group Description and Outputs
Forest Management - *continued***

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Forest Production - <i>continued</i>			
<i>Quality</i>			
Area regenerated successfully at first attempt	per cent	nm	90
<i>Timeliness</i>			
Wood Utilisation Plans provided to customers	date	nm	1 Mar 1999
Recreational and Cultural and Community Forest Services Management of State Forests to maintain and improve forest values and provide a range of services to the community.			
Quantity			
Area treated for pests, weeds and disease	ha	nm	na ^(a)
Recreation facilities maintained	number	nm	120 ^(b)
Regional community awareness strategies completed	number	nm	2
<i>Quality</i>			
Report and review community attitudes to forest management	date	nm	Review Jun 1999
<i>Timeliness</i>			
Annual programmed maintenance of recreation facilities to be completed	date	nm	Sept 1998
Regional community awareness strategies completed	date	nm	Jun 1999
Forest Resources Preparation of forest resource information as a basis for the sustainable management of forest resources and values.			
Quantity			
FMA reviews of sustainable yield	number	nm	4
FMA's where a Statewide Forest Resource Inventory (SFRI) is to be completed	number	nm	2

**Table 2.6.4: Output Group Description and Outputs
Forest Management - *continued***

<i>Major Outputs/Deliverables</i>	<i>Unit of Measure</i>	<i>1997-98 Target</i>	<i>1998-99 Target</i>
<i>Performance Measures</i>			
Forest Resources – <i>continued</i>			
<i>Quality</i>			
Sustainable yield reviews based on SFRI data	number	nm	2
<i>Timeliness</i>			
Sustainable yield reviews completed	date	nm	Mar 1999
FMA inventories completed	date	nm	Jun 1999

Source: Department of Natural Resources and Environment

Notes:

- (a) *The area to be treated is subject to consultation with Landcare Groups and the Victorian Farmers Federation. A target has not yet been determined.*
- (b) *The objective is to have fewer but higher quality sites that complement Regional Tourism Strategies.*

**Table 2.6.5: Output Group Costs
Forest Management**

	<i>(\$ million)</i>		
	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
Total cost of output group	92.2	89.6	-2.8
<i>Comprising:</i>			
Employee-related Expenses	18.7	17.4	-6.8
Purchases of Supplies and Services	48.9	46.8	-4.4
Depreciation	2.8	3.2	12.9
Capital Asset Charge	21.7	22.2	2.5
Other	0.1	..	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.6.6: Output Group Description and Outputs
Fire Management**

Key Government Outcomes:

- Protecting the State's natural resources for the long term benefit of all Victorians.

Description of the Output Group:

- To protect life, property and resource and conservation values from fire.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Fire Prevention Preparation and planning for the fire season including implementation of activities designed to reduce fire hazards.			
Quantity			
Fuel reduction burning completed	ha	120 000	120 000
Reduction in human caused fires	per cent	nm	1.0
Readiness and Response Plans completed	number	6	6
Quality			
Fire Districts where a strategy to reduce human caused fires has been implemented	number	nm	3
Timeliness			
Fuel reduction burning completed according to Burn Plan prescriptions for approaching fire season by 30 July	per cent	nm	100
Readiness and Response Plans completed	date	nm	Nov 1998
Fire Planning Services Preparation of plans, codes, prescriptions and guidelines which establish the framework for effective fire protection on public land.			
Quantity			
Fire protection plans reviewed	number	16	5
Standards of Cover completed	number	6	6
Audits of compliance with the Code of Practice for Fire Management on Public Land	number	nm	5

**Table 2.6.6: Output Group Description and Outputs
Fire Management - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Fire Planning Services – <i>continued</i>			
<i>Quality</i>			
Compliance with key audit recommendations in each region	per cent	nm	75 ^(a)
<i>Timeliness</i>			
Fire protection plans reviewed	date	nm	Jun 1999
Standards of Cover completed	date	nm	Nov 1998
Fire Suppression Services Activities to control fires on public land and, where required, on adjoining private land.			
Quantity			
Fires attended	number	nm	585 ^(b)
<i>Quality</i>			
Fires controlled at less than 5 ha	per cent	75	75
<i>Timeliness</i>			
Fires controlled at First Attack	per cent	nm	75

Source: Department of Natural Resources and Environment

Notes:

- (a) *The first Audits of compliance will be undertaken in 1997-98 and a compliance target is therefore not available. The 1998-99 target may be reviewed depending upon the results achieved in 1997-98.*
- (b) *The 20 year average for the number of fires attended by the department is 585. The 1997-98 fire season has been particularly severe with over 1 000 fires attended by the beginning of April.*

**Table 2.6.7: Output Group Costs
Fire Management**

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	38.0	40.0	5.2
<i>Comprising:</i>			
Employee-related Expenses	9.6	10.4	8.1
Purchases of Supplies and Services	26.7	27.7	3.7
Depreciation	0.9	1.0	9.8
Capital Asset Charge	0.8	0.7	-20.1
Other	..	0.3	..

Source: Department of Treasury and Finance, Forward Estimates

Table 2.6.8: Output Group Description and Outputs Fisheries

Key Government Outcomes:

- Sustainable development of Victoria's regional, commercial, recreational and aquaculture fishing industries.

Description of the Output Group:

- The sustainable management of fisheries and aquatic ecosystems with stakeholder support and participation for the optimal benefit of the community.

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Sustainable Fisheries Utilization Services To develop strategic management plans and legislation in partnership with stakeholders as the framework for sustainable utilization of commercial and recreational fisheries.			
Quantity			
Assessment reports on the utilization status of major fisheries	number	nm	12
Surveys of Stakeholder awareness and support for fisheries management	number	nm	2
<i>Quality</i>			
Proportion of major fisheries fully utilized on a sustainable basis	per cent	nm	>90
Stakeholder support for sustainable fisheries management framework	per cent	nm	>65
<i>Timeliness</i>			
Assessment reports completed	date	nm	May 1999
Surveys of Stakeholders completed	date	nm	May 1999
Industry and Community Compliance Services To ensure industry and community compliance with legislation/regulations and management plans which deliver sustainable use of fisheries resources.			
Quantity			
Inspections conducted of commercial licences	number	2 000	2 000
Unlicensed/illegal commercial operations detected	number	nm	500
Inspections conducted of recreational licences	number	30 000	30 000
<i>Quality</i>			
Compliance of each fishery assessed by audits	per cent	>95	>95
Successful prosecutions	per cent	>95	>95

Table 2.6.8: Output Group Description and Outputs
Fisheries - continued

<i>Major Outputs/Deliverables</i>	<i>Unit of Measure</i>	<i>1997-98 Target</i>	<i>1998-99 Target</i>
<i>Performance Measures</i>			
Industry and Community Compliance Services - continued			
Penalty Infringement Notice (PIN) plea letters as a proportion of total PINs issued	per cent	nm	<5
<i>Timeliness</i>			
Review of compliance within annual timeline targets	date	Jun 1998	Jun 1999
Fishing Industry Development Services To provide new strategies and initiatives to assist industry to develop and promote the efficient use and marketing of commercial fisheries. To support aquaculture development and improve recreational fishing opportunities and tourism.			
Quantity			
Fish stocked			
• Salmonids	number	400 000	400 000
• Native fish	number	700 000	650 000
Key plans, strategies and initiatives completed	number	nm	3
Seafood business development and assistance contacts with industry	number	nm	1 000
<i>Quality</i>			
Proportion of funding from industry for plans, initiatives & strategies	per cent	nm	15
Stakeholder support for stocking and surveys	per cent	nm	>70
Increase in production from aquaculture contributing to the State's food exports	per cent	nm	4
Maintenance of Export Accreditation (US Dept of Food and Drugs standards)	per cent	nm	100
<i>Timeliness</i>			
Annual evaluation completion dates:			
• Resource management	date	nm	May 1999
• Stakeholder support	date	nm	Jun 1999
• Aquaculture production	date	nm	Jun 1999
• Industry assistance contacts	date	nm	May 1999
Plans, strategies and initiatives completed within agreed timelines	per cent	nm	100

Source: Department of Natural Resources and Environment

**Table 2.6.9: Output Group Costs
Fisheries**

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	16.1	17.4	7.7
<i>Comprising:</i>			
Employee-related Expenses	6.7	6.5	-2.9
Purchases of Supplies and Services	8.4	9.3	10.6
Depreciation	0.4	0.5	9.5
Capital Asset Charge	0.3	0.4	12.6
Other	0.2	0.7	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.6.10: Output Group Description and Outputs
Agriculture Industries**

Key Government Outcomes:

- To achieve the target of \$6 billion of agriculture and food exports by 2001 and establish viable regional economies supported by sustainable internationally competitive food & agricultural industries.

Description of the Output Group:

- In consultation with industry, identify essential services in research, development, technology adoption, market and policy development to improve efficiency and effectiveness of food and agriculture business chains in meeting the needs of their customers.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Meat Industry Development Services Facilitation of industry consultation, research, development and technology adoption services to support a sustainable and internationally competitive Meat Industry which significantly contributes to agriculture and food exports and viable regional communities.			
Quantity			
Growth in value of meat products exported	per cent	nm	3
Increase in the proportion of processors adopting improved food safety technology	per cent	nm	5
Quality			
Proportion and amount of contestable dollars won from Commonwealth/ industry sources:			
• Meat Research Development Corporation	\$m	nm	1.6
	per cent	nm	5.5
• Pig Research Development Corporation	\$m	nm	1.4
	per cent	nm	16.0
Timeliness			
Complete annual Assessment	date	nm	Jun 1999

**Table 2.6.10: Output Group Description and Outputs
Agriculture Industries - *continued***

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Dairy Industry Development Services Facilitation of industry consultation, research, development and technology adoption services to support a sustainable and internationally competitive Dairy Industry which significantly contributes to agriculture and food exports and viable regional communities.			
Quantity			
Increase in farmers adopting efficient and sustainable pasture production systems	per cent	10	3
Growth in value of milk-based product exported	per cent	5	3
Proportion of processors adopting technology to maximize value of dairy products	per cent	2	3
<i>Quality</i>			
Proportion and amount of contestable dollars won from Commonwealth/ industry sources (e.g. Dairy Research Development Corporation)	\$m	nm	2.8
	per cent	nm	12
<i>Timeliness</i>			
Complete annual Assessment	date	nm	Jun 1999
Grains Industry Development Services Facilitation of industry consultation, research, development and technology adoption services to support a sustainable and internationally competitive Grains Industry. This will significantly contribute to agriculture and food exports and viable regional communities.			
Quantity			
Increase of growers participating in crop management improvement programs (best practice systems)	per cent	nm	3
Growth in value of grain and grain product exports	per cent	nm	3
Increase of growers adopting new varieties of grains developed to meet market demands	per cent	nm	3

**Table 2.6.10: Output Group Description and Outputs
Agriculture Industries - *continued***

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Grains Industry Development Services – <i>continued</i>			
<i>Quality</i>			
Proportion and amount of contestable dollars won from Commonwealth/industry sources (e.g. Grains Research Development Corporation)	\$m	nm	5.5
	per cent	nm	12
<i>Timeliness</i>			
Complete Annual Assessment	date	nm	Jun 1999
 Horticultural Industry Development Services Facilitation of industry consultation, research, development and technology adoption services to support a sustainable and internationally competitive Horticultural Industry. This will significantly contribute to agriculture and food exports and viable regional communities.			
Quantity			
Growth in value of horticultural exports	per cent	nm	5
Increase in exports of value-added horticultural products	per cent	nm	5
<i>Quality</i>			
Proportion and amount of contestable dollars won from Commonwealth/industry sources (e.g. Horticultural Research Development Corporation)	\$m	nm	4.3
	per cent	nm	21
<i>Timeliness</i>			
Complete annual Assessment	date	nm	Jun 1999
 Specialist Rural Industry Development Services Facilitation of industry consultation, research, development and technology adoption services to support a sustainable and internationally competitive Specialist Rural Industry. This will significantly contribute to agriculture and food exports and viable regional communities.			
Quantity			
Increase in the value of specialist products	per cent	5	4
Increase in target farmer groups diversifying their enterprises	per cent	nm	4

**Table 2.6.10: Output Group Description and Outputs
Agriculture Industries - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Specialist Rural Industry Development Services - <i>continued</i>			
<i>Quality</i>			
Amount of contestable dollars won from Commonwealth/industry sources (e.g. Rural Industry Research Development Corporation)	\$m	nm	1.1
<i>Timeliness</i>			
Complete annual Assessment	date	nm	Jun 1999
 Wool Industry Development Services Facilitation of industry consultation, research, development and technology adoption services to support a sustainable and internationally competitive Wool Industry. This will significantly contribute to agriculture and food exports and viable regional communities.			
Quantity			
Increase in the proportion of growers participating in wool quality programs and implementing improved selection methods	per cent	nm	5
<i>Quality</i>			
Amount of contestable dollars won from Commonwealth/industry sources (e.g. Rural Industry Research Development Corporation)	\$m	nm	0.8
<i>Timeliness</i>			
Complete annual Assessment	date	nm	Jun 1999

**Table 2.6.10: Output Group Description and Outputs
Agriculture Industries - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Industry Development Services Policy development, market development and cross-industry services to improve the international competitiveness of food & agricultural industries and the whole agribusiness chain through the removal of legislative barriers to industry development, new export market development or industry reform.			
Quantity			
Reviews of industry competitiveness to assist industry development	number	nm	1
New agribusiness forums established in regions	number	nm	1
<i>Quality</i>			
Proportion of stakeholders satisfied with program for industry development	per cent	nm	>70
Level of satisfaction with Food Industry Advisory Committee of Food Victoria with DNRE support services	per cent	nm	>90
<i>Timeliness</i>			
Complete annual Assessment	date	nm	Jun 1999

Source: Department of Natural Resources and Environment

**Table 2.6.11: Output Group Costs
Agriculture Industries**

	(\$ million)		
	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
Total cost of output group	118.2	135.2	14.4
<i>Comprising:</i>			
Employee-related Expenses	25.8	28.3	9.7
Purchases of Supplies and Services	76.3	88.8	16.3
Depreciation	6.9	7.6	11.1
Capital Asset Charge	9.3	8.7	-5.6
Other	..	1.8	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.6.12: Output Group Description and Outputs
Agriculture Quality Assurance**

Key Government Outcomes:

- Maintain and improve access of Victorian agriculture and food products to domestic and export markets.

Description of the Output Group:

- Services aimed at protecting Victoria's reputation as a producer of high quality, clean food and agricultural products through quality assurance initiatives which prevent the introduction and spread of pests and diseases, minimize the risk of chemical residues and protect the welfare of animals.

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Livestock Disease Control Maintain and expand domestic and overseas markets by minimizing the impact of livestock diseases through strategic Quality Assurance initiatives.			
Quantity			
Proportion of markets protected as a result of successful control of livestock diseases	per cent	nm	100
<i>Quality</i>			
Proportion of successful performance audits by international and national certification authorities	per cent	nm	100
<i>Timeliness</i>			
Annual review of audit results completed	date	nm	Jun 1999
Plant Pests and Disease Control Maintain and expand domestic and overseas markets by minimizing the impact of plant, pests and diseases through strategic Quality Assurance initiatives.			
Quantity			
Strategic Quality Assurance Initiatives developed to assist industry to maintain and expand markets	number	nm	2
<i>Quality</i>			
Proportion of successful performance audits by international and national certification authorities	per cent	nm	100
<i>Timeliness</i>			
Annual review of audit results completed	date	nm	Jun 1999
248	Natural Resources and Environment	Budget Estimates 1998-99	

Table 2.6.12: Output Group Description and Outputs
Agriculture Quality Assurance - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Chemical Use Standards To develop Strategic Quality Assurance initiatives which ensure the protection of access for Victoria's animal and plant resources to international and domestic markets.			
Quantity			
Strategic Quality Assurance Initiatives developed assist industry to maintain and expand markets	number	nm	2
<i>Quality</i>			
Compliance with chemical industry standards	per cent	nm	>95
<i>Timeliness</i>			
Annual review of audit results completed	date	nm	Jun 1999
Animal Welfare Standards Ensure the welfare of farm, experimental and companion animals through the development and maintenance of codes of practice, community education programs and the control of animal experimentation			
Quantity			
Strategic Quality Assurance Initiatives developed to assist industry to maintain and expand markets	number	nm	1
<i>Quality</i>			
Compliance with animal welfare standards	per cent	>95	>95
<i>Timeliness</i>			
Annual review of audit results completed	date	nm	Jun 1999

Source: Department of Natural Resources and Environment

**Table 2.6.13: Output Group Costs
Agriculture Quality Assurance**

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	20.2	19.4	-3.7
<i>Comprising:</i>			
Employee-related Expenses	8.3	7.0	-15.7
Purchases of Supplies and Services	11.4	11.9	4.4
Depreciation	0.3	0.3	..
Capital Asset Charge	0.2	0.1	-27.3
Other	..	0.1	100.0

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.6.14: Output Group Description and Outputs
Catchment Management & Sustainable Agriculture**

Key Government Outcomes:

- Generating wealth through the sustainable development of industry and natural resources.
- Protecting the State's natural resources for the long term benefit of all Victorians.

Description of the Output Group:

- Using a strong partnership approach, achieve healthy rivers and catchments which protect and enhance the environment while supporting sustainable and more productive resource industries and regional communities.

Major Outputs/Deliverables	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Catchment and River Management Development and implementation of statewide integrated river, floodplain, nutrient, surface and groundwater policies and priorities.			
Quantity			
CMA Business Plans developed to implement Regional Catchment Strategies	number	nm	10
Increase in area protected/rehabilitated through off-farm salinity works	ha	nm	17 000
Catchment Nutrient Management Plans commenced	number	nm	7
Municipal councils supplied with flood maps for incorporation into planning schemes	number	nm	19
Regional floodplain management strategies prepared by CMAs for incorporation into Regional Catchment Strategies	number	nm	9
Diversion sites with environmental flows established as part of bulk entitlement process	number	nm	29
	per cent of State	nm	70
Index of River Condition to assess/report on Victorian waterways - % completed	per cent	nm	70

**Table 2.6.15: Output Group Description and Outputs
Catchment Management & Sustainable Agriculture - *continued***

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Catchment and River Management - <i>continued</i>			
Whole of catchment river restoration plans developed by CMAs	number	nm	5
Surface water stations monitored for flow, quality and salinity in accordance with the <i>Water Act</i> ^(a)	number	nm	506
Groundwater bores monitored for groundwater resources and salinity threat in accordance with the <i>Water Act</i> ^(a)	number	nm	3 700
<i>Quality</i>			
CMA Business Plans endorsed by Ministers in accordance with Regional Catchment Strategies	per cent	nm	100
Implementation of high priority actions identified in Regional Catchment Strategies for each Catchment Management Authority	per cent	nm	10
Cumulative percentage of floodplain management responsibilities being independently undertaken by Catchment Management Authorities	per cent	nm	60
Local government planning schemes to incorporate flood provisions	per cent	nm	30
Water authorities meeting minimum environmental flow requirements	per cent	nm	100
Water Allocation & Water Markets Establish market and sustainable groundwater allocations and trading through the provision of statewide policy advice and strategic water resource planning.			
Quantity			
State's diversion sites where water sharing arrangements have been negotiated with stakeholders	number	nm	29
Cumulative percentage of State's diversion sites where water sharing arrangements have been negotiated with stakeholders	per cent	nm	70

Table 2.6.15: Output Group Description and Outputs
Catchment Management & Sustainable Agriculture - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Water Allocation & Water Markets – <i>continued</i>			
Bulk water entitlement (BWE) orders granted by the Minister	number	nm	40
Groundwater Supply Protection Areas created for stressed groundwater systems	number	nm	6
Drought Response Plans for water supply systems prepared	number	nm	14
<i>Quality</i>			
Volume of State's water resources for which water sharing arrangements have been negotiated with stakeholders	megalitres	nm	4.33
	per cent of total volume	nm	79
Volume of State's water resources covered by tradeable BWE orders granted by the Minister	megalitres	nm	4.15
	per cent of total volume	nm	76
Cumulative percentage of competitive water allocation systems established for Melbourne	per cent	nm	50
Compliance with established BWEs	per cent	nm	100
Cumulative percentage of introduced interstate trade	per cent	nm	40
State's water supply systems covered by Drought Response Plans	per cent	nm	100
<i>Timeliness</i>			
Water entitlements and allocations determined within timeframes determined by Government's water reform program and national competition policy	per cent	nm	100

**Table 2.6.15: Output Group Description and Outputs
Catchment Management & Sustainable Agriculture - *continued***

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Sustainable Agriculture and Land Management To provide services to improve sustainable agriculture and land management practices to land managers and Landcare groups.			
Quantity			
Increase in land protected/rehabilitated from irrigation salinity through on-farm works, research and extension activities	ha	nm	7 800
Increase in land protected/rehabilitated from dryland salinity through on-farm works, research and extension activities	ha	nm	46 000
Cumulative percentage of farmers participating in Landcare area farmer groups	per cent	nm	50
Farm business planning courses run (Farm\$mart)	number	nm	1 500
Landcare networks established	number	10	40
<i>Quality</i>			
Cumulative percentage of progress towards implementation of Irrigation Salinity Management Plans	per cent	nm	37
Cumulative percentage of progress towards implementation of Dryland Salinity Management Plans	per cent	nm	20
Farm\$mart course attendances as a percentage of total Victorian farm business operations	per cent	nm	54
Landcare network activities undertaken in line with Regional Catchment Strategy priorities	per cent	nm	100

Table 2.6.15: Output Group Description and Outputs
Catchment Management & Sustainable Agriculture - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Regional Development Services Establishment of Rural Area Development Plans in partnership with rural communities to promote sustainable regional development.			
Quantity			
Rural Area Development Plans for 9 catchments	number	nm	5
Increase in area of private forestry established through works, research and extension activities in accordance with the State Private Forestry Strategy	ha	nm	8 000
Quality			
Relevant community and major stakeholders satisfied with Rural Area Development Plans	per cent	nm	100
Timeliness			
Area Development Plans completed within timelines agreed by Minister	per cent	nm	100

Source: Department of Natural Resources and Environment

Notes:

(a) *The number of surface water stations and groundwater bores maintained is being rationalised.*

Table 2.6.16: Output Group Costs
Catchment Management & Sustainable Agriculture

	(\$ million)		
	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
Total cost of output group	87.4	122.5	40.2
<i>Comprising:</i>			
Employee-related Expenses	11.7	11.7	0.3
Purchases of Supplies and Services	68.2	99.5	45.7
Depreciation	1.6	1.9	16.9
Capital Asset Charge	1.2	1.0	-16.6
Other	4.7	8.5	81.3

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.6.17: Output Group Description and Outputs
Pest Plant and Animal Management**

Key Government Outcomes:

- Protection of the State's natural resources for the long term benefit of all Victorians.

Description of the Output Group:

- Manage terrestrial and freshwater pest plants and animals that are declared under the *Catchment and Land Protection Act* on public and private land to reduce their economic and ecological impact. (This excludes pest native wildlife and marine pests).
- Promote best practice in pest management through statewide programs that implement extension activities and ensure compliance with the requirements of the *Catchment and Land Protection Act 1994*, allocate incentives under initiative programs and support the development and implementation of Regional Catchment Strategies.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Rabbit Control Provision of integrated control programs through extension services to landholders and the development of Action Plans.			
Quantity			
Action plans for prevention, containment and treatment in high priority infested land completed	number	nm	6
Land manager contacts to raise skills levels and encourage best practice in rabbit management	number	nm	4 000
Quality			
Action Plans for high priority infested areas endorsed by Catchment Management Authorities in accordance with Regional Catchment Strategies	per cent	nm	75
Landholders complying with landholder requirements under the Catchment and Land Protection Act in targeted areas	per cent	nm	85
High priority rabbit infested land identified in the Action Plans that are covered by control programs	per cent	nm	40
Decrease in rabbits in high priority areas identified in the Action Plans that are covered by control programs	per cent	nm	60

**Table 2.6.17: Output Group Description and Outputs
Pest Plant and Animal Management - *continued***

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Rabbit Control – <i>continued</i>			
Decrease in new infestations of rabbits in high priority areas identified in the Action Plans that are covered by control programs	per cent	nm	65
<i>Timeliness</i>			
Land manager contacts made within agreed timeframes	per cent	nm	90
Pest Animal Management Provision of integrated control programs through extension services to landholders and the development of Action Plans.			
Quantity			
Action Plans for prevention, containment and treatment of high priority pest animals completed	number	nm	6
Land manager contacts to raise skills levels and encourage best practice in pest animal management	number	nm	1 500
<i>Quality</i>			
Action Plans for high priority infested areas endorsed by Catchment Management Authorities in accordance with Regional Catchment Strategies	per cent	nm	75
Landholders complying with landholder requirements under the Catchment and Land Protection Act in targeted areas	per cent	nm	85
High priority pest animal infested land identified in the Action Plans that are covered by control programs	per cent	nm	40
Decrease in high priority pest animals identified in the Action Plans that are covered by control programs	per cent	nm	50
<i>Timeliness</i>			
Land manager contacts made within agreed timeframes	per cent	nm	90

**Table 2.6.17: Output Group Description and Outputs
Pest Plant and Animal Management - *continued***

<i>Major Outputs/Deliverables</i>	<i>Unit of Measure</i>	<i>1997-98 Target</i>	<i>1998-99 Target</i>
<i>Performance Measures</i>			
Pest Plant Management Provision of integrated control programs through extension services to landholders and the development of Action Plans.			
Quantity			
Action Plans for prevention, containment and treatment of high priority pest plants completed	number	nm	6
Land manager contacts to raise skill levels and encourage best practice in pest plant management	number	nm	10 000
Quality			
Action Plans for high priority infested areas endorsed by Catchment Management Authorities in accordance with Regional Catchment Strategies	per cent	nm	75
Landholders complying with landholder requirements under the Catchment and Land Protection Act in targeted areas	per cent	nm	85
High priority pest plant infested land identified in the Action Plans that are covered by control programs	per cent	nm	40
Decrease in pest plants, in high priority areas identified in the Action Plans, that are covered by control programs	per cent	nm	40
Timeliness			
Land manager contacts made within agreed timeframes	per cent	nm	90

Source: Department of Natural Resources and Environment

**Table 2.6.18: Output Group Costs
Pest Plant and Animal Management**

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	14.2	15.4	8.8
<i>Comprising:</i>			
Employee-related Expenses	5.0	5.9	19.1
Purchases of Supplies and Services	8.6	8.7	1.3
Depreciation	0.3	0.3	..
Capital Asset Charge	0.2	0.2	..
Other	0.1	0.3	-

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.6.19: Output Group Description and Outputs
Water**

Key Government Outcomes:

- Protection of the State's natural resources for the long term benefit of all Victorians.

Description of the Output Group:

- Development of policies and implementation of strategies to ensure that the Water Authorities achieve standards that will allow clients and stakeholders access to sustainable high quality and efficient water supply and wastewater disposal services.

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Water Quality Standards Ensuring the implementation and maintenance of high quality drinking water and wastewater disposal standards for metropolitan and non-metropolitan urban water services.			
Quantity			
Drinking water quality zones monitored	number	nm	435
Treatment plants monitored	number	nm	151
<i>Quality</i>			
Adherence with microbiological drinking water standards (% of non-metropolitan urban population)	per cent	80	90
Discharges from treatment plants meeting EPA licence targets (% of non-metropolitan urban population)	per cent	75	80
<i>Timeliness</i>			
Compliance with World Health Organisation standards	date	nm	Jun 1999
Compliance with EPA standards	date	nm	Jun 2001
Asset Management Standards Develop guidelines and the regulatory framework for water industry asset management and state-wide dam safety.			
Quantity			
RWA and NMU authorities achieving milestones for asset management improvement	number	nm	19
Completion of identified Dam improvement program by Water Authorities	per cent	nm	15

Table 2.6.19: Output Group Description and Outputs
Water - continued

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Asset Management Standards – continued			
Implementation of asset management recommendations for Metropolitan water companies	per cent	nm	50
<i>Quality</i>			
Requirements for all specified and agreed asset management improvement programs met	per cent	nm	100
<i>Timeliness</i>			
Asset management improvement targets met	date	nm	Jun 1999
Water Business Regulation and Reform Implement the Government's water reform program including restructuring, conversion to operating licences and pricing\tariff proposals arising from Council of Australian Governments (COAG), Water Reform Program and National Competition Policy requirements.			
Quantity			
Melbourne Retail licences amended to reflect Government policy for improved standards	number	3	3
NMU's licences developed and issued	number	5	5
<i>Quality</i>			
Irrigation Districts with Water Services Committees	per cent	nm	100
COAG water reform and competition milestones	per cent	nm	100
<i>Timeliness</i>			
All Licenses issued or amended in target year	date	nm	30 Jun 1999
Water Industry Statutory Requirements Ensure that the corporate plans and annual reports of water businesses meet Government policy objectives.			
Quantity			
Water authorities' Corporate Plans assessed to meet Government policy objectives	number	27	24
Budget Estimates 1998-99	Natural Resources and Environment	261	

**Table 2.6.19: Output Group Description and Outputs
Water - continued**

<i>Major Outputs/Deliverables</i>	<i>Unit of Measure</i>	<i>1997-98 Target</i>	<i>1998-99 Target</i>
<i>Performance Measures</i>			
Water Industry Statutory Requirements - continued			
Pricing proposals submitted and reviewed to meet Government policy objectives	number	nm	20
<i>Quality</i>			
Corporate and pricing proposals meeting Government objectives	per cent	nm	100
<i>Timeliness</i>			
Statutory timelines for assessment and review met	per cent	nm	100

Source: Department of Natural Resources and Environment

**Table 2.6.20: Output Group Costs
Water**

	<i>(\$ million)</i>		
	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
Total cost of output group	4.8	7.0	44.4
<i>Comprising:</i>			
Employee-related Expenses	3.0	1.8	-39.7
Purchases of Supplies and Services	1.6	5.1	-
Depreciation	..	..	..
Capital Asset Charge	..	..	..
Other	0.2	..	100.0

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.6.21: Output Group Description and Outputs
Land Management and Information**

Key Government Outcomes:

- Generate wealth by improved efficiencies in land management and land-related transactions and improved land and resources information for Victoria.
- Protect the State's natural resources and the environment.

Description of the Output Group:

- Generating wealth, improving information and protecting natural resources through the provision of services relating to the management of Crown Land, and the provision of integrated, authoritative and co-ordinated land information and definition systems which facilitate land related transactions.

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Public Land Management Optimising the management of Crown Land to ensure a balance between development and protection of Natural and Cultural assets.			
Quantity			
Land Administration transactions per annum ^(a)	per number	nm	380 000
<i>Quality</i>			
Number of client complaints as a ratio of Land Administration transactions	ratio	nm	1:82
<i>Timeliness</i>			
Client enquiries responded as per Statute or by Service Agreements	per cent	nm	95
Land Information Services The provision of accurate, reliable and authoritative information (boundaries, interests, valuations and other land-related data) about public and privately owned land.			
Quantity			
Information requests processed per annum ^(b)	per number	nm	3 488 000
<i>Quality</i>			
Error rate for Titles and Instrument information searches ^(c)	per cent	nm	<1
Customer satisfaction level for Geospatial Information (as measured by customer survey)	per cent	nm	95
Budget Estimates 1998-99	Natural Resources and Environment	263	

**Table 2.6.21: Output Group Description and Outputs
Land Management and Information - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Land Information Services - <i>continued</i>			
<i>Timeliness</i>			
Titles and instruments searches requests available within 24 hours	per cent	95	95
Geospatial Information delivered within timeliness negotiated with customers	per cent	nm	95
Land Definition Providing authority and confidence for government and private transactions in the land market by maintaining, recording and updating records relating to the definition of land (boundaries, interests, valuation and other land related data).			
Quantity			
Land units (parcels/ properties) defined per annum ^(d)	number	nm	1 418 000
<i>Quality</i>			
Error rate for registration of land dealings and creation of new titles ^(e)	per cent	nm	<1
Cadastral accurate to within 1mm on the source map	per cent	nm	90
<i>Timeliness</i>			
Land dealings registered within 3 weeks	per cent	nm	55
New titles created within 4 weeks	per cent	nm	35
Update transactions for the cadastral map base processed within 2 weeks	per cent	nm	95

Source: Department of Natural Resources and Environment

Notes:

- (a) Represents some 50 functions including on site assessments of land, disposal and purchase of land and invoicing of private use clients.
- (b) Includes a variety of requests across the Land Registry and Geospatial Information businesses, including titles searches, requests for PRISM data, Landata index enquiries, valuation and survey enquiries, survey marks accessed and sales of printed maps. It also includes an estimate of hits on the Land Channel following its launch in April 1998.
- (c) Applies to Titles, Instruments and final searches which account for almost 1.5 million land registry information requests.
- (d) Includes the number of land dealings registered, new titles created, approved plans of subdivisions added to the cadastral and extensions to the State Digital Road Network.
- (e) Applies to the registration of over 500,000 land dealings and the creation of more than 40,000 new titles.

**Table 2.6.22: Output Group Costs
Land Management and Information**

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	88.8	75.7	-14.8
<i>Comprising:</i>			
Employee-related Expenses	42.8	38.8	-9.3
Purchases of Supplies and Services	40.1	30.4	-24.3
Depreciation	1.4	3.5	..
Capital Asset Charge	1.2	1.1	-9.8
Other	3.3	1.9	-40.8

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.6.23: Output Group Description and Outputs
Conservation and Recreation**

Key Government Outcomes:

- Generating wealth through sustainable development of industry and natural resources.
- Protecting the State's natural resources for the long term benefit of all Victorians.
- Improving the quality of life for all Victorians.

Description of the Output Group:

- Integrated services which provide environmental, conservation and recreational planning and policy development, monitoring of regulatory frameworks and day to day management for parks, reserves, local ports, coastal reserves and alpine resorts to:
 - protect the state's natural resources and maintain the biological diversity on public and private land;
 - contribute to the quality of life for all Victorians through recreational facilities and education; and
 - generate wealth through effective management and visitor attraction.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Coastal Planning and Management Services Strategic planning and management of the Victorian coast to ensure that the coastal and marine environment is managed on a sustainable basis.			
Quantity			
Ports under management with an approved risk management plan	per cent	nm	75
Volunteer-days in coastal action programs	number	nm	2 500
Quality			
Coastal Action plans prepared	number	nm	6
Timeliness			
Victorian Coastal Strategy actions commenced by June 1999	per cent	nm	90
Victorian Coastal Strategy actions completed by June 1999	per cent	nm	20

Table 2.6.23: Output Group Description and Outputs
Conservation and Recreation - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Park Management Services Strategic planning, regulation, visitor management and natural resource management of parks and reserves.			
Quantity			
Victoria's land base in protected parks and reserves	per cent	13.9	13.5
Visitor numbers accessing parks services	millions	13.3	13.0
Length of road/track maintained	km	nm	20 485
Quality			
Parks with management plans	per cent	100	100
Customer satisfaction with park management services	per cent	80	69-74
Stakeholder satisfaction with park management services	per cent	nm	60
Timeliness			
100% of park management plans completed	date	nm	Jun 1999
20% of priority tasks completed	date	nm	Jun 1999
Biodiversity Conservation Management Services Provision of biodiversity conservation on public and private land, licencing, monitoring of standards and scientific services.			
Quantity			
New species listed for protection under the Flora and Fauna Guarantee Act	number	45	40
Action statements for protected species approved (Under Flora and Fauna Guarantee Act)	number	20	20
Completed action statements for nationally vulnerable and endangered species	per cent	nm	75
Hunting and wildlife licenses managed	number	35 000	35 000
Quality			
Proportion of Victoria covered by Additional Ecological Vegetation Community mapping	per cent	10	20
Threatened species with demonstrable improvement	number	30	35
Budget Estimates 1998-99	Natural Resources and Environment	267	

**Table 2.6.23: Output Group Description and Outputs
Conservation and Recreation - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Biodiversity Conservation Management Services - <i>continued</i>			
Proportion of new Land for Wildlife properties which include habitat underrepresented in reserve system	per cent	nm	20
<i>Timeliness</i>			
Input to planning approvals process provided within statutory time-frames	per cent	nm	100
Hunting and wildlife licences issued within 15 days of application	per cent	nm	100

Source: Department of Natural Resources and Environment

**Table 2.6.24: Output Group Costs
Conservation and Recreation**

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	87.7	87.3	-0.5
<i>Comprising:</i>			
Employee-related Expenses	35.5	17.1	-51.9
Purchases of Supplies and Services	15.0	48.7	..
Depreciation	3.0	3.6	19.4
Capital Asset Charge	12.0	14.2	18.2
Other	22.1	3.8	-83.0

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.6.25: Output Group Description and Outputs
Environment Protection**

Key Government Outcomes:

- Protect and sustain improvements in environmental quality.
- Generate wealth by increased certainty for business investment throughout the State and through the avoidance and control of emissions of waste and noise.

Description of the Output Group:

- To provide the framework for sustainable improvements in environmental quality through statutory policy, legislation and regulations.
- Measuring and reporting environmental quality.
- Promoting adoption of best practice environmental management in industry.

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Setting the framework for sustainable improvements in environmental quality To develop and revise statutory policy, legislation and regulations and strategic plans and to influence national policy settings to meet Victoria's needs.			
Quantity			
Develop and revise State Environment Protection Policies	number	nm	4
Develop strategic plans to achieve policy goals	number	nm	3
Influencing national policy settings to meet Victoria's needs	number	nm	5
Quality			
Policies endorsed by Government	per cent	nm	100
Strategic plans accepted by stakeholders	per cent	nm	100
National policy settings reflect Victoria's position and accepted by Government	per cent	nm	100
Timeliness			
Completion of all policy development and review projects within agreed timeframes	per cent	nm	100

**Table 2.6.25: Output Group Description and Outputs
Environment Protection - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Enhancing Victoria's environmental quality through application of legislation and regulation within an overall investment friendly policy context Promoting adoption of best practice environmental management in industry.			
Quantity			
Facilitating approvals of the Government's water reforms with respect to sewage treatment	number	nm	15
Development of Best Practice Environmental Management guidelines	number	nm	4
Development of Cleaner Production Partnership Program for small to medium size industries	number	nm	6
Approval of Regional Waste Management Plans	number	nm	9
Undertake litter abatement activities in line with State strategy	date	nm	autumn 1999
Co-ordinate greenhouse response activities/programs post Commonwealth actions from Kyoto conference 1997	State Plan	nm	1
Quality			
Approvals processes completed within statutory timeframes	per cent	nm	100
Best Practice Environmental Management guidelines supported by relevant industries	per cent	nm	100
Timeliness			
Approvals associated with the Government's water reforms completed	date	nm	May 1999
Best Practice Environmental Management guidelines completed	date	nm	Apr 1999
Cleaner production program implemented	date	nm	Mar 1999
Coordination of arrangements for greenhouse response	date	nm	Dec 1998

Table 2.6.25: Output Group Description and Outputs
Environment Protection - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Measuring and reporting environmental quality			
Quantity			
Establishment of collaborative Environmental Science Centre at Bundoora		nm	1
Development of air quality monitoring plan to meet National Environment Protection Council requirements		nm	1
Statewide water quality audit system established and operating by 30 June 1999		nm	1
Development of new air shed model in partnership with Met Bureau and CSIRO		nm	1
Quality			
Air quality monitoring plan meets all National Environment Protection Council requirements	per cent	nm	100
Statewide water quality audit system meets all designated objectives and quality control requirements	per cent	nm	100
Timeliness			
Environmental Science Centre at Bundoora established	date	nm	Feb 1999
Air quality monitoring plan approved by National Environment Protection Council	date	nm	Jun 1999
Statewide water quality audit system operating	date	nm	Jun 1999
Trial of new airshed model developed in partnership with Met Bureau and CSIRO	date	nm	Jun 1999

**Table 2.6.25: Output Group Description and Outputs
Environment Protection - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Commercial Contracts and Advisory Services To promote the EPA's environmental expertise nationally and internationally by successfully bidding for commercial contracts.			
Quantity			
Value of national and international commercial contracts won	\$m	1	5
Quality			
Percentage of shortlisting in bidding for work	per cent	nm	60
Acceptance by clients of services/products	per cent	nm	100
Timeliness			
Completion of contractual work within agreed timelines	per cent	nm	100

Source: Department of Natural Resources and Environment

**Table 2.6.26: Output Group Costs
Environment Protection**

	<i>(\$ million)</i>		
	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
Total cost of output group	44.2	37.9	-14.2
<i>Comprising:</i>			
Employee-related Expenses	13.3	13.2	-1.2
Purchases of Supplies and Services	29.5	23.4	-20.7
Depreciation	1.0	1.1	7.8
Capital Asset Charge	0.3	0.3	..
Other	0.1	..	-100.0

Source: Department of Treasury and Finance, Forward Estimates

Part 2: Financial Information

This part provides the financial tables that support the department's provision of outputs. This information can assist the reader to assess a department's financial performance.

The information provided includes a statement of financial position, operating statement and cash flow statement for the department as well as tables detailing departmental expenses and revenue.

The total resources planned to be available to the department for the delivery of outputs, investment in departmental assets and other purposes in respect of the 1998-99 financial year are outlined in the following Table 2.5.27: Summary of departmental resources available

Table 2.6.27: Summary of departmental resources available

	(\$ million)	
	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>
<i>Outputs purchased by State government</i>	567.8	618.0
<i>Outputs purchased by other parties</i>	125.8	49.7
Operating revenue from provision of outputs sub-total	693.5	667.8
Government contribution to increasing net asset base	40.5	43.1
Funding for Payments made on behalf of the State	44.1	44.4
TOTAL	778.1	755.2

Source: Department of Treasury and Finance, Forward Estimates

The available resources are applied to three uses:

- the provision of outputs;
- payments on behalf of the State; or
- asset investment.

The table below shows the break-up of the available resources across the three categories of uses.

Table 2.6.28: Summary of use of resources

(\$ million)		
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Output provision expenses	624.5	659.7
Payments made on behalf of the State	44.1	44.4
Gross Fixed Asset Investment <i>less</i> Depreciation	40.5	43.1
Total Uses	709.0	747.2

Source: Department of Treasury and Finance, Forward Estimates

Payments on behalf of the State are payments made by the department on behalf of the State Government as a whole and do not directly reflect the operations of the department.

Table 2.6.29: Payments made on behalf of the State

(\$ million)		
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Grants to Government Business Enterprises	5.8	6.4
Grants to General Government	5.5	6.0
Grants to Private Non-profit organisations	7.7	9.4
Grants to Households and persons	2.6	2.6
Operating Supplies and Services	22.5	20.1
Total	44.1	44.4

Source: Department of Treasury and Finance, Forward Estimates

The table below lists the source of departmental funds for Gross Fixed Asset Investment. Asset investment is equal to Gross Fixed Asset Investment (purchase of new assets) *less* reductions in existing fixed assets, through depreciation and asset sales.

Table 2.6.30: Gross Fixed Asset Investment

	(\$ million)	
	1997-98	1998-99
	Budget	Budget
Financial Assets (<i>attributable to depreciation expense</i>)	19.2	23.7
Appropriation for increases in the net asset base	40.5	43.1
Fixed Asset Sales	..	..
Own account and other (including retained earnings)	27.1	11.8
Total Gross Fixed Asset Investment	86.8	78.6

Source: Department of Treasury and Finance, Forward Estimates

The operating statement, statement of financial position and a cash flow statement are provided below. This information includes non-public account revenue from services provided by the department to third parties in exchange for payment. Currently this includes user charges, and fees for services retained outside the Public Account.

Table 2.6.31: Departmental operating statement

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Operating Revenue			
Revenue from State Government ^(a)	567.8	618.0	8.9
Commonwealth	0.8	..	-100
Other revenue ^(b)	125.0	49.7	-60.2
Total	693.5	667.8	-3.7
Operating Expenses			
Employee Related Expenses ^(c)	188.3	165.5	-12.1
Purchases of Supplies and Services ^(d)	362.2	415.1	14.6
Depreciation ^(e)	19.2	23.7	23.8
Capital Asset Charge	47.8	49.3	3.2
Other Expenses	7.1	6.1	-13.9
Total	624.5	659.7	5.6
Operating Surplus/Deficit	69.1	8.0	-88.4
Funds provided to meet Payments on behalf of the State			
From Government	38.9	40.9	5.1
Other Sources	5.1	3.5	-32.8
Total Funds provided to meet payments on behalf of the State	44.1	44.4	0.7
Payments made on behalf of the State			
Grants to Government Business Enterprises	5.8	6.4	9.6
Grants to General Government	5.5	6.0	9.9
Grants to Private Non-profit organisations	7.7	9.4	21.6
Grants to Households and persons	2.6	2.6	..
Operating Supplies and Services	22.5	20.1	-11.0
Total Payments made on behalf of the State	44.1	44.4	0.7

Source: Department of Treasury and Finance, Forward Estimates

Notes:

- (a) State government payments for provision of outputs. Includes estimated carryover of 1997-98 appropriation amounts. Actual carryover is subject to approval by the Treasurer prior to 30 June pursuant to Section 32 of the Financial Management Act, 1994.
- (b) Includes revenue for services delivered to parties outside government.
- (c) Includes salaries and allowances, superannuation contributions and payroll tax.
- (d) Includes payments to non-government organisations for delivery of services.
- (e) Includes amortisation of leased assets.

Table 2.6.32: Statement of Financial Position

(\$ thousand)

	Estimated as at 30 June		Variation %
	1998	1999	
Assets			
Current Assets			
Cash	47 904	50 664	5.8
Investments	2 917	2 917	..
Receivables	18 314	19 714	7.6
Prepayments	2 085	2 085	..
Inventories	4 333	4 507	4.0
Other Assets	43	43	..
Total Current Assets	75 596	79 931	5.7
Non-Current Assets			
Investments	12 060	12 060	..
Receivables	21 059	28 806	36.8 ^(a)
Fixed Assets	1336 592	1384 457	3.6
Other Assets	..	..	..
Total Non-Current Assets	1369 711	1425 323	4.1
Total Assets	1445 307	1505 254	4.1
Liabilities			
Current Liabilities			
Payables	18 465	18 465	..
Borrowing	..	..	..
Employee Entitlements	28 043	29 443	5.0
Superannuation	30	30	..
Other Liabilities	1 967	1 967	..
Total Current Liabilities	48 504	49 904	2.9
Non-Current Liabilities			
Payables	- 2	- 2	..
Borrowing	..	..	..
Employee Entitlements	71 907	79 427	10.5
Superannuation	..	..	..
Other Liabilities	..	..	..
Total Non-Current Liabilities	71 905	79 425	10.5
Total Liabilities	120 409	129 329	7.4
Net Assets	1324 898	1375 924	3.9

Source: Department of Treasury and Finance, Forward Estimates

Notes:

(a) Increase in receivable is predominantly due from the State and results from appropriated but undrawn funds for depreciation and employee entitlements.

Table 2.6.33: Cash flow statement

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Cash flows from operating activities			
<i>Operating receipts</i>			
Receipts from State Government ^(a)	560.4	608.9	8.6
Commonwealth payments	0.8	..	-100.0
Other	57.3	49.7	-13.2
	618.5	658.6	6.5
<i>Operating payments</i>			
Employee related expenses	- 181.2	- 156.6	-13.6
Purchases of supplies and services	- 362.1	- 415.4	14.7
Interest & finance expenses	- 0.1	..	-100.0
Capital assets charge	- 47.8	- 49.3	3.2
Current grants and transfer payments	- 6.8	- 6.1	-10.3
Capital grants and transfer payments	- 0.2	..	-100.0
Net cash from Operating Activities	20.5	31.3	52.8
Cash flows from Investing Activities			
Receipts from sale of land, fixed assets and investments	14.1	..	-100.0
Purchases of non-current assets	- 90.8	- 71.6	-21.1
Net Cash used in investing activities	- 76.7	- 71.6	-6.7
Cash flows from Financing Activities			
Receipts from appropriations - increase in net asset base	73.0	43.1	-41.0
Capital repatriated to Government	- 14.1	..	-100.0
Net borrowings and advances	..	..	..
Net Cash from financing activities	59.0	43.1	-26.9
Net increase in cash held	2.7	2.8	3.1
Cash at beginning of period	45.2	47.9	5.9
Cash at end of period	47.9	50.7	5.8
Cash Flows on behalf of State			
Receipts from Appropriations	47.5	87.2	83.4
Other	3.0	1.7	-44.5
Cash outflows from operating activities	- 53.3	- 51.4	-3.5
Cash outflows from investing activities	..	- 39.6	-
Cash outflows from financing activities	..	..	..
Net Cash Flows on behalf of State	- 2.8	- 2.2	-21.5

Source: Department of Treasury and Finance, Forward Estimates

Notes:

(a) State government cash paid for provision of outputs.

Authority for resources

This section details on the Parliamentary authority for the resources provided to a Department for the provision of outputs, increases in the net asset base or payments which are made on behalf of the State.

Table 2.6.34: Authority for Departmental Resources

(\$ million)		
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Annual Appropriations	577.0	578.9
Receipts Credited Appropriations	45.1	82.2
Gross Appropriations	622.1	661.1
Special Appropriations	..	..
Trust Fund Receipts	128.8	51.4
Non Public Account Revenue and other sources	..	..
Total Authority	796.0	794.7

Source: Department of Treasury and Finance, Forward Estimates

Annual appropriations

In 1998-99 the Department of Natural Resources and Environment will receive government annual appropriations totalling \$705.5 million. This figure is inclusive of the estimated carryover of funds from 1997-98. The actual carryover amount will be approved by the Treasurer pursuant to Section 32 of the Financial Management Act 1994 prior to 30 June.

Table 2.6.35: Gross Annual Appropriations by purpose

(\$ million)		
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Provision of Outputs	581.6	618.0
Additions to net asset base	40.5	43.1
Payments made on behalf of the State	44.1	44.4
Total	666.2	705.5

Source: Department of Treasury and Finance, Forward Estimates

Receipts Credited Appropriations

Pursuant to Section 29 of the *Financial Management Act 1994* funds are available as a result of:

- the provision of services directly to third parties by a department in return for payment (user charges);
- Specific Purpose Payments from the Commonwealth; or
- funds from the sale of departmental fixed assets.

In 1998-99 no department has applied for the proceeds of fixed asset sales to be credited to their appropriation pursuant to Section 29 of the *Financial Management Act 1994*.

Table 2.6.36: Details of Receipts Credited

	(\$ million)	
	1997-98 Budget	1998-99 Budget
User Charges	23.7	26.4
Commonwealth SPPs	21.4	55.9
Asset Sales	..	..
Total	45.1	82.2

Source: Department of Treasury and Finance, Forward Estimates

Special Appropriations

Special Appropriations are used for ongoing payments which need to be made independently of the Government's annual budget priorities. Special appropriations represent a standing authority and do not lapse each year as annual appropriations do, but remain in force until amended or repealed by Parliament.

Table 2.6.37: Details of Special Appropriations

(\$ million)

Special Appropriations	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>
Fisheries (Amendment) Act 1996 Scallop Licence Buy Back
Crown Proceedings - Act No. 6232
Total

*Source: Department of Treasury and Finance, Forward Estimates***Trust Fund Receipts**

These receipts are paid into a Trust Account within the Public Account. The trust account must be set up pursuant to certain provisions contained in the *Financial Management Act 1994* and are to enable departments to make payments for specific reasons as set out in the legislation authorising the creation of the trust account.

The funds paid into the account may come from four basic sources:

- State Government;
- Commonwealth Government;
- joint Commonwealth and State Government; or
- prizes, scholarships, research and private donations.

Non Public Account Revenue and other sources

Revenue from these sources includes receipts from user charges and other revenue that are collected and retained by agencies. This includes fees and charges levied by VicRoads, TAFE Institutes, school councils and hospitals.

Department of Premier and Cabinet

Part 1: Outlook and Outputs

Overview

The mission of the Department of Premier and Cabinet is to lead the provision of policy advice and project management that helps create sustainable growth, and a vibrant and innovative society for all Victorians.

The Department will achieve its mission through its principal objectives, which are:

- Contributing to *the informed decision making of Government* through the highest quality policy advice;
- improving the *lifestyle of Victorians* through the management of initiatives such as the *Arts 21* Strategy and the Community Support Fund and through government involvement in major infrastructure projects;
- ensuring that Victorians are kept informed of *key issues*, and that relevant government information is easily available to all;
- acknowledging and promoting the benefits inherent in a *multicultural and diverse society*;
- promoting the interests of both *metropolitan and rural communities* in all Government activities; and
- maintaining an *organisational culture* that emphasises continuous improvement, the pursuit of excellence, and exemplary management of people.

Scope and coverage

The output group and financial information for the Department of Premier and Cabinet includes consolidated information for the Department's five key core areas:

- the Cabinet Office;

- the Office of State Administration;
- the Special Projects Unit;
- the Multicultural Affairs Unit and
- Arts Victoria.

In addition the information encompasses the Premier's Private Office and the Portfolio Agencies of:

- the Office of the Governor;
- the Office of the Public Service Commissioner;
- the Office of the Ombudsman;
- the Office of the Chief Parliamentary Counsel;
- the Victorian Multicultural Commission;
- Museum of Victoria;
- National Gallery of Victoria;
- State Library of Victoria;
- Victorian Relief Committee; and
- Victorian Interpreting and Translating Service.

Review of 1997-98

The Department has progressed a number of initiatives in 1997-98, including:

- provision of high quality policy advice on a range of issues to the Premier, Cabinet and Cabinet Committees;
- development and implementation of National Competition Policy/Competitive Neutrality Policy;
- passing of the *Audit (Amendment) Act 1997*;
- development of a framework for continuous improvement (the DPC Improvement Model) and associated strategies;
- introduction of the Australian Quality Awards Criteria as a tool for the review and continuous improvement of work processes and management systems;
- successful re-engineering and application of information technology to facilitate improved communications and work flows, both within the department and across government via initiatives such as Government

Internet and Intranet Services, new ministerial and parliamentary communication computer environments and the Legislative Document Management System;

- development of improved business continuity and corporate governance strategies;
- progression of the major development works for the Museum of Victoria, State Library of Victoria, National Gallery of Victoria, Geelong Performing Arts Centre, Public Record Office, and Malthouse Plaza;
- progression of the establishment of Arts Houses at Fitzroy and North Melbourne Town Halls;
- evaluation of the outcomes of the regional performing arts centre study and development of an upgrade strategy;
- establishment of a new contemporary dance company;
- implementation of the Regional Arts Fund, the new Touring Victoria Program, and the second stage of the International Program;
- development of the industry-wide arts marketing plan and campaign;
- evaluation of the Promoting Leadership Program; and
- development of Arts Victoria multimedia products including an online calendar of events and a CD ROM showcasing Victorian arts touring products.

1998-99 Outlook

The Department operates within an environment (both public service and globally) of rapid and continuing change which has significant impact on the Department's performance. The Department therefore will be undertaking a number of corporate level strategies over the next three years to ensure that it is optimally positioned for the start of the new millennium. These strategies and initiatives include:

- continuing development of systems which ensure the Department's capacity to adjust its direction and offer new strategies and services to meet the demands of a dynamic and changing environment. This includes the implementation of the DPC Improvement Model (a framework for Continuous Improvement);
- coordination of the celebrations of the millennium and the centenary of federation via the Millennium and Centenary of Federation Committee;

- recognition of the dependence of the Department upon the experience and expertise of its staff, including a change in focus from the concept of *employment for life* to *employability for life*;
- continuing to position the Department to deliver improved customer service and achieve world's best practice;
- continuing to provide the key driving force for fostering a whole of government view throughout the Victorian Public Service in areas such as:
 - business continuity;
 - corporate governance;
 - strategic approaches to reform; and
 - benchmarking service delivery;
- establishing appropriate services online by the year 2001;
- continued improvement in the Arts Agencies to a greater level of flexibility and accountability;
- expansion of acquisition and exhibition programs and access to collections in the State Library of Victoria;
- upgrade and refurbishment of the Sydney Myer Music Bowl and the Royal Exhibition Building;
- commencement of a four year program to upgrade performing arts centres in regional Victoria;
- establishment of a temporary exhibition facility for the National Gallery of Victoria during the Gallery's redevelopment;

- State responsibilities for major international activities such as the Commonwealth Games, the Olympic Games and large scale major events; and
- continuing the application of information technology to facilitate improved communications and work flows.

Output Information

The following section provides details of the outputs to be provided by Premier and Cabinet:

Table 2.7.1: Output Group summary

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Strategic Leadership	34.6	40.7	17.5
Protocol and Events Management Services	2.8	2.5	-11.7
Re engineering of the Government's Cabinet, Parliamentary and Legislation System	0.3	2.0	-
Community Support Fund	88.1	69.0	-21.7
Government Information and Communications	6.4	7.3	12.8
Multicultural Affairs	3.7	2.9	-22.8
Implementation of Arts 21	129.7	146.9	13.3
Advice and Support to the Governor	4.2	4.5	6.9
Legislative Drafting and Publishing Services	2.8	3.0	7.0
Ombudsman Complaints Resolution	3.0	2.6	-12.1
Strategic Human Resource Management	6.2	4.6	-24.6
Total	281.8	285.9	1.5

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.7.2: Output Group Description and Outputs
Strategic Leadership**

Key Government Objectives:

- Provide policy advice to Government which contributes to the growth and development of Victoria and the efficient and effective operation of the Public Sector.

Description of the Output Group:

- The major aim is to lead, coordinate and participate in action which achieves the Government's priority objectives. Principal activities focus on providing advice to the Premier on:
 - policy development encompassing proactive identification of emerging issues and development of advice to the Premier;
 - policy coordination and analysis encompassing issues across Government and whole of government response;
 - policy implementation encompassing key projects implementing whole of government policies; and
 - services in support of the Governor, Premier and Ministers in attending to administrative Parliamentary and governance responsibilities.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Advice			
Quantity			
Capacity to provide advice	staff hours	nm	113 859
<i>Quality</i>			
Advice meets relevant quality standards	per cent	nm	100
<i>Timeliness</i>			
Agreed timelines, milestones or schedules met	per cent	nm	90
Support to Ministerial Leadership			
Quantity			
Capacity to provide support services	staff hours	nm	19 836
<i>Quality</i>			
Relevant quality standards are met	per cent	nm	100
<i>Timeliness</i>			
Agreed timelines, milestones or schedules met	per cent	nm	90

**Table 2.7.2: Output Group Description and Outputs
Strategic Leadership - *continued***

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Freedom of information services			
Quantity			
Volume of applications processed	number	nm	tbd
Capacity to provide support services	staff hours	nm	3 174
Quality			
Decisions upheld by internal reviews	per cent	nm	tbd
Decisions upheld by tribunals and courts	per cent	nm	tbd
Timeliness			
Statutory time limits met	per cent	nm	90

Source: Department of Premier and Cabinet

**Table 2.7.3: Output Group Costs
Strategic Leadership**

	<i>(\$ million)</i>		
	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
Total cost of output group	34.6	40.7	17.5
<i>Comprising:</i>			
Employee-related Expenses	23.0	21.3	-7.6
Purchases of Supplies and Services	7.4	12.3	67.3
Depreciation	1.4	1.0	-25.0
Capital Asset Charge	0.1	1.2	-
Other	2.8	4.9	75.7

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.7.4: Output Group Description and Outputs
Protocol and Events Management Services**

Key Government Objectives:

- Contributes to the achievement of a series of outcomes for Victoria including a stable financial position; more competitive enterprises; an attractive place to live, work and invest in; beneficial public services; and conservation of the State's environmental, cultural and heritage assets.

Description of the Output Group:

- Managing the Government's involvement in special events, such as the Grand Prix and Australia Day Celebrations, the Premier's official hospitality and the official visit programme for Heads of State and Ambassadorial visits. Also managed are the state aspects of the Australian system of Honours and Awards, the Premier's congratulatory message process for citizens' centenary birthdays and significant wedding anniversaries, and the Government's travel policies and public sector officers' travel overseas.

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Events and Visits Management Services			
Quantity			
Official visitor engagements within Australia which are directly related to Victoria	per cent	nm	50
Media promotion of special events by all major media outlets	per cent	nm	65
Quality			
Premier's satisfaction with programme delivery	per cent	85	100
Satisfactory security of special visitors	per cent	nm	100
Support from the general public for all special events which are a departmental responsibility	per cent	nm	95
Guest lists meet the Government's target audience	per cent	nm	90
Timeliness			
Timely delivery of events and visit arrangements	per cent	95	100

**Table 2.7.4: Output Group Description and Outputs
Protocol and Events Management Services - *continued***

<i>Major Outputs/Deliverables</i>	<i>Unit of Measure</i>	<i>1997-98 Target</i>	<i>1998-99 Target</i>
<i>Performance Measures</i>			
Celebration/Recognition Management			
Quantity			
High quality nominations to be available for the bi-annual meeting of the Public Service Medal Committee	number	nm	25
Quality			
Provision of honours and awards support to the satisfaction of the Premier and the Office of the Governor-General	per cent	85	100
Congratulatory messages/promotional material are relevant and accurate	per cent	nm	100
Timeliness			
Congratulatory messages/promotional material delivered on time	per cent	100	100

Source: Department of Premier and Cabinet

**Table 2.7.5: Output Group Costs
Protocol and Events Management Services**

	<i>(\$ million)</i>		
	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
Total cost of output group	2.8	2.5	-11.7
<i>Comprising:</i>			
Employee-related Expenses	0.8	0.5	-29.3
Purchases of Supplies and Services	2.0	1.9	-5.1
Depreciation	..	..	..
Capital Asset Charge	..	..	..
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

Table 2.7.6: Output Group Description and Outputs
Re-engineering of the Government's Cabinet, Parliamentary and
Legislation System

Key Government Objectives:

- Transforming the quality and effectiveness of Departmental and whole of government systems through Business Process Re-engineering (BPR).

Description of the Output Group:

- Design and implementation of best practice core business systems for Ministers, Members of Parliament and senior public servants and improve access to information for Government users and members of the public. This includes:
 - redevelopment of systems to support Government and Parliament (Cabinet and Exco systems);
 - development of a communications network for Ministers and Members of Parliament; and
 - implementation of a whole of government legislation management system (LDMS).

Major Outputs/Deliverables	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Re-engineered Core Business Systems			
Quantity			
Connected users	number	nm	250
Quality			
Quality and functionality of systems: user satisfaction survey	per cent	nm	90
New Communications Network for Ministers and Members of Parliament			
Quantity			
Design/installation of communications platform	number	nm	1
Successful connection of Ministers and Members of Parliament	number	nm	60
Quality			
Specification/implementation of standard operating environment	per cent	nm	100
Comparison of networks/services with other States	per cent	nm	80
Timeliness			
Portion of overall project completed	per cent	nm	30
292	Premier and Cabinet	Budget Estimates 1998-99	

Table 2.7.6: Output Group Description and Outputs
Re-engineering of the Government's Cabinet, Parliamentary and
Legislation System - *continued*

<i>Major Outputs/Deliverables</i>	<i>Unit of Measure</i>	<i>1997-98 Target</i>	<i>1998-99 Target</i>
<i>Performance Measures</i>			
New Whole of Government Legislation Management System			
Quantity			
Functions/services provided	number	nm	350
Successful connection of users	per cent	nm	100
Mandated use of system	per cent	nm	100
Quality			
Quality of design	per cent	nm	100
Adequacy of implementation planning	per cent	nm	100
Comparison with other governments	per cent	nm	100
Timeliness			
Portion of overall project completed	per cent	nm	100

Source: Department of Premier and Cabinet

Table 2.7.7: Output Group Costs
Re-engineering of the Government's Cabinet, Parliamentary and
Legislation System

	<i>(\$ million)</i>		
	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
Total cost of output group	0.3	2.0	-
<i>Comprising:</i>			
Employee-related Expenses	0.2	0.2	..
Purchases of Supplies and Services	..	..	..
Depreciation	0.1	1.4	-
Capital Asset Charge	..	0.1	100.0
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.7.8: Output Group Description and Outputs
Community Support Fund**

Key Government Objectives:

- Promote public awareness of the Community Support Fund and manage the Fund for the benefit of the Victorian community.

Description of the Output Group:

- The Community Support Fund Unit manages and administers funds from the Government's gaming machine revenue and makes recommendations on their use for a range of projects and programs of lasting benefit to the people of Victoria.

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Grants Program			
Quantity			
Applications processed	number	nm	530
Quality			
Project monitoring and evaluation is effective	per cent	nm	100
Timeliness			
Milestones achieved within agreed timelines	per cent	90	90
Community and Government Agency Awareness			
Quantity			
Public awareness events	number	10	15
Suitable outlets carrying application kits	number	nm	219
Quality			
Projects where Fund's contribution is recognised	per cent	100	100
Timeliness			
Timely advice given to potential applicants	per cent	nm	100

Source: Department of Premier and Cabinet

**Table 2.7.9: Output Group Costs
Community Support Fund**

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	88.1	69.0	-21.7
<i>Comprising:</i>			
Employee-related Expenses	..	..	..
Purchases of Supplies and Services	22.3	9.0	-59.8
Depreciation	..	..	..
Capital Asset Charge	..	..	..
Other	65.8	60.0	-8.8

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.7.10: Output Group Description and Outputs
Government Information and Communications**

Key Government Objectives:

- Communications and information policies, processes and services within the Department and across government.

Description of the Output Group:

- Implementation of communications programs and the provision of information services for the Department, Government and the public, including:
 - telephone, electronic and bookshop services;
 - whole of government communications and marketing services; and
 - establishment of best practice standards.

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Information material and publications			
Quantity			
Public contacts per officer	day	24	25
Increase in outreach activities	per cent	5	5
Quality			
Customer satisfaction measured through low telephone call drop out rate	per cent	5	<5
Timeliness			
Meets timeline requirements	per cent	nm	90
Communications Programs			
Quantity			
Increase in networked information services	per cent	nm	5
Quality			
Feedback from key customers on satisfaction	per cent	80	80
Timeliness			
Milestones achieved	per cent	nm	90

Table 2.7.10: Output Group Description and Outputs
Government Information and Communications - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Government Processes			
Quality			
Feedback from customers in terms of satisfaction	per cent	nm	80
Timeliness			
Milestones achieved	per cent	nm	90

Source: Department of Premier and Cabinet

Table 2.7.11: Output Group Costs
Government Information and Communications

	<i>(\$ million)</i>		
	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
Total cost of output group	6.4	7.3	12.8
<i>Comprising:</i>			
Employee-related Expenses	1.8	2.2	22.2
Purchases of Supplies and Services	4.5	4.8	7.8
Depreciation	0.1	0.2	100.0
Capital Asset Charge	..	..	..
Other	..	0.1	100.0

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.7.12: Output Group Description and Outputs
Multicultural Affairs (Multicultural Affairs Unit and Victorian Multicultural
Commission)**

Key Government Objectives:

- Assist State Government agencies to access Victoria's culturally and linguistically diverse community.

Description of the Output Group:

- Provide advice to Government and its agencies in the areas of immigration, settlement, community relations and multicultural affairs and provide inputs at a national and local level; and
- Management of grants programs.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Advice to Minister, Minister Assisting and Members of Parliament			
Quantity			
Briefs provided to Members of Parliament	number	nm	300
Quality			
Survey of Members of Parliament satisfaction levels	per cent	nm	75
Policy briefs returned for clarification	per cent	nm	<10
Timeliness			
Responses to requests for briefs within agreed timelines	per cent	nm	95
Funding Programs			
Quantity			
Grant funds allocated	number	nm	100
Language Allowance funds allocated	number	nm	70
Quality			
Use of grants monitored	per cent	100	100
Timeliness			
Grants allocated by target date	per cent	100	100

**Table 2.7.12: Output Group Description and Outputs
Multicultural Affairs (Multicultural Affairs Unit and Victorian Multicultural
Commission) - *continued***

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Advice to Government Agencies			
Quantity			
Statistical bulletins/major service guides published	number	nm	4
Quality			
Satisfaction of Agencies with advice	per cent	nm	75
Timeliness			
Advice meets milestones	per cent	nm	95

Source: Department of Premier and Cabinet

**Table 2.7.13: Output Group Costs
Multicultural Affairs (Multicultural Affairs Unit and Victorian Multicultural
Commission)**

	<i>(\$ million)</i>		
	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
Total cost of output group	3.7	2.9	-22.8
<i>Comprising:</i>			
Employee-related Expenses	0.8	0.7	-4.5
Purchases of Supplies and Services	1.7	0.9	-48.4
Depreciation	..	..	..
Capital Asset Charge	..	..	..
Other	1.3	1.3	..

Source: Department of Treasury and Finance, Forward Estimates

Table 2.7.14: Output Group Description and Outputs Implementation of Arts 21

Key Government Objectives:

- Implementation of the Arts 21 strategy.

Description of the Output Group:

- To promote the quality of life within Victoria through the effective promotion, management and implementation of the Arts 21 strategy, including:
 - funding of the Arts agencies;
 - development of the Arts infrastructure;
 - management of the Government's investment in the Arts industry; and
 - provision of policy advice, research and strategic planning for the Minister for the Arts.

Major Outputs/Deliverables	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Arts Agencies Governance			
Quantity			
Arts agencies funded	number	6	6
Governance and reform projects	number	nm	6
Quality			
Agency business plans and budgets developed and implemented in accordance with Government guidelines	per cent	nm	100
Service and funding agreements	number	6	6
Timeliness			
Service agreements in place	by date	nm	Dec 1998
Funding provided within cashflow forecasts	per cent	nm	100
Cultural Facilities and Major Projects Development			
Quantity			
Agency major projects managed	number	nm	9
Building Standards Compliance programs	number	10	10
Infrastructure development programs	number	nm	12

**Table 2.7.14: Output Group Description and Outputs
Implementation of Arts 21 - *continued***

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Cultural Facilities and Major Projects Development - <i>continued</i>			
Quality			
Government-owned facilities in compliance with Public Owned Buildings Standards	per cent	nm	100
Grants managed in accordance with published guidelines	per cent	nm	100
Infrastructure development projects delivered on time and on budget	per cent	nm	100
Timeliness			
Facility development works progressed in accordance with Building Management Plans	per cent	nm	100
Funding agreements in place with recipients within agreed timeframes	per cent	nm	100
Arts Industry Development			
Quantity			
Contracts with non-government sector clients	number	nm	99
Arts development grant programs	number	nm	3
Strategic intervention programs	number	nm	10
Publications and public events	number	nm	23
Quality			
Contracts are managed and acquitted within established guidelines	per cent	nm	100
Grants and performance agreements are managed and acquitted in accordance with published guidelines	per cent	nm	100
Strategic interventions meet identified priorities	per cent	nm	100
Client satisfaction	per cent	nm	80

**Table 2.7.14: Output Group Description and Outputs
Implementation of Arts 21 - *continued***

Major Outputs/Deliverables	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Arts Industry Development - <i>continued</i>			
Timeliness			
Contracts are in place and acquitted within agreed timeframes	per cent	nm	100
Funding programs delivered within agreed timeframes	per cent	nm	100
Strategic interventions delivered within agreed timeframes	per cent	nm	100
Publications produced and distributed within agreed timeframes	per cent	nm	100
Policy advice			
Quantity			
Capacity for Ministerial briefings	number	nm	400
Research projects	number	nm	7
Planning projects	number	nm	6
Quality			
Briefings meet quality criteria for content and presentation	per cent	nm	100
Research projects methodology meets industry standards	per cent	nm	100
Ministerial satisfaction/sign-off on planning documents	per cent	nm	100
Timeliness			
Briefings: deadlines met	per cent	nm	100
Research projects completed within established timelines	per cent	nm	100
Government deadlines met for portfolio planning	per cent	nm	100

Source: Department of Premier and Cabinet

**Table 2.7.15: Output Group Costs
Implementation of Arts 21**

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	129.7	146.9	13.3
<i>Comprising:</i>			
Employee-related Expenses	29.8	40.8	37.3
Purchases of Supplies and Services	20.0	20.0	..
Depreciation	16.6	9.1	-45.4
Capital Asset Charge	32.0	46.7	45.9
Other	31.4	30.3	-3.4

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.7.16: Output Group Description and Outputs
Advice and Support to the Governor**

Key Government Objectives:

- The Governor is able to discharge his duties for the benefit of the people of Victoria.

Description of the Output Group:

- Provision of high quality advice and administrative support to the Governor, including advice on legal, policy and constitutional issues, the organisation of constitutional and ceremonial duties, the management and the upkeep of the cultural heritage, buildings and gardens of Government House and collections therein, and hospitality for a range of events hosted by the Governor and the Premier, including annual events for charitable organisations.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Advice and administrative support to the Governor			
Quantity			
Various events and visits by Governor within Victoria and overseas arranged:			
• Victoria	number	nm	tbd
• Overseas	number	nm	3
Responses provided to all correspondence and Governor briefed where required	per cent	nm	100
Quality			
Satisfaction of Governor with policy advice, administrative processes and outputs	per cent	nm	95
Premier satisfied with policy advice and event and visit arrangements	per cent	nm	95
Timeliness			
Timely arrangement of events and services	per cent	nm	100
Heritage assets and Maintenance			
Quantity			
Upkeep is in accordance with established daily, weekly and monthly routines		nm	tbd

**Table 2.7.16: Output Group Description and Outputs
Advice and Support to the Governor - *continued***

Major Outputs/Deliverables	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Heritage assets and Maintenance - <i>continued</i>			
Quality			
Satisfaction of Governor with standard and physical appearance of Government House and grounds and security	per cent	85	95
Minor works and other services performed to agreed specifications	per cent	100	100
Timeliness			
Services are timely and milestones in contracts met	per cent	100	100
Entertainment and Hospitality			
Quantity			
Events and hospitality arranged in response to requests by Governor and Premier	number	nm	tbd
Quality			
High quality of service provided to guests	per cent	nm	95
Governor's satisfaction level, based on monthly review and comparative analysis with like functions	per cent	95	95
Timeliness			
Milestones achieved within agreed time limits	per cent	100	100

Source: Department of Premier and Cabinet

**Table 2.7.17: Output Group Costs
Advice and Support to the Governor**

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	4.2	4.5	6.9
<i>Comprising:</i>			
Employee-related Expenses	1.7	1.6	-4.9
Purchases of Supplies and Services	1.2	1.2	..
Depreciation	0.5	0.6	20
Capital Asset Charge	0.8	1.1	27.0
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.7.18: Output Group Description and Outputs
Legislative Drafting and Publishing Services (Office of the Chief
Parliamentary Counsel)**

Key Government Objectives:

- Provision of legislative drafting services for the Parliament and across government and published legislation to meet community needs.

Description of the Output Group:

- The Office of the Chief Parliamentary Counsel drafts Bills for the Victorian Parliament and drafts and settles Statutory Rules, provides legal and administrative advice on legislation, publishes and reprints Acts and Statutory Rules and maintains a database of legislation.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Legislative Drafting			
Quantity			
Bills and Statutory Rules (SRs) for Parliament prepared in accordance with Cabinet program	bills	nm	110
	SRs	nm	170
Quality			
Bills and Statutory Rules drafted efficiently and to the highest standard demanded by Ministers and Departments	per cent	95	95
Timeliness			
Services delivered within agreed timelines	per cent	95	95
Legislative Publishing			
Quantity			
Annual printing targets achieved	number	nm	150
Quality			
Accuracy levels maintained in terms of document management, printing and publishing	per cent	nm	95
Timeliness			
Management systems maintained and products delivered within agreed timelines	per cent	nm	95
<i>Source: Department of Premier and Cabinet</i>			
Budget Estimates 1998-99	Premier and Cabinet		307

**Table 2.7.19: Output Group Costs
Legislative Drafting and Publishing Services (Office of the Chief
Parliamentary Counsel)**

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	2.8	3.0	7.0
<i>Comprising:</i>			
Employee-related Expenses	2.0	2.2	9.0
Purchases of Supplies and Services	0.7	0.7	..
Depreciation	0.1	0.1	..
Capital Asset Charge	..	..	..
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.7.20: Output Group Description and Outputs
Ombudsman Complaints Resolution (Office of the Ombudsman)**

Key Government Objectives:

- Improve the accountability of Government agencies to the public and the Parliament, promote fair and reasonable public administration and investigate complaints fairly.

Description of the Output Group:

- The Office of the Ombudsman investigates complaints made against State Government agencies or local government officers and investigates or reviews complaints made against Victoria Police Force members. It also ensures that all areas of the community have access to information and assistance.
- The Office inspects the records of the Victoria Police in respect of lawful interceptions of telephone conversations to ensure compliance with the law.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Complaints investigation within the general jurisdiction			
Quantity			
Finalise consideration of complaints	number	nm	2 700
Quality			
Satisfaction of the Ombudsman and Parliament with the process	per cent	95	100
Timeliness			
Complaints finalised within agreed timelines	per cent	nm	90
Complaints investigation within the police jurisdiction			
Quantity			
Finalise consideration of complaints	number	nm	2 500
Quality			
Satisfaction of the Ombudsman and Parliament with the process	per cent	95	100
Timeliness			
Complaints finalised within agreed timelines	per cent	nm	90
Budget Estimates 1998-99	Premier and Cabinet		309

**Table 2.7.20: Output Group Description and Outputs
Ombudsman Complaints Resolution (Office of the Ombudsman) -
continued**

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Public awareness and education			
Quantity			
Requests responded to	number	nm	16 000
Country access programs	number	nm	20
Reports and leaflets produced	number	nm	4
Quality			
Satisfaction of the Ombudsman and Parliament with the process	per cent	nm	100
Timeliness			
Prompt responses	per cent	nm	100
Police telecommunication interceptions monitoring			
Quantity			
Number of warrant inspections	number	nm	400
Quality			
Satisfaction of the Ombudsman and Commonwealth Attorney-General with the process	per cent	95	100
Timeliness			
All applicable records inspected within timeframes	per cent	nm	100

Source: Department of Premier and Cabinet

**Table 2.7.21: Output Group Costs
Ombudsman Complaints Resolution (Office of the Ombudsman)**

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	3.0	2.6	-12.1
<i>Comprising:</i>			
Employee-related Expenses	1.8	1.8	..
Purchases of Supplies and Services	1.1	0.8	-33.1
Depreciation	..	..	..
Capital Asset Charge	..	..	..
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.7.22: Output Group Description and Outputs
Strategic Human Resource Management (Office of the Public Service
Commissioner)**

Key Government Objectives:

- Lead continuous improvement in people management, so as to enable public sector agencies to serve their customers better.

Description of the Output Group:

- The Public Service Commissioner provides Ministers and chief executives in the public sector with independent advice on managing people and through the Office supports policies and continuous improvement in people management.

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
VPS Workforce Planning and Reporting			
Quantity			
Reports to Government on the public sector workforce	number	4	4
Issues of <i>Victorian Public Service</i> Notices published	number	26	26
Quality			
Agency satisfaction with processes and protocols through survey	per cent	nm	85
Timeliness			
Advice provided within timelines	per cent	100	100
Workforce strategies communicated to portfolios within two days of Government decisions	per cent	100	100
Employment and Remuneration Policies			
Quantity			
Services to support best practice:			
• newsletters	number	nm	4
• case studies	number	nm	1
• forums	number	nm	6
Reports to Government on remuneration policy – executive and non-executive, non judicial statutory and other Government agencies	number	3	4

**Table 2.7.22: Output Group Description and Outputs
Strategic Human Resource Management (Office of the Public Service
Commissioner) - *continued***

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Employment and Remuneration Policies - <i>continued</i>			
Quality			
Agency through satisfaction with support services: survey	per cent	nm	85
Timeliness			
Advice to Premier provided within timelines	per cent	100	100
Human Resource Development Programs			
Quantity			
Executive development program contact days (<i>and executive officers participating</i>)	number	nm (65)	72 (110)
Current topic seminar contact days (<i>and executive officers participating</i>)	number	10 (400)	6 (200)
Graduate Recruitment -			
• graduates recruited	number	30	30
• development program contact days	number	nm	84
Issues of <i>FOCUS</i> published	number	4	4
Human resource management forums held	number	4	9
Quality			
Satisfaction of executive officers with programs	per cent	nm	75
Satisfaction of graduates with programs	per cent	nm	90
Victorian Public Service training requirements met	per cent	nm	100
Customer satisfaction with communications	per cent	90	90
Timeliness			
Programs delivered on time	per cent	nm	90

Source: Department of Premier and Cabinet

**Table 2.7.23: Output Group Costs
Strategic Human Resource Management (Office of the Public Service
Commissioner)**

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	6.2	4.6	-24.6
<i>Comprising:</i>			
Employee-related Expenses	2.9	2.4	-18.0
Purchases of Supplies and Services	3.2	2.2	-30.9
Depreciation	0.1	0.1	..
Capital Asset Charge	..	..	..
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

Part 2: Financial Information

This part provides the financial tables that support the department's provision of outputs. This information can assist the reader to assess a department's financial performance.

The information provided includes a statement of financial position, operating statement and cash flow statement for the department as well as tables detailing departmental expenses and revenue.

The total resources planned to be available to the department for the delivery of outputs, investment in departmental assets and other purposes in respect of the 1998-99 financial year are outlined in the following table.

Table 2.7.24: Summary of departmental resources available

Resources	(\$ million)	
	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>
Outputs purchased by State government	275.0	286.1
Outputs purchased by other parties	3.8	3.0
Operating revenue from provision of outputs sub-total	278.8	289.2
Government contribution to increasing net asset base	167.1	171.1
Funding for Payments made on behalf of the State	..	..
TOTAL	445.9	459.7

Source: Department of Treasury and Finance, Forward Estimates

The available resources are applied to three uses:

- the provision of outputs;
- payments on behalf of the State; or
- asset investment.

The table below shows the break-up of the available resources across the three categories of uses.

Table 2.7.25: Summary of use of resources
(\$ million)

	1997-98 Budget	1998-99 Budget
Output provision expenses	281.8	286.1
Payments made on behalf of the State	..	..
Gross Fixed Asset Investment less Depreciation	167.1	171.1
Total Uses	448.9	457.3

Source: Department of Treasury and Finance, Forward Estimates

Payments on behalf of the State are payments made by the department on behalf of the State Government as a whole and do not directly reflect the operations of the department.

Table 2.7.26: Payments made on behalf of the State
(\$ million)

	1997-98 Budget	1998-99 Budget
Payments made on behalf of the State	na	na

Source: Department of Treasury and Finance, Forward Estimates

The table below lists the source of departmental funds for Gross Fixed Asset Investment. Asset investment is equal to Gross Fixed Asset Investment (purchase of new assets) less reductions in existing fixed assets, through depreciation and asset sales.

Table 2.7.27: Gross Fixed Asset Investment
(\$ million)

	1997-98 Budget	1998-99 Budget
Financial Assets (attributable to depreciation expense)	18.9	12.5
Appropriation for increases in the net asset base	167.1	171.1
Fixed Asset Sales	..	..
Own account and other (including retained earnings)	32.9	5.7
Total Gross Fixed Asset Investment	218.9	189.3

Source: Department of Treasury and Finance, Forward Estimates

The operating statement, statement of financial position and a cash flow statement are provided below. This information includes non-public account revenue from services provided by the department to third parties in exchange for payment. Currently this includes user charges, and fees for services retained outside the Public Account.

Table 2.7.28: Departmental operating statement

(\$ million)			
	1997-98 Budget	1998-99 Budget	Variation %
Operating Revenue			
Revenue from State Government ^(a)	275.0	286.1	4.1
Commonwealth	..	..	..
Other revenue	3.8	3.0	-20.6
Total	278.8	289.2	3.7
Operating Expenses			
Employee Related Expenses ^(c)	67.0	71.8	7.1
Purchases of Supplies and Services ^(d)	64.1	54.0	-15.7
Depreciation ^(e)	18.9	12.5	-33.9
Capital Asset Charge	32.9	49.1	49.1
Other Expenses	98.9	98.9	0.0
Total	281.8	286.1	1.5
Operating Surplus/Deficit	- 3.1	3.0	-

Source: Department of Treasury and Finance, Forward Estimates

Notes:

- (a) State government payments for provision of outputs. Includes estimated carryover of 1997-98 appropriation amounts. Actual carryover is subject to approval by the Treasurer prior to 30 June pursuant to Section 32 of the Financial Management Act, 1994.
- (b) Includes revenue for services delivered to parties outside government.
- (c) Includes salaries and allowances, superannuation contributions and payroll tax.
- (d) Includes payments to non-government organisations for delivery of services.
- (e) Includes amortisation of leased assets.

Table 2.7.29: Statement of Financial Position

(\$ thousand)

	Estimated as at 30 June		
	1998	1999	Variation %
Assets			
Current Assets			
Cash	94 695	79 221	-16.3
Investments	10 571	10 571	..
Receivables	5 032	5 160	2.5
Prepayments	492	492	..
Inventories	1 904	1 904	..
Other Assets	..	..	..
Total Current Assets	112 694	97 348	-13.6
Non-Current Assets			
Investments	4 698	17 464	271.7
Receivables	1 845	2 269	23.0 ^(a)
Fixed Assets	1293 237	1470 090	13.7
Other Assets	..	..	..
Total Non-Current Assets	1299 780	1489 823	14.6
Total Assets	1412 474	1587 171	12.4
Liabilities			
Current Liabilities			
Payables	6 581	6 781	3.0
Borrowing	..	..	..
Employee Entitlements	3 900	4 028	3.3
Superannuation	..	..	..
Other Liabilities	512	512	..
Total Current Liabilities	10 994	11 322	3.0
Non-Current Liabilities			
Payables	- 20	- 20	..
Borrowing	..	..	..
Employee Entitlements	6 991	7 415	6.1
Superannuation	..	..	..
Other Liabilities	..	..	..
Total Non-Current Liabilities	6 971	7 395	6.0
Total Liabilities	17 964	18 716	4.1
Net Assets	1394 509	1568 454	12.5

Source: Department of Treasury and Finance, Forward Estimates

Notes:

(a) Increase in receivable is predominantly due from the State and results from appropriated but undrawn funds for depreciation and employee entitlements.

Table 2.7.30: Cash flow statement

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Cash flows from operating activities			
<i>Operating receipts</i>			
Receipts from State Government ^(a)	272.0	285.6	5.0
Commonwealth payments	..	..	..
Other	3.8	2.8	-25.8
	275.8	288.5	4.6
<i>Operating payments</i>			
Employee related expenses	- 66.4	- 72.6	9.4
Purchases of supplies and services	- 66.2	- 54.1	-18.3
Interest & finance expenses	..	..	..
Capital assets charge	- 32.9	- 49.1	49.1
Current grants and transfer payments	- 82.4	- 74.5	-9.6
Capital grants and transfer payments	- 16.5	- 22.9	38.5
Net cash from Operating Activities	11.5	15.3	33.6
Cash flows from Investing Activities			
Receipts from sale of land, fixed assets and	..	..	..
Purchases of non-current assets	- 218.9	- 202.1	-7.7
Net Cash used in investing activities	- 218.9	- 202.1	-7.7
Cash flows from Financing Activities			
Receipts from appropriations – increase in net asset base	167.1	171.1	2.4
Capital repatriated to Government	..	..	..
Net borrowings and advances	0.2	0.2	..
Net Cash from financing activities	167.3	171.3	2.4
Net increase in cash held	- 40.2	- 15.5	-61.5
Cash at beginning of period	134.9	94.8	-29.8
Cash at end of period	94.8	79.3	-16.3

Source: Department of Treasury and Finance, Forward Estimates

Notes:

(a) State government cash paid for provision of outputs.

Authority for resources

This section details on the Parliamentary authority for the resources provided to a Department for the provision of outputs, increases in the net asset base or payments which are made on behalf of the State.

Table 2.7.31: Authority for Departmental Resources

(\$ million)		
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Annual Appropriations	350.3	383.6
Receipts Credited Appropriations	0.5	0.5
Gross Appropriation	350.8	384.1
Special Appropriations	89.1	89.1
Trust Fund Receipts	3.8	2.8
Non Public Account Revenue and other sources	..	..
Total Authority	443.7	476.0

Source: Department of Treasury and Finance, Forward Estimates

Annual appropriations

In 1998-99 the Department of Premier and Cabinet will receive government annual appropriations totalling \$384.1 million. This figure is inclusive of the estimated carryover of funds from 1997-98. The actual carryover amount will be approved by the Treasurer pursuant to Section 32 of the *Financial Management Act 1994* prior to 30 June.

Table 2.7.32: Gross Annual Appropriations by purpose

(\$ million)		
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Provision of Outputs	183.7	213.0
Additions to net asset base	167.1	171.1
Payments made on behalf of the State	..	..
Total	350.8	384.1

Source: Department of Treasury and Finance, Forward Estimates

Receipts Credited Appropriations

Pursuant to Section 29 of the *Financial Management Act 1994* funds are available as a result of:

- the provision of services directly to third parties by a department in return for payment (user charges);
- Specific Purpose Payments from the Commonwealth; or
- funds from the sale of departmental fixed assets.

In 1998-99 no department has applied for the proceeds of fixed asset sales to be credited to their appropriation pursuant to Section 29 of the *Financial Management Act 1994*.

Table 2.7.33: Details of Receipts Credited

	(\$ million)	
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
User Charges	0.5	0.5
Commonwealth SPPs	..	..
Asset Sales	..	..
Total	0.5	0.5

Source: Department of Treasury and Finance, Forward Estimates

Special Appropriations

Special Appropriations are used for ongoing payments which need to be made independently of the Government's annual budget priorities. Special appropriations represent a standing authority and do not lapse each year as annual appropriations do, but remain in force until amended or repealed by Parliament.

Table 2.7.34: Details of Special Appropriations

(\$ million)

Special Appropriations	1997-98 Budget	1998-99 Budget
Gaming Machine Control Act No. 53/1991, Secs 137 & 138	84.3	84.3
Parliamentary Salaries and Allowances - Act No. 7723	4.4	4.4
Executive Council - Act No. 8750	0.1	0.1
Governor's Salary - Act No. 5/1992	0.1	0.1
Ombudsman - Act No. 8414	0.2	0.2
Total	89.1	89.1

Source: Department of Treasury and Finance, Forward Estimates

Trust Fund Receipts

These receipts are paid into a Trust Account within the Public Account. The trust account must be set up pursuant to certain provisions contained in the Financial Management Act 1994 and are to enable departments to make payments for specific reasons as set out in the legislation authorising the creation of the trust account.

The funds paid into the account may come from four basic sources:

- State Government;
- Commonwealth Government;
- joint Commonwealth and State Government; or
- prizes, scholarships, research and private donations.

Non Public Account Revenue and other sources

Revenue from these sources includes receipts from user charges and other revenue that are collected and retained by agencies. This includes fees and charges levied by VicRoads, TAFE Institutes, school councils and hospitals.

Department of State Development

Part 1: Outlook and Outputs

Overview

The Department's mission is to be a lead agency in positioning Victoria for sustained development and innovation in the world economy in a way that delivers an improved lifestyle for all Victorians. All of the Department's programs are directed to positioning Victoria for wealth and jobs in the global, knowledge economy.

The Department supports the six Ministerial portfolios of Industry, Science and Technology, Small Business, Tourism, Sport, Rural Development and Multimedia. With its focus on manufacturing and services industries, information and communications technology, tourism, small business, the labour market and, increasingly, the sports industry, the Department has primary responsibility for the Government's interface with key wealth creating sectors of the economy.

The output group and financial information for the Department of State Development includes consolidated information for the following entities:

- Department of State Development; and
- Tourism Victoria.

The Department has wide ranging responsibilities for coordinating whole of government policy advice and service delivery to the business community. Its role encompasses:

- creating an **international profile** for Victoria;
- promoting growth in **jobs and investment**;
- improving **export performance**;
- creating a positive **business ethos**;
- developing a skill **base for the 21st century**;
- taking **Victoria on-line**;

- developing **recreational infrastructure**;
- securing and managing **major events**;
- attracting domestic and overseas **tourists**;
- encouraging **participation in sport**; and
- providing a lead role in **regulation reform**.

Review of 1997-98

During 1997-98 the Department performed well against its planned targets for the year despite the impact of the Asian economic crisis which influenced both investment and tourism levels from early 1998 and which will continue to provide a critical challenge for the department throughout 1998-99. Key achievements for 1997-98 included:

- *Investment attraction*

Continuing high levels of investment attracted with a total of over \$1.1 billion expected to be achieved.

- *Policy leadership*

The Federal Government industry policies released during the year have reflected the position advocated by this State. Victoria has also taken a strong leadership position with the establishment of the International Fibre Centre and the development of the Food Industry policy.

- *Sports facilities and events*

Completion on schedule and within budget of the \$65 million Melbourne Sports and Aquatic Centre and a major upgrade of facilities for competitors and spectators at Olympic Park. Successful negotiation of arrangements for Melbourne to host games of the Sydney 2000 Olympic Soccer tournament and a successful international bid for Melbourne to host the 2002 World Masters Games.

- *Retail tenancies reform*

Retail Tenancies Reform legislation forms part of the Government's legislative program for Autumn 1998. The adoption of the legislation will ensure meaningful disclosure prior to commencement of retail leases, improve the access to reasonable cost dispute resolution and further improve the business operating environment, particularly for small business.

- *Tourism industry regulation review*

The Regulation Reform Taskforce on Tourism completed a review of regulation in the tourism sector. This involved partnership with industry representatives and others to review all regulation and practices which are perceived to hinder industry development. Coordination of implementation is being effected through consultation with the relevant portfolio Ministers who hold responsibility for the legislation, regulations, associated administrative policies and practices.

- *Victoria as a major tourism destination*

Trends in international tourism visitation continue to be very positive (7 per cent increase over the last year) as do those for domestic tourism. Victoria has had the largest average annual increase of all States in domestic nights (8 per cent increase from 1993 to 1997).

- *Victoria On-Line*

Successful implementation of on-line government through the maxi channel and national leadership through the On-line Council.

Variations from previous year

During 1997-98 the Department also undertook a review of its outputs involving the creation of an output group structure which reflects key industry sectors. As a result the specification of outputs in a number of cases has altered.

1998-99 Outlook

Key initiatives for 1998-99 include:

- *Investment*

Developments in Asia will require refocussed effort in investment attraction with priority areas identified (e.g. targeting key corporate investors, positioning and marketing Victoria and increasing Victoria's presence overseas in markets like North America).
- *Exports*

Also in response to the threat on exports of the Asian crisis, export activity will be increased through a comprehensive program of export enterprise development, information, referral and promotion.
- *Technology and innovation*

A coordinated strategic approach to fostering the State's science, engineering and technology capabilities as outlined in the 'Creating Our Future' statement released in July 1997 will be a major priority for implementation in 1998-99.
- *Regulation reform*

An industry sector review strategy was adopted for the review of the tourism sector. Additional sectors are being identified for review. At the same time, the Department is examining a broader role as the lead agency in regulation reform.
- *Sport*

Facility upgrades to support Melbourne's 2006 Commonwealth Games bid will be continued and organisational arrangements put in place for the Melbourne games of the Sydney 2000 Olympic Soccer tournament as well as the 2002 World Masters Games.
- *Tourism*

In light of the Asian economic crisis, Tourism Victoria's strategies will be to maintain its momentum in its marketing program in international markets. Tourism Victoria's strategies will also focus on maintaining domestic market share in a climate of increased competition from other States.

- *Victoria On-Line*

The implementation of the Government's commitment to put government services online by 2001 will be advanced by increased effort and funding for additional online services for maxi, the business channel and the land channel.

Output Information

The following section provides details of the outputs to be provided by State Development:

Table 2.8.1: Output Group summary

<i>(\$ million)</i>			
	<i>1997-98</i>	<i>1998-99</i>	<i>Variation</i>
	<i>Budget</i>	<i>Budget</i>	<i>%</i>
Strategic Leadership	18.7	17.2	-8.3
Business Development	99.0	84.5	-14.7
Workforce Capability	18.8	16.3	-13.1
Sport, Recreation and Racing	30.6	27.0	-11.9
Small Business and Regulation Reform	14.7	13.8	-6.0
Tourism	33.5	39.0	16.5
Total	215.3	197.8	-8.2

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.8.2: Output Group Description and Outputs
Strategic Leadership**

Key Government Outcomes:

- Strategic economic leadership
- Positioning the State for the 21st century

Description of the Output Group:

- A core component of the Department's role is to assist Ministers in strategic leadership for the economic development of Victoria. This includes the identification of drivers and impediments to growth and development of policy actions to promote Victoria's economic development interests.

<i>Major Outputs/Deliverables</i>	Units of measure	1997-98 Target	1998-99 Target
Performance Measures			
Policy Advice The capacity within the Department to deliver advice to government on portfolio related issues. This advice is provided in the form of policy papers, submissions and issue briefings. This output includes the provision of secretariat and other services to national policy coordination committees.			
<i>Quality</i>			
Advice meets relevant quality standards	per cent	nm	100
<i>Timeliness</i>			
Agreed timelines or milestones met	per cent	nm	95
Policy Leadership Policy Leadership covers the identification of those issues of key importance to the long term economic development of Victoria.			
<i>Timeliness</i>			
Agreed timelines or milestones met	per cent	nm	95
Strategic Projects The management of projects of strategic economic importance. Key deliverables include Fibre policy, Food Victoria, Coode Island, and the Year 2000 Millennium Project.			
<i>Quantity</i>			
Number of projects managed	number	nm	4
<i>Timeliness</i>			
Completion of projects within agreed timelines	per cent	nm	95

**Table 2.8.2: Output Group Description and Outputs
Strategic Leadership - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	<i>Units of measure</i>	1997-98 Target	1998-99 Target
Science, Engineering and Technology Policy The provision of policy leadership across Government on science, engineering and technology issues including delivery of strategic projects.			
<i>Quantity</i>			
Review of public sector expenditure on Science in Victoria	date	nm	Dec 1998
Awarding of Victoria Prize and Victoria Fellowships	date	nm	May 1999
Meetings of the Premier's SET Taskforce	number	nm	4

Source: Department of State Development

**Table 2.8.3: Output Group Costs
Strategic Leadership**

	(\$ million)		
	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
Total cost of output group	18.7	17.2	-8.3
<i>Comprising:</i>			
Employee-related Expenses	6.5	6.4	-1.2
Purchases of Supplies and Services	5.8	4.4	-24.6
Depreciation	0.6	0.6	..
Capital Asset Charge	0.1	0.1	..
Other	5.8	5.7	-0.8

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.8.4: Output Group and Outputs
Business Development**

Key Government Outcomes:

- Improved competitiveness of Victorian businesses and improved investment in Victoria.
- Increasing jobs, business and educational opportunities for all Victorians.
- Positioning the State for the 21st century.

Description of the Output Group:

- The Business Development output group provides support and development for manufacturing, service and the multimedia industries.
- Through Business Victoria there is a continued focus on a small number of sectors which confer economy-wide capabilities and reflect comparative advantage.

<i>Major Outputs/Deliverables</i> Performance Measures	Units of measure	1997-98 Target	1998-99 Target
Industry Investment Recruitment and Facilitation To recruit investment to Victoria, Business Victoria and Multimedia Victoria, identify investment opportunities and negotiate with potential investors; actively market Victoria as an investment destination; facilitate individual investment projects; and help to establish a productive investment environment with a focus on major investors, areas of Victorian competitive advantage and regional Victoria.			
<i>Quantity</i>			
New Investments Facilitated & Announced	\$m	1 100 - 1 500	1 000
% Rural	per cent	25	25
Investment Projects under Investigation	\$m	4 000 - 5 000	4 000
Export Capability/Import Replacement and Facilitation Businesses, including regional businesses, are assisted in their export activities through trade missions, export market planning and lifting export management skills. The Industrial Supplies Office identifies the supply capabilities of Australian industry and introduce purchasers to potential suppliers for the purposes of import replacement and export.			
<i>Quantity</i>			
Exports facilitated	\$m	nm	600
<i>Quality</i>			
Industrial Supplies Office Import Replacement	\$m	nm	50

Table 2.8.4: Output Group Description and Outputs
Business Development - *continued*

<i>Major Outputs/Deliverables</i> Performance Measures	Units of measure	1997-98 Target	1998-99 Target
Promoting Victoria This output covers deliverables with a wider scope or long term focus than complementary investment recruitment & facilitation and export capability/import replacement and facilitation outputs. Key programs of this output include Visitations/Delegations (Investment Centre); Advantage Melbourne; Overseas Offices; and Alumni Program.			
<i>Quantity</i>			
Number of Visitations/Delegations (Investment Centre)	number	nm	5,000 visitors, including 1,500 overseas visitors
Enterprise Development Businesses (including small to medium enterprises) throughout Victoria are provided assistance such as information and subsidised consultancies through a number of programs designed to improve business competitiveness. Key programs of this output include AusIndustry; Investment Ready; Partnerships for Growth; Supply Chain Partnership; and Quick Response.			
<i>Quantity</i>			
Business improvement services	number	600	500
% Rural	per cent	25	25
Regional Infrastructure Support Support is provided through two key strategies of the Partnerships for Growth program which target new infrastructure to improve the business environment; and the enhancement of local community assets.			
<i>Quantity</i>			
Number of Rural Community Development Scheme Projects	number	nm	50
Multimedia Industry Development This output implements an industry policy for the supply side of the information industries, targeting investment attraction and export development.			
<i>Quantity</i>			
Number of projects directed at:			
• Investment recruitment	number	nm	20 ^(a)
• Export development	number	nm	40

**Table 2.8.4: Output Group Description and Outputs
Business Development - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Units of measure	1997-98 Target	1998-99 Target
Online Government Projects Key projects in 1998-99 include maxi contract management; Online 2001 strategy management; Business Channel phase 2 (Transactions); Land Channel phase 2 (geo-spatial information); maxi call centre.			
<i>Quantity</i>			
Number of projects	number	nm	6 major projects
<i>Quality</i>			
Specific project quality standards	per cent	nm	90
<i>Timeliness</i>			
Project timelines met	per cent	nm	90
Best Practice Government ICT Use Projects Key projects in 1998-99 include IT&T policies; the Vic-One wide area network; standardised desktop; Year 2000 audits; telecommunications purchasing; cross-Departmental coordination; whole of government IT&T contracts.			
<i>Quantity</i>			
Number of projects	number	nm	8
<i>Quality</i>			
Specific project quality standards	per cent	nm	90
<i>Timeliness</i>			
Project timelines met	per cent	nm	90
Information Economy and Society Development This output introduces and exposes the general population and small business in particular to the capabilities of new technology.			
<i>Quantity</i>			
Number and value of projects directed to use of ICT for:		nm	
• Business use of IT and electronic commerce	number	nm	10
• Cultural and research institutions	number	nm	4
• Community access	number	nm	2
<i>Quality</i>			
Specific project standards	per cent	nm	90
<i>Timeliness</i>			
Project timelines met	per cent	nm	90
332	State Development	Budget Estimates 1998-99	

Table 2.8.4: Output Group Description and Outputs
Business Development - *continued*

<i>Major Outputs/Deliverables</i> Performance Measures	Units of measure	1997-98 Target	1998-99 Target
Financial Services and Investment Attraction for the Film Industry To provide investment attraction and financial services to develop the Victorian film, television and multimedia industries; including the Melbourne Film Office, the discounting facility (Committed Fund Facility (CFF)), and the Multimedia 21 fund.			
<i>Quantity</i>			
Recoupment on multimedia development projects	per cent	nm	33
Recoupment on film and TV investment portfolio	per cent	nm	33
Leverage funding - Film Victoria : other investors	ratio	nm	1:8
Script development strike rate	per cent	nm	23.9
Value of production facilitated in Victoria through CFF	\$m	nm	4
Value of outsourced audio visual and multimedia production	\$m	nm	3
Export film services attracted to Victoria	\$m	nm	10
<i>Quality</i>			
Positive client evaluation of :			
• Melbourne Film Office	per cent	nm	90 plus
• Office of Audio Visual Communication	per cent	nm	90 plus
• Film Victoria	per cent	nm	90 plus
• Multimedia 21 Fund	per cent	nm	90 plus
<i>Timeliness</i>			
Turnaround of film investment applications within Cinemedia	weeks	nm	8
Turnaround time on location surveys	weeks	nm	2

**Table 2.8.4: Output Group Description and Outputs
Business Development - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Units of measure	1997-98 Target	1998-99 Target
Screen Culture for Victorians To provide services which enhance the screen culture for Victorians, including developing film and video collections, supporting film and television investment, providing screen education and supporting screen culture events.			
<i>Quantity</i>			
Videos and films added to collection	number	nm	300 videos 30 films
Annual loans of films and videos	number	nm	125 000
Recoupment on investment portfolio	per cent	nm	40
Other collections managed	number	nm	5
Attendances at funded events	number	nm	7 000
<i>Quality</i>			
International Cinemedia Film and video collection		nm	Best in Australia
Australian film and video collection		nm	Best in Australia
Positive client evaluation of service:			
State Film Theatre	per cent	nm	90 plus
Cinemedia Access Collection	per cent	nm	90 plus
Screen education events	per cent	nm	90 plus
Electronic Access to Cinemedia Services Delivering Cinemedia access collection and other services on-line.			
<i>Quantity</i>			
Victorian locations listed in the Melbourne Film Office library	number	nm	150
% of video library members using on-line booking	per cent	nm	4
<i>Quality</i>			
Positive client evaluation of:			
• Melbourne Film Office locations library on-line	per cent	nm	90 plus
• Video and 16 mm film library on-line booking facility	per cent	nm	90 plus
• Percentage of time on-line services available to clients	per cent	nm	90

**Table 2.8.4: Output Group Description and Outputs
Business Development - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Units of measure	1997-98 Target	1998-99 Target
Electronic Access to Cinemia Services - <i>continued</i>			
<i>Timeliness</i>			
Turnaround time for on-line film and video borrowing	hours	nm	24
Completion of stage 2 of the Digital Media Library Project	date	nm	31 Dec 1998

Source: Department of State Development

Note:

(a) At any time 20 live projects at minimum value of \$250m economic activity.

**Table 2.8.5: Output Group Costs
Business Development**

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	99.0	84.5	-14.7
<i>Comprising:</i>			
Employee-related Expenses	17.4	19.6	12.5
Purchases of Supplies and Services	30.8	26.8	-12.8
Depreciation	1.3	1.3	..
Capital Asset Charge	0.3	0.3	..
Other	49.2	36.4	-26.0

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.8.6: Output Group Description and Outputs
Workforce Capability**

Key Government Outcomes:

- Increasing jobs, business and educational opportunities for all Victorians
- Improved competitiveness of Victorian businesses and investment in Victoria

Description of the Output Group:

- This output group delivers flexibility and capability of the workforce through employee relations and employment services. Employee relations services involve advocating enhancement to the industrial relations framework, providing industrial relations policy services to business and employers and improving links with the private sector.
- Employment services include providing specialist consultancy advice and assistance on employment opportunities and the labour market; providing employment and training programs; meeting identified labour market needs through the Community Business Employment Program; and providing assessments of professional and trade qualifications gained overseas and vocational advice to skilled migrants.

<i>Major Outputs/Deliverables</i> Performance Measures	Units of measure	1997-98 Target	1998-99 Target
Industrial Relations Advocacy to Courts & Tribunals Promoting the employee relations reform agenda and representing the Victorian government interests in matters of national and State industrial relations. Development of submissions to Courts and Tribunals on behalf of the State Government.			
<i>Quantity</i>			
Submissions to Federal & State Industrial Relations Courts and Tribunals	number	nm	6
<i>Quality</i>			
Comprehensiveness of Submissions as assessed by Parties being supported by the Submission	per cent	nm	80
<i>Timeliness</i>			
Adjournments for extra time	number	nm	5

Table 2.8.6: Output Group Description and Outputs
Workforce Capability - continued

<i>Major Outputs/Deliverables</i> Performance Measures	Units of measure	1997-98 Target	1998-99 Target
Workforce Strategic Information Services Key deliverables include Employment Information Consultancy Services and Industrial Relations Services.			
<i>Quantity</i>			
Workforce Information Projects undertaken with Employers/Potential Investors	number	nm	100
Presentations on industrial relations and employment to potential investors	number	nm	35
<i>Quality</i>			
Customer satisfaction with advice and information provided	per cent	nm	>80
<i>Timeliness</i>			
Labour Market Information Reporting			
• Labour Market Reports produced on time	per cent	nm	>80
• Labour Market Information requests responded to within the timeframes specified	per cent	nm	>80
Advice and Administration of Legislation Key deliverables include administration of the Long Service Leave Act, Trade Unions Act, Commonwealth Powers (IR) Act and Community Services Act (part).			
<i>Quantity</i>			
Long Service Leave Act non-compliance	number	nm	25
Child Employment Permit applications assessed	number	nm	1 650
<i>Quality</i>			
Long Service Leave Act Prosecutions Success Rate	per cent	nm	80
Comprehensiveness of responses on issues referred	per cent	nm	95
<i>Timeliness</i>			
Child Employment Permit applications assessed within set timeframes	per cent	nm	85

**Table 2.8.6: Output Group Description and Outputs
Workforce Capability - *continued***

Major Outputs/Deliverables Performance Measures	Units of measure	1997-98 Target	1998-99 Target
Employment Services Key programs include Overseas Qualification Services; StreetLIFE Program; Community Business Employment Program; and Youth Employment Initiative.			
<i>Quantity</i>			
Overseas Qualification Services Client service (by phone, in person or in writing)	number	4 000	4 000
Overseas Qualification Services Vocational Counselling & Information Sessions	number	nm	320
StreetLIFE funded organisations	number	nm	37 over 2 years
StreetLIFE enquiries	number	nm	250
Training/information sessions facilitated	number	nm	50
CBE Program Contracts Managed			
• Metro	number	nm	40
• Rural	number	nm	19
Youth Employment Initiative – host employers participating	number	nm	100
<i>Quality</i>			
Feedback from StreetLIFE clients on the resources and support provided (survey)	per cent	nm	95
StreetLIFE grants administered in accordance with agreed standards and accountability	per cent	nm	100
Number of Community Business Employment program contracts monitored and evaluated	per cent	nm	100
<i>Timeliness</i>			
Overseas Qualification Services enquiries responded to within 10 working days	per cent	nm	95
Overseas Qualification Services Assessments conducted at Interview	per cent	nm	98

Source: Department of State Development

**Table 2.8.7: Output Group Costs
Workforce Capability**

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	18.8	16.3	-13.1
<i>Comprising:</i>			
Employee-related Expenses	3.9	3.5	-10.0
Purchases of Supplies and Services	3.3	3.0	-8.0
Depreciation	0.5	0.5	..
Capital Asset Charge	0.1	0.1	..
Other	11.1	9.2	-16.4

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.8.8: Output Group Description and Outputs
Sport, Recreation & Racing**

Key Government Outcomes:

- Improved competitiveness of Victorian businesses and investment in Victoria
- Improved living standards for all Victorians
- Increased jobs, business and educational opportunities for all Victorians

Description of the Output Group:

- The government is committed to enabling and promoting sport and recreation participation for all within the community, including the provision of developmental opportunities for our elite athletes. This output group is also proactive in the attraction, promotion and retention of sporting events and activities to maximise the economic impact and contribution of national and international sporting activity.

<i>Major Outputs/Deliverables</i> Performance Measures	Units of measure	1997-98 Target	1998-99 Target
Sport and Recreation Participation & Performance Facilitation Key programs include Victorian Institute of Sport; Victorian Participation Initiative; Disability Programs; Sport Development Officer Program; Outdoor Recreation Programs; Specific Populations Programs.			
<i>Quantity</i>			
Proportion of Victorian Institute of Sport scholarship holders who are members of national teams	per cent	nm	>32
Athletes on Victorian Institute of Sport scholarships	number	nm	>400
<i>Quality</i>			
Outdoor Recreation camps contract management KPIs met	per cent	nm	>75
<i>Timeliness</i>			
Active Australia National Participation Framework Annual Operational Plan developed & agreed	date	nm	Jul 1998
Country Action funding announced	date	nm	Nov 1998
Victalent funding announced	date	nm	Apr 1999

**Table 2.8.8: Output Group Description and Outputs
Sport, Recreation & Racing - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	<i>Units of measure</i>	<i>1997-98 Target</i>	<i>1998-99 Target</i>
Sport and Recreation Industry Development Key deliverables include Victorian Physical Activity Strategy; Victorian Coaching Centre; Volunteer Involvement Program; State Sporting Association Program; Sport & Recreation Development Program; Industry Training Program; Industry Development Projects; Review & Research Program; Management of Racing Legislation and Policy.			
<i>Quantity</i>			
Estimated Racing and Bookmakers Licences, Permits, Appeals and Registrations processed	number	1 700	815 ^(a)
State Sporting Association Future Directions and Innovations projects: progress as per Funding and Service Agreements	per cent	nm	>90
<i>Quality</i>			
Industry awards program conducted	date	nm	May 1999
<i>Timeliness</i>			
Sports Injury Prevention Program	date	Jun 1998	May 1999
<ul style="list-style-type: none"> • year 1 partnership program agreed • launch and implementation 			
Sport & Recreation Facility Development Key deliverables include Planning & Construction of Major Facilities; Planning & Construction of Regional & Community Facilities; Minor Works Program; Water Safety Infrastructure.			
<i>Quantity</i>			
Elite level major facilities:			
<ul style="list-style-type: none"> • Investigated • Funded • Constructed • Under construction 	number	nm	12
Regional and Community facilities funded	number	nm	20-30
Minor Works facilities funded	number	nm	130-140

Table 2.8.8: Output Group Description and Outputs
Sport, Recreation & Racing - *continued*

Major Outputs/Deliverables	Units of measure	1997-98 Target	1998-99 Target
Performance Measures			
Sport & Recreation Facility Development - <i>continued</i>			
<i>Quality</i>			
Estimated value added expenditure on Regional and Community Facilities above the State Government contribution	\$m	nm	22-25
<i>Timeliness</i>			
Major facilities planned and designed within agreed timeframe:			
• Netball and Hockey (Royal Park Sports Precinct)	date	nm	Sept 1998
Local Government Authority capital works completed within agreed timeframe	per cent	nm	>75
Sport & Recreation Event & Tourism Facilitation Key deliverables include Melbourne Sports Training & Coordination Centre; and Major Events (international and national).			
<i>Quantity</i>			
Estimated international teams/sports:			
• Inspecting facilities	number	nm	8-12
• Undertaking training/ competition in 1998-99	number	nm	8-12
<i>Quality</i>			
Project Management and Evaluation:			
• World Sailing Championships 1999			
— Event presented	date	nm	Jan 1999
— Evaluation and review	date	nm	Jun 1999
• World Masters Games 2002			
— Business & operating plan developed		date	nm Aug 1998

**Table 2.8.8: Output Group Description and Outputs
Sport, Recreation & Racing - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Units of measure	1997-98 Target	1998-99 Target
Sport & Recreation Event & Tourism Facilitation – <i>continued</i>			
<i>Timeliness</i>			
Events Facilitated by Target Dates:			
• UCI-BMX World Championships	date	nm	Jul 1998
• Australian University Games	date	Oct 1997	Oct 1998
• International Six Day Enduro	date	nm	Nov 1998
• National Schools Volleyball Cup	date	Dec 1997	Dec 1998
• Australian Baseball League Final Series	date	nm	Feb 1999
• Athsfest	date	nm	Mar 1999
• Rip Curl Offshore Festival (Bells Beach International)	date	nm	Apr 1999

Source: Department of State Development

Note:

(a) *Difference due to triennial registration.*

**Table 2.8.9: Output Group Costs
Sport, Recreation & Racing**

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	30.6	27.0	-11.9
<i>Comprising:</i>			
Employee-related Expenses	4.6	4.8	3.5
Purchases of Supplies and Services	5.5	6.5	17.4
Depreciation	0.6	0.6	..
Capital Asset Charge	0.5	0.5	..
Other	19.4	14.6	-24.5

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.8.10: Output Group Description and Outputs
Small Business and Regulation Reform**

Key Government Outcomes:

- Improved competitiveness of Victorian businesses and improved investment in Victoria
- Increasing jobs, business and educational opportunities for all Victorians

Description of the Output Group:

- The Small Business and Regulation Reform group promotes the development and growth of small business through initiatives and projects; information and referral services; and promotion of excellence in small business.
- To further improve the operating environment, a new approach in sectoral reviews of regulation, publication of regulation guides and Regulation Alert are some of the outputs. Others include Liquor Licensing and Trade Measurement Legislation.

<i>Major Outputs/Deliverables</i>	Units of measure	1997-98 Target	1998-99 Target
Performance Measures			
Initiatives and special projects to develop and enhance small business sector performance Key programs: Women in Small Business Agenda for Action; Small Business Referral Guide; Directory of Home-Based Small Business Services; Tackling the Millennium Bug - Small Business Strategy; Small Business Awards - state and regional; Small Business May; Facilitation of regional small business expositions.			
<i>Quantity</i>			
Initiatives completed	number	nm	4
Projects/events completed	number	nm	6
<i>Quality</i>			
Satisfaction with new small business initiatives, special projects and events (survey)	per cent	nm	>80
<i>Timeliness</i>			
Appropriate timelines met		nm	100
Information and referral services to existing and potential small business			
Delivery of business information, advisory and referral services through the SBV hotline, First Place Business Directions centres and regional offices or via Internet access.			
<i>Quantity</i>			
Small business information enquiries:			
General enquiries	number	25 000	30 000
Business licence enquiries	number	14 500	16 500
Business referrals	number	26 500	30 000

Table 2.8.10: Output Group Description and Outputs
Small Business and Regulation Reform - *continued*

<i>Major Outputs/Deliverables</i> Performance Measures	Units of measure	1997-98 Target	1998-99 Target
Information and referral services to existing and potential small business - <i>continued</i>			
<i>Quality</i>			
Client feedback of satisfaction on small business information and referral services (survey)	per cent	nm	>80
<i>Timeliness</i>			
Small business information enquiries responded to within 3 days	per cent	nm	90
Industry sector reviews and coordination of implementation Review regulatory regimes on a sector by sector basis focusing on those areas with the greatest potential for growth.			
<i>Quantity</i>			
Regulation reform industry sector reviews ^(a)	number	2	2
Regulation reform industry sector review implementation coordinated	number	nm	2
<i>Timeliness</i>			
Review implementation coordination within agreed timeframes		nm	100 ^(b)
Information and consultancy services Provide advice and educational services to agencies on regulation reform and undertake assessments of Regulatory Impact Statements.			
<i>Quantity</i>			
Regulation reform publications produced	number	nm	5
Regulatory Impact Statements assessed	number	nm	15
<i>Quality</i>			
Client Feedback of satisfaction with regulation reform advice (survey)	per cent	nm	>90
Regulatory Impact Statements assessed according to requirements (survey)	per cent	nm	>90
<i>Timeliness</i>			
Regulatory Impact Statements assessed within 5 days of receipt	per cent	nm	100

Table 2.8.10: Output Group Description and Outputs
Small Business and Regulation Reform - *continued*

<i>Major Outputs/Deliverables</i> Performance Measures	Units of measure	1997-98 Target	1998-99 Target
Administration of the Trade Measurement Act Manage the Government's uniform trade measurement legislation ensuring accuracy in measurement.			
<i>Quantity</i>			
Traders' instruments inspected	number	26 000	27 000
Packers' premises inspected	number	700	700
Quality Assurance applications assessed	number	nm	35 ^(c)
<i>Quality</i>			
Ratio of rejection notices to certifications	ratio	nm	1:9
Contract management for inspectorial and laboratory services Manage the outsourced arrangements to monitor self regulation of weights and measures and the provision of laboratory services contracted to Australian Defence Industries.			
<i>Quantity</i>			
Trade Measurement contracts prepared ^(d)	number	nm	20
Trade Measurement contracts managed	number	nm	20
<i>Quality</i>			
Contractors complying with service levels specified in Trade Measurement contracts	per cent	nm	100
<i>Timeliness</i>			
Trade Measurement contracts prepared and delivered within agreed timeframes	per cent	nm	100
Administration of the Liquor Control Act Manage the administration of the Liquor Control Act including the provision of advice on liquor licensing, the issuing of licenses and permits, maintaining records of licensed premises and the appeal and hearings mechanisms.			
<i>Quantity</i>			
Liquor licensing enquiries	number	nm	73 000
Liquor licence and permit applications managed	number	nm	12 700
Liquor licensing public hearing sessions	number	nm	450

Table 2.8.10: Output Group Description and Outputs
Small Business and Regulation Reform - *continued*

<i>Major Outputs/Deliverables</i> Performance Measures	Units of measure	1997-98 Target	1998-99 Target
Administration of the Liquor Control Act - <i>continued</i>			
<i>Quality</i>			
Client satisfaction with Liquor Licensing Commission services (survey)	per cent	nm	>90
Success rate of appeals against LLC decisions	per cent	nm	<25
Alcohol harm minimisation programs and services Deliver training and education initiatives to reduce the harm associated with the use of alcohol, including that of underage drinking. To resolve complaints related to the abuse of alcohol.			
<i>Quantity</i>			
Training and education programs developed, delivered and managed	number	nm	^(e)
Complaints resolved	number	nm	200
Advisory service provided	number	nm	^(e)
<i>Quality</i>			
Satisfaction of program participants	per cent	nm	>90
Feedback on LLC contribution from other agencies involved with harm minimisation	per cent	nm	>95
Follow-up survey on complaints resolution	per cent	nm	>85
Development of the Liquor and Licensed Hospitality Industry Provision of advice and liaison with members of the Liquor and Licensed Hospitality Industry to facilitate planning and development of the industry			
<i>Quantity</i>			
Planning of major projects in which LLC is involved	number	nm	^(f)
Advice to investors/developers	number	nm	^(f)
Assistance provided to agencies and departments	number	nm	^(f)

**Table 2.8.10: Output Group Description and Outputs
Small Business and Regulation Reform - *continued***

<i>Major Outputs/Deliverables</i> Performance Measures	Units of measure	1997-98 Target	1998-99 Target
Development of the Liquor and Licensed Hospitality Industry - <i>continued</i>			
<i>Quality</i>			
Stakeholder satisfaction on LLC contributions to projects (survey)	per cent	nm	>90
Industry satisfaction with on advice provided (survey)	per cent	nm	>90
<i>Timeliness</i>			
Contribution made within project timeframes	per cent	nm	100

Source: Department of State Development

Note:

- (a) *New sectoral review(s) subject to government consideration and consultation with industry.*
- (b) *Implementation coordination timing subject to appropriate consultation with relevant government agencies and the industry sector.*
- (c) *Reduction in Quality Assurance submission expected because of the fixed number of trade measurement licensees (110)*
- (d) *Contracts comprise inspection, industry testing, laboratory and computer systems services.*
- (e) *Development of these services commenced in 1998; quantity figure to be determined during 1998-99.*
- (f) *Quantity figures to be determined during 1998-99.*

**Table 2.8.11: Output Group Costs
Small Business and Regulation Reform**

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	14.7	13.8	-6.0
<i>Comprising:</i>			
Employee-related Expenses	4.8	4.6	-4.8
Purchases of Supplies and Services	9.2	8.5	-7.2
Depreciation	0.7	0.7	..
Capital Asset Charge	0.1	0.1	..
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.8.12: Output Group Description and Outputs
Tourism**

Key Government Outcomes:

- Improved competitiveness of Victorian businesses and improved investment in Victoria
- Increasing jobs, business and educational opportunities for all Victorians

Description of the Output Group:

- This output group aims to maximise employment and the longer term economic benefits of tourism to Victoria by developing and marketing the State as a competitive tourist destination. The key services being provided cover the two areas of domestic and international tourism as well as product development and leadership and coordination.

<i>Major Outputs/Deliverables</i> Performance Measures	Units of measure	1997-98 Target	1998-99 Target
Tourism Marketing Conduct marketing campaigns to further increase visitation and yield, assist in developing tourism product which appeals to international and domestic visitors, maximise cooperative marketing opportunities and capitalise on the tourism benefits flowing from major events. Key deliverables include International Marketing and National Marketing.			
<i>Quantity</i>			
Visitor Nights (Domestic)	million	48-51	49-52
Visitor Nights (International)	million	15-17	15-17
Number of Visitors (International)	million	1.0-1.2	1.0-1.2
Tourism Victoria's expenditure as proportion of total expenditure (Partnership Australia)	ratio	nm	1:13
Number of enquiries & phone responses handled by Victorian Tourism Information Centre	number	nm	150 000
<i>Quality</i>			
Awareness of advertising on Victoria:			
• New South Wales	per cent	nm	18-22
• South Australia	per cent	nm	24-32
• Queensland	per cent	nm	18-22
• Victoria	per cent	nm	14-22
<i>Timeliness</i>			
Marketing programs delivered on time in accordance with plan	per cent	nm	90-95
Percentage of consumer telephone calls answered within 20 seconds	per cent	nm	80

Table 2.8.12: Output Group Description and Outputs
Tourism - continued

<i>Major Outputs/Deliverables</i> Performance Measures	Units of measure	1997-98 Target	1998-99 Target
Tourism Industry and Infrastructure Development Facilitate private sector tourism investment and manage tourism projects funded from the Community Support Fund. Provide leadership and direction in line with the Tourism Victoria Strategic Business Plan (1997-2001) and the Tourism Development Plans for each of Victoria's product regions. Secure approval for new carriers and air services to Melbourne.			
Objectives			
To facilitate greater industry cooperation to improve the delivery of visitor services and coordinate the development of new product for visitors to experience.			
To foster the development of tourism infrastructure and attract additional direct international air services to Melbourne			
<i>Quantity</i>			
Number of priority actions identified in the Strategic Business Plan (1997-2001) that have satisfactorily been implemented	per cent	nm	80-85
Number of projects facilitated/managed (infrastructure/CSF)	per cent	nm	65-75
Number of submissions to Airlines and regulatory agencies	number	nm	4-6
<i>Quality</i>			
Level of industry cooperation with the implementation of key projects identified in the Strategic Business Plan and in the Regional Tourism Development Plans		nm	(a)
Effective management of Service Level Agreements with major industry partners		nm	(b)
Evaluation of infrastructure projects submitted		nm	(b)
Level of satisfaction in aviation facilitation role provided to key stakeholders		nm	(b)
<i>Timeliness</i>			
Endorsement of six monthly progress reports on the Strategic Business Plan and Regional Tourism Development Plan to the Tourism Victoria Board		nm	(b)

Table 2.8.12: Output Group Description and Outputs
Tourism - *continued*

<i>Major Outputs/Deliverables</i> Performance Measures	Units of measure	1997-98 Target	1998-99 Target
Event Facilitation Provide funding and development assistance for major events conducted in both regional and metropolitan Victoria. In conjunction with the travel industry, develop retail packages and cooperative marketing strategies. Key deliverables include Tourism Major Events and Business Events.			
<i>Quantity</i>			
Number of major events assisted	number	nm	15-20
Number of business events assisted	number	nm	3-5
<i>Quality</i>			
The relative success of events supported, measured by such factors as:			
<ul style="list-style-type: none"> • Press and media comment • Economic impact studies • Attendances 			
Relevant quality standards are met	per cent	nm	100
<i>Timeliness</i>			
Administration of major events funding – response time/turnaround time	weeks	nm	6 (avg)
Administration of business event funding – response time/turnaround time	weeks	nm	8 (avg)

Source: Department of State Development

Notes:

- (a) *This measure will reflect on an on-going basis the level of positive industry involvement in projects identified in the Strategic Business Plan and Regional Tourism Development Plans.*
- (b) *To be determined through regular monitoring of all relevant agreements, contracts and/or specified guidelines.*

**Table 2.8.13: Output Group Costs
Tourism**

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	33.5	39.0	16.5
<i>Comprising:</i>			
Employee-related Expenses	6.7	6.9	3.2
Purchases of Supplies and Services	22.2	20.4	-7.8
Depreciation	0.1	0.1	..
Capital Asset Charge	0.0	0.0	..
Other	4.6	11.6	-

Source: Department of Treasury and Finance, Forward Estimates

Part 2: Financial Information

This part provides the financial tables that support the department's provision of outputs. This information can assist the reader to assess a department's financial performance.

The information provided includes a statement of financial position, operating statement and cash flow statement for the department as well as tables detailing departmental expenses and revenue.

The total resources planned to be available to the department for the delivery of outputs, investment in departmental assets and other purposes in respect of the 1998-99 financial year are outlined in the following table.

Table 2.8.14: Summary of departmental resources available

<i>(\$ million)</i>		
	<i>1997-98</i>	<i>1998-99</i>
	<i>Budget</i>	<i>Budget</i>
<i>Outputs purchased by State government</i>	214.7	196.3
<i>Outputs purchased by other parties</i>	0.1	0.9
Operating revenue from provision of outputs sub-total	214.8	197.2
Government contribution to increasing net asset base	26.3	1.0
Funding for Payments made on behalf of the State	..	..
TOTAL	241.1	198.1

Source: Department of Treasury and Finance, Forward Estimates

The available resources are applied to three uses:

- the provision of outputs;
- payments on behalf of the State; or
- asset investment.

The table below shows the break-up of the available resources across the three categories of uses.

Table 2.8.15: Summary of use of resources

(\$ million)		
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Output provision expenses	215.3	197.8
Payments made on behalf of the State	..	..
Gross Fixed Asset Investment <i>less</i> Depreciation	26.3	1.0
Total Uses	241.6	198.7

Source: Department of Treasury and Finance, Forward Estimates

Payments on behalf of the State are payments made by the department on behalf of the State Government as a whole and do not directly reflect the operations of the department.

Table 2.8.16: Payments made on behalf of the State

(\$ million)		
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Payments made on behalf of the State	na	na

Source: Department of Treasury and Finance, Forward Estimates

The table below lists the source of departmental funds for Gross Fixed Asset Investment. Asset investment is equal to Gross Fixed Asset Investment (purchase of new assets) *less* reductions in existing fixed assets, through depreciation and asset sales.

Table 2.8.17 Gross Fixed Asset Investment

(\$ million)		
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Financial Assets (<i>attributable to depreciation expense</i>)	3.7	3.7
Appropriation for increases in the net asset base	26.3	1.0
Fixed Asset Sales	..	..
Own account and other (including retained earnings)	9.0	13.8
Total Gross Fixed Asset Investment	39.0	18.5

Source: Department of Treasury and Finance, Forward Estimates

The operating statement, statement of financial position and a cash flow statement are provided below. This information includes non-public account revenue from services provided by the department to third parties in exchange for payment. Currently this includes user charges, and fees for services retained outside the Public Account.

Table 2.8.18: Departmental operating statement

(\$ million)

	1997-98	1998-99	Variation
	Budget	Budget	%
Operating Revenue			
Revenue from State Government ^(a)	214.7	196.3	-8.6
Commonwealth	..	0.0	
Other revenue ^(b)	0.1	0.9	-
Total	214.8	197.2	-8.2
Operating Expenses			
Employee Related Expenses ^(c)	43.9	45.8	4.2
Purchases of Supplies and Services ^(d)	76.7	69.7	-9.2
Depreciation ^(e)	3.7	3.7	..
Capital Asset Charge	1.0	1.0	..
Other Expenses	89.9	77.6	-13.7
Total	215.3	197.8	-8.2
Operating Surplus/Deficit	- 0.5	- 0.6	8.5

Source: Department of Treasury and Finance, Forward Estimates

Notes:

- (a) State government payments for provision of outputs. Includes estimated carryover of 1997–98 appropriation amounts. Actual carryover is subject to approval by the Treasurer prior to 30 June pursuant to Section 32 of the Financial Management Act, 1994.
- (b) Includes revenue for services delivered to parties outside government.
- (c) Includes salaries and allowances, superannuation contributions and payroll tax.
- (d) Includes payments to non-government organisations for delivery of services.
- (e) Includes amortisation of leased assets.

Table 2.8.19: Statement of Financial Position

(\$ thousand)

	Estimated as at 30 June		
	1998	1999	Variation %
Assets			
Current Assets			
Cash	5 983	5 408	-9.6
Investments	1 528	1 528	..
Receivables	633	857	35.4 ^(a)
Prepayments	649	649	..
Inventories	97	97	..
Other Assets	..	..	..
Total Current Assets	8 890	8 539	-3.9
Non-Current Assets			
Investments	..	..	..
Receivables	25 580	26 515	3.7
Fixed Assets ^(b)	103 839	104 735	0.9
Other Assets	..	..	..
Total Non-Current Assets	129 419	131 250	1.4
Total Assets	138 309	139 789	1.1
Liabilities			
Current Liabilities			
Payables	9 372	9 372	..
Borrowing	..	..	..
Employee Entitlements	3 550	3 774	6.3
Superannuation	..	..	..
Other Liabilities	..	..	..
Total Current Liabilities	12 922	13 146	1.7
Non-Current Liabilities			
Payables	25 580	25 580	..
Borrowing	- 220	- 220	..
Employee Entitlements	6 910	7 785	12.7
Superannuation	..	..	..
Other Liabilities	..	..	..
Total Non-Current Liabilities	32 270	33 145	2.7
Total Liabilities	45 192	46 291	2.4
Net Assets	93 117	93 498	..

Source: Department of Treasury and Finance, Forward Estimates

Notes:

(a) Increase in receivable is predominantly due from the State and results from appropriated but undrawn funds for depreciation and employee entitlements.

Table 2.8.20: Cash flow statement

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Cash flows from operating activities			
<i>Operating receipts</i>			
Receipts from State Government ^(a)	213.9	195.2	-8.8
Commonwealth payments	..	..
Other	0.1	0.9	619.2
	214.0	196.0	-8.4
<i>Operating payments</i>			
Employee related expenses	- 43.1	- 44.7	3.8
Purchases of supplies and services	- 76.7	- 69.7	-9.2
Interest & finance expenses	..	..
Capital assets charge	- 1.0	- 1.0	0.0
Other payments	- 89.9	- 77.6	-13.7
Net cash from Operating Activities	3.3	3.1	-6.1
Cash flows from Investing Activities			
Receipts from sale of land, fixed assets and	..	..
Purchases of non-current assets	- 29.9	- 4.6	-84.5
Net Cash used in investing activities	- 29.9	- 4.6	-84.5
Cash flows from Financing Activities			
Receipts from appropriations - increase in	26.4	1.0	-96.4
Capital repatriated to Government	..	..
Net borrowings and advances	0.2	..	-100.0
Net Cash from financing activities	26.7	1.0	-96.4
Net increase in cash held	0.1	- 0.6	-1042.6
Cash at beginning of period	5.9	6.0	1.0
Cash at end of period	6.0	5.4	-9.6
Cash Flows on behalf of State			
Receipts from Appropriations	9.1	13.9	52.8
Other	..	..
	9.1	13.9	52.8
Cash outflows from operating activities	- 9.1	- 13.9	52.8
Cash outflows from investing activities	..	..	..
Cash outflows from financing activities	..	..	..
Net Cash Flows on behalf of State	..	..	0.0

Source: Department of Treasury and Finance, Forward Estimates

Notes:

(a) State government cash paid for provision of outputs.

Authority for resources

This section details on the Parliamentary authority for the resources provided to a Department for the provision of outputs, increases in the net asset base or payments which are made on behalf of the State.

Table 2.8.21: Authority for Departmental Resources

(\$ million)

	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Annual Appropriations	232.4	193.7
Receipts Credited Appropriations	3.3	3.1
Gross Appropriation	235.7	196.8
Special Appropriations	2.5	0.5
Trust Fund Receipts	0.1	0.9
Non Public Account Revenue and other sources	..	..
Total Authority	238.3	198.1

Source: Department of Treasury and Finance, Forward Estimates

Annual appropriations

In 1998-99 the Department of State Development will receive government annual appropriations totalling \$210.6 million. This figure is inclusive of the estimated carryover of funds from 1997-98. The actual carryover amount will be approved by the Treasurer pursuant to Section 32 of the Financial Management Act 1994 prior to 30 June.

Table 2.8.22: Gross Annual Appropriations by purpose

(\$ million)

	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Provision of Outputs	209.4	195.8
Additions to net asset base	26.3	1.0
Payments made on behalf of the State	9.1	13.9
Total	244.8	210.6

Source: Department of Treasury and Finance, Forward Estimates

Receipts Credited Appropriations

Pursuant to s29 of the *Financial Management Act 1994* funds are available as a result of:

- the provision of services directly to third parties by a department in return for payment (user charges);
- Specific Purpose Payments from the Commonwealth; or
- funds from the sale of departmental fixed assets.

In 1998-99 no department has applied for the proceeds of fixed asset sales to be credited to their appropriation pursuant to Section 29 of the *Financial Management Act 1994*.

Table 2.8.23: Details of Receipts Credited

(\$ million)		
	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>
User Charges	..	..
Commonwealth SPPs	3.3	3.1
Asset Sales	..	..
Total	3.3	3.1

Source: Department of Treasury and Finance, Forward Estimates

Special Appropriations

Special Appropriations are used for ongoing payments which need to be made independently of the Government's annual budget priorities. Special appropriations represent a standing authority and do not lapse each year as annual appropriations do, but remain in force until amended or repealed by Parliament.

Table 2.8.24: Details of Special Appropriations

(\$ million)		
	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>
Special Appropriations		
Racing Act No. 6353, Sec 119 - Direct Drawdowns	2.5	0.5
Total	2.5	0.5

Source: Department of Treasury and Finance, Forward Estimates

Trust Fund Receipts

These receipts are paid into a Trust Account within the Public Account. The trust account must be set up pursuant to certain provisions contained in the Financial Management Act 1994 and are to enable departments to make payments for specific reasons as set out in the legislation authorising the creation of the trust account.

Budget Estimates 1998-99	State Development	359
--------------------------	-------------------	-----

The funds paid into the account may come from four basic sources:

- State Government;
- Commonwealth Government;
- joint Commonwealth and State Government; or
- prizes, scholarships, research and private donations.

Non Public Account Revenue and other sources

Revenue from these sources includes receipts from user charges and other revenue that are collected and retained by agencies. This includes fees and charges levied by VicRoads, TAFE Institutes, school councils and hospitals.

Department of Treasury and Finance

Part 1: Outlook and outputs

Overview

The Department will continue to provide leadership in economic, financial and resource management. Its core central agency activities, including Government financial accounting, liability management, budget production and risk management will continue, and key strategic reforms will be undertaken.

1998-99 will see a modest broadening in priorities away from reducing debt and deficits, towards locking in the benefits of past reforms and facilitating economic reform.

Scope and Coverage

The output group and financial information for the Department of Treasury and Finance includes consolidated information for the following Portfolio entities:

- Department of Treasury and Finance and its service agencies, the State Revenue Office and the Corporate Resource Agency;
- Office of the Regulator-General;
- Victorian Casino and Gaming Authority;
- Office of the Chief Electrical Inspector;
- Office of Gas Safety; and
- Ministerial Offices of the Treasurer and the Minister for Finance and Gaming.

Collectively, these entities form the 'Department' for the purposes of budget planning. In addition there is a large number of statutory authorities and Government Business Enterprises accountable to one or other of the portfolio Ministers, but not directly budget funded and hence not presented in this statement.

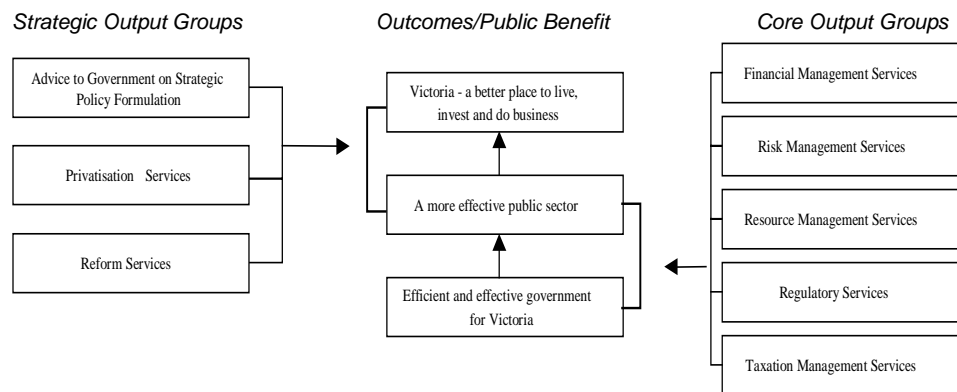
Departmental Contribution to Government Outcomes

The outputs of the Department contribute to improving the competitiveness of the Victorian economy and in particular assist achievement of the Government's desired outcomes for:

- efficient and effective government;
- a more effective public sector; and
- making Victoria a better place to live, invest and do business.

To this end the Department provides a range of services including: strategic policy advice; privatisation and reform services; financial, risk, resource and taxation management; and regulatory services.

The Department's outputs and their outcomes for Victorians are:



Review of 1997-98

During 1997-98, the Department has progressed the following initiatives:

- Tax reform - took a lead national role in the successful resolution of the Section 90 (Commonwealth Constitution) decision on franchise fees;

- Accrual output-based management – following approval by Government in October 1997, the framework has formed the basis for the 1998-99 budget process;
- Gas reforms – GASCOR was disaggregated and new gas businesses were established in December 1997; and
- Electricity privatisation program – the sales of PowerNet, Southern Hydro and VPS Metering were settled by December 1997.

Additional achievements include:

- continued reduction in public sector debt levels;
- sustainable budget surplus; and
- publication of audited whole of government annual financial statements.

1998-99 Outlook

The Department's strategic policy initiatives are aimed at creating an environment where the benefits of past reforms are locked in and made self sustaining, and at recommending and implementing major Government policy decisions to stimulate economic reform to deliver tangible community benefits.

Major initiatives for 1998-99 are:

Locking in past benefits

- ? implement accrual based output management (particular effort will be targeted at the use of accrual and output information to support resource allocation decisions and the development of better cash management arrangements);
- ? define contestability principles and promote their use (focusing on service quality improvement, value for money, consumer choice and transfer of risk to the private sector); and
- ? develop a fiscal responsibility mechanism (the Commonwealth and some other State and international jurisdictions have introduced specific legislation to encourage transparent and prudent financial management of future Governments).

Economic reform

- ? develop tax reform alternatives (advice will be provided to Government on opportunities/issues in reform of the Victorian taxation system, National

taxation reform and the Commonwealth grants implications of tax reform options);

- ? reform and privatise public transport, ALUVIC, gas businesses and the Victorian Plantations Corporation (details of these and other reform initiatives are provided in Budget Paper No. 2, Chapter 5 : Competitive Victoria); and
- ? develop a ranked menu of options to create a competitive economy (this will involve canvassing potential opportunities within and outside the public sector, and providing Government with the tools to analyse their potential contribution to increasing Victoria's competitive economic position within prudent fiscal parameters);

Core output groups

Core activities of financial, risk and resource management and regulatory and taxation management services make up a little over half the Department's total output costs. The Department's objective is to achieve excellence in these activities. Ongoing management efficiencies, and a more stable State balance sheet enable cost savings to be made in these areas.

New capital investment initiatives

Development and implementation of an integrated revenue collection and management system is planned for the State Revenue Office. This replacement system will improve efficiency and customer satisfaction and includes electronic commerce capabilities and a customer call centre facility. Given the uncertainty which exists in respect to future Commonwealth/State roles in taxation collection, the upgrade is being scheduled in stages, with Stage 1 planned to cost \$4.8 million in 1998-99. It will facilitate quicker and more efficient responses to changes in taxation policy.

Output Information

The following section provides details of the outputs to be provided by the Department:

Table 2.9.1: Output Group summary

(\$ million)

	1997-98	1998-99	Variation
	Budget	Budget	%
Strategic Policy Advice	14.3	20.3	41.9
Financial Management Services	25.9	18.1	-30.1
Risk Management Services	17.8	19.9	11.8
Privatisation Services	75.4	105.5	39.9
Reform Services	23.7	35.3	48.8
Resource Management Services	71.1	55.9	-21.3
Regulatory Services	29.7	34.8	17.3
Taxation Management Services	56.7	56.2	-0.8
Total	314.5	346.0	10.0

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.9.2: Output Group Description and Outputs
Strategic Policy Advice**

Key Government Outcomes:

- Victoria becomes an internationally competitive place to live, invest and do business (public confidence and a vibrant, competitive economy);
- A more effective public sector ('Value for Taxpayer's Dollar'); and
- Efficient and effective government for Victoria.

Description of the Output Group:

- Provision of objective, timely and relevant advice to the Treasurer, Minister for Finance and appropriate Parliamentary and Cabinet Committees on economic, financial and budgetary issues. It specifically includes provision of advice to support Government policy formulation in areas such as financial management, long term economic and financial strategy, intergovernmental financial relations, taxation, employee relations, industry and GBE reform, and budget formulation.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
The Department provides a range of key policy advice through a variety of outputs (as identified in the description above). Performance is measured in a generic way and in some aspects at an aggregate level, across outputs.			
<i>Quantity</i>			
Expertise and knowledge to deliver strategic policy advice, from a variety of perspectives:		na	na
<ul style="list-style-type: none"> • Victorian situational analysis, issues and opportunities • implications of Commonwealth policy initiatives • emerging national and international issues 			
<i>Quality</i>			
Quarterly peer review assessment	per cent	nm	80
Annual customer (Treasurer/Minister for Finance) satisfaction survey	per cent	80	80
<i>Timeliness</i>			
Minister receives advice in time to meet agreed milestones and enable adequate consideration of issues prior to approval (Ministerial satisfaction survey)	per cent	nm	80

Source: Department of Treasury and Finance

**Table 2.9.3: Output Group Costs
Strategic Policy Advice**

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	14.3	20.3	41.9
<i>Comprising:</i>			
Employee-related Expenses	7.9	7.1	-10.7
Purchases of Supplies and Services	5.7	12.2	-
Depreciation	0.6	0.9	53.0
Capital Asset Charge	..	0.1	100.0
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.9.4: Output Group Description and Outputs
Financial Management Services**

Key Government Outcomes:

- A more effective public sector ('Value for Taxpayer's Dollar')
- Efficient and effective government for Victoria.

Description of Output Group:

- The provision of services to Government related to financial accounting, reporting and control, and monitoring of financial performance of government departments, agencies and corporatised Government Business Enterprises.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Government Financial Accounting, Reporting and Control			
<i>Quantity</i>			
Production of major whole of government financial reports, including:		na	na
• Annual Financial Statement			
• Uniform Presentation Framework Reports			
<i>Quality</i>			
Unqualified Audit opinion	yes/no	yes	yes
User/Reader Satisfaction	per cent	nm	90
<i>Timeliness</i>			
Reports delivered to agreed schedule			
• Annual report within target days from end of period	days	77	77
• Monthly report within target days from end of period	days	15	15
Cash Management Services			
<i>Quantity</i>			
Value of the transactions of the Central Budget Sector Bank Account managed annually	\$m	nm	50 000
<i>Quality</i>			
Average daily balance of the Central Budget Sector Bank Account within target range	\$m	<0.2	<0.2
<i>Timeliness</i>			
Departments' cash requirements met	yes/no	nm	yes
368	Treasury and Finance	Budget Estimates 1998-99	

**Table 2.9.4: Output Group Description and Outputs
Financial Management Services - *continued***

Major Outputs/Deliverables Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Unclaimed Moneys Administration			
<i>Quantity</i>			
Administration of the <i>Unclaimed Moneys Act (1961)</i>		na	na
<i>Quality</i>			
DTF compliance with the objectives of the <i>Unclaimed Moneys Act (1961)</i>	yes/no	nm	yes
Organisations complying with the <i>Unclaimed Moneys Act (1961)</i>	yes/no	nm	yes
<i>Timeliness</i>			
Verified claims processed within target period	weeks	2	2
Liabilities Management Services			
<i>Quantity</i>			
Expertise and knowledge to manage and monitor major liabilities of the State including:		na	na
<ul style="list-style-type: none"> • Superannuation liabilities • Budget sector debt portfolio and total public sector debt • Contingent liabilities, guarantee applications and indemnity claims • Relationship with ratings agencies • Loan Council reporting requirements 			
<i>Quality</i>			
Manage and reduce growth in superannuation liabilities	yes/no	nm	yes
Budget sector debt portfolio effectively managed and debt levels within target	per cent	<9.6	<5 (<i>prelim</i>)
Interest paid within forecast range	\$m	<1 200	<850 (<i>prelim</i>)
Reduce contingent liabilities	yes/no	nm	yes
Effective relations maintained with ratings agencies, resulting in positive-ratings outlook/ -achievement of AAA	yes/no	nm	yes
Budget Estimates 1998-99	Treasury and Finance		369

**Table 2.9.4: Output Group Description and Outputs
Financial Management Services - *continued***

Major Outputs/Deliverables	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Liabilities Management Services – <i>continued</i>			
<i>Timeliness</i>			
Achieving quarterly/monthly targets within framework agreed with the Treasurer/Minister for Finance (Ministerial satisfaction survey)	per cent	nm	80
Taxation Monitoring Services			
<i>Quantity</i>			
Expertise and knowledge to monitor the taxation receipts of the State		na	na
<i>Quality</i>			
Major problems without contingency plans	number	nm	nil
Annual customer (Treasurer) satisfaction survey	per cent	nm	80
Targeted tax receipts achieved	\$m	8 593	8 734
<i>Timeliness</i>			
Monthly reports on year to date revenue against Budget to the Treasurer as agreed (Ministerial satisfaction survey)	per cent	nm	80
Departmental Performance Analysis and Review			
<i>Quantity</i>			
12 reports of plans and performance of the 8 Departments	number	nm	12
<i>Quality</i>			
Annual customer (Treasurer/Minister for Finance) satisfaction survey	per cent	80	80
<i>Timeliness</i>			
Deadlines met within timeframes agreed with Treasurer/Minister for Finance (Ministerial satisfaction survey)	per cent	90	90

**Table 2.9.4: Output Group Description and Outputs
Financial Management Services - *continued***

<i>Major Outputs/Deliverables</i>	<i>Unit of Measure</i>	<i>1997-98 Target</i>	<i>1998-99 Target</i>
<i>Performance Measures</i>			
Government Business Enterprise Performance Monitoring Services			
<i>Quantity</i>			
Analysis and review of plans and performance of corporatised GBEs		na	na
<i>Quality</i>			
Quarterly customer (Treasurer/Minister for Finance) satisfaction survey	per cent	80	80
<i>Timeliness</i>			
Target dates met for GBE dividend payments	per cent	nm	100
Deadlines met for providing advice to the Treasurer under the Corporate Planning and Reporting cycle (Quarterly satisfaction survey with the Treasurer/Minister for Finance)	per cent	nm	80

Source: Department of Treasury and Finance

**Table 2.9.5: Output Group Costs
Financial Management Services**

	<i>(\$ million)</i>		
	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
Total cost of output group	25.9	18.1	-30.1
<i>Comprising:</i>			
Employee-related Expenses	6.3	6.2	-1.8
Purchases of Supplies and Services	16.1	9.3	-42.3
Depreciation	1.4	2.3	62.6
Capital Asset Charge	0.2	0.2	..
Other	1.9	0.1	-93.7

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.9.6: Output Group Description and Outputs
Risk Management Services**

Key Government Outcomes

- A more effective public sector ('Value for Taxpayer's Dollar')
- Efficient and effective government for Victoria.

Description of the Output Group

- Development, communication, and compliance monitoring of risk management policies appropriate to various activities of Government departments, agencies and business enterprises, including advice on issues arising. This Output Group meets the Government's objective to establish and maintain an effective public sector, whereby financial stability and integrity are crucial outcomes. It includes outputs which ensure that authorities operate within prudential frameworks, and that the Government's exposure to any on-going liabilities incurred as a result of infrastructure outsourcing and energy sector privatisations is minimised.

Major Outputs/Deliverables	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Risk Management Policy Advice and Prudential Supervision Services			
<i>Quantity</i>			
Expertise and knowledge to deliver policy advice on public sector risk management and prudential supervision of public financial enterprises and public sector superannuation funds with assets totalling around \$50 000 million		na	na
<i>Quality</i>			
No surprises	number	nm	nil
Contingency plans	yes/no	nm	yes
Quarterly peer review assessment	per cent	nm	80
Annual customer (Treasurer/Minister for Finance) satisfaction survey	per cent	80	80
<i>Timeliness</i>			
Quarterly reports to Treasurer/Minister for Finance as agreed	per cent	nm	80

**Table 2.9.6: Output Group Description and Outputs
Risk Management Services - *continued***

Major Outputs/Deliverables Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Infrastructure Project Policy Advice and Implementation			
<i>Quantity</i>			
Expertise and knowledge to deliver infrastructure policy advice and implementation in 1998-99:		na	na
<ul style="list-style-type: none"> • Delivery of financial risk management advice on all major infrastructure projects • Assist water entities in implementing new infrastructure projects with the private sector 			
<i>Quality</i>			
Quarterly peer review assessment	per cent	nm	80
Annual customer (Treasurer/Minister for Finance) satisfaction survey	per cent	80	80
<i>Timeliness</i>			
Treasurer receives advice in time to enable adequate consideration of issues prior to approval. (Quarterly survey with the Treasurer/Minister for Finance)	per cent	nm	80
Energy Sector Risk Management			
<i>Quantity</i>			
Expertise to identify energy sector risks in 1998-99:		na	na
<ul style="list-style-type: none"> • Market and financial risks carried by Government • Strategies for each identified risk 			
<i>Quality</i>			
Maximise the State's net financial position	yes/no	nm	yes
Minimise the State's expected value of financial liabilities	yes/no	nm	yes
Minimise the extent ongoing liabilities requiring intensive management	yes/no	nm	yes
<i>Timeliness</i>			
Achieved to schedule agreed between the Department and the Treasurer	per cent	nm	100
<i>Source: Department of Treasury and Finance</i>			
Budget Estimates 1998-99	Treasury and Finance		373

**Table 2.9.7: Output Group Costs
Risk Management Services**

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	17.8	19.9	11.8
<i>Comprising:</i>			
Employee-related Expenses	3.0	2.8	-4.3
Purchases of Supplies and Services	8.5	6.9	-19.1
Depreciation	0.2	0.1	-40.4
Capital Asset Charge	0.2	..	-
Other	5.9	10.0	69.8

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.9.8: Output Group Description and Outputs
Privatisation Services**

Key Government Outcomes:

- Victoria becomes an internationally competitive place to do business (public confidence and a vibrant, competitive economy)
- A more effective public sector ('Value for Taxpayer's Dollar')
- Efficient and effective government for Victoria

Description of the Output Group

- Implementation of Government policy on privatisation of Government Business Enterprises and private provision of public sector goods and services where appropriate and practical. It includes the implementation of the government's policy on privatisation of Government Business Enterprises including the energy industry businesses and public transport and the promotion of outsourcing in government departments.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Privatisation of Energy Businesses			
<i>Quantity</i>			
Planned sales	number	nm	7
<i>Quality</i>			
Probity			
• Bidders satisfaction with process – actionable complaints/criticisms	number	nm	nil
• Process auditor sign off	yes/no	yes	yes
Financial Management			
• Warranties and indemnities minimised in relation to sale value	per cent	<1.5	<1.5
• Improved overall position of the State's net financial position as measured by asset valuation vs price received	positive/negative	positive	positive
<i>Timeliness</i>			
Time scale - acceptable days movement from date agreed. Achieved to schedule agreed between the Department and the Treasurer	yes/no	nm	yes

**Table 2.9.8: Output Group Description and Outputs
Privatisation Services - *continued***

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Privatisation of non-energy Government Business Enterprises			
<i>Quantity</i>			
Privatisation of public transport businesses and Victorian Plantations Corporation		na	na
<i>Quality</i>			
Probity Auditor signoff	yes/no	nm	yes
Quarterly customer (Treasurer/Minister for Finance) satisfaction survey	per cent	80	80
<i>Timeliness</i>			
Achieved to schedule agreed between Department and Treasurer. (Quarterly survey with the Treasurer/Minister for Finance)	per cent	nm	80
Advice to Departments on Outsourcing of Government Services			
<i>Quantity</i>			
Promotion of outsourcing through forums, publications, and other activities		na	na
<i>Quality</i>			
Quarterly customer (Treasurer/Minister for Finance) satisfaction survey	per cent	80	80
<i>Timeliness</i>			
Services delivered as agreed with Minister. Measured by quarterly survey with the Treasurer/Minister for Finance	per cent	nm	80
Sale of Surplus Government Property			
<i>Quantity</i>			
Sales target achieved	\$m	nm	50
<i>Quality</i>			
Quarterly customer (Treasurer/Minister for Finance) satisfaction survey	per cent	80	80
<i>Timeliness</i>			
Meets agreed schedule. Measured by quarterly survey with the Treasurer/Minister for Finance	per cent	nm	80

Source: Department of Treasury and Finance

**Table 2.9.9: Output Group Costs
Privatisation Services**

(\$ million)			
	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	75.4	105.5	39.9
<i>Comprising:</i>			
Employee-related Expenses	2.5	5.0	-
Purchases of Supplies and Services	72.6	99.8	37.4
Depreciation	..	0.4	100.0
Capital Asset Charge	0.2	0.2	..
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

Table 2.9.10: Output Group Description and Outputs Reform Services

Key Government Outcomes:

- Victoria becomes an internationally competitive place do business (public confidence and a vibrant, competitive economy)
- A more effective public sector ('Value for Taxpayer's Dollar')
- Efficient and effective government for Victoria

Description of the Output Group

- Provision for the management of the implementation process for major Government endorsed reform objectives for which the Treasurer and/or Minister for Finance have responsibility. It meets the Government's objective to establish and maintain an effective public sector, and develop a vibrant and internationally competitive economy in Victoria. It includes outputs which ensure the implementation of the government's commitments on Financial Management Reform, tax reform, energy industry reform, National Competition policy and Government Business Enterprise reform with emphasis in the areas of water and public transport.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Financial Management Reform			
<i>Quantity</i>			
Planned 1998-99 milestones are:		na	na
<ul style="list-style-type: none"> • Quarterly acquittal of output delivery performance • Ownership monitoring framework • Development of cash management, corporate governance regimes • Review Financial Management legislation • Refine incentives regime for government resource use • External review of Financial Management Framework 			
<i>Quality</i>			
Affected parties receive appropriate consultation	yes/no	nm	yes
Audit report on reform	yes/no	nm	yes
Significant benefits, risks and material options identified to Government	yes/no	nm	yes
<i>Timeliness</i>			
Planned 1998-99 milestones met (Ministerial satisfaction survey)	per cent	nm	80
378	Treasury and Finance	Budget Estimates 1998-99	

Table 2.9.10: Output Group Description and Outputs
Reform Services - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Energy Industry Reform			
<i>Quantity</i>			
Reform progressed in 1998-99:			
• Implementation of gas market arrangements	date	nm	Sep 1998
• Corporatisation of Snowy Mountains Hydro-Electric Authority	date	nm	Jun 1999
<i>Quality</i>			
All significant benefits, risks and material options identified	per cent	100	100
All relevant parties receive appropriate consultation	per cent	100	100
<i>Timeliness</i>			
Planned 1998-99 milestones of 3 year plan delivered on time	per cent	nm	100
National Competition Policy and Government Business Enterprise Reform			
<i>Quantity</i>			
Delivery of advice on/implementation of national competition policy and GBE reform programs. For 1998-99 this will include:		na	na
• Implementation of the Government's water reform program			
• Management of competitive neutrality complaints mechanism			
• Participation in legislative review processes			
<i>Quality</i>			
Quarterly peer review assessment	per cent	nm	80
Annual customer (Treasurer/Minister for Finance) satisfaction survey	per cent	80	80
<i>Timeliness</i>			
Meets set timelines. Measured by quarterly survey with the Treasurer/Minister for Finance	per cent	nm	80
Budget Estimates 1998-99		Treasury and Finance	
		379	

**Table 2.9.10: Output Group Description and Outputs
Reform Services - *continued***

<i>Major Outputs/Deliverables</i>	<i>Unit of Measure</i>	<i>1997-98 Target</i>	<i>1998-99 Target</i>
Performance Measures			
Advice on Tax Reform			
<i>Quantity</i>			
The expertise and knowledge to deliver strategic taxation reform policy advice. For 1998-99 this will include:		na	na
<ul style="list-style-type: none"> • Reform of the Victorian tax system • National tax reform • Commonwealth Grants implications of tax reform options 			
<i>Quality</i>			
Quarterly peer review assessment	per cent	nm	80
Annual customer (Treasurer/Minister for Finance) satisfaction survey	per cent	80	80
<i>Timeliness</i>			
Agreed milestones met (Treasurer/Minister satisfaction)	per cent	nm	80

Source: Department of Treasury and Finance

**Table 2.9.11: Output Group Costs
Reform Services**

	<i>(\$ million)</i>		
	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
Total cost of output group	23.7	35.3	48.8
<i>Comprising:</i>			
Employee-related Expenses	5.9	5.2	-12.1
Purchases of Supplies and Services	17.0	28.4	66.6
Depreciation	0.4	0.8	-
Capital Asset Charge	0.2	0.8	-
Other	0.3	0.2	-33.3

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.9.12: Output Group Description and Outputs
Resource Management Services**

Key Government Outcomes:

- A more effective public sector ('Value for Taxpayer's Dollar')
- Efficient and effective government for Victoria

Description of the Output Group

- Administration of centrally managed resource processes including accommodation, purchasing and procurement, land and property and public sector employee relations. Consistent with the Government's commitment to increasing the contestability of service provision, many of these services are in various stages of being outsourced to external providers. It includes outputs which ensure supporting service provision at least cost; the management of all aspects of Government's purchasing and procurement processes; property management services; the management of public sector employee relations and the management of government assets sales process.

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Purchasing and Procurement Services			
<i>Quantity</i>			
The framework and guidelines to operate the Government's purchasing procurement framework		na	na
<i>Quality</i>			
Aggregate savings to Government	\$m	nm	5.5
End user survey on usefulness of the advice/training provided	per cent	nm	78
<i>Timeliness</i>			
Major milestones met as agreed for 1989-99 (Ministerial satisfaction survey)	per cent	nm	80
Accommodation Services			
<i>Quantity</i>			
Total area managed (City Precinct Strategic Plan)	m ²	nm	363 000
<i>Quality</i>			
Dead rent - government leased accommodation	per cent	2	2
Dead rent - government owned accommodation	per cent	nm	4
Budget Estimates 1998-99	Treasury and Finance		381

**Table 2.9.12: Output Group Description and Outputs
Resource Management Services - *continued***

Major Outputs/Deliverables	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Accommodation Services - <i>continued</i>			
<i>Timeliness</i>			
Accommodation available for clients when agreed	per cent	90	90
Public Sector Employee Relations Services			
<i>Quantity</i>			
Expertise and knowledge to service Government and client organisations		na	na
<i>Quality</i>			
Annual customer (Minister for Finance and client organisations) satisfaction survey	per cent	80	80
<i>Timeliness</i>			
Services/advice received by clients when agreed	per cent	nm	80
Government Land and Property Services			
<i>Quantity</i>			
Research and advice on land and property issues		na	na
<i>Quality</i>			
Quarterly customer (Treasurer/Minister for Finance) satisfaction survey	per cent	80	80
<i>Timeliness</i>			
Minister receives advice in time to meet agreed milestones and enable adequate consideration of issues prior to approval (Ministerial satisfaction survey)	per cent	nm	80

**Table 2.9.12: Output Group Description and Outputs
Resource Management Services - *continued***

<i>Major Outputs/Deliverables</i>	<i>Unit of Measure</i>	<i>1997-98 Target</i>	<i>1998-99 Target</i>
<i>Performance Measures</i>			
Budget Development and Production			
<i>Quantity</i>			
Development and production of State Budget	date	nm	tbid
<i>Quality</i>			
Readers satisfied with accuracy, completeness and presentation of Budget Papers	per cent	nm	80
Annual customer (Treasurer/Minister for Finance) satisfaction survey	per cent	80	80
<i>Timeliness</i>			
Milestones met as agreed with Treasurer/Minister for Finance (ministerial satisfaction survey)	per cent	nm	80

Source: Department of Treasury and Finance

**Table 2.9.13: Output Group Costs
Resource Management Services**

	<i>(\$ million)</i>		
	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
Total cost of output group	71.1	55.9	-21.3
<i>Comprising:</i>			
Employee-related Expenses	7.3	8.1	10.8
Purchases of Supplies and Services	30.5	16.0	-47.6
Depreciation	20.0	20.2	1.2
Capital Asset Charge	13.3	11.6	-12.4
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.9.14: Output Group Description and Outputs
Regulatory Services**

Key Government Outcomes:

- A more effective public sector ('Value for Taxpayer's Dollar')
- Efficient and effective government for Victoria

Description of the Output Group

- The Victorian Casino and Gaming Authority monitors and regulates Victoria's gambling activities to ensure that it is fair, crime free, and optimises the benefits for Victorians.
- The Office of the Chief Electrical Inspector ensures minimum standards for the safety, supply and use of electricity throughout Victoria and the energy efficiency of electrical appliances.
- The Office of the Regulator-General acts as the economic regulator of regulated industries to promote competitive conduct, prevent misuse of market powers, facilitate market entry and industry efficiency and ensure that users and consumers benefit from competition and efficiency.
- The Office of Gas Safety establishes and maintains control of safety over all gas fuels in their supply, distribution and utilisation.

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Regulation of Gambling			
<i>Quantity</i>			
Number of licences	number	17 700	19 200
Compliance Services (compliance audits and inspections, investigations, revenue verification, operator procedures and rule approvals)	number	nm	8 360
<i>Quality</i>			
Licences - processing procedures are completed accurately	per cent	nm	95
Compliance Services - ensure preventable incidents and irregularities do not occur in gaming operations	per cent	nm	95
<i>Timeliness</i>			
Licences – processed within target time	per cent	80	80
Compliance services - performed within target time	per cent	nm	95

Table 2.9.14: Output Group Description and Outputs
Regulatory Services - continued

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Policy Advice on Casino and Gaming Matters			
<i>Quantity</i>			
Advice on issues	number	nm	505
Legislation	number	nm	4
Research projects	number	nm	6 (prelim)
<i>Quality</i>			
Appropriate and strategic advice, to meet Ministerial and Board satisfaction	per cent	nm	90
Legislation - implement legislation which is effective in achieving desired goals	per cent	nm	90
Research Projects - investigate social and economic impacts of gambling	per cent	nm	90
<i>Timeliness</i>			
Advice on issues – provide on a timely basis	per cent	nm	90
Legislation - implement to meet Ministerial and Government requirements	per cent	nm	90
Research projects – results released on time	per cent	100	100
Services to users of electricity			
<i>Quantity</i>			
Electrical fatalities, excluding wilful incidents, expressed per million of Victorian population (based on a 3 year average)	number	1.6	1.5
Licence and registration applications assessed	number	11 500	11 500

**Table 2.9.14: Output Group Description and Outputs
Regulatory Services - *continued***

Major Outputs/Deliverables	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Services to users of electricity – <i>continued</i>			
<i>Quality</i>			
Electrical products on display in Victorian retail outlets carrying an accurate energy rating label where required	per cent	nm	98
Customers satisfied with the level of service provided:	per cent	nm	80
<ul style="list-style-type: none"> • Supply Safety • Installation safety • Equipment safety/efficiency • Electrolysis • Communications 			
Victorians who know the meaning of the energy rating label	per cent	nm	78
Compliance of industry with relevant safety codes and regulations - % of audit samples	per cent	95	95
Index of several measures of community reach	per cent	nm	68
Compliance of manufacturers and retailers with energy efficiency testing and labelling regulations - % of audit samples	per cent	95	95
Reduction in electricity supply industry levy compared to previous financial year	per cent	nm	13

Table 2.9.14: Output Group Description and Outputs
Regulatory Services - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Economic Regulatory Services			
<i>Quantity</i>			
Approval and monitoring of prices in accordance with the Electricity Tariff Order and relevant industry specific legislation	date	nm	Jun 1999
Approve network access arrangements in accordance with relevant state and national legislation and codes	date	nm	Jun 1999
Issue periodic reports on the performance of regulated industries	date	Jun 1998	Jun 1999
Issue revised industry, codes, guidelines and standards	date	Jun 1998	Jun 1999
<i>Quality</i>			
Effective and open consultation with industry participants and stakeholders in relation to determinations issued by the Office	date	nm	Jun 1999
Issue discussion papers on key issues for the electricity distribution price review	date	nm	Jun 1999
Timely and efficient collection and analysis of regulatory data	date	nm	Jun 1999
Implementation of revised performance reporting regimes	date	nm	Jun 1999
Issue a paper setting out the framework, policies and principles for the conduct of the electricity price review	date	nm	Dec 1998
<i>Timeliness</i>			
Achieve deadlines in accordance with statutory requirements	per cent	nm	100

**Table 2.9.14: Output Group Description and Outputs
Regulatory Services - *continued***

Major Outputs/Deliverables	Unit of Measure	1997-98 Target	1998-99 Target
Performance Measures			
Services to users of gas			
<i>Quantity</i>			
Ensure all gas appliances sold and/or used in Victorian gas installations are subject to appropriate approval scheme	per cent	nm	100
<i>Quality</i>			
Gas incidents reported downstream of consumer's meter per month	number	nm	<4
Injuries/fatalities downstream of consumer's meter	number	nm	nil
Gas incidents reported in systems upstream of consumer's meter per month	number	nm	<5
Injuries/fatalities reported in systems upstream of consumer's meter	number	nm	nil
Faults per Type A installation inspection completed	number	nm	<0.25
Faults per Type B installation inspection completed	number	nm	<2
Maintain community confidence in safety of gas system (annual survey completed)	per cent	nm	90
Audit of Plumbing Industry Board certification compliance scheme	per cent	nm	99
Safety cases submitted by all gas companies (including retailers, distributors, transmitters)	per cent	nm	100

Source: Department of Treasury and Finance

**Table 2.9.15: Output Group Costs
Regulatory Services**

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Total cost of output group	29.7	34.8	17.3
<i>Comprising:</i>			
Employee-related Expenses	11.8	19.6	66.1
Purchases of Supplies and Services	17.3	13.5	-22.1
Depreciation	0.6	1.5	-
Capital Asset Charge	..	0.3	100.0
Other	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

**Table 2.9.16: Output Group Description and Outputs
Taxation Management Services**

Key Government Outcomes:

- A more effective public sector ('Value for Taxpayer's Dollar')
- Efficient and effective government for Victoria

Description of the Output Group

- Ensure customer needs are central to the design and delivery of service.
- Ensure timely delivery to Government of all due taxation through fair and cost effective taxation management services.
- Develop policy proposals that are effective in achieving Government policy objectives and are fair, easy to comply with and easy to administer.

<i>Major Outputs/Deliverables</i> Performance Measures	Unit of Measure	1997-98 Target	1998-99 Target
Taxpayer/Customer Advice and Support Services			
<i>Quantity</i>			
Expertise and knowledge to deliver taxpayer/customer advice and support services		na	na
<i>Quality</i>			
Customer satisfaction with education and compliance programs provided	per cent	95	95
Customer satisfaction with public rulings and publications	per cent	95	95
<i>Timeliness</i>			
Section 97 certificates issued within 5 days	per cent	99	99
Refunds within 60 days	per cent	100	100
Timely handling of objections within 60 days	per cent	100	100

Table 2.9.16: Output Group Description and Outputs
Taxation Services - *continued*

<i>Major Outputs/Deliverables</i>	Unit of Measure	1997-98 Target	1998-99 Target
<i>Performance Measures</i>			
Taxation Management Services to Government			
<i>Quantity</i>			
Revenue collected within agreed budget target set	per cent	+/- 5	+/- 5
<i>Quality</i>			
Ratio of outstanding debt to total revenue	per cent	<2	<2
Accuracy of cashflow projection	per cent	+/- 5	+/- 5
<i>Timeliness</i>			
Revenue received within 2 days of due date	per cent	90	90
Revenue banked on day of receipt	per cent	99	99
Meet Cabinet and Parliament timeframes in Legislation	per cent	100	100

Source: Department of Treasury and Finance

Table 2.9.17: Output Group Costs
Taxation Management Services

	<i>(\$ million)</i>		
	<i>1997-98 Budget</i>	<i>1998-99 Budget</i>	<i>Variation %</i>
Total cost of output group	56.7	56.2	-0.8
<i>Comprising:</i>			
Employee-related Expenses	24.1	25.7	6.7
Purchases of Supplies and Services	24.7	21.7	-12.0
Depreciation	6.0	6.5	8.4
Capital Asset Charge	0.8	0.9	8.1
Other	1.1	1.5	30.6

Source: Department of Treasury and Finance, Forward Estimates

Part 2: Financial Information

This part provides the financial tables that support the department's provision of outputs. This information can assist the reader to assess a department's financial performance.

The information provided includes a statement of financial position, operating statement and cash flow statement for the department as well as tables detailing departmental expenses and revenue.

The total resources planned to be available to the department for the delivery of outputs, investment in departmental assets and other purposes in respect of the 1998-99 financial year are outlined in the following Table 2.9.18: Summary of departmental resources available

Table 2.9.18: Summary of departmental resources available

	<i>(\$ million)</i>	
Resources	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>
<i>Outputs purchased by State government</i>	308.2	340.5
<i>Outputs purchased by other parties</i>	4.4	7.7
Operating revenue from provision of outputs sub-total	312.6	348.2
Government contribution to increasing net asset base	24.6	21.2
Funding for Payments made on behalf of the State	2 521.3	2 413.4
TOTAL	2 858.5	2 782.8

Source: Department of Treasury and Finance, Forward Estimates

The available resources are applied to three uses:

- the provision of outputs;
- payments on behalf of the State; or
- asset investment.

The table below shows the break-up of the available resources across the three categories of uses.

Table 2.9.19: Summary of use of resources

(\$ million)		
	1997-98	1998-99
	Budget	Budget
Output provision expenses	314.5	346.0
Payments made on behalf of the State	2 521.3	2 413.4
Gross Fixed Asset Investment less Depreciation	24.6	21.2
Total Uses	2 860.3	2 780.6

Source: Department of Treasury and Finance, Forward Estimates

Payments on behalf of the State are payments made by the department on behalf of the State Government as a whole and do not directly reflect the operations of the department.

Table 2.9.20: Payments made on behalf of the State

(\$ million)		
	1997-98	1998-99
	Budget	Budget
Superannuation and pension payments	880.3	920.8
Interest	1 120.0	805.5
Tattersall's duty payments to other jurisdictions	37.3	38.2
Fiscal contribution payment	158.2	74.4
Grants to Government Business Enterprises	192.4	139.4
Business franchise fee safety net payments	..	100.0
Water and sewerage rebate scheme	..	4.5
Winter power bonus	..	134.0
Grants to Non-budget Non-profit organisations	9.9	11.9
Operating Supplies and Services	123.1	184.7
Total	2 521.2	2 413.4

Source: Department of Treasury and Finance, Forward Estimates

The table below lists the source of departmental funds for Gross Fixed Asset Investment. Asset investment is equal to Gross Fixed Asset Investment (purchase of new assets) less reductions in existing fixed assets, through depreciation and asset sales.

Table 2.9.21: Gross Fixed Asset Investment

(\$ million)		
	1997-98	1998-99
	<i>Budget</i>	<i>Budget</i>
Financial Assets (<i>attributable to depreciation expense</i>)	29.1	32.6
Appropriation for increases in the net asset base	24.6	21.2
Fixed Asset Sales	..	..
Own account and other (including retained earnings)	- 0.6	- 1.6
Total Gross Fixed Asset Investment	53.1	52.2

Source: Department of Treasury and Finance, Forward Estimates

The operating statement, statement of financial position and a cash flow statement are provided below. This information includes non-public account revenue from services provided by the department to third parties in exchange for payment. Currently this includes user charges, and fees for services retained outside the Public Account.

Table 2.9.22: Departmental operating statement

(\$ million)

	1997-98 Budget	1998-99 Budget	Variation %
Operating Revenue			
Revenue from State Government ^(a)	308.2	340.5	10.5
Commonwealth	0.2	0.2	-0.3
Other revenue ^(b)	4.2	7.5	76.9
Total	312.6	348.2	11.4
Operating Expenses			
Employee Related Expenses ^(c)	68.6	79.7	16.3
Purchases of Supplies and Services ^(d)	192.5	207.7	7.9
Depreciation ^(e)	29.1	32.6	12.2
Capital Asset Charge	14.8	14.1	-4.9
Other Expenses	9.4	11.7	10.0
Total	314.5	346.0	10.0
Operating Surplus/Deficit	-1.8	2.2	-114.6
Funds provided to meet Payments on behalf of the State			
From Government	2 521.2	2 413.4	-4.2
Other Sources	..	..	..
Total Funds provided to meet payments on behalf of the State	2 521.2	2 413.4	-4.2

Source: Department of Treasury and Finance, Forward Estimates

Notes:

- (a) State government payments for provision of outputs. Includes estimated carryover of 1997-98 appropriation amounts. Actual carryover is subject to approval by the Treasurer prior to 30 June pursuant to Section 32 of the Financial Management Act, 1994.
- (b) Includes revenue for services delivered to parties outside government.
- (c) Includes salaries and allowances, superannuation contributions and payroll tax.
- (d) Includes payments to non-government organisations for delivery of services.
- (e) Includes amortisation of leased assets.

Table 2.9.23: Statement of Financial Position ^(a)

	(\$ thousand)		Variation %
	1998	1999	
	<i>Estimated as at 30 June</i>		
Assets			
Current Assets			
Cash	632 155	630 507	-0.3
Investments	28 633	28 633	..
Receivables	532 998	533 358	0.1
Prepayments	1 350	1 350	..
Inventories	36 412	36 412	..
Other Assets	..	..	..
Total Current Assets	1231 548	1230 260	..
Non-Current Assets			
Investments	328 767	328 767	..
Receivables	7 018	7 909	12.7
Fixed Assets	164 006	133 096	-18.8
Other Assets	..	..	..
Total Non-Current Assets	499 792	469 773	-6.0
Total Assets	1731 340	1700 033	-1.8
Liabilities			
Current Liabilities			
Payables	326 466	326 466	..
Borrowing	..	540	..
Employee Entitlements	6 634	6 942	4.6
Superannuation	..	..	..
Other Liabilities	170 732	168 732	-1.2
Total Current Liabilities	503 832	502 680	..
Non-Current Liabilities			
Payables	38 456	38 456	..
Borrowing	..	..	..
Employee Entitlements	11 859	11 859	..
Superannuation	..	..	..
Other Liabilities	..	..	..
Total Non-Current Liabilities	50 315	50 315	..
Total Liabilities	554 147	552 995	..
Net Assets	1177 193	1147 038	..

Source: Department of Treasury and Finance, Forward Estimates

(a) Excludes major assets and liabilities administered by DTF on behalf of the State including liabilities for unfunded superannuation, Budget Sector debt and the flexible tariff management arrangement and Commonwealth State Housing Agreement borrowings invested with the Office of Housing.

Table 2.9.24: Cash flow statement

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Variation %
Cash flows from operating activities			
<i>Operating receipts</i>			
Receipts from State Government ^(a)	307.6	339.2	10.3
Commonwealth payments	0.2	0.2	-0.3
Other	2.8	6.1	-
	310.5	345.5	11.3
<i>Operating payments</i>			
Employee related expenses	- 68.8	- 81.4	18.3
Purchases of supplies and services	- 192.8	- 204.2	5.9
Interest & finance expenses	- 0.2	..	-100.0
Capital assets charge	- 14.8	- 14.1	-4.9
Current grants and transfer payments	- 8.7	- 11.5	32.5
Capital grants and transfer payments	- 0.3	- 0.2	-33.3
Net cash from Operating Activities	24.9	34.0	36.7
Cash flows from Investing Activities			
Receipts from sale of land, fixed assets and investments	52.3	55.0	5.2
Purchases of non-current assets	- 53.1	- 56.7	6.9
Net Cash used in investing activities	- 0.8	-1.7	-
Cash flows from Financing Activities			
Receipts from appropriations - increase in net asset base	72.5	21.2	-70.8
Capital repatriated to Government	- 52.3	- 55.0	5.2
Net borrowings and advances	- 27.5	-0.1	-99.6
Net Cash from financing activities	- 7.3	-33.9	-
Net increase in cash held	16.8	-1.6	-
Cash at beginning of period	615.3	632.2	2.7
Cash at end of period	632.2	630.5	-0.3
Cash Flows on behalf of State ^(b)			
Receipts from Appropriations	2 496.0	2 613.8	4.7
Other cash inflows	8.1	256.5	-
	2 504.0	2 870.2	14.6
Cash outflows from operating activities	-1 047.2	-1 543.8	47.4
Cash outflows from investing activities	- 90.0	- 205.6	-
Cash outflows from financing activities	-1 366.8	-1 120.8	-18.0
Net Cash Flows on behalf of State	..	..	..

Source: Department of Treasury and Finance, Forward Estimates

Notes:

(a) State government cash paid for provision of outputs.

(b) Includes Advance to the Treasurer.

Authority for resources

This section details on the Parliamentary authority for the resources provided to a Department for the provision of outputs, increases in the net asset base or payments which are made on behalf of the State.

Table 2.9.25: Authority for Departmental Resources

	(\$ million)	
	1997-98	1998-99
	Budget	Budget
Annual Appropriations	458.6	341.2
Receipts Credited Appropriations	2.4	2.9
Gross Appropriation	461.0	344.1
Special Appropriations	14.9	17.2
Trust Fund Receipts	2.8	0.3
Non Public Account Revenue and other sources	0.2	6.0
Total Authority	479.0	367.6

Source: Department of Treasury and Finance, Forward Estimates

Annual appropriations

In 1998-99 the Department of Treasury and Finance will receive government annual appropriations totalling \$1986.1 million. This figure is inclusive of the estimated carryover of funds from 1997-98. The actual carryover amount will be approved by the Treasurer pursuant to Section 32 of the Financial Management Act 1994 prior to 30 June.

Table 2.9.26: Gross Annual Appropriations by purpose

	(\$ million)	
	1997-98	1998-99
	Budget	Budget
Provision of Outputs	299.5	328.8
Additions to net asset base	24.6	21.2
Payments made on behalf of the State	1 660.8	1 640.6
Total	1 984.9	1 994.0

Source: Department of Treasury and Finance, Forward Estimates

Receipts Credited Appropriations

Pursuant to Section 29 of the *Financial Management Act 1994* funds are available as a result of:

- the provision of services directly to third parties by a department in return for payment (user charges);
- Specific Purpose Payments from the Commonwealth; or
- funds from the sale of departmental fixed assets.

In 1998-99 no department has applied for the proceeds of fixed asset sales to be credited to their appropriation pursuant to Section 29 of the *Financial Management Act 1994*.

Table 2.9.27: Details of Receipts Credited

	(\$ million)	
	1997-98	1998-99
	Budget	Budget
User Charges	2.4	2.9
Commonwealth SPPs	..	..
Asset Sales	..	..
Total	2.4	2.9

Source: Department of Treasury and Finance, Forward Estimates

Special Appropriations

Special Appropriations are used for ongoing payments which need to be made independently of the Government's annual budget priorities. Special appropriations represent a standing authority and do not lapse each year as annual appropriations do, but remain in force until amended or repealed by Parliament.

Table 2.9.28: Details of Special Appropriations

(\$ million)

	1997-98 Budget	1998-99 Budget
Gaming and Betting Act No. 37/1994, S94 - Expenses of VCGA	14.6	17.2
Crown Proceedings - Act No. 6232	..	..
Chairman - General Sessions - Act Nos. 6282/7705/8731	..	..
Judges - County Court - Act No. 6230	2.7	3.2
Judges - Supreme Court - Act No. 8750	2.1	2.6
Constitution (Governor's Pension) - Act No. 8750/1975	0.3	0.4
Business Franchise Fees (Safety Net) Act 1997	..	100.0
FMA No. 18/1994, Sec 39 - Temporary Advances	20.0	10.0
SOE Act No 90/1992 Sec 88-State Equiv. Tax Payment	..	..
Co-Operative Housing Act No. 6226, Sec 77(2) – Indemnities	1.5	1.6
Taxation (Interest On Overpayments) Act No. 35/1986, Sec 11	0.3	0.3
The Mint - Act No. 6323, Sec 3	0.1	0.1
The Superannuation Fund Act 50 1988 S30 other than Transport	472.9	854.9
The Super. Fund Act 50 1988 S 64(4) Interest Other than Trans	..	..
Co-Operative Housing Act No. 6226, Sec 75(2) – Guarantees	..	..
TCV Act 80/1992, Sec 38 - Budget Sector Debt Retirements	218.7	..
Capitalisation of Urban Water & Sewerage Authorities	..	..
Total	733.2	990.3

Source: Department of Treasury and Finance, Forward Estimates

Trust Fund Receipts

These receipts are paid into a Trust Account within the Public Account. The trust account must be set up pursuant to certain provisions contained in the Financial Management Act 1994 and are to enable departments to make payments for specific reasons as set out in the legislation authorising the creation of the trust account.

The funds paid into the account may come from four basic sources:

- State Government;
- Commonwealth Government;
- joint Commonwealth and State Government; or
- prizes, scholarships, research and private donations.

Non Public Account Revenue and other sources

Revenue from these sources includes receipts from user charges and other revenue that are collected and retained by agencies. This includes fees and charges levied by VicRoads, TAFE Institutes, school councils and hospitals.

STATEMENT 3

STATE REVENUE

State Revenue

Summary of budget sector State revenue

In this statement the term State Revenue is defined as taxation and revenue grants.

As shown in Table 3.1, budget sector revenue and grants received are expected to increase by 3.3 per cent in 1998-99. Taxes, fees and fines are expected to grow by 1.6 per cent. Public authority income is expected to increase to \$940.1 million after adjusting for increased tax equivalent receipts of \$178.7 million resulting from the sale of PowerNet Victoria and Southern Hydro Limited. Commonwealth grants are expected to increase by 3.3 per cent. Other revenue is expected to decrease to \$214.5 million, largely reflecting a one off 1997-98 revenue source associated with the transfer of former SECV land to the Budget sector following the sale of Southern Hydro.

An analysis of these changes, and revenue and grants projections for the forward estimates period, are set out in Budget Paper No. 2, *Budget Statement 1998-99*.

Table 3.1: Budget Sector Revenue and Grants Received

(\$ million)

	1997-98 Budget Estimate	1998-99 Budget Estimate
Taxes, Fees and Fines	8 596.7	8 734.1
(% change)	-4.1	1.6
Public Authority Income	683.5	940.5
(% change)	-186.9	27.3
Other Revenue	284.6	214.5
(% change)	18.0	-32.7
Commonwealth Grants	6 157.2	6 365.7
(% change)	-0.5	3.3
Total Revenue and Grants Received	15 722.0	16 254.9
(% change)	-10.2	3.3

Source: Department of Treasury and Finance, Forward Estimates

Revenue

Taxes, fees and fines

This section describes the most significant items of taxes, fees and fines.

Table 3.2: Composition of Taxes, Fees and Fines

	(\$ million)		
	1997-98 Budget Estimate	1998-99 Budget Estimate	%
			Change
Payroll Tax	2 189.6	2 236.0	2.1
Taxes on Property:			
Land Tax	427.0	365.0	-14.5
Stamp Duty on Financial Transactions			
Land Transfers	727.5	973.0	33.7
Marketable Securities	150.4	192.3	27.8
Other Property Stamp Duty	151.6	161.7	6.6
Estate, Inheritance and Gift Duty	0.1	0.1	0.0
Financial Institutions Duty	324.6	338.8	4.4
Debit Tax	260.6	258.6	-0.8
Financial Accommodation Levy	13.3	7.8	-41.4
State Deficit on Rateable Properties	0.5	0.1	-80.0
Taxes on the Provision of Goods and Services:			
Levies on Statutory Corporations	333.0	..	..
Gambling Tax -Private Lotteries	282.9	288.9	2.1
Gambling Tax -Electronic Gaming	657.4	754.6	14.8
Gambling Tax -Casino	174.4	162.8	-6.7
Gambling Tax -Racing	120.0	131.5	9.6
Gambling Tax -Other	4.1	3.5	-14.6
Taxes on Insurance	342.0	364.3	6.5
Motor Vehicle Taxes:			
Vehicle Registration Fees and Taxes	402.5	425.5	5.7
Stamp Duty on Vehicle Transfers	371.6	394.3	6.1
Drivers' Licences	20.8	19.5	-6.4
Road Transport and Maintenance Taxes	29.2	32.0	9.2
Franchise Fees:			
Petroleum	425.4		..
Tobacco	648.2		..
Liquor	169.3		..
Electricity	175.5	90.6	-48.4
Safety Net Replacement Revenue ^(a)			
Petroleum		435.6	..
Tobacco		639.8	..
Liquor		195.3	..
406	State Revenue	Budget Estimates 1998-99	

	1997-98 Budget Estimate	1998-99 Budget Estimate	% Change
Other Taxes on the Use of Goods and Services	16.1	12.1	-24.9
Total Taxes	8 417.5	8 483.6	0.8
Fees	52.9	116.2	119.7
Fines			
Police	93.5	99.0	5.9
Courts and others	32.8	35.3	7.9
Total Fees and Fines	179.1	250.5	39.8
Total Taxes, Fees and Fines	8 596.7	8 734.1	1.6

Source: Department of Treasury and Finance, Forward Estimates

Note:

(a) From 6 August 1997, business franchise fees for petroleum, tobacco and liquor were replaced by Safety Net Replacement Revenues collected by the Commonwealth on behalf of the States and Territories. The estimates are net of payments to return surplus revenues to taxpayers.

Employers' payroll tax

Payroll tax is levied on salaries and wages, commissions, bonuses, allowances, remunerations, relevant contracts and other benefits in cash or kind. The responsibility for imposing payroll tax was transferred from the Commonwealth to the States in 1971. Over the years a number of changes have been made to the tax rate and the structure of the tax scale. These were summarised in Budget Paper No. 4 in 1990–91.

From 1 November 1990 to 30 June 1997, payroll tax was levied at the rate of 7 per cent on firms whose annual payroll payments were over the tax free threshold. In January 1992, the tax-free threshold was increased from \$410 000 to \$500 000, and a system of reducing thresholds on larger firms was abolished. In December 1992, the threshold was increased to \$515 000. From 1 July 1997, all employer superannuation contributions have been subject to payroll tax. This was in line with recent changes made in New South Wales, the Australian Capital Territory, South Australia, Western Australia and Tasmania, and is consistent with the practice adopted in Queensland and the Northern Territory. At the same time, the rate of tax applying to taxable wages (inclusive of employer superannuation contributions) was reduced from 7 per cent to 6¼ per cent.

For wages paid or payable from 1 July 1998, the tax rate will be further reduced from 6¼ per cent to 6 per cent. For details on this tax reduction, see Chapter 5 of Budget Paper No. 2.

Land tax

Land tax is an annual tax based on the total *unimproved value* of all land owned by a taxpayer in Victoria. The unimproved value is the site value of land located in a municipality. Because valuations are undertaken progressively over a cycle, not all valuations refer to the same date. To bring all valuations up to a common date, site values are adjusted by an equalisation factor determined by the Valuer-General. This factor represents the average movement in land values between the last valuation date and the prescribed date for the year of assessment. It allows all land to be assessed consistently on the same date.

The 1997 land tax assessments for most metropolitan land were based on site values as at 30 June 1990 adjusted by equalisation factors reflecting changes in land values to June 1995. Since 1994, metropolitan councils began revaluing land for rating purposes. As a result, new unimproved values for metropolitan land which were equalised to June 1996 became available in August 1997. The 1998 land tax assessments for most municipalities will therefore reflect the rollover from the 1990 to the new 1994 valuation base, equalised to June 1996.

In the 1997-98 Budget Papers, the Government stated that the 1998 land tax structure would be determined following an analysis of the impact of the 1994 revaluations on land tax assessments. The analysis of the valuation data highlighted a number of deficiencies in the land tax system and the Government introduced the following package of reforms to overcome them:

- replacement of the former 3-point stepped rate structure with a smoother 8-point rate scale, mainly to overcome the steep jump in marginal rates which occurred at the \$540 000 threshold, where the rate increased from 0.2 per cent to 3 per cent;
- the removal of the capping arrangements, under which the liability of some taxpayers had been linked to rates and values which applied in 1993;
- an increase in the minimum tax payable from \$60 to \$85; and
- a reduction in the threshold from \$200 000 to \$85 000, in tandem with the introduction of an exemption for the principal place of residence to bring Victoria into line with the other States and Territories.

Legislation to give effect to the new rates and thresholds was passed in Spring 1997 while legislation to exempt the principal place of residence from land tax will be introduced in the Autumn 1998 Session of Parliament.

As part of the progressive application of competitive neutrality principles to Victorian Government Business Enterprises (GBEs), legislation was enacted in the 1997 Autumn session of Parliament to remove current ownership based exemptions from land tax for nominated GBEs. Entities to become liable for

land tax for the first time in 1998-99 will include the Victorian Plantations Corporation, Victorian Channels Authority and the Rural Finance Corporation.

Table 3.3: Land Tax Rates

<i>Unimproved Value (\$)</i>	<i>1998 Land Tax Payable</i>
less than \$85 000	Nil
\$85 000 - \$200 000	\$85 plus 0.1% of excess over \$85 000
\$200 000 - \$540 000	\$200 plus 0.2% of excess over \$200 000
\$540 000 - \$675 000	\$880 plus 0.5% of excess over \$540 000
\$675 000 - \$810 000	\$1 555 plus 1.0% of excess over \$675 000
\$810 000 - \$1 080 000	\$2 905 plus 1.75% of excess over \$810 000
\$1 080 000 - \$1 620 000	\$7 630 plus 2.75% of excess over \$1 080 000
\$1 620 000 - \$2 700 000	\$22 480 plus 3.0% of excess over \$1 620 000
over \$2 700 000	\$54 880 plus 5.0% of the excess over \$2 700 000

Source: Land Tax Act 1958

Duty on land transfers

Stamp duty is payable on instruments of transfer involved in the change of ownership of land. As shown in the rate scale in Table 3.4, the rates of stamp duty are dependent on the value of the property.

Table 3.4: Stamp Duty on Land Transfers

<i>Value of Property Transferred (\$)</i>	<i>Stamp Duty Payable</i>
0 - 20 000	1.4 % of the value of the property
20 001 - 100 000	\$280 plus 2.4% of the excess over \$20 000
100 001 - 760 000	\$2 200 plus 6.0% of the excess over \$100 000
760 001 - plus	5.5% of the value of the property

Source: Stamps Act 1958

Since 1 July 1996, for first home buyers with dependent children, a maximum exemption of \$2 200 has applied on a \$100 000 home, reducing thereafter such that the exemption ceases for homes valued at \$150 000. In addition, the combined annual taxable income of the home buyers must not exceed \$40 000 in order to qualify for this concession.

For pensioners, a full exemption or refund has applied provided the combined price of the house and land does not exceed \$70 000. If the combined house and land package exceeds \$70 000 but is less than \$100 000, the benefit is applied on a reducing formula. No separate income test applies for eligible pensioners.

For contracts entered into on or after 1 July 1998, the thresholds at which the maximum concession on stamp duties for first home buyers and pensioners begin to taper out will be raised to \$115 000 and \$100 000 respectively, while the upper thresholds for a partial concession will also be raised to \$165 000 and \$130 000 respectively.

For contracts entered into on or after 21 April 1998, conveyance duty will be lowered by extending the range over which the lower marginal rate of 2.4 per cent applies from the current \$100 000 threshold to \$115 000. The next tax threshold range, where the marginal rate of 6 per cent applies, will also be extended from \$760 000 to \$870 000. For details of these changes, refer to Chapter 5 of Budget Paper No. 2.

Duty on marketable securities

With some exceptions, duty is levied on the transfer of any marketable security through the Australian Stock Exchange (ASX) or involving any company incorporated in Victoria. The most common types of marketable securities are shares in public companies and units in public trusts. In the case of on-market transactions, which occur through the ASX, duty is payable on all orders placed with Victorian brokers. In the case of transactions which do not occur through the ASX, duty is payable if the company is incorporated in Victoria, regardless of where the transaction takes place.

For securities listed on the ASX, the current rate of duty is 30 cents for every \$100 or part thereof for on-market or off-market transactions. The rate of duty for marketable securities not listed on the ASX is 60 cents for every \$100 or part thereof.

When the transaction is on-market, both the purchaser and seller pay 15 cents for every \$100 or part thereof. Duty on off-market transactions of listed marketable securities is payable by the purchaser only.

No duty is payable on the transfer of corporate securities and mortgage-backed certificates traded in the secondary mortgage market.

Other property stamp duty

Stamp duty on other property is detailed in Table 3.5:

Table 3.5: Taxes on Property - Other Property Stamp Duty

	(\$ million)	
	1997-98	1998-99
	Budget Estimate	Budget Estimate
Duty on Mortgages/Debentures	88.5	92.5
Duty on Rental Business	25.0	33.8
Duty on Leases	31.5	29.5
Adhesive Duty Stamps, Settlement & Deeds	6.6	5.9
Total	151.6	161.7

Source: Department of Treasury and Finance, Forward Estimates

Duty on mortgages/debentures

With some exceptions, duty is payable on the issue of all mortgages, which are secured against real or personal property, and other generally unsecured bonds, debentures and covenants. The duty payable depends on the amount secured by the document. Further duty is payable when the amount secured under an existing mortgage is increased.

A flat \$4 is paid when the amount secured on an initial mortgage exceeds \$200 but not \$10 000. When an initial mortgage exceeds \$10 000, or the amount secured under an existing mortgage is increased, an additional 80 cents is payable for every additional \$200 or part thereof secured under the mortgage.

Since 1 April 1996, an exemption has applied for the refinancing of loans for all businesses. This has reduced the refinancing costs for business, thereby allowing them to take advantage of more competitive interest rates offered in the market place.

With effect to contracts entered into on or after 1 May 1997, the exemption from stamp duty was extended to include all loan refinancing arrangements.

From 1 November 1996, changes were made to the stamp duty exemption on consumer credit contracts, to coincide with the introduction of the national Consumer Credit Code. The current exemption is now \$35 000 and no limitation exists on interest charges. However, mortgage securities on loans to unincorporated persons for commercial vehicles or farm machinery continue to be exempt from duty.

Duty on rental business

Any rental business that receives rental income in excess of \$6 000 in any month must register and pay rental business duty.

There are two rates of rental business duty which may apply depending on when the rental agreement was first entered into. If the rental agreement was entered into on or after 1 January 1997, duty is payable at 0.75 per cent of the gross rental income received under the agreement. If the rental agreement was entered into before 1 January 1997, duty is payable at the rate of 1.5 per cent on the gross rental income received for the duration of the agreement.

Hire purchase agreements entered into on or after 1 January 1997 are also subject to rental business duty with the following exemptions:

- if the hirer is not a company;
- if the credit provided is less than \$35 000 and the goods are for personal, domestic or household use;
- if the agreement is for the purchase of 'specific' commercial vehicles as defined in the *Victorian Credit Act 1984* but excludes utilities, station wagons and panel vans; and
- the agreement is for the purchase of farming machinery as long as the machinery is specified in the *Victorian Credit Act 1984* and is intended for use in a farming undertaking carried on by the hirer.

Duty on leases

Stamp duty is imposed on all leases and assignments of leases of all property, other than that used solely for residential purposes. The rate of duty varies, depending on whether the lease is for a definite or an indefinite term. The most common rate of duty for a definite term lease exceeding \$130 per annum is 60 cents per \$100 or part thereof of the total rent payable over the full term of the lease.

Adhesive duty stamps, settlements and deeds

Until 1991, adhesive duty stamps, which are sold at face value, were mainly used for the payment of court fees. Following the introduction in that year of alternative methods for paying these fees, receipts from duty stamp sales have declined. Duty stamps are now mainly used for paying a range of minor stamp duties such as mortgages secured for less than \$10 000, leases and transfer of shares.

Rates are currently set at \$200 for instruments of settlement. Since 1 May 1997, deed duty of \$10 per document was abolished on all documents executed on or after that date.

Financial Institutions Duty

Financial Institutions Duty (FID) is levied on the receipts of financial institutions with annual deposits in excess of \$5 million. FID is levied at the rate of 0.06 per cent, with a maximum duty of \$1 200 per receipt. The maximum duty applies to deposits of \$2 million and over.

Concessional rates apply to certain receipts relating to short-term money market dealings, as it is recognised that in this market FID charged at the primary rate could exceed interest earned. A concessional rate of 0.005 per cent is levied on one-third of the average daily amounts borrowed in Australia by financial institutions through short-term dealings. An exemption from the primary rate of duty is also available for short-term dealing accounts operated by persons not registered as financial institutions. This concession requires the payment of duty at the rate of 0.005 per cent of the average daily credit balance of the account.

There are a number of exemptions from FID, the main ones being:

- receipts by banks for the credit of exempt accounts;
- pensions and benefits paid directly to accounts by the Commonwealth Departments of Social Security and Veterans' Affairs;
- receipts to accounts of religious or charitable institutions, or non-tertiary educational bodies; and
- receipts to accounts of local government bodies or government departments (not including boards, authorities, commissions or tribunals).

FID on treasury products, such as swaps, options, futures and forward rate agreements was abolished from 24 November 1992 as part of a strategy to consolidate Melbourne's position as a financial centre.

In this Budget, the Government has decided to provide a full exemption from FID on inter-bank transfers by bank customers forced to close their accounts

due to the closure of a bank branch. The date of effect of this exemption is to be announced following consultation with financial institutions. In addition, from 1 July 1998, a specific exemption from FID is to be allowed when an amount is credited to an account held with one bank that has been deposited via another bank. For details, see Chapter 5 of Budget Paper No. 2.

Debits tax

Debits tax is levied on debits to cheque accounts or to bank accounts with cheque facilities. The rate structure is outlined in Table 3.6.

Table 3.6: Debit Tax Duty Rates

<i>Debit Range (\$)</i>	<i>Current Duty (\$)</i>
1.00 - 99.99	0.30
100.00 - 499.99	0.70
500.00 - 4 999.99	1.50
5 000.00 - 9 999.99	3.00
10 000.00 - or more	4.00

Source: Debits Tax Act 1990

Exemptions from debits tax are available to public benevolent institutions, religious organisations, public hospitals and non-profit private hospitals, non-profit universities, colleges and schools (including kindergartens), certain support groups for exempt organisations, Commonwealth Government departments, State Government departments, government authorities, and local government bodies which do not carry on activities of a business nature.

In this Budget, the Government has decided to provide a full exemption from debits tax on inter-bank transfers by bank customers forced to close their accounts due to the closure of a bank branch. The date of effect of this exemption is to be announced following consultation with financial institutions. For details, see Chapter 5 of Budget Paper No. 2.

Financial accommodation levy

The financial accommodation levy applies to leviable authorities (significant Government Business Enterprises (GBEs) with financial accommodation in excess of \$5 million). This levy increases the exposure of GBEs to commercial disciplines and is consistent with the Council of Australian Governments' Competitive Neutrality Policy and Principles.

State deficit levy on rateable properties

The levy of \$100 on each rateable property in Victoria was abolished effective from 1 July 1995. However, some revenue is still received from payment of outstanding liabilities.

Levies on Statutory Corporations

As part of the structural reforms being implemented in the Victorian Gas Industry the *Public Authority (Contributions) Act 1966* was repealed on 11 December 1997. The balance of the public authority contribution for 1997-98 (on a cash basis as estimated at the time of the 1997-98 Budget) will now be paid to the Government under public authority income.

Gambling taxes

Gambling taxes are imposed on lotteries, the racing industry, electronic gaming machines, the casino and Club Keno.

Private lotteries

Lotteries in Victoria are conducted by Tattersalls, a private sector organisation, operating under a licence issued pursuant to the *Tattersall Consultations Act 1958*.

Tattersalls runs both lottery consultations and Soccerpools. On lottery consultations, the duty is 35.55 per cent of subscriptions. Sixty per cent of total subscriptions is returned to players in prizes. The Soccerpools duty rate is 34 per cent of subscriptions. Fifty per cent of Soccerpools subscriptions is returned to players as prizes. There is also a profit-sharing arrangement between the Government and Tattersalls. Tattersalls is required to pay 25 per cent of its net profit to the Consolidated Fund.

A 10 cent ticket levy was introduced on 1 December 1992, applying to all Tattersall lottery games with the exception of Tatts 2, Super 66, soccer football pools and instant lotteries.

Tattersalls also operates lotteries in Tasmania, the Northern Territory, the Australian Capital Territory and various foreign countries as part of the Victorian lottery pool. The Victorian Government retains a small proportion of the duty collected on Tattersalls' sales in these jurisdictions.

Revenues from Tattersalls' lotteries are transferred by standing appropriation from the Consolidated Fund to the Hospitals and Charities Fund and the Mental Hospitals Fund.

Electronic gaming machines (EGMs)

Excluding the casino, EGM activity in Victoria is conducted by Tattersalls and TABCORP under the *Gaming Machine Control Act 1991*.

The Act provides that not less than 87 per cent of EGM turnover must be returned to players as prizes. In the case of clubs, the net cash balance is split equally between the venue operator, the gaming operator and the Government. In the case of hotels, the venue operator receives only 25 per cent of the net cash balance, with 8.3 per cent being directed to the Community Support Fund.

All Government receipts are transferred by standing appropriation from the Consolidated Fund to the Hospitals and Charities Fund, the Mental Hospitals Fund and the Community Support Fund.

In 1995 the Government negotiated a licence fee payment agreement with Tattersalls. Every year for the duration of the licence, Tattersalls is required to pay the Government 30 per cent of its net profit, or \$35 million, whichever is the greater. The \$35 million is indexed to the CPI from June 1996 to maintain its real value.

The Government has imposed a ceiling of 27 500 on the number of EGMs in Victoria until the year 2000, when the ceiling will be reviewed. (This excludes the 2 500 gaming machines in the casino.)

Racing

TABCORP has been granted the exclusive licence to run off-course totalisators in Victoria, and is also authorised to run on-course totalisators at racecourses. The racing industry holds 25 per cent of the equity in TABCORP and is responsible for providing the racing program.

Under the *Gaming and Betting Act 1994*, a minimum of 80 per cent of the investments in any one totalisator must be returned to punters as prizes. The average deduction from investments in all totalisators in any financial year cannot be less than 84 per cent. The current tax rate is 28.2 per cent of the amount of commission deducted. The Government also receives 28.2 per cent of fractions, whereby fractions of 10 cents in a dividend calculation are rounded down to the nearest five cents.

Bookmakers, who provide a fixed-odds betting service, are subject to a turnover tax of 2.0 per cent at metropolitan racecourses and 1.5 per cent at country racecourses. For approved betting competitions, which also use a fixed-odds betting system, the tax payable is 20 per cent of the net investment.

Government receipts from totalisators and approved betting competitions are transferred by standing appropriation from the Consolidated Fund to the Hospitals and Charities Fund.

Casino

On being awarded the casino licence, Crown made a fixed payment of \$200 million to the Government in 1993-94 and further payments of \$57.6 million in 24 monthly instalments. Crown has agreed to pay a further \$100.8 million to the Government in 36 monthly instalments of \$2.8 million each beginning in January 1996 as an additional licence fee payment in return for the Government agreeing to an increase in the number of tables in the permanent casino.

From the opening of the temporary casino in mid-1994 to 31 December 1995, all casino activity was taxed at a uniform rate of 20 per cent of gross gaming revenue. From 1 January 1996, a concessional tax rate of 9 per cent has applied to commission-based players, enabling the casino to compete internationally in attracting premium and junket players. The casino tax rate in respect of regular players was raised to 21.25 per cent from 1 July 1997.

A further levy of 1 per cent of gross gaming revenue is payable by the casino operator. This brings the total tax rate on ordinary players to 22.25 per cent and on commission based players to 10 per cent. This levy, known as the Community Benefit Levy, is used to finance public health services through standing appropriation to the Hospitals and Charities Fund.

At least 87 per cent of amounts wagered by players on electronic gaming machines in the casino are paid out as winnings to players. Amounts paid out as winnings on casino table games are determined by the rules of the individual games.

The net addition to budget revenues from the casino are dedicated to the funding of major civic projects under the Government's *Agenda 21* program.

Other gambling

Other gambling taxes consist principally of duty on Club Keno. Club Keno is a form of Keno where a draw occurs every five minutes. It is played at venues which are licensed to operate electronic gaming machines. The tax is based on gross gaming revenue, with the gaming revenue being split equally between the Government, the venues and the operators. The payout rate to players is 75 per cent. Club Keno duty is paid into the Consolidated Fund and is transferred by standing appropriation to the Hospitals and Charities Fund and the Mental Hospitals Fund.

Permit fees for raffles, bingo and trade promotions are designed to cover costs and are related to the value of prizes. The lucky envelope and bingo surcharge was removed from 1 November 1996 to benefit community groups.

Taxes on insurance

Duty of 10 per cent of the value of premiums is payable by monthly return on general insurance business conducted in or outside Victoria which relate to any property, risk, contingency or event in the State. Exemptions to payment of this duty relate to policies against damage by hail to cereal and fruit crops, workers' compensation premiums, commercial marine hull insurance, private guarantee fidelity insurance schemes, insurance businesses carried on by organisations registered under Part VI of the Commonwealth *National Health Act 1953* and transport insurance policies. Reinsurance policies are not dutiable.

Since 1 June 1993, 10 per cent stamp duty has also been levied on compulsory third party insurance premiums (that is, the transport accident charge payable to the Transport Accident Commission).

Life insurance duty is also payable on life insurance policies for the sum insured. The duty rates on these policies are:

- 12 cents for every \$200, or part thereof, where the sum insured does not exceed \$2 000;
- \$1.20 plus 24 cents for every \$200, or part thereof, in excess of \$2 000 or where the sum insured exceeds \$2 000; or
- 5 per cent of the first year's premium on fixed length policies.

Motor vehicle registration fees

Motor vehicle registration fees are paid under the provisions of the *Road Safety Act 1986* and are regulated under the *Road Safety (Vehicles) Regulations 1988*.

Nationally consistent registration charges for heavy vehicles (over 4.5 tonnes gross vehicle mass) were introduced in Victoria on 1 January 1996. National Heavy Vehicle Registration Fees are regulated under the *Road Transport Charges (Australian Capital Territory) Act 1993*. Victorian Heavy Vehicle Registration Fees are paid under the provisions of the *Road Transport Charges (Victoria) Act 1995*.

Prior to April 1994, registration fees for light vehicles were based on the power mass units of the vehicle. From 1 April 1994, a simplified structure of motor registration fees was introduced. All vehicles of less than 3 tonnes tare are now placed on a single rate of \$140, unless they are subject to an exemption or concession and irrespective of whether they are used privately or for business

purposes. A registration fee of \$28 is paid for motorcycles and private trailers of less than 3 tonnes.

From 1 January 1996, the ceiling for light vehicles was lifted from 3 tonnes tare to 4.5 tonnes gross vehicle mass, and heavy vehicle registration charges introduced a user pays principle. Heavy vehicle types, especially prime movers and rigid trucks towing trailers, which are known to cause high road wear, pay higher total road use charges than lighter vehicles. Heavy vehicle charges also contain a component to cover operations at the higher national mass limits, allowing Victorian transport operators more flexibility in vehicle loading. The provision for three month registration periods to provide heavy vehicle operators with financial flexibility was made available under the new charges.

Motor vehicle stamp duty

Motor vehicle stamp duty fees are paid under the provisions of the *Stamps Act 1958*, and regulated under the *Stamps Regulations 1992*.

Stamp duty is levied on the transfer and initial registration of motor vehicles, cycles or trailers in Victoria. The duty is levied on the market value of the vehicle, at a progressive rate on new vehicles, and on a flat rate for secondhand vehicles. The rate scale is shown in Table 3.7.

Table 3.7: Stamp Duty on Motor Vehicles

Market Value of Vehicle (\$)	Stamp Duty Payable
Where vehicle not previously registered and market value is:	
0 - 35 000	\$5.00 per \$200 or part thereof
35 001 - 45 000	\$8.00 per \$200 or part thereof
45 001 or more	\$10.00 per \$200 or part thereof
Where vehicle has been previously registered, regardless of the market value	
	\$8.00 per \$200 or part thereof

Source: Stamps Act 1958

Sellers and buyers of motor vehicles are obliged, under the legislation, to declare the value of cars sold.

Under amendments made to the *Road Safety (Vehicles) Regulations 1988* in April 1994, State Government departments must now pay stamp duty on motor vehicles acquired on or after 1 April 1994. From 1 October 1994, municipalities and various authorities constituted under the *Water Act 1989*, which were previously exempt, have been required to pay stamp duty on the acquisition of motor vehicles.

Drivers' licence fees

On 1 January 1991, the \$57 six-year licence was replaced by a ten-year licence at a fee of \$110. This fee has been increased on several occasions since that date, and is now \$133. Applicants who can show that they are subject to undue hardship can obtain drivers' licences for three year periods at a current fee of \$39.

Drivers' licence fees are paid under the provisions of the *Road Safety Act 1986*, and are regulated under the *Road Safety (Procedures) Regulations 1988*.

Road transport and maintenance taxes

This item consists of various fees collected under the *Road Safety Act 1986*, the *Transport Act 1983*, and a range of miscellaneous fees and charges administered by VicRoads.

Mass limit increase permit fees were abolished from 1 January 1996 with the introduction of uniform national heavy vehicle registration fees, which incorporate road user charges. Road safety, registration and licensing fees and charges include driver licence testing fees, vehicle permit fees, registration

related fees, taxi and tow truck fees, special vehicle licences, registration plate issues and other minor charges.

Business franchise fees

Until 5 August 1997, business franchise fees were levied on the grant of a licence to trade in petroleum, tobacco and liquor products. Petroleum and tobacco franchise fees were paid by wholesalers and had two components: a fixed amount and an *ad valorem* amount, which was calculated as a percentage of the total value of the product - motor spirit, diesel fuel and tobacco products - sold in Victoria in the month prior to that in which the fee was payable. The petroleum franchise fee rates on both motor spirit and diesel fuel were 10 per cent of the determined value and on tobacco products 100 per cent of wholesale value. Liquor franchise fees were calculated at a fixed percentage rate of 11 per cent of the total value of dutiable liquor products purchased or sold during the preceding financial year.

There were various exemptions: for example, diesel fuel used for off-road purposes, low alcohol liquor and cellar door sales by vignerons.

On 5 August 1997, the High Court found that New South Wales tobacco franchise fees were invalid under Section 90 of the Australian Constitution. This left sufficient doubt over the constitutional validity of business franchise fees on tobacco, fuel and liquor that States and Territories had little choice but to cease collecting them.

At the unanimous request of the States and Territories, the Commonwealth is collecting replacement revenues on the same products and returning them to the States and Territories in accordance with a formula based on the Commonwealth Grants Commission assessment of their former franchise fee bases. As a result Commonwealth tax rates on liquor, tobacco and petroleum - the same products as previously covered by State franchise fees - have been increased. States and Territories undertook to repeal the relevant sections of their business franchise fee Acts, with effect from the dates at which the increases in Commonwealth excise and wholesale sales taxes were imposed on each of the affected products. Victoria repealed relevant sections of these Acts in December 1997. Because the Constitution requires Commonwealth taxes to be applied uniformly across Australia, the increases in some jurisdictions are higher than some of the franchise fees they are replacing. This was necessary to prevent loss of revenue in higher franchise fee States.

Revenues collected by the Commonwealth at the request of the States and Territories will be returned to the States and Territories, with the Commonwealth only retaining sufficient revenue from the safety net to meet its administrative costs. The States and Territories will retain from the safety net

revenues what they would otherwise have raised under their franchise fees. The balance - or excess revenues - is being returned to taxpayers generally to avoid as far as possible price increases for consumers. For further details of these changes, see Chapter 5 of Budget Paper No. 2.

Petroleum

A surcharge of 8.1 cents per litre on petrol or diesel fuel excise is levied to replace petroleum franchise fees. The surcharge is higher than the former Victorian franchise fee (7.67 cents per litre for leaded and unleaded petrol and 7.35 cents per litre for diesel fuel). The Victorian Government is making payments to oil companies equal to the difference between the new and the old tax rate. This is in return for the oil companies undertaking not to pass on the tax increase in their wholesale prices. Hence there should be no change in petrol or diesel prices at the service station pump resulting directly from the fuel surcharge. So that off-road use of diesel fuel continues to be exempt from the State fuel surcharge, Victoria is making payments to fully offset the 8.1 cent per litre excise increase on diesel fuel sold to holders of an exemption certificate for off-road diesel use. Exemptions for off-road use of diesel fuel are now supported by legislation passed in the Spring 1997 session.

Liquor

Wholesale liquor invoices received by retailers now include a 15 per cent increase in wholesale sales tax but retailers will no longer have to pay the State licence fee. Payments are being made to liquor wholesalers to fully offset the 15 per cent wholesale sales tax increase on low alcohol products which were exempt from the State licence fee. In return, wholesalers are being required to hold the net cost to retailers for these products at the level prior to the 15 per cent sales tax increase. Payments are also being made to licensed Victorian vignerons to fully offset the 15 per cent sales tax increase on cellar door wine sales and related mail order sales which were also exempt from the State licence fee. The 15 per cent safety net surcharge will now also be fully offset in respect of wine used for promotional purposes by licensed vignerons. For full strength liquor the 15 per cent sales surcharge represents a small tax increase of between 1.1 per cent and 1.6 per cent relative to the State licence fee which it replaces.

Tobacco

State tobacco franchise fees have been replaced by an increase in customs and excise duties as follows:

- an *ad valorem* tax set at 50.32 per cent of final wholesale list prices, along with a weight based surcharge of \$2.65 per kilogram, or

- a solely weight based excise surcharge of \$147.90 per kilogram where there are no more than 1,200 cigarettes per kilogram, or
- a solely weight based excise surcharge of \$265.73 per kilogram where there are more than 1,200 cigarettes per kilogram.

Electricity franchise fees

Franchise fees are payable by the electricity distribution companies which are licensed to retail electricity to franchise customers. These fees are designed to capture the economic rent that would otherwise accrue to retailers as a result of Maximum Uniform Tariffs applying to franchise customers. As announced in February 1998, the Government has arranged with the five electricity distribution companies to return franchise fee revenue to customers over the next three years through the Winter Power Bonus payment. Franchise fees will cease to exist once the market is fully contestable in 2001.

Other taxes on use of goods and services

The major item in this category is the land fill levy which is aimed at reducing the volume of non-recyclable waste disposed of at Victorian land fills.

Fees

Fees from regulatory services are levies which are associated with the granting of a permit to engage in a particular activity, or to regulate that activity. This includes licence fees payable as part of the sale arrangements of PowerNet Victoria, the States high voltage electricity transmission network, to General Power Utilities.

Fines

Revenue from fines is mainly derived from receipts related to the commission of traffic offences. This includes receipts from traffic infringement notices and the operations of the Traffic Camera Office, and from payment of penalties imposed by the courts.

Public authority income

Public authority income includes the dividends and tax equivalent payments made to the State by Government Business Enterprises (GBEs). The tax equivalent payments include both income tax and wholesale sales tax equivalent payments.

Dividends

The payment of dividends by GBEs recognises that equity capital has alternative uses and therefore an appropriate return should be paid to the State for its investment in the GBE. Because of the absence of contestable capital and equity market disciplines for GBEs compared with those faced by private sector firms, the Government has introduced a commercial dividend policy with two broad benchmarks. For GBEs under the tax equivalent regime, the relevant benchmark dividend payout rate is 50 per cent of after-tax profit (where tax payable is not significantly different from tax expense). For other GBEs, including those not under the tax equivalent regime, a secondary benchmark of total distributions to Government of 65 per cent of pre-tax profit is applicable.

Dividends are set each year with reference to the relevant benchmark, having regard to other commercial considerations including the views of the GBE Board, retained earnings, gearing, forward cashflow projections and the budgetary requirements of the State.

GBEs also contribute to government revenue via the Financial Accommodation Levy which is classified under taxes, fees and fines.

Tax equivalents

The Victorian tax equivalent system was established in 1993-94 to ensure competitive neutrality of GBEs with competing private sector firms and to strengthen the financial discipline on GBEs by factoring income tax payments into their business decisions. In 1994-95, the tax equivalent base was expanded to include a wholesale sales tax equivalent regime. There are currently twenty-four GBEs under the tax equivalent system. New entities to enter the income tax equivalent regime in 1997-98 include V-Line Freight, Victorian Rail Track, Victorian WorkCover Authority, Victorian Funds Management Corporation and the new gas entities created out of the disaggregation of GASCOR and Gas Transmission Corporation.

1998-99 distributions

Estimates for public authority income are shown in Table 3.8. In accordance with established practice, the estimates exclude the effect of future privatisations. Prior to formal determination by the Treasurer all dividend estimates are provisional.

Electricity

Public authority income receipts from the Victorian electricity sector in 1998-99 are expected to total \$85.7 million. Whilst this is only \$6.0 million less than the

receipts expected in 1997-98 at the time of the 1997-98 Budget, large movements in receipts from individual businesses are anticipated. In particular, it is expected that the reduction in revenue due to the sale of PowerNet Victoria and Southern Hydro Limited will be nearly compensated for by the payment of a distribution from the SECV Shell relating to the proceeds of previous privatisations.

Water

Aggregate distributions from the metropolitan water sector are estimated to be \$144.5 million in 1998-99. This is \$153.8 million less than expected in 1997-98 at the time of the 1997-98 Budget. The main reason for this decrease is the introduction of a package of pricing reforms which is expected to result in reduced water bills for most properties and hence reduced distributions to Government.

Gas

Total public authority income distributions to the Consolidated Fund from the gas sector in 1998-99 are estimated to be \$450.4 million. This is \$368.1 million more than expected in 1997-98 at the time of the 1997-98 Budget. The main reason for this is the increase in dividend receipts to replace the former public authority contribution received pursuant to the *Public Authority (Contributions) Act 1966*. As noted above, this Act was repealed in December 1997.

Aluminium Smelters of Victoria Pty Ltd (Aluvic)

Total public authority income in 1998-99 is estimated to be \$48.6 million, \$30.2 million more than forecast for 1997-98 at the time of the 1997-98 Budget. The main reason for this movement is the fact that Aluvic is now subject to the Victorian Tax Equivalent Regime.

Transport Accident Commission

Total public authority income in 1998-99 is estimated to be \$113.4 million, \$29.1 million more than forecast for 1997-98 at the time of the 1997-98 Budget due to increased income tax equivalent receipts to Government associated with increased profitability forecasts.

Table 3.8: Public Authority Income

	(\$ million)	
	1997-98 Budget Estimate	1998-99 Budget Estimate
Budget Estimates 1998-99	State Revenue	425

Electricity Industry	91.7	85.7
Gas Industry	82.3	450.4
Water Industry	320.0	161.2
Port Authorities	23.0	23.0
Aluminium Smelters of Victoria Pty. Ltd.	18.5	48.6
Urban Land Authority	4.9	5.6
Victorian Plantations Corporation	17.1	19.2
State Trustees Limited	5.3	5.0
Transport Accident Commission	84.3	113.4
Rural Finance Corporation	21.5	12.7
Treasury Corporation of Victoria	15.0	15.0
Victorian Funds Management Corporation	0.1	0.3
Miscellaneous	..	0.4
Total	683.5	940.5

Source: Department of Treasury and Finance, Forward Estimates

Other revenue

Rent and royalties

Land rent relates primarily to revenue from Crown land leases.

Brown coal royalties are paid to the Government by private sector producers of brown coal. Royalties paid by other mining and extractive industries are collected under the *Mines Act 1958*. The royalty rates are set according to various criteria, which are designed to promote the efficient use of extractive minerals and ensure that the Government receives an appropriate return for their extraction.

Table 3.9: Other Revenue

(\$ million)

	1997-98 Budget Estimate	1998-99 Budget Estimate
Land Rent	7.8	18.8
Royalties		
Forestry and other	31.8	33.6
Brown Coal	16.2	14.1
Total Royalties	47.9	47.7
Interest Received	104.0	102.3
Other	124.9	45.7
Total	284.6	214.5

Source: Department of Treasury and Finance, Forward Estimates

Revenue from State forests is generated through the imposition of rents, royalties on forest produce, licence fees and the sale of forest produce. Sawlogs and pulpwood receipts account for most of the revenue from royalties, with additional receipts from other forest products such as sleepers, poles, fencing timbers, firewood, sand, gravel and loam.

Timber royalty rates are adjusted annually in accordance with commercial criteria set out in the *1986 Timber Industry Strategy*. When adjusting the rates, several factors are considered, such as the market price for timber products and the production costs incurred.

The adjustments are determined in consultation with the forest product industries or, where specified in long-term agreements, in negotiations with individual firms.

Interest

Revenue collected as interest is mainly obtained through interest earnings on investments, on outstanding advances to public enterprises and on cash balances held in the Public Account.

Other

This category comprises revenues derived from various sources, such as trust funds and unclaimed monies. The 1997-98 Budget estimate includes a one off revenue source associated with the transfer of former SECV land to the Budget sector following the sale of Southern Hydro.

Grants received

Grants received from the Commonwealth fall into three categories, namely:

- General Purpose Grants, comprising the financial assistance grants (FAGs), Special Revenue Assistance and the National Competition Policy (NCP) payment less the Fiscal Contribution by the State to the Commonwealth, introduced in 1996-97;
- Specific Purpose Grants to be expended by the State Government; and
- Specific Purpose Grants for on-passing by the State to the appropriate institutions, such as non-government schools and Local Government authorities.

Summary information on the amounts budgeted to be received under these categories in 1997-98 and 1998-99 are set out in Tables 3.10, 3.11 and 3.19 respectively.

Table 3.10: Commonwealth Grants

	(\$ million)	
	1997-98 Budget Estimate	1998-99 Budget Estimate
<i>General Purpose Grants</i>		
Financial Assistance Grant	3 377.5	3 548.0
Medicare Guarantee Payment	245.5	..
National Competition Policy Payment	53.4	54.0
<i>less Fiscal Contribution</i>	<i>158.2</i>	<i>74.4</i>
Net General Purpose Grants	3 518.2	3 527.6
Specific Purpose Grants	2 639.0	2 838.1
Total Commonwealth Grants	6 157.2	6 365.7

Source: Department of Treasury and Finance, Forward Estimates

In 1998-99, total Commonwealth grants to Victoria (excluding grants for 'on-passing') are expected to increase by 3.4 per cent in nominal terms. Net general purpose grants are estimated to increase by 0.3 per cent in nominal terms, and specific purpose grants for State Government programs (excluding

those which are on-passed) are estimated to increase by 7.5 per cent in nominal terms.

There is a distortion between the increase in general purpose and specific purpose grants. The low increase in general purpose grants is due to the expiration of the Medicare guarantee payment. However, this loss is partially offset by increased health specific purpose grants. The 3.4 per cent increase in total grants is well below the growth in Commonwealth revenues.

General purpose grants

Financial Assistance Grants

Since 1942, the Commonwealth has been the sole income taxing authority, and has made annual reimbursement payments to the States under various arrangements. From the financial year 1985-86, these payments have taken the form of financial assistance grants (FAGs).

The size of the pool of FAGs to all States is subject to variation. At present, it is determined on the basis of the Commonwealth offer made to the States prior to the 1998 Premiers' Conference, guaranteeing to maintain the pool in real per capita terms in 1998-99 and extending the real per capita guarantee of FAGs to 2000-01.

The distribution of the pool is generally agreed annually at the Premiers' Conference, based on relativities recommended by the Commonwealth Grants Commission (CGC). Currently the distribution favours the less populous States at the expense of the more populous ones, on the grounds that their revenue-raising capacity is lower and their disabilities in providing services are greater than in the more populous States.

According to estimates in *Commonwealth Budget Paper No. 3: Federal Financial Relations 1997-98*, the differences between the relativity distribution and an equal per capita distribution in 1997-98 were as follows:

- New South Wales (-\$840 million);
- Victoria (-\$614 million);
- Queensland (\$136 million);
- Western Australia (-\$10 million);
- South Australia (\$307 million);
- Tasmania (\$282 million);
- Australian Capital Territory (-\$39 million); and
- Northern Territory (\$779 million).

Following the 1998 Premiers' Conference, the Commonwealth announced its adoption of the CGC's 1998 Update Equalisation relativities.

The subsidy from Victoria to the less populous States in 1997-98 is \$659 million based on the difference between personal income tax paid and financial assistance grants received. This costs a Victorian family of four some \$573 a year. On the other hand Queensland receives \$659 million, and a Queensland family benefits by \$762 a year. Further details are given in Table 9.4 of Chapter 9, *Commonwealth-State Financial Relations*, of Budget Paper No. 2, *Budget Statement 1998-99*.

The residents of the economically strong States of Queensland and Western Australia share none or very little of the burden of fiscal equalisation borne by Victoria and New South Wales. A more equitable system would have the four financially stronger States and the Australian Capital Territory sharing the subsidisation. This would result in a typical family of four in each of these States and Territory subsidising South Australia, Tasmania, and Northern Territory, resulting in a saving to Victorian families of over \$150 a year.

Special revenue assistance - Medicare guarantee payments

With the cessation of the 1993 Medicare Agreement and the proposed adoption of the new Australian Health Care Agreement arrangements, there will be no continuation of the Medicare guarantee payments that have been paid to Victoria since 1993-94.

These payments were offered as an inducement for Victoria to sign the 1993 Medicare Agreement. Since this agreement imposed penalties on the State, the Commonwealth guaranteed an increase of \$112 million to Victoria's FAGs in 1993-94. This increase was to be implemented as a result of amending the terms of reference to the CGC. (New South Wales received a similar guarantee for \$131 million.)

The outcome of the amended terms of reference was that Victoria received \$32.1 million less than otherwise: a shortfall of \$144.1 million on the guaranteed amount. (New South Wales' grant fell \$72.5 million short of its guarantee.)

At the 1993 Premiers' Conference it was agreed that Victoria would be provided with an additional \$144.1 million annually for the five years of the Medicare Agreement, to be funded from total FAGs. Funding of this amount (in addition to \$72.5 million to New South Wales) from total FAGs meant that Victoria had to meet its per capita relativity share of the redistribution; that is, about 21 per cent, or \$45.5 million. To compensate for this, the Commonwealth agreed to make an additional payment to Victoria in 1993-94 of \$45.5 million.

New South Wales also received additional funding equal to its per capita relativity share of 29 per cent, or \$62.8 million.

Following lower than expected inflation, the shortfalls on the guarantees were \$143.2 million for Victoria and \$72.0 million for New South Wales. In 1993-94, Victoria received \$188.5 million, of which \$143.2 million was funded from the pool. The Commonwealth funded the remainder.

At the 1993 Premiers' Conference, it was agreed that the Commonwealth's contribution would be halved in 1994-95, but in the following year this action was deferred to 1995-96.

In the 1997-98 Budget, Victoria was expected to receive \$245.5 million, of which \$26.3 million was to be Commonwealth funded, and \$219.2 million was to be funded from the pool. As noted above, there will be no payment in 1998-99.

National Competition Policy Payment

As part of the National Competition Policy Agreement signed by the Commonwealth and all States and Territories at the April 1995 meeting of the Council of Australian Governments, States undertook to implement an agreed minimum set of microeconomic reforms according to an agreed timetable. Since the benefits to the wider economy are expected to be reflected in a strengthening of the Commonwealth's rather than the States' revenue base, it was agreed that the Commonwealth will make a competition payment to the States and Territories, provided that they fulfil the agreed conditions. This payment commenced in 1997-98 at \$200 million in 1994-95 prices and will increase to an indexed \$400 million in 1999-00 and then increase again to an indexed \$600 million in 2001-02. It is divided among the States and Territories on an equal per capita basis.

Victoria's program of microeconomic reform in the public sector is well advanced and Victoria expects to receive its share of the 1998-99 dividend, worth an estimated \$54 million, following receipt of \$53 million in 1997-98.

Fiscal contribution

At the 1996 Premiers' Conference, it was agreed that the States and Territories would make payments to the Commonwealth to assist the Commonwealth in correcting its fiscal position. The size of this payment was set at \$619 million in 1996-97, with further payments of \$640 million in 1997-98 and \$300 million in 1998-99. This arrangement was to be reviewed annually at the Premiers' Conference in light of the Commonwealth's fiscal position. Payments are made on an equal per capita basis.

The Victorian share is expected to be \$158 million in 1997-98. The Commonwealth has made its total 1998-99 funding offer conditional on the States making their final fiscal contribution payment, of which Victoria's share is \$74 million.

Chapter 9, *Commonwealth-State Financial Relations*, of Budget Paper No. 2, *Budget Statement 1998-99*, discusses the issue of the States having to make a fiscal contribution in 1998-99. The Commonwealth has had a dramatic improvement in its fiscal position over the past two years with a substantial underlying surplus of \$2 458 million forecast for 1998-99. It is noted that the Commonwealth has not delivered on its promised \$8 000 million of deficit reduction measures by 1997-98, being below target by \$800 million in that year and \$1 400 million below in 1998-99.

Consistent with the original agreement to review the necessity for the payments in the light of the Commonwealth's fiscal position, the States argue the final fiscal contribution in 1998-99 should not be made.

Specific purpose grants

The Commonwealth gives grants to the States for a large number of specific purposes under Section 96 of the Commonwealth Constitution. Such grants are made where the Commonwealth wishes to have some involvement in the direction of expenditure. However, the extent of such involvement varies significantly from one program to another. At one extreme there are programs, such as assistance for higher education, for which the Commonwealth provides the bulk of the funding. At the other, there are programs such as current funding for schools for which the States provide most of the funding.

Specific purpose grants for State Government programs

Table 3.11 shows a breakdown by agency of the specific purpose grants, excluding those for on-passing received by Victoria. A brief description of the major grants is provided in the text that follows. The detailed estimates included in the following tables represent the latest information available to State departments. However, the Commonwealth Budget is not due to be brought down until 12 May 1998 and, as a result, there are likely to be variations to some of the information published below.

Table 3.11: Commonwealth Specific Purpose Grants by Departments

(\$ million)

	1997-98 Budget	1998-99 Budget	%Change
<i>Current</i>			
432	State Revenue	Budget Estimates 1998-99	

Education	493.0	511.9	3.8
Human Services	1 598.2	1 816.0	13.6
Infrastructure	6.2	2.8	-54.5
Justice	64.8	41.2	-36.5
Natural Resources and Environment	21.3	55.8	162.0
State Development	3.3	3.1	-5.5
Treasury and Finance	5.9	5.7	203.5
Total Current Grants	2 192.8	2 436.6	11.1
<i>Capital</i>			
Education	95.6	94.5	-1.2
Human Services	263.1	219.1	-16.7
Infrastructure	86.6	87.9	1.5
Natural Resources and Environment	0.9	0.1	-94.4
Treasury and Finance	0.1	..	-100.0
Total Capital Grants	446.2	401.6	-10.0
Total Specific Purpose Grants	2 639.0	2 838.1	7.5

Source: Department of Treasury and Finance, Forward Estimates

Education

Schools

Commonwealth funding is provided to a range of Commonwealth and State programs for government and non-government schools. Funds are also provided to support Victoria's participation in programs of national priority.

Cost escalation allowances

The Commonwealth legislates funding allocations quadrennially (1997-2000) without predicting likely cost movements over time. Supplementary funding is then provided retrospectively to meet any changes in costs that have occurred in the period.

Current funding is supplemented according to changes in actual per student costs in government schools (this is known as the Average Government School Recurrent Cost Index). Capital funding is supplemented by the Commonwealth Department of Employment, Education, Training and Youth Affairs (DEETYA) in accordance with movements in the Building Price Index.

Government schools

State Grants (Primary and Secondary Education Assistance) Act current grants program

This program provides funds to help government schools with the recurrent costs of school education: so that they can offer students educational programs that ensure they are able to achieve their full potential; so they leave school with the knowledge, skills and attitudes appropriate to their post-school destinations; and so that they have a sound foundation for undertaking further education and training, participating successfully in the workforce and contributing to and benefiting from Australian society. Priorities also include support for the principles of access, choice, equity and excellence in schools by encouraging the provision of a strong, viable and diverse selection of schools from which parents can choose what is best for their children.

From calendar year 1997, this program is subject to a Commonwealth initiative known as the Enrolment Benchmark Adjustment (EBA). Consequent to any fall in the proportion of students attending government schools compared to the 1996 school census, the Commonwealth will adjust the General Recurrent Grant for government schools by formula to take a half share of notional savings accruing to the State through not having to provide educational services to new students in non-government schools. Even though enrolments rose in both government and non-government schools, a downward adjustment of \$1.7 million was made for 1997 because non-government enrolments rose at a slightly faster rate.

State Grants (Primary and Secondary Education Assistance) Act capital grants program

This program seeks to improve educational outcomes by assisting in the provision of school facilities, particularly in ways that contribute most to raising the overall level of educational achievement of Australian school students.

Other grants for targeted and national priority programs

In the context of its 1996-97 Budget, the Commonwealth Government announced a new program structure aimed at improving the delivery of Commonwealth national priority programs for Australian schools. Funds from Commonwealth sources, including the *States Grants (Primary and Secondary Education Assistance) Act*, flow to government and non-government schools via a number of programs:

- *Literacy*

This element aims to ensure that all students acquire appropriate literacy and numeracy skills, in particular to measurably improve literacy and

numeracy outcomes for students from educationally disadvantaged backgrounds; and to identify, research and implement strategic national initiatives in literacy and numeracy;

- *Languages*

This component supports the expansion and improvement in the learning of languages other than English and promotes participation and quality teaching and learning in Asian languages and Asian studies;

- *Special Learning Needs*

This element seeks to improve the educational participation and outcomes of young people with disabilities through the provision of assistance targeted at schools, organisations, community groups and non-school organisations; provide assistance for students newly arrived in Australia with minimal or no English language skills who are undertaking a specifically organised program of English language instruction; and assist primary and secondary schools and community groups to improve the educational participation, learning outcomes and personal development of rural and isolated students;

- *School to Work*

This component provides funding to support effective transition from schooling to work and further education or training;

- *Quality Outcomes*

This element provides funding for strategic projects which support the Government's key objectives of improving student learning outcomes in schools and its national leadership role in school education.

Vocational Education and Training

This funding is received under the *Australian National Training Authority Act 1992* as amended and is subject to an annual agreement with the Australian National Training Authority (ANTA). It encompasses funding for recurrent programs, literacy, traineeships, national projects, capital works and equipment funding.

From 1 January 1994, ANTA payments have been made directly to the State Training Board rather than passing through the Consolidated Fund. Funds are also provided directly to TAFE Institutes under service contracts for the conduct of courses and training in respect of DEETYA programs.

Aboriginal Advancement - Commonwealth Trust contribution

Victoria receives funding from the Commonwealth Government to provide assistance to Aboriginal people through various programs. These include grants under the Aboriginal Education Strategic Incentive Program provided to the Department of Education which then has the responsibility for the implementation of the National Aboriginal and Torres Strait Islander Educational Policy in Victoria.

Table 3.12: Department of Education - Commonwealth Specific Purpose Grants

	(\$ million)		
	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>	% <i>Change</i>
<i>Current Grants</i>			
Primary and Secondary Education Assistance			
Special Education	7.5	8.3	10.2
General Recurrent Grant	235.6	247.8	5.2
English as a Second Language - New Arrivals	11.7	6.3	-46.3
Commonwealth Literacy	27.5	28.2	2.4
Aboriginal Advancement	2.7	2.7	0.0
Vocational Education and Training	206.5	203.7	-1.4
School Support	1.5	1.2	-18.5
Other	7.5	22.1	..
Total Current	493.0	511.9	3.8
<i>Capital Grants</i>			
Primary and Secondary Education Assistance	50.6	49.5	-2.2
Vocational Education and Training	45.0	45.0	..
Total Capital	95.6	94.5	-1.2
Total Specific Purpose Grants	588.6	606.4	3.0

Source: Department of Treasury and Finance, Forward Estimates

Human Services

The Department receives a large number of specific purpose payments from the Commonwealth for various programs. The major payments are described below:

Australian Health Care Agreement - Commonwealth Offer

No agreement has been reached between the Commonwealth and the States and the Northern Territory on this new agreement which the Commonwealth has proposed to replace the Medicare Agreement which ends on 30 June 1998.

However, after the Premiers' Conference in March 1998 the Commonwealth indicated that it will pay the States or Territories which do not sign the new Australian Health Care Agreement (AHCA) before the beginning of 1998-99 in accordance with its offer.

The payments will assist the States to meet the cost of providing public hospital services to eligible persons including inpatients, outpatients, casualty and emergency, and will replace all funding previously received for hospitals, including grants in respect of day surgery, palliative care, post acute, mental health, etc.

Victoria's disagreement with the current Commonwealth Offer focuses on the quantum of funds offered for 1998-99 and over the period of the agreement, and the intrusive nature of the funding model proposed.

Public Health Outcomes Funding Agreement 1997-98 - 1998-9

The Commonwealth proposed broadbanding of a number of SPPs in its 1997-98 Budget, and negotiations are continuing between the Commonwealth and Victoria on an agreement.

This agreement is intended to replace a number of previous agreements, including those covering AIDS education, women's health, breast screening, cervical cancer screening, and national drug strategy and immunisation programs, to provide enhanced delivery of public health activities within nationally agreed policies and strategies.

Compensation for extension of pensioner benefits

The Commonwealth provides partial compensation to the States for the increased cost incurred by the States in extending State concessions to cardholders eligible under broadened Commonwealth guidelines since 1993-94.

Repatriation services

The Commonwealth transferred the responsibility for repatriation services, including the Heidelberg Repatriation Hospital, to the State in 1995 and has been providing funds to assist with the integration of these services into the State system. The Commonwealth wishes to renegotiate arrangements with the States to become a direct purchaser of services for veterans, but few details of its proposal have been made available to the State at this time.

Aged care assessment

The Commonwealth provides funds for a team of specialised geriatric medical, nursing and allied health professionals to assess clients for appropriate placement in residential accommodation and/or support and care for them in the home. These funds are paid to the Commonwealth Treasury Trust Fund and are not credited to the appropriation as are the remainder of other Special Purpose Payments.

National Equity Program for Schools

The Commonwealth provides funds to improve educational participation and outcomes for young people with disabilities in pre-schools, early intervention agencies and residential care and to encourage their integration into regular pre-schools, schools and other community based education/transition to work settings.

Nuclear Magnetic Resonance Imaging Services

The Commonwealth provides funds for Magnetic Resonance Imaging (MRI) Services including equipment purchases. MRI is used worldwide as a significant diagnostic facility in assisting clinicians to diagnose problems in areas of the central nervous system, spine, pelvis and other components of musculo-skeletal system.

Out of School Hours

The Commonwealth provides funding for a number of childcare initiatives such as the 'Before and After School' and 'School Vacation Care' Programs. Funding is also made available under the Commonwealth-State National Child Care Strategy for Occasional Care, Long Day Care and School Age programs.

Home and Community Care

This program is designed to develop a range of integrated home and community care services, to enable the frail, aged and disabled to remain in their own homes.

Services provided by the program include housekeeping, personal care, meals and visiting health services in the home, as well as a range of activities based around centres such as senior citizen's clubs.

Under the joint Commonwealth/State HACC Agreement, eligibility for additional Commonwealth funding requires the State and service providers to maintain existing levels of service. The total of expansion funds provided to this program by the Commonwealth and the State depends on the 'prevailing ratio'. In 1997-98 the 'prevailing ratio' was approximately sixty per cent for the Commonwealth and forty per cent for the State.

Victoria is poised to sign an amended Agreement which will significantly reduce duplication of administration caused by joint funding, resulting in greater consumer outcomes.

Disability services

The Commonwealth-State Disability Agreement (CSDA) is the main program for providing non-medical services to people with an intellectual, physical, sensory or psychiatric disability. From 1 July 1992, the State Government assumed responsibility for accommodation and support services, while the Commonwealth Government assumed responsibility for employment-related services for people with disabilities. Under the program, the Commonwealth has provided for growth and transition funds which are to be used over the six years of the Agreement. This Agreement has been under renegotiation during 1997-98 and no agreement has been reached at this time.

Victorian Cytology Services

Under this program funds are provided to support free cervical cancer screening. Funds are adjusted according to the actual numbers of screening tests performed.

High Cost Drugs program

The Commonwealth provides funds to the State to subsidise the expense of selected high cost drugs supplied to outpatients.

Blood Transfusion Service

The Commonwealth offers a subsidy of approximately forty per cent for the cost of providing blood transfusion services. In Victoria, these are supplied by the Red Cross Blood Transfusion Service.

Supported Accommodation Assistance

This joint Commonwealth-State funded program aims to assist homeless people to obtain access to accommodation and support services.

Crisis Accommodation Assistance

Under this program, financial assistance is provided to improve the stock of emergency accommodation available to families in distress. This program is complementary to the Supported Accommodation Assistance Program.

Housing Assistance for Aborigines

While Aborigines are eligible for assistance under any of the programs within the Commonwealth State Housing Agreement (CSHA), grants under this category are targeted to provide housing specifically for Aborigines and their communities.

Housing interest assistance

Under the *States Grants (Housing) Act 1971*, the Commonwealth Government provides an annual interest subsidy of \$1.35 million to the State to reduce the interest cost of housing loans obtained through the Government's Works and Services Program during the years 1971-72.

This interest subsidy, which is available up to 2001-02 (30 years), effectively reduces the cost of Office of Housing borrowings from 6 per cent and 6.5 per cent per annum to 5 per cent per annum.

Public housing

Since 1945-46, the States have received financial assistance from the Commonwealth to provide housing and other assistance with home ownership. Specific purpose payments are subject to the provisions of successive Commonwealth State Housing Agreements (CSHAs), with requirements for the States to match certain Commonwealth assistance.

A ten year Agreement commenced on 1 July 1989 and, under an interim Agreement, funding is guaranteed until June 1999 while longer term reforms are negotiated.

June 1999 represents the cessation of both the Agreement and Commonwealth guaranteed funding. The Commonwealth and States are currently negotiating significant reforms to roles and responsibilities under the CSHA. Initial negotiations have endorsed guiding principles to continue reform. These relate to targeting assistance to those most in need, States' flexibility to cater for these issues and management effectiveness.

The States are developing a framework to improve funding certainty and proposing retention of the per capita distribution of funds among the States and Territories, a shift to strengthen bilateral arrangements, and accountability based on outcomes.

Table 3.13: Department of Human Services - Commonwealth Specific Purpose Grants

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Change %
<i>Current Grants</i>			
Hospital Funding Grant	1 011.0	1 278.7	25.3
Medicare -Incentives and Other Payments	30.4	..	..
Repatriation Services	105.7	113.0	7.0
Coordinating Unit for Rural Health Education Vic	0.3	0.2	-34.2
Aged Care Assessment	10.6	10.9	2.8
Artificial Limbs Service	2.5	2.6	4.0
National Drug Strategy	5.5	5.5	..
Child Care	0.8	0.9	3.0
Blood Transfusion Services	11.4	11.8	3.7
AIDS Education Program	5.7	5.9	3.0
National Salmonella Surveillance Scheme	0.1	0.1	..
Alternative Birthing Services	0.5	0.5	..
Aboriginal Pre-School Services	0.8	0.5	-34.8
Out of School Hours	6.2	6.3	3.0
National Women's Health	2.1	2.2	4.3
Victorian Cytology Services	4.0	4.2	5.0
Bendigo Pathology Laboratory	4.3	4.6	7.0
Breast Screening	10.6	9.7	-8.5
Cervical Cancer Screening	1.2	1.5	23.0
Dept Veteran's Affairs – Ambulance	1.2	..	-100

Table 3.13: Department of Human Services - Commonwealth Specific Purpose Grants - *continued*

(\$ million)

	1997-98 Budget	1998-99 Budget	Change %
Medicare - Bonus Pool	36.8	..	-100
Factor VIII	2.0	1.7	-15.0
Mental Health Reforms	6.7	..	-100
High Cost Drugs Program	46.0	50.0	8.7
Bone Marrow Registry	0.2	0.2	..
Methadone	..	2.2	-
Immunisation against HIB	3.8	4.9	28.0
National Equity Program for Schools	4.1	4.1	2.3
Nationally Funded Transplant Program	0.2	0.8	281.0
Compensation for Extension of Pensioner Benefits	35.1	36.8	5.0
Supported Accommodation Assistance	29.8	29.4	-1.6
Disability Services	67.3	71.3	5.9
Home and Community Care	134.2	146.6	9.2
Innovative Health Services To Homeless Youth	0.6	0.6	-..
Refugee Minor Programs	0.1	0.1	..
Day Surgery	3.8	..	..
Housing interest assistance	1.3	1.3	..
Nuclear Magnetic Resonance Imaging Services	4.5	4.7	4.4
Public Health Initiatives	..	2.0	-
Palliative Care	6.9	..	-100
	1 598.2	1 816.0	12.9
<i>Capital Grants</i>			
Integration of Heidelberg Repatriation Hospital	21.4	..	-100
Medicare - Hospital Infrastructure	6.0	..	-100
Blood Transfusion Services	1.3	1.3	..
Children's services	0.2	..	..-100
Home & Community Care (HACC)	1.0	1.0	4.3
Housing Grant - other public housing (untied)	220.3	203.7	-7.5
Crisis Accommodation - Housing	9.5	9.9	4.2
Housing Grant - Aboriginal Housing	3.5	3.2	-7.3
	263.1	219.1	-16.7
Total Specific Purpose Grants	1 861.3	2 023.0	8.7

Source: Department of Treasury and Finance, Forward Estimates

Infrastructure

Australian Land Transport Development Program

Commonwealth grants for land transport are received under the Australian Land Transport Development Program (ALTD). Grants from this program are used to construct and maintain National Highways. These allocations are generally project specific and are made to foster economic development by improving road infrastructure.

In addition to the National Highways program, in 1996 the Federal Minister for Transport declared the Calder Highway as a Road of National Importance for which project specific Federal funding contributions are available to supplement State funding.

The Federal Minister for Transport also announced in 1996, funding for the introduction of a Federal Road Safety Blackspot Program. The program targets road locations where crashes are occurring and aims to fund cost effective safety-oriented projects by focusing on locations where the highest benefits can be achieved. The notional allocation to Victoria will be \$34 million over 4 years which commenced in 1996-97.

The inquiry into Federal Road Funding by the House of Representatives Standing Committee on Communication Transport and Microeconomic Reform completed its report in November 1997. The inquiry report called for the development of a strategic national transport plan incorporating all forms of transport and all levels of government. The Victorian Government endorses this approach already having a robust and integrated approach to transport investment planning. The inquiry findings are to be considered by the Commonwealth Government in formulating its 1998-99 Budget.

The Prime Minister announced in March 1998, that the Commonwealth will provide \$53 million to upgrade the Goulburn Valley Highway from Seymour to Nagambie, which is the start of a \$450 million program of works along the highway between Seymour and the Murray River.

Interstate Road Transport

The *Interstate Road Transport Act 1985* provides for the registration of vehicles and licensing of operators engaged in interstate trade and commerce under the Federal Interstate Registration Scheme (FIRS). The registration charge is designed to ensure that owners of vehicles solely engaged in interstate trade and commerce make a reasonable contribution to the maintenance costs of interstate roads. An agreed share of the revenue collected by the Commonwealth is paid to each State and Territory.

The Act was amended in 1995 to implement the national heavy vehicle charges developed by the National Road Transport Commission (NRTC) and approved by the Ministerial Council for Road Transport.

Currently, the Commonwealth is pursuing legislative and administrative changes to ensure that FIRS remains consistent with the National Heavy Vehicle Registration Scheme, which is to be adopted by all states and territories late in 1998.

The Commonwealth recently confirmed that FIRS will continue to operate until all of the national Road Transport Law (RTL) is implemented in all states and territories. On the basis of current progress, the RTL may not be in place, in a form acceptable to the Commonwealth, before 2001.

With the cessation of FIRS, all registration revenue will be retained by the state or territory in which the registration fees are collected.

Special Commonwealth projects

A Commonwealth grant of \$72 000 has been made available to match a State contribution of \$51 000 to support the work of the Maritime Heritage Unit on Commonwealth approved projects.

Table 3.14: Department of Infrastructure - Commonwealth Specific Purpose Grants

(\$ million)

	1997-98 Budget	1998-99 Budget	Change %
<i>Current Grants</i>			
Interstate Road transport	6.2	2.8	-54.8
	6.2	2.8	-54.8
<i>Capital Grants</i>			
Australian Land Transport Development Program	86.6	87.9	1.5
	86.6	87.9	..
Total Specific Purpose Grants	92.8	90.7	-2.3

Source: Department of Treasury and Finance, Forward Estimates

Justice

Firearms Compensation

As part of the implementation of a national uniform firearms policy, Commonwealth funding of \$25 million is expected to be made available during 1997-98. This will provide for compensation to:

- owners who hand in prohibited firearms under the firearms buyback scheme; and
- firearm dealers for loss of future business.

Eligibility for compensation under the firearms buyback scheme ceased on 30 September 1997. Compensation to firearms dealers for loss of future business is expected to be finalised by June 1998.

Office of Fair Trading and Business Affairs - Compensation for revenue forgone

Until 31 December 1990, all States in Australia regulated their own corporate sector. The National Companies and Securities Commission (NCSC), a Commonwealth body, provided a cooperative national framework for corporate regulation.

On 1 January 1991, the NCSC was replaced by the Australian Securities Commission (ASC) and, to ensure uniformity and efficiency in company and security regulation, the States agreed to hand over their regulatory functions to the new ASC. Accordingly, since 1 January 1991, fees for the corporate regulatory function have been paid directly to the Commonwealth, but so that the States would not be financially disadvantaged by this new arrangement, it was agreed that they would be compensated by the Commonwealth for the resulting loss of revenues. This payment is recorded as a grant from the Commonwealth.

National Institute of Forensic Science

The National Institute, established in 1991, receives payments from the Commonwealth and other States for services provided. The main functions of the Institute include:

- research in forensic science;
- advice and assistance in the development and coordination of forensic sciences; and
- conduct of training and quality assurance programs.

Emergency Management Council - State Support Package

The Commonwealth Government, through Emergency Management Australia (EMA), provides special purpose funding to Victoria to:

- assist in the development of emergency awareness in local communities;
- assist municipal councils in emergency management planning;

- assist municipal councils with the raising of local volunteer SES units and with their administration and training; and
- assist with the delivery of decentralised emergency management training coordinated by EMA.

Human Rights Commission funding of Equal Opportunity Legislation

Under a new cooperate agreement between the State and Commonwealth governments, the Commonwealth Human Rights Commission provides funding to the Equal Opportunity Commission for its role in exercising legislative responsibilities under the Sex Discrimination Act, the Race Discrimination Act and the Race Discrimination Act.

Table 3.15: Department of Justice - Commonwealth Specific Purpose Grants

	(\$ million)		
	1997-98 Budget	1998-99 Budget	Change %
<i>Current Grants</i>			
Firearms Compensation	25.0	..	..
Emergency Management Council	..	0.8	..
Human Rights Commission	..	0.4	..
Compensation for Revenue forgone	38.6	39.2	1.4
National Institute of Forensic Science	0.8	0.8	7.4
Emergency Services-Recoup	0.5	..	..
Total Specific Payment Grants	64.8	41.2	-36.5

Source: Department of Treasury and Finance, Forward Estimates

Natural Resources and Environment

Natural Heritage Trust (NHT)

The NHT is the Commonwealth Government's natural resources and environmental management program. The principle objective is to accelerate Australia's move to environmental sustainability. The Commonwealth's NHT investment is designed to increase on-ground activities that address the causes of natural resource and environmental degradation rather than just the symptoms.

The NHT is jointly administered by the Commonwealth Departments of Primary Industries and Energy and Environment, Sports and Territories. The NHT structure comprises seventeen component programs, twelve of which currently allocate funding for Victorian projects. A brief description of the objectives of those twelve programs is provided below.

- *Bushcare*

This program aims to reverse the long-term decline in the quality and extent of Australia's native vegetation cover. It will support conservation and restoration of remnant native vegetation and protect biological diversity. Funding will be made available for revegetation, improvement of environmental values and the productive capacity of degraded land and water and for raised awareness and promotion of related research to encourage integrated approaches to fisheries, resource use and habitat conservation.

- *Coasts and Clean Seas*

Funding is made available to stimulate activities that achieve the conservation, sustainable use and repair of Australia's coastal and marine environments.

- *Endangered Species*

An initiative to accelerate the protection and conservation of Australia's native species and ecological communities in the wild.

- *Farm Forestry*

Funds are provided to encourage the incorporation of commercial tree growing and management into farming systems for the purpose of wood and non-wood production, increasing agricultural productivity and sustainable natural resource management.

- *Feral Animal Control*
An initiative to support, coordinate and catalyse control programs for designated priority feral animals.
- *Fisheries Action*
A program that aims to rebuild Australia's fisheries to more productive and sustainable levels through restoration and protection of fish habitat, encouragement of community participation in activities to improve fisheries ecosystems, control of aquatic pests, encouragement of sustainable and responsible commercial and recreational fishing.
- *MD2001*
The provision of joint Commonwealth and State funding to assist with the rehabilitation of the Murray Darling Basin and help achieve a sustainable future for the Basin, its natural systems and its communities.
- *National Landcare*
The primary funding vehicle for Commonwealth financial support to develop and implement resource management practices which enhance our soil, water and biological resources and which are efficient, sustainable, equitable and consistent with the principles of ecologically sustainable development.
- *National Reserve System*
An initiative to assist with the establishment and maintenance of a comprehensive, adequate and representative system of parks and reserves.
- *National Rivercare*
Funding aimed at ensuring progress towards the sustainable management, rehabilitation and conservation of rivers outside the Murray Darling Basin and to improve the health of these river systems.
- *National Wetlands*
An initiative to promote the conservation, repair and wise use of wetlands across Australia.
- *Waterwatch*
A community based program to promote water quality monitoring as a means of creating and enhancing an ownership ethic for broadscale environmental management by the community.

Sustainable Regional Development

The Sustainable Regional Development Program is funded by the Commonwealth through the Murray-Darling Basin Commission's Irrigation Management Strategy. Funding has been provided for a best practice model in the Goulburn Valley and a land for water management project in the Sunraysia Irrigation Region. These projects aim to integrate rural area development with industry adjustment, microeconomic reform and sustainable resource management.

National Forest Policy

Funds are provided by the Commonwealth Australian Heritage Commission for the assessment of national estate forestry values in East Gippsland and the Central Highlands of Victoria.

Coastal Action Program

This program is funded by the Commonwealth Department of Environment, Sport and Territories and aims to ensure that coastal zone resources optimise long term benefits to the community. Specifically, the program aims to maintain coastal ecological and physical values, including the biological diversity and productivity of marine and terrestrial ecosystems.

Table 3.16: Department of Natural Resources and Environment - Commonwealth Specific Purpose Grants

	(\$ million)		
	1997-98	1998-99	Change
	Budget	Budget	%
<i>Current Grants</i>			
National Landcare Program	3.6	..	..
Natural Resources Management Strategy	3.1	..	..
Sustainable Regional Development Program	2.8	0.6	-79.3
Coastal Action Program	..	0.6	..
National Forest Policy	3.3	1.0	-69.2
National Estate Program	0.4	..	-100.0
Endangered Species Program	0.6	0.5	-13.8
Catchment Management Programs	7.0	..	..
State Water Plan	0.3	0.2	-34.0
Natural Heritage Trust	..	53.0	..
Other	0.4	..	..
Total	21.3	55.8	162.0

Table 3.16: Department of Natural Resources and Environment - Commonwealth Specific Purpose Grants - *continued*
(\$ million)

	1997-98 Budget	1998-99 Budget	Change %
<i>Capital Grants</i>			
National Landcare Program	0.8	..	..
Natural Heritage Trust	..	0.1	
Sustainable Regional Development Program	0.1	..	..
Total	0.9	0.1	..
Total Specific Purpose Grants	22.2	55.8	60.2

Source: Department of Treasury and Finance, Forward Estimates

Notes:

(a) In 1998-99 this will be funded through the Natural Heritage Trust. Shown separately here for compatibility with 1997-98.

State Development

AusIndustry

Under AusIndustry, funding is provided to support business competitiveness. Assistance includes programs to support investment and growth in the Textile, Clothing and Footwear and the Wood and Paper industry sectors. AusIndustry previously included the joint Commonwealth, State and Territory agreement to deliver enterprise improvement programs, which ceased on 30 June 1998.

Australian Sports Commission Participation Program

This is a joint Commonwealth-State program, which provides funds to the sport and recreation industry to work with communities to improve the quality, quantity and range of sporting experience for all Victorians.

National Volunteer Involvement Program

Under this program funding is provided to enhance the volunteer base of sport through promotion, training and management. The program also aims to improve planning at club and association level.

Indigenous Sports Program - Young Persons Sport and Recreation Development Program

Funding under this program is provided to promote participation in sport and recreation for Aboriginal and Torres Strait Islander peoples.

Table 3.17: Department of State Development - Commonwealth Specific Purpose Grants

(\$ million)

	1997-98 Budget	1998-99 Budget	Change %
<i>Current Grants</i>			
AusIndustry	2.2	2.2	..
Junior Sports Development	0.7	0.6	-10.2
National Volunteer & Sports Club Planning	0.1	0.1	-22.9
ATSIC Young Persons Sport & Recreation Program	0.3	0.2	-30.7
Total Specific Purpose Grants	3.3	3.1	-5.5

Source: Department of Treasury and Finance, Forward Estimates

Treasury and Finance

Commonwealth Treasury Trust Account

A number of specific purpose payments are paid into the Commonwealth Treasury Trust Account. These include Commonwealth payments for the Geriatric Assessment, the Carmichael Pilot Project, Literacy and Learning, Legal Aid, Education School Support, Aboriginal Education Supplementary Assistance, Agricultural, Information Management and other smaller projects.

Borrowing cost compensation

At the June 1990 Premiers' Conference and Loan Council Meeting, it was agreed that the States would progressively assume the management of debt raised by the Commonwealth on behalf of the States under the Financial Agreement. As a result, the States are required to issue securities through their respective borrowing authorities to fund the redemption of maturing Financial Agreement debt. Because the cost at which State borrowing authorities can raise funds exceeds that of the Commonwealth and so that the States are not disadvantaged, the Commonwealth will compensate them for the additional borrowing costs through a general purpose grant. The amount of compensation provided to the States is based on the average interest rate margins between Commonwealth and State debt over the period 1 January 1990 to 30 June 1990. Borrowing Cost Compensation is scheduled to continue until 2005-06.

Debt Retirement Reserve Trust Account

Under the Financial Agreement, the Commonwealth and the State contribute to the Debt Retirement Trust Fund. The Commonwealth's annual contribution is

Budget Estimates 1998-99	State Revenue	451
--------------------------	---------------	-----

0.28 per cent of the net debt. The Commonwealth's contribution is paid directly into the Trust Fund. Although this money is not received by Victoria as a normal grant, the notional amount is credited to the Treasurer's portfolio for accounting purposes.

Natural Disaster Relief

Commonwealth payments under the Natural Disaster Relief Arrangements (NDRA) assist the States to meet the costs of providing relief and restoration following natural disasters. The NDRA recognise the States' primary responsibility under the Constitution for the administration, provision and financing of relief measures.

Table 3.18: Department of Treasury and Finance - Commonwealth Specific Purpose Grants

(\$ million)

	1997-98 Budget	1998-99 Budget	Change %
<i>Current Grants</i>			
Borrowing Cost Compensation	5.7	5.6	-2.3
Commonwealth Contribution to Debt Retirement	0.2	0.2	..
	5.9	5.7	-2.3
<i>Capital Grants</i>			
Natural Disaster Relief	0.1	..	-100
	0.1	..	-100
Total Specific Purpose Grants	5.9	5.7	-3.1

Source: Department of Treasury and Finance, Forward Estimates

Specific purpose grants for on-passing

Not all specific purpose grants are for State budget programs. A substantial proportion of these are for 'on-passing' to various bodies such as non-government schools and Local Government authorities. In such cases, the State simply acts as the vehicle for distributing the Commonwealth funds.

Table 3.19: Commonwealth Grants for On-Passing

(\$ million)

	1997-98 Budget	1998-99 Budget	Change %
Grants for On-passing			
Education			
Non-Government Schools	543.8	615.1	13.1
Government Schools	18.0	..	..
Adult, Community and Further Education	..	1.6	..
Infrastructure	291.8	300.6	3.0
Justice	34.4	30.7	-10.6
Total	888.0	948.0	6.8

Source: Department of Treasury and Finance, Forward Estimates

*Education**Non-government schools**State Grants (Primary and Secondary Education Assistance) Act current grants program*

This program provides funds to help non-government schools with the recurrent costs of school education: so that they can offer students educational programs that ensure they are able to achieve their full potential; so they leave school with the knowledge, skills and attitudes appropriate to their post-school destinations; and so that they have a sound foundation for undertaking further education and training, participating successfully in the workforce and contributing to and benefiting from Australian society.

Priorities also include support for the principles of access, choice, equity and excellence in schools by encouraging the provision of a strong, viable and diverse selection of schools from which parents can choose what is best for their children.

The Commonwealth is currently reviewing the Education Resources Index (ERI) which is the allocative mechanism used in this program. This review may result in changes to the future funding of non-government schools

State Grants (Primary and Secondary Education Assistance) Act capital grants program

This program seeks to improve educational outcomes by assisting in the provision of school facilities, particularly in ways that contribute most to raising the overall level of educational achievement of Australian school students.

Other grants for targeted and national priority programs

Funds flow to non-government schools through the new Commonwealth Government program structure as described above in relation to government schools.

Specific purpose grants for on-passing

Justice

Legal aid

Commonwealth grants are paid to assist the functioning of legal aid schemes in every State. The Commonwealth provides funding for a share of the operating costs of State Legal Aid Commissions and for referrals to private practitioners on Commonwealth matters.

The grant provided to Victoria for the operating cost of Victoria Legal Aid is paid directly to Victoria Legal Aid. Funds for 42 Community Legal Centres are paid as a separate grant for distribution to the relevant centres.

Infrastructure

General purpose financial assistance to local government

General Purpose Financial Assistance to local government has been in existence since 1974–75. An equal per capita basis of distributing total assistance to the States and Territories was phased in and has been in operation from 1989-90. This occurs pursuant to the *Local Government (Financial Assistance) Act 1995*.

Local government roads funding was part of Specific Purpose Grants in 1990-91. From 1991–92 local roads funding was included in, but separately identified from, general purpose assistance grants. This funding is paid under the *Local Government (Financial Assistance) Act 1995* and distributed through the Victoria Grants Commission.

STATEMENT 4

THE PUBLIC ACCOUNT

Table 4.1: Estimates of Payments: Special Appropriations 1998-99

	<i>1997-98</i>	<i>1998-99</i>
	<i>Estimate</i>	<i>Estimate</i>
	<i>(\$ thousand)</i>	<i>(\$ thousand)</i>
SUMMARY		
<i>Special Appropriations</i>		
Debt Charges	238 670	10 000
Employee Entitlements and Other Expenses	58 877	72 699
Other Services	1 309 429	1 274 333
Pensions	496 198	879 289
Total Special Appropriations	2 103 174	2 236 321

Table 4.1: Estimates of Payments: Special Appropriations 1998-99

	1997-98 Estimate	1998-99 Estimate
	(\$ thousand)	(\$ thousand)
Special Appropriations		
Debt Charges		
Financial Management Act No. 18 of 1994, Section 39		
- Interest on Advances	20 000	10 000
Treasury Corporation of Victoria Act 80 of 1992, Section 38 - Appropriation for Debt Retirement	218 670	..
Total Debt Charges	238 670	10 000
Employee Entitlements and Other Expenses		
Auditor-General - Act No. 2 of 1994	202	208
Audit of the Auditor-Generals Office		
- Act No. 2 of 1994	10	10
Chief Justice - Act No. 8750	208	215
Clerk of the Parliaments - Act No. 8750	1	1
Compensation to Jurors - Act No. 7651	15	15
County Court Judges - Act No. 6230	7 800	8 000
Crimes Compensation Tribunal - Act No. 9992	1 340	1 240
Crown Proceedings - Act No. 6232	2 000	2 000
Defence Reserves Re-Employment Board -		
- Act No. 4989	72	35
Electoral Expenses - Act No. 6224	6 192	19 601
Executive Council - Act No. 8750	69	50
Governor's Salary - Act No. 5 of 1992	101	104
Judges Court of Appeal - Act No. 8750	1 510	2 075
Legislative Assembly - Act No. 8750	275	275
Legislative Council - Act No. 8750	100	100
Magistrates - Act No. 8184	11 850	12 230
Marine Board - Act No. 52 of 1988	87	89
Ombudsman - Act No. 8414	182	187
Parliamentary Salaries and Allowances - Act No. 7723	17 240	16 945
Parliamentary Committees - Act Nos. 7727 / 9765 and Act No. 64 of 1992	3 900	4 157
Patriotic Funds Council - Act No. 6331	114	111
Planning Schemes - Panels - Act No. 6849	715	737
Police Service Board - Act No. 6338	47	30
President, Court of Appeal - Act No. 8750	197	204
Puisne Judges - Act No. 8750	4 305	4 080
	58 532	72 699
Carried forward	58 532	72 699
Budget Estimates	The Public Account	457

Table 4.1: Estimates of Payments: Special Appropriations 1998-99

	1997-98 <i>Estimate</i>	1998-99 <i>Estimate</i>
	(<i>\$ thousand</i>)	(<i>\$ thousand</i>)
Employee Entitlements and Other Expenses		
Brought forward	58 532	72 699
Non-recurring -		
Lay Observer - Act No. 6291	160	..
Solicitor's Board - Act No. 6291	185	..
Total Employee Entitlements and Other	<u>58 877</u>	<u>72 699</u>
Other Services		
Totalizator Act No. 6353, Section 103		
- Contribution to Hospitals and Charities Fund	113 600	124 100
Tattersall Consultations Act No. 6390		
- Contribution to Hospitals and Charities Fund	266 622	270 080
- Contribution to Mental Hospitals Fund	53 578	57 020
	<u>320 200</u>	<u>327 100</u>
Business Franchise Fees (Safety Net) Act 1997		
	..	100 000
Casino Control Act No. 47 of 1991, Section 114		
- Contribution to Hospitals and Charities Fund	7 300	8 043
Club Keno Act No. 56 of 1993, Section 7(5)		
- Contribution to Hospitals and Charities Fund	2 600	2 500
Co-Operative Housing Societies Act No. 6226, Section 77(2)		
	1 500	1 600
Criminal Injuries Compensation - Act No. 9992, Section 15		
	59 000	25 014
Education Volunteer Workers Compensation		
- Act No. 6240, Section 34	250	250
Gaming and Betting Act No. 37 of 1994, Section 94 - Expenses of Victorian Casino and Gaming Authority		
	14 600	17 200
Gaming Machine Control Act. No 53 of 1991, Sections 137, 138		
- Contribution to Hospitals and Charities Fund	518 064	596 032
- Contribution to Community Support Fund	84 336	71 502
	<u>602 400</u>	<u>667 534</u>
Carried forward	1 121 450	1 273 341

Table 4.1: Estimates of Payments: Special Appropriations 1998-99

	1997-98 Estimate	1998-99 Estimate
	(\$ thousand)	(\$ thousand)
Other Services		
Brought forward	1 121 450	1 273 341
Police Assistance Compensation Act No. 7722	6	5
Racing		
- Act No. 6353, Section 119	2 505	505
Taxation (Interest on Overpayments)-		
- Act No. 35 of 1986, Section 11	330	340
State Emergency Services Volunteer Workers		
Compensation - Act No. 57 of 1987	138	142
Non-recurring -		
Business Franchise(Petroleum Products)		
(Amendment) Act No. 46 of 1993		
- Contribution to Better Roads Victoria Trust		
Fund	185 000	..
Total Other Services	1 309 429	1 274 333
Pensions		
Chairman - General Sessions		
- Act Nos. 6282 / 7705 / 8731	38	39
Constitution (Governor's Pension)		
- Act No. 8750 of 1975	300	360
Judges - County Court - Act No. 6230	2 720	3 200
Judges - Supreme Court - Act No. 8750	2 050	2 600
Parliamentary Contributory Superannuating Fund		
Contributions - Act No. 7723, Section 13	18 100	18 100
The Mint - Act No. 6323, Section 3	90	90
The Superannuating Fund – Contributions		
- Act No. 50 of 1988, Section 90 (2)	472 900	854 900
Total Pensions	496 198	879 289
Total Special Appropriations	2 103 174	2 236 321

Table 4.2: Consolidated Fund Receipts 1998-99

	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>	% <i>Change</i>
	\$	\$	
RECURRENT RECEIPTS			
TAXATION			
Pay-roll Tax	2 450 529 000	2 578 082 200	5.2
Land Tax	427 000 000	440 000 000	3.0
State Deficit Levy	500 000	..	- 100.0
Other Property Taxes	60 000	60 000	..
Stamp Duty on Land Transfers	727 500 000	749 300 000	3.0
Stamp Duty on Marketable Securities	150 430 000	166 560 000	10.7
Financial Institutions Duty	324 600 000	327 800 000	1.0
Debits Tax	260 600 000	263 200 000	1.0
Other Taxes on Financial and Capital Transactions	151 588 000	156 084 000	3.0
Public Authority Contribution - Gascor	333 000 000	308 000 000	- 7.5
Tattersalls Duty	320 200 000	323 500 000	1.0
Electronic Gaming Machines	657 380 000	704 380 000	7.1
Totalizator	113 600 000	114 900 000	1.1
Casino Tax	33 600 000	16 800 000	- 50.0
Other Taxes on Gambling	151 300 000	163 700 000	8.2
Taxes on Insurance	342 000 000	355 900 000	4.1
Road Safety Act Fees	402 470 000	406 516 000	1.0
Stamp Duty on Motor Vehicle Transfers	371 600 000	392 900 000	5.7
Motor Drivers Licence Fees	19 331 000	21 281 000	10.1
Other Motor Vehicle Taxes	1 505 000	1 485 000	- 1.3
Petroleum Franchise Fees	425 380 000	439 760 000	3.4
Tobacco Franchise Fees	624 830 000	628 340 000	0.6
Liquor Licence Fees	169 300 000	174 400 000	3.0
Electricity Industry Franchise Fees	171 600 000	135 400 000	- 21.1
Energy Consumption Levy	50 000	..	- 100.0
Financial Accommodation Levy	13 400 000	12 900 000	- 3.7
Total	8 643 353 000	8 881 248 200	2.8

Table 4.2: Consolidated Fund Receipts 1998-99

	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>	% <i>Change</i>
	\$	\$	
REGULATORY FEES AND FINES			
Environment Protection Authority	9 265 000	9 200 000	- 0.7
Registration and Inspection Fees	..	..	..
Boating Fees	5 620 000	5 779 000	2.8
Miscellaneous Licences	259 000	266 000	2.7
Other Regulatory Fees	37 589 000	36 706 000	- 2.3
Fines	120 695 000	123 198 000	2.1
Total	173 428 000	175 149 000	1.0
PUBLIC AUTHORITIES			
Electricity Industry	86 400 000	97 400 000	12.7
Gas Industry	84 300 000	142 400 000	68.9
Water Industry	314 800 000	345 400 000	9.7
Port Authorities	23 000 000	23 700 000	3.0
Rural Finance Corporation	20 900 000	21 900 000	4.8
State Trustees Limited	5 000 000	6 300 000	26.0
Transport Accident Corporation	85 300 000	80 200 000	- 6.0
Treasury Corporation of Victoria	15 000 000	9 000 000	- 40.0
Aluminium Smelters of Victoria Pty. Ltd.	18 500 000	22 200 000	20.0
Urban Land Authority	4 900 000	4 500 000	- 8.2
Victorian Finance Management Corporation	..	310 000	..
Victorian Plantations Corporation	16 900 000	18 700 000	10.7
Total	675 000 000	772 010 000	14.4

Table 4.2: Consolidated Fund Receipts 1998-99

	<i>1997-98</i>	<i>1998-99</i>	<i>%</i>
	<i>Budget</i>	<i>Budget</i>	<i>Change</i>
	\$	\$	
RENTS, ROYALTIES, INTEREST AND OTHER DIVIDENDS			
Interest -			
Home Builders	5 363 000	5 310 000	- 1.0
Director of Housing	21 096 000	20 885 000	- 1.0
Commonwealth-State Housing Agreement	40 176 000	39 320 000	- 2.1
Rural Finance Corporation	1 175 000	891 000	- 24.2
Water and Sewerage Authorities	214 000	214 000	..
State Development Account	1 027 000	1 021 000	- 0.6
All Other Interest	21 542 000	9 171 000	- 57.4
	<u>90 593 000</u>	<u>76 812 000</u>	<u>- 15.2</u>
Land Rent , Licences and Leases	<u>7 777 000</u>	<u>6 106 000</u>	<u>- 21.5</u>
Royalties -			
Brown Coal	12 908 000	13 908 000	7.7
Forests	29 967 000	35 569 000	18.7
Other	5 073 000	5 165 000	1.8
	<u>47 948 000</u>	<u>54 642 000</u>	<u>14.0</u>
Total	<u>146 318 000</u>	<u>137 560 000</u>	<u>- 6.0</u>
MISCELLANEOUS RECEIPTS			
Transfers from Trust Funds	412 000	450 000	9.2
Unclaimed Moneys Act No. 6879, Section 6	20 000 000	20 000 000	..
Unclaimed Tabcorp Dividends	7 000 000	7 000 000	..
Other Miscellaneous Receipts	2 066 000	2 877 000	39.3
Total	<u>29 478 000</u>	<u>30 327 000</u>	<u>2.9</u>

Table 4.2: Consolidated Fund Receipts 1998-99

	1997-98 Budget	1998-99 Budget	% Change
	\$	\$	
Receipts Credited to Appropriations- Section 29, Financial Management Act 1994			
Natural Resources and Environment	..	..	..

CHARGES AND REIMBURSEMENTS			
Receipts Credited to Appropriations- Section 29, Financial Management Act			
Education	760 000	770 000	1.3
Human Services	2 000 000	2 000 000	..
Justice	60 122 000	56 225 000	- 6.5
Natural Resources and Environment	23 741 000	23 741 000	..
Premier and Cabinet	4 633 000	4 633 000	..
Treasury and Finance	2 425 000	2 525 000	4.1
	93 681 000	89 894 000	- 4.0
Other Charges and Reimbursements -			
Parliament	10 000	10 000	..
Education	5 803 000	5 800 000	- 0.1
Human Services	13 486 000	13 631 500	1.1
Infrastructure	2 373 000	2 451 000	3.3
Justice	18 969 000	23 977 000	26.4
Natural Resources and Environment	148 360 000	163 664 700	10.3
Premier and Cabinet	14 985 000	15 440 000	3.0
State Development	5 439 000	5 439 000	..
Treasury and Finance			
Superannuation Contribution	..	..	..
Capital Charge	359 356 000	360 924 800	0.4
Other	91 319 000	39 654 530	- 56.6
	660 100 000	630 992 530	- 4.4
Total	753 781 000	720 886 530	- 4.4

Note: Details of Charges and Reimbursements are published under the appropriate departmental statement in Statement 2

Table 4.2: Consolidated Fund Receipts 1998-99

	<i>1997-98</i>	<i>1998-99</i>	<i>%</i>
	<i>Budget</i>	<i>Budget</i>	<i>Change</i>
	\$	\$	
COMMONWEALTH PAYMENTS - RECURRENT			
Financial Assistance Grant	3 377 500 000	3 506 000 000	3.8
Hospital Funding Grant	1 010 967 000	1 054 626 000	4.3
Special Revenue Assistance -			
Medicare Guarantee	245 500 000	255 300 000	4.0
Medicare Incentives	2 865 000	2 922 000	2.0
Schools Assistance			
General Assistance	235 557 000	240 268 140	2.0
English as a Second Language	..	..	..
Special Education	7 542 000	7 692 718	2.0
Compensation for Transfer of Corporate			
Regulatory Function to the			
Commonwealth	38 606 000	39 750 000	..
Debt Redemption Assistance	5 687 000	5 555 000	- 2.3
Compensation for the Extension of			
Pensioner Benefits	35 064 000	36 817 000	5.0
Emergency Services	475 000	475 000	..
Department of Veteran's Affairs -			
Ambulance Transport	1 200 000	1 200 000	..
Special Commonwealth Projects	53 440 000	54 640 000	2.2
Identified Road Funds	..	..	..
Non-recurring			
Forest Biodiversity	..	..	..
Coastal Action Program	..	..	..
Planning System Reform	..	..	..
Commonwealth Offshore Petroleum			
Compensation	..	..	..
	<u>5 014 403 000</u>	<u>5 205 245 858</u>	<u>3.8</u>

Table 4.2: Consolidated Fund Receipts 1998-99

	1997-98 Budget	1998-99 Budget	% Change
	\$	\$	
Specific Purpose Grants Credited to Appropriations-			
Section 29, Financial Management Act			
<i>Education</i>			
Aboriginal Advancement	2 733 000	2 733 000	..
Commonwealth Literacy Program	27 498 000	26 339 960	- 4.2
Disadvantaged Schools	..	..	..
English as a Second Language - New Arrivals	11 739 000	11 973 780	2.0
Junior Sports Development	..	..	..
	41 970 000	41 046 740	- 2.2
<i>Human Services</i>			
Aboriginal Employment Strategy	..	..	..
Aboriginal Pre-school Services	764 500	788 000	3.1
Alternative Birthing Services	525 000	541 000	3.0
Area Health Management	..	..	..
Artificial Limbs Services	2 500 000	2 600 000	4.0
Bendigo Pathology Service	4 300 000	4 400 000	2.3
Blood Transfusion Services	12 669 000	13 013 300	2.7
Bone Marrow Registry	170 000	170 000	..
Casemix Development Program	..	..	..
Cervical Cancer Screening	1 243 000	1 281 000	3.1
Child Care Services	832 000	857 000	3.0
Cytology and Gynaecological Services	4 000 000	4 100 000	2.5
Day Surgery	3 830 000	3 950 000	3.1
Dental Program	..	..	..
Disability Services	67 310 000	71 700 000	6.5
Drug Campaign Program	5 527 000	5 693 000	3.0
Factor VIII	2 000 000	2 000 000	..
Funds to combat AIDS	5 690 000	5 861 000	3.0
High Cost Drugs Program	46 000 000	48 000 000	4.3
Home and Community Care	134 188 900	139 708	4.1
Housing Grant – other public housing (untied)	84 085 100	77 631 400	- 7.7
Housing interest assistance	1 347 500	1 347 500	..
Hospital Infrastructure	..	..	..
Budget Estimates	The Public Account		465

Table 4.2: Consolidated Fund Receipts 1998-99

	1997-98 Budget	1998-99 Budget	% Change
	\$	\$	
Immunization Program	3 795 000	3 969 000	4.6
Innovative Health Services for Homeless Youth	620 000	638 000	2.9
Integration of Heidelberg Repatriation Hospital	105 650 000	112 700 000	6.7
Mammography Screening Project	10 600 000	10 920 000	3.0
Medicare – AIDS	13 200 000	13 700 000	3.8
Medicare Bonus Pool	36 832 000	40 128 000	8.9
Medicare Schedule E transfer to Bonus Pool	1 971 000	1 971 000	..
Medicare - Mental Health	5 398 000	5 433 000	0.6
Medicare - Pharmaceutical	..	..	..
Mental Health Reforms	6 667 000	6 687 800	0.3
National Equity Program for Schools	4 053 000	4 063 000	0.2
National High Security Unit	30 000	30 000	..
National Landcare Project	20 000	19 900	- 0.5
National Salmonella Surveillance Scheme	75 000	75 000	..
National Women's Health Program	2 085 000	2 143 800	2.8
Nuclear Magnetic Resonance Imaging equipment			
Out of School Hours	6 153 000	6 337 800	3.0
Patients Charter	..	..	..
Post Acute and Palliative Care	13 500 000	14 000 000	3.7
Rural Health Education	275 000	181 000	- 34.2
Supported Accommodation Assistance	29 841 000	29 706 500	- 0.5
Unattached Refugee Children	72 000	76 000	5.6
Non-recurring - Domestic Violence	..	..	..
Non-recurring - Hospital Access	..	..	..
	622 349 000	641 151 500	3.0
<i>Infrastructure</i>			
Interstate Road Transport	6 200 000	..	..
Planning System Reform	..	..	..
	6 200 000	..	..

Table 4.2: Consolidated Fund Receipts 1998-99

	1997-98 Budget	1998-99 Budget	% Change
	\$	\$	
Justice			
National Firearms Program	25 000 000	..	- 100.0
	25 000 000	..	..
Natural Resources and Environment			
Contract Employment for Aborigines	..	..	..
Endangered Species	580 000	515 000	- 11.2
Eradication of Brucellosis and Coastal Action Program	180 000	180 000	..
Feral Pest Program	50 000	50 000	..
National Estate Program	410 000	..	- 100.0
National Forest Policy	3 250 000	4 000 000	23.1
National Landcare Program			
Flood plain management	..	..	..
Revegetation - Save The Bush Program	50 000	55 000	10.0
Salinity Projects	3 500 000	4 000 000	14.3
Soil Projects	7 000 000	7 000 000	..
State Water Planning	250 000	250 000	..
Natural Resources Management			
Strategy - Intrastate Program	3 100 000	3 100 000	..
Regional Development Programs	2 750 000	3 075 000	11.8
Vermin and Noxious Weeds	..	..	..
Vertebrate Pest Program	..	..	..
Waterwatch Program	180 000	180 000	..
	21 300 000	22 405 000	5.2
State Development			
Aboriginal and Torres Strait Islander Commission Young Persons Sport and Recreation program	257 000	257 000	..
AusIndustry	2 200 000	2 200 000	..
Victorian Participation Initiative	685 000	685 000	..
National Volunteer Improvement Program	131 000	131 000	..
New Enterprise Incentive Scheme	..	..	..
	3 273 000	3 273 000	..
Total Commonwealth Payments -	5 734 495 000	5 913 122 098	3.1
Total Recurrent Receipts	16 155 853 000	16 630 302 828	2.9
Budget Estimates	The Public Account		467

Table 4.2: Consolidated Fund Receipts 1998-99

	1997-98 <i>Budget</i>	1998-99 <i>Budget</i>	%
	\$	\$	<i>Change</i>
WORKS AND SERVICES RECEIPTS			
COMMONWEALTH PAYMENTS -			
<i>Education</i>			
School Buildings	50 586 000	50 839 300	0.5
<i>Infrastructure</i>			
Building Better Cities - Scoping Works	..	..	..
<i>Natural Resources and Environment</i>			
Mining Reclamation	..	..	..
National Landcare Program - Groundwater	..	..	..
	50 586 000	50 839 300	0.5
Specific Purpose Grants Credited to Appropriations-			
Section 29, Financial Management Act			
<i>Human Services</i>			
Australian Red Cross Society Building	..	..	..
Children's Services	224 000	..	- 100.0
Home and Community Care	966 000	995 000	3.0
Hospital Infrastructure	6 000 000	6 000 000	..
Integration of Heidelberg			
Repatriation Hospital	21 350 000	..	- 100.0
Nuclear Magnetic Resonance Imaging			
Equipment	..	..	..
<i>Housing-</i>			
Aboriginal Housing	3 492 000	3 458 000	- 1.0
Community Housing	..	..	..
Crisis Accommodation	9 473 000	9 379 000	- 1.0
Interest Assistance	..	..	..
Mortgage and Rent Relief	..	..	..
Pensioner Housing	..	..	..
Untied Grants	136 197 000	140 446	3.1
	177 702 000	160 278	- 9.8
<i>Infrastructure</i>			
Building Better Cities	..	..	..
Roads	86 623 000	80 950 000	- 6.5
	86 623 000	80 950 000	- 6.5

Table 4.2: Consolidated Fund Receipts 1998-99

	1997-98 Budget	1998-99 Budget	% Change
	\$	\$	
<i>Natural Resources and Environment</i>			
National Landcare Program			
Country and Town Water			
Management Improvement Projects	..	..	..
Floodplain Management	..	..	..
Salinity Projects	..	..	..
Soil Projects	..	..	..
State Water Planning	..	..	..
Natural Resources Management Strategy			
Intrastate Program	..	..	..
Non recurring			
Regional Development Programs	100 000	..	- 100.0
	100 000	..	- 100.0
Total	264 425 000	241 228	- 8.8
Total Commonwealth Payments	315 011 000	292 067	- 7.3

Table 4.2: Consolidated Fund Receipts 1998-99

	<i>1997-98</i>	<i>1998-99</i>	<i>%</i>
	<i>Budget</i>	<i>Budget</i>	<i>Change</i>
	\$	\$	
REPAYMENTS OF LOANS AND ADVANCES			
Commonwealth-State Housing Agreement	21 457 000	22 313 000	4.0
Director of Housing	4 282 000	4 476 000	4.5
Gas and Fuel Corporation of Victoria	55 000	59 000	7.3
Home Builders Account	1 079 000	1 132 000	4.9
Loan Repayments	392 000	355 500	18.7
Rural Finance Corporation	3 816 000	3 066 000	- 19.7
State Development Account	1 225 000	1 305 000	6.5
Water and Sewerage Authorities	222 000	3 000	- 98.6
All other	21 087 000	20 782 000	- 1.4
Total	53 615 000	53 491 500	- 0.2
OTHER			
Asset Sales	124 323 000	83 699 700	- 32.7
Miscellaneous Receipts	28 510 000	29 095 000	2.1
Borrowings	..	..	..
Return of Capital:			
ULA	10 000 000	..	
TCV	27 000 000	..	
RFC	150 000 000	..	
Port of Geelong	..	..	..
Port of Portland	2 000 000	..	
State Insurance Office	..	..	..
Transport Accident Commission	..	..	..
Other	7 200 000	300 000	- 95.8
Total Works and Services	717 659 000	458 654 100	- 36.1
Total Consolidated Fund Receipts	16 873 512 000	17 088 956 928	1.3

Table 4.3: Total Annual Appropriations

Details of total annual appropriations for 1998-99, including amounts of estimates of unspent 1997-98 appropriation carried forward pursuant to *section 32* of the Financial Management Act 1994 and receipts credited to appropriations pursuant to *section 29* of the *Financial Management Act 1994*

Estimate for 1998-99 Budget				
	<i>Provision of Outputs</i>	<i>Additions to Net Asset Base</i>	<i>Payments made on behalf of State</i>	<i>Total ^(a)</i>
	<i>(\$ thousand)</i>	<i>(\$ thousand)</i>	<i>(\$ thousand)</i>	<i>(\$ thousand)</i>
Parliament				
Appropriation <i>(Appropriation (Parliament 1998-99, No. 1) Act)</i>	66 801	1 496	..	68 297
Receipts credited to appropriation <i>(section 29 of Financial Management Act, 1994)</i>	..	..	..	..
Unspent previous year appropriation carried over <i>(section 32 of Financial Management Act, 1994)</i>	1 902	..	..	1 902
Total Appropriation	68 703	1 496	..	70199
Education				
Appropriation <i>(Appropriation (1998-99, No. 1) Act)</i>	4 259 388	95 061	..	4 354 449
Receipts credited to appropriation <i>(section 29 of Financial Management Act, 1994)</i>	37 966	..	..	37 966
Unspent previous year appropriation carried over <i>(section 32 of Financial Management Act, 1994)</i>	..	..	..	..
Total Appropriation	4 297 354	95 061	..	4 392 415
Human Services				
Appropriation <i>(Appropriation (1998-99, No. 1) Act)</i>	4 005 702	86 223	..	4 091 925
Receipts credited to appropriation <i>(section 29 of Financial Management Act, 1994)</i>	711 068	..	..	711 068
Unspent previous year appropriation carried over <i>(section 32 of Financial Management Act, 1994)</i>	66 263	10 000	..	76 263
Total Appropriation	4 783 033	96 223	..	4 879 256

Table 4.3: Total Annual Appropriations

	<i>Provision of Outputs</i>	<i>Additions to Net Asset Base</i>	<i>Payments made on behalf of State</i>	<i>Total</i>
	<i>(\$ thousand)</i>	<i>(\$ thousand)</i>	<i>(\$ thousand)</i>	<i>(\$ thousand)</i>
Infrastructure				
Appropriation <i>(Appropriation (1998-99, No. 1) Act)</i>	1 738 218	154 602	1 321	1 894 141
Receipts credited to appropriation <i>(section 29 of Financial Management Act, 1994)</i>	90 700	..	..	90 700
Unspent previous year appropriation carried over <i>(section 32 of Financial Management Act, 1994)</i>	41 191	..	..	41 191
Total Appropriation	1 870 109	154 602	1 321	2 026 032
Justice				
Appropriation <i>(Appropriation (1998-99, No. 1) Act)</i>	1 422 830	49 864	..	1 472 694
Receipts credited to appropriation <i>(section 29 of Financial Management Act, 1994)</i>	61 085	..	..	61 085
Unspent previous year appropriation carried over <i>(section 32 of Financial Management Act, 1994)</i>	8 010	1 132	..	9 142
Total Appropriation	1 491 925	50 996	..	1 542 921

Table 4.3: Total Annual Appropriations

	<i>Provision of Outputs</i>	<i>Additions to Net Asset Base</i>	<i>Payments made on behalf of State</i>	<i>Total</i>
	<i>(\$ thousand)</i>	<i>(\$ thousand)</i>	<i>(\$ thousand)</i>	<i>(\$ thousand)</i>
Natural Resources and Environment				
Appropriation <i>(Appropriation (1998-99, No. 1) Act)</i>	510 728	35 664	86 205	632 597
Receipts credited to appropriation <i>(section 29 of Financial Management Act, 1994)</i>	82 234	..	..	82 234
Unspent previous year appropriation carried over <i>(section 32 of Financial Management Act, 1994)</i>	25 064	7 428	2 754	35 246
Total Appropriation	618 026	43 092	88 959	750 077
Premier and Cabinet				
Appropriation <i>(Appropriation (1998-99, No. 1) Act)</i>	207 942	112 161	..	320 103
Receipts credited to appropriation <i>(section 29 of Financial Management Act, 1994)</i>	533	..	..	533
Unspent previous year appropriation carried over <i>(section 32 of Financial Management Act, 1994)</i>	4 619	58 958	..	63 577
Total Appropriation	213 094	171 119	..	384 213
State Development				
Appropriation <i>(Appropriation (1998-99, No. 1) Act)</i>	180 034	..	9 840	189 874
Receipts credited to appropriation <i>(section 29 of Financial Management Act, 1994)</i>	3 094	..	..	3 094
Unspent previous year appropriation carried over <i>(section 32 of Financial Management Act, 1994)</i>	12 680	956	4 043	17 679
Total Appropriation	195 808	956	13 883	210 647

Table 4.3: Total Annual Appropriations

	<i>Provision of Outputs</i>	<i>Additions to Net Asset Base</i>	<i>Payments made on behalf of State</i>	<i>Total</i>
	<i>(\$ thousand)</i>	<i>(\$ thousand)</i>	<i>(\$ thousand)</i>	<i>(\$ thousand)</i>
Treasury and Finance				
Appropriation <i>(Appropriation (1998-99, No. 1) Act)</i>	307 745	881	1 613 637	1 922 263
Receipts credited to appropriation <i>(section 29 of Financial Management Act, 1994)</i>	2 870	..	..	2 870
Unspent previous year appropriation carried over <i>(section 32 of Financial Management Act, 1994)</i>	12 343	20 270	27 000	59 613
Total Appropriation	322 958	21 151	1 640 637	1 984 746

Table 4.4: The Consolidated Fund

Estimated receipts and payments for the year ended 30 June 1997 and for the year ended 30 June 1998

(\$ million)

	1997-98 Budget	1998-99 Budget	% Change ^(a)
Receipts -			
State Taxation	8 647.5	8 914.8	3.1
Other State Sources	2 838.9	3 279.1	15.5
Commonwealth Payments	5 733.8	5 869.2	2.4
Total Current Receipts	17 220.2	18 063.2	4.9
Commonwealth	316.3	295.4	- 6.6
Other State Sources	402.6	209.3	- 48.0
Borrowings	..	260.1	100.0
Total Capital Receipts	718.9	764.8	6.4
Total Receipts	17 939.1	18 827.9	5.0
Payments -			
Special Appropriations	2 103.2	2 238.3	6.4
Annual Appropriations			
Parliament	65.4	68.9	5.4
Departmental	15 774.7	16 524.8	4.8
Total Payments	17 939.1	18 827.9	5.0

Note:

(a) Percentage change between 1998-99 Budget and 1997-98 Budget.

Table 4.5: Change in Trust Fund Balances

	(+) <i>Increase</i> <i>Estimate</i> 1997-98	(-) <i>Decrease</i> <i>Estimate</i> 1998-99
	\$	\$
A. State Government Funds		
1. Accounts established to receive levies imposed by Parliament and record the expenditure thereof		
2. Accounts established to receive moneys provided in the annual budget and record the expenditure thereof		
3. Specific purpose operating accounts established for various authorities etc.	-2 331 200	660 100
4. Suspense and clearing accounts to facilitate accounting procedures	21 260 000	499 700
5. Unclaimed Moneys	- 30 000	- 20 000
6. Treasury Trust Fund	..	..
7. Agency and Deposits Accounts	2 321 000	-2 000 226
Total State Government Funds	4 657 800	- 67 426
B. Joint Commonwealth And State Funds		
C. Commonwealth Government Funds		
1. Commonwealth Grants Passed on to Individuals and Organisations	..	..
2. Other	-1 000 000	..
Total	1 000 000	..
D. Prises, Scholarships, Research And Private Donations		
	- 335 000	- 57 000
Total Trust Fund	4 933 800	- 445 426