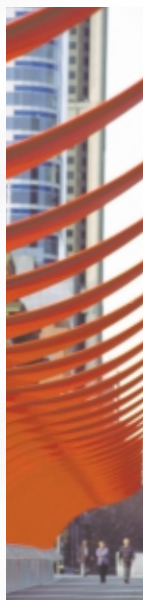




2003-04 Budget Estimates



Budget Paper No.3

Presented by the Honourable John Brumby MP
Treasurer of the State of Victoria
on the occasion of the Budget 2003-04

Budget Estimates

2003-04



Presented by

The Honourable John Brumby, M.P.

Treasurer of the State of Victoria

for the information of Honourable Members

Budget Paper No.3

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INTRODUCTION

The 2003-04 Budget Estimates, *Budget Paper No. 3*, comprises a summary of the activities supported predominantly from the Budget, revenue and expenses, and the outputs (i.e. goods and services) that the Government expects to purchase. It also identifies the departmental objectives that are to be achieved through the delivery of outputs and their alignment with the desired Government outcomes. This document is the primary source of information for readers interested in the detailed output delivery plans of individual departments.

The 2003-04 Budget Estimates, *Budget Paper No. 3* consists of the following four statements:

Statement 1 – Departmental Overview

Statement 1 provides a brief overview of departmental financial estimates.

Statement 2 – Departmental Statements

The Departmental Statements in Statement 2 incorporate a ‘total resources’ view of each department, showing the financial resources available to the department from all sources, the way these resources are used and the basis of the authority for the department to obtain and use these resources. The content of the statement for each department is separated into two parts.

Part One provides a set of output tables outlining the description of the outputs and the relationship between the outputs, departmental objectives and government outcomes to be achieved. Also included are selected performance measures and targets for the quantity, quality, timeliness and cost for each output produced by departments.

Part Two summarises financial information about the resources available to a department as well as the use of those resources. This section also provides details of the parliamentary authority for the department’s resources.

Section 40 of the *Financial Management Act 1994* requires a separate statement to 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.

Statement 3 – State Revenue

Statement 3 outlines the various sources of State Government revenue, including taxes, regulatory fees and fines, public authority income and grants made to the State by the Commonwealth Government, for both general and specific purposes.

Statement 4 – Public Account

Statement 4 provides details of Public Account receipts and payments, giving details of the consolidated receipts, special appropriation and total annual appropriations from the Consolidated Fund for departments.

Format of information

The financial information presented in this paper is prepared consistent with generally accepted accounting principles.

The format of the financial statements provided in Statement 2 (Part Two) of this paper is based on the financial reporting standards for Victorian Government Departments. These statements include:

- a *statement of financial performance*, detailing total revenue earned and expenses incurred in relation to departmental activities during the financial year;
- a *statement of financial position*, detailing assets and liabilities of departments as at the end of the financial year;
- a *statement of cash flows*, providing information in relation to total cash receipts and payments during the financial year; and
- an *administered items statement*, providing information on the transactions and balances relating to activities that departments administer or manage on behalf of the State.

Consistent with the application of the accounting pronouncement, UIG Abstract 38 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*, certain transactions (mainly relating to funding provided by government for asset investment) between government entities are treated as equity contributions by government in the statement of financial position.

2001-02 actual outcomes are included in all financial statements with the exception of statements for the Department of Primary Industries and the Department for Victorian Communities. Also included are revised estimates of the projected outcome for the 2002-03 financial year (2002-03 revised estimates) as well as the normal budget to budget comparison for the financial and output performance estimates. Adjustments have been made to the 2002-03 Budget figures, mainly relating to the inclusion of actual carryover amounts from 2001-02 (replacing the estimated departmental carryovers incorporated in the 2002-03 Budget).

Adjustments for machinery of government changes announced in December 2002 are reflected in the 2002-03 adjusted and revised estimates for the period 1 January 2003 to 30 June 2003. This differs from previous practice where the full year financial impact of the machinery of government changes was reflected in the actuals, budget and revised estimates. This change to presentation will facilitate tighter alignment between the departmental financial statements presented in *Budget Paper No. 3* and departmental annual reports.

Since the 2003-04 Budget is brought down prior to the start of the financial year, no actual financial and only limited performance measurement data for the 2002-03 year is available for publication. The 2002-03 revised estimates take into account any additional funding approved during 2002-03 for departments and machinery of government change adjustments. They provide the best available estimate of the actual financial and performance information for the current financial year. The 2002-03 adjusted estimates include the 2002-03 Budget and machinery of government change adjustments.

The Government uses the general government sector as the basis of whole-of-government reporting in the 2003-04 Budget Papers. The general government sector is an institutional classification defined by the Australian Bureau of Statistics in accordance with international classification systems. It includes all government entities where revenues are considered to be non-market in nature and whose output is for the collective consumption of the community.

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 budgetary strategies and the impact of Government policy on the economy. *Budget Paper No. 2* contains the consolidated general government sector financial estimates in Australian Accounting Standard 31 (AAS31) format.

Budget Paper No. 3, on the other hand, is prepared from the perspective of departmental operations. As stated above, the financial information is prepared using generally accepted accounting principles (in particular, Australian Accounting Standard 29 (AAS29)) and therefore reflects the full cost of all activities undertaken by each department. The financial statements in this paper provide financial details on a department by department basis to support the aggregated AAS31 information provided in *Budget Paper No. 2*. This information is used as a management and reporting tool to assist departments in making better decisions about the allocation of departmental resources.

Budget Paper No. 2 provides financial information on a whole-of-government basis which is consolidated to eliminate internal transfers between general government sector entities such as payroll tax. This means that the individual departmental financial estimates, provided on an AAS29 format, when aggregated would not reconcile to the information provided in *Budget Paper No. 2*, as the internal eliminations would not have been taken into account.

Rounding convention

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

Appropriations

Parliament appropriates funds either under a standing authority through special appropriations provided for under various Acts or annually pursuant to annual appropriation acts and the *Financial Management Act 1994*. Special appropriations are generally provided for payments that are made on an ongoing basis independent of the Government's annual budget.

The *Appropriation (2003/2004) Act* provides global appropriations for departments. In a number of instances the global appropriation is supplemented by separate appropriations required by legislation for specific purposes, such as in the Department of Sustainability and Environment for the Environment Protection Authority. In the case of the Parliament, the *Appropriation (Parliament 2003/2004) Act* provides appropriations on a departmental basis.

As in previous years, the appropriation acts for 2003-04 will provide legislative authority for the Government to incur expenses for the purposes set out in Schedule 1 and to make arrangements for departments to earn revenue up to the appropriation authority in the bills.

The Acts provide for three appropriation purposes:

- provision of outputs (i.e. purchase of goods and services);
- additions to the net asset base (i.e. capital injection); and
- payments made on behalf of the State.

STATEMENT 1

**DEPARTMENTAL
OVERVIEW**

DEPARTMENTAL OVERVIEW

DEPARTMENTAL RESOURCES

This statement provides a high level summary of departmental financial estimates. *Statement 2* of this paper provides detailed information on departmental resources, including output and financial statements for each department.

The information included in *Statement 2* gives a complete picture of departmental resources both in aggregate and by output. The information provided on outputs includes the major outputs to be provided by each department and performance measures for quantity, quality, timeliness and cost of delivery.

Table 1.1: Operating expenses by department

| <i>Controlled and administered expenses</i> | (\$ million) | | | |
|---|-------------------|---------------------|---------------------|---------------------|
| | 2003-04 Budget | 2004-05 Estimate | 2005-06 Estimate | 2006-07 Estimate |
| Education and Training | 7 752.4 | 7 835.9 | 7 874.8 | 7 859.4 |
| Human Services | 9 502.5 | 9 766.6 | 9 893.7 | 10 003.8 |
| Infrastructure | 2 612.2 | 2 596.5 | 2 712.8 | 2 752.9 |
| Innovation, Industry and Regional Development | 379.8 | 281.8 | 256.9 | 275.7 |
| Justice | 2 353.3 | 2 419.5 | 2 497.3 | 2 567.2 |
| Parliament | 116.0 | 112.2 | 96.9 | 97.3 |
| Premier and Cabinet | 387.6 | 389.8 | 378.9 | 376.2 |
| Primary Industries | 297.5 | 274.2 | 271.8 | 270.2 |
| Sustainability and Environment | 924.0 | 815.1 | 798.2 | 791.8 |
| Treasury and Finance | 2 144.6 | 2 091.0 | 2 170.9 | 2 192.3 |
| Victorian Communities | 847.7 | 789.7 | 836.4 | 660.5 |
| Contingencies not allocated to departments ^(a) | 488.1 | 1 117.0 | 1 704.7 | 2 364.5 |
| Regulatory bodies and other part budget funded agencies | 922.6 | 958.6 | 1 015.4 | 1 051.5 |
| Total | 28 728.2 | 29 447.9 | 30 508.6 | 31 263.4 |
| Less eliminations | (2 374.3) | (2 388.5) | (2 393.6) | (2 426.0) |
| Total expenses from ordinary expenses | 26 353.9 | 27 059.4 | 28 114.9 | 28 837.4 |

Source: Department of Treasury and Finance

Note:

(a) *Departmental expenses will be supplemented for certain costs that are provided for in contingencies.*

Table 1.1 details the total operating expenses for each department. ‘Regulatory bodies and other part budget funded agencies’ includes Parks Victoria, Country Fire Authority, Metropolitan Fire and Emergency Services Board, catchment management authorities and a range of occupational registration boards.

Total operating expenses for each department (controlled and administered) shown in Table 1.1 are consistent with the estimated financial estimates contained in *Budget Paper No. 2* (Note 9). The sum of these expenses in the departmental financial statements contained in *Statement 2* differs from the operating expenses for whole-of-government as shown in Table 1.1 above as the latter eliminates intra-sector transactions such as payroll tax paid by departments and other transactions between departments.

Table 1.2 details the purchases of fixed assets by departments.

Table 1.2: Purchase of fixed assets by department

| Department | (\$ million) | | | |
|---|-------------------|---------------------|---------------------|---------------------|
| | 2003-04 Budget | 2004-05 Estimate | 2005-06 Estimate | 2006-07 Estimate |
| Education and Training | 460.7 | 313.2 | 236.8 | 294.8 |
| Human Services | 407.1 | 384.6 | 163.2 | 111.7 |
| Infrastructure | 732.9 | 640.6 | 550.0 | 496.1 |
| Innovation, Industry and Regional Development | 44.1 | 65.9 | 41.1 | 4.1 |
| Justice | 177.3 | 271.0 | 115.2 | 63.2 |
| Premier and Cabinet | 41.2 | 23.0 | 24.7 | 28.2 |
| Primary Industries | 97.8 | 30.4 | 6.6 | 6.1 |
| Sustainability and Environment | 109.5 | 57.7 | 52.0 | 40.2 |
| Treasury and Finance | 74.3 | 77.1 | 76.7 | 68.6 |
| Victorian Communities | 22.3 | 27.8 | 11.0 | 2.4 |
| Parliament | 1.5 | 1.8 | 1.8 | 1.8 |
| Other general government sector agencies | 70.8 | 65.9 | 65.8 | 72.1 |
| Not allocated to departments ^(a) | (108.9) | 500.3 | 822.4 | 1 172.3 |
| Total | 2 130.7 | 2 459.3 | 2 167.2 | 2 361.6 |

Source: Department of Treasury and Finance

Note:

(a) Amount available to be allocated to specific departments and projects in future budgets.

Parliamentary authority for resources

The departmental statements within *Statement 2* provide details of the departmental expenses estimates in relation to the provision of outputs and payments on behalf of the State. However, under the *Constitution Act 1975* it is necessary for the Parliament to provide authority to enable the Treasurer to provide revenue to government departments to meet their agreed output provision responsibilities.

Table 1.3 details the parliamentary authority for resources available to departments in aggregate. Details of the authority for each department are provided in Part Two of the individual departmental statements contained in *Statement 2*.

Table 1.3: Parliamentary authority for resources

(\$ million)

| | 2002-03 <i>Budget</i> | 2002-03 <i>Revised</i> | 2003-04 <i>Budget</i> |
|--|--------------------------|---------------------------|--------------------------|
| Annual appropriations | 19 653.6 | 19 737.9 | 20 882.4 |
| Receipts credited to appropriations ^(a) | 1 456.5 | 1 562.0 | 1 439.5 |
| Unapplied previous years appropriation ^(b) | 134.3 | 289.2 | 208.9 |
| Accumulated surplus - previously applied appropriation | 3.5 | 77.3 | 9.2 |
| Gross annual appropriations | 21 247.9 | 21 666.3 | 22 540.0 |
| Special appropriations | 2 376.2 | 3 037.6 | 1 976.8 |
| Trust funds | 2 096.5 | 2 370.6 | 2 384.9 |
| Total Parliamentary Authority | 25 720.6 | 27 074.6 | 26 901.7 |

Source: Department of Treasury and Finance

Notes:

(a) 2002-03 Revised includes actual receipts credited. 2002-03 Budget includes only the estimate at the time of the 2002-03 Budget.

(b) Estimates of carryover for 2003-04. Actual carryovers are subject to approval by the Treasurer prior to 30 June pursuant to section 32 of the Financial Management Act 1994. 2002-03 Revised includes the actual carryover from 2001-02 to 2002-03. The 2002-03 Budget reflects the departmental estimate at the time of the 2003-04 Budget.

CHANGES TO GOVERNMENT DEPARTMENTS

In December 2002, the Government announced changes to government departments. Three departments were established:

- Department of Sustainability and Environment, taking on the environment responsibilities of the former Department of Natural Resources and Environment, and planning functions of the Department of Infrastructure;
- Department of Primary Industries, taking on the agriculture and fisheries responsibilities of the former Department of Natural Resources and Environment; and
- Department for Victorian Communities, taking on the Women's Policy, Youth Affairs, Senior Victorians, Multicultural Affairs, Community Building, and the Community Support Fund responsibilities of the Department of Premier and Cabinet; Aboriginal Affairs from the former Department of Natural Resources and Environment, sport and recreation and Commonwealth Games responsibilities of the former Department of Tourism, Sport and the Commonwealth Games; Local Government functions from the Department of Infrastructure; and other activities from several other departments.

The Departments of Natural Resources and Environment and Tourism, Sport and the Commonwealth Games have been abolished, with their responsibilities transferred to various departments.

Other major changes are summarised below:

- Department of Infrastructure has assumed responsibilities for the new Broadband Access Office to oversee communications infrastructure and Multimedia Victoria;
- Department of Innovation, Industry and Regional Development has assumed responsibility for design and biomedical research, as well as tourism;
- Department of Justice has assumed responsibility for the regulation of gaming and racing; and
- Urban and Regional Land Corporation and the Docklands Authority have been merged into a single authority.

INTEGRATED MANAGEMENT CYCLE FOR RESOURCE ALLOCATION AND PERFORMANCE MANAGEMENT

The Government is responsible for ensuring that the goods and services it funds are delivered efficiently and are effective in achieving Government's overall priorities. Commitment to transparent and responsible leadership has resulted in the introduction of significant enhancements and continued improvements to the resource allocation and performance management frameworks.

The integrated management cycle consists of four elements:

- planning which articulates Government's strategic directions and priorities and their translation into Departmental objectives and business plans;
- resource allocation which matches resources to outputs and investment strategies to achieve Government's desired outcomes and priorities;
- the delivery of agreed outputs to agreed standards, consistent with the planning and resource allocation phases; and
- accountability which assesses and reports on the performance of Government as well as individual departments.

Labor's Financial Statement 2002 – The second term of a Bracks Labor Government, the *Growing Victoria Together* framework, departmental objectives, outputs and output performance measures all contribute to an integrated framework for resource allocation and performance measurement which:

- provides for alignment of departmental objectives and outputs with Government outcomes; and
- assists in the identification of linkages and synergies between outputs both within and between departments to support the achievement of outcomes across government.

Departments are continuing to work on, and improve, the alignment between the different elements of the Government's resource allocation and performance management framework.

In 2003-04, resources have been directed towards implementing the election commitments in *Labor's Financial Statement 2002 – The second term of a Bracks Labor Government* and meeting the desired Government outcomes as described in the *Growing Victoria Together* framework. During 2002-03, Departments have further refined output structures, performance measures and departmental objectives to achieve greater alignment with the Government's outcomes. This process of improvement in performance management has endeavoured to maintain consistency in reporting of output performance measures to enable information comparability to prior periods.

In 2003-04 the resource allocation framework will be revised to facilitate flexibility in the mix of outputs to achieve the Government's outcomes. Departments will be able to make variations to their output mix, within agreed limits, in response to actual demand, where the change in output activity enhances impact on desired Government outcomes.

STATEMENT 2

**DEPARTMENTAL
STATEMENTS**

DEPARTMENT OF EDUCATION AND TRAINING

PART 1: OUTLOOK AND OUTPUTS

Overview

The Department of Education and Training (DE&T) provides, funds, purchases and regulates education and training services for Victorians of all ages through schools, TAFE institutes, registered training organisations, adult education institutions, adult and community education (ACE) providers and higher education institutions.

DE&T aims to ensure that all Victorians have the opportunity to be active learners throughout their lives and that the education and training system is characterised by excellence and innovation at every stage of learning.

DE&T's primary functions include:

- planning, regulating, managing, resourcing and delivering high-quality primary and secondary education in Victoria's system of government schools;
- funding, regulating and liaison with non-government schools in Victoria;
- planning, regulating, resourcing and purchasing training and further education, apprenticeships and traineeships and adult and community education that strengthen the knowledge and skills of all Victorians; and
- planning, coordinating and monitoring the provision of higher education in Victoria.

In addition to these responsibilities, DE&T provides support and advisory services to the Minister for Education and Training and the Minister for Education Services.

DE&T supports the following statutory authorities and agencies:

- Adult, Community and Further Education Board;
- Adult Multicultural Education Services;
- Centre for Adult Education;
- Merit Protection Boards;
- Registered Schools Board;

- Victorian Curriculum and Assessment Authority;
- Victorian Institute of Teaching;
- Victorian Learning and Employment Skills Commission;
- Victorian Qualifications Authority; and
- 14 TAFE institutes, TAFE divisions within five universities, the Driver Education Centre of Australia Ltd and the International Fibre Centre Ltd.

Departmental objectives

DE&T's objectives, which correspond with the Government's goals for education and training, are to:

- improve the standards of literacy and numeracy in primary schooling;
- increase the percentage of young people successfully completing Year 12 or equivalent;
- increase the percentage of adults taking up education and training and so increase the overall level of educational attainment and literacy levels in Victoria;
- increase the level of participation and achievement in education and training in rural and regional Victoria and among groups where it is presently low; and
- make near-universal participation in post-school education and training the norm in our society.

Each of these objectives aligns to the following Government outcomes:

- valuing and investing in lifelong education;
- growing and linking all of Victoria;
- more jobs and thriving, innovative industries across Victoria;
- building cohesive communities and reducing inequalities; and
- promoting rights and respecting diversity.

Growing Victoria Together also articulates Government targets for education and training that guide DE&T's objectives. The targets are:

- by 2005, Victoria will be at or above national benchmark levels for reading, writing and numeracy as they apply to primary students;
- by 2005, the percentage of young people aged 15 to 19 in rural and regional Victoria engaged in education and training will rise by six per cent; and
- by 2010, 90 per cent of young people in Victoria will successfully complete Year 12 or its equivalent.

Review of 2002-03

Since 1999, the Government has been committed to providing high-quality school education for all Victorian students. It has focused on building the foundation skills of reading, writing and numeracy in the early years of schooling (Prep to Year 4), keeping students actively engaged in learning in the middle years (Years 5-9), and providing more flexible educational pathways for students in the later years of schooling (Years 10-12) to improve Year 12 or equivalent completion and link to further education, training and employment opportunities.

The results of these initiatives are encouraging. These include:

- the percentage of 18 to 24 year olds who have completed Year 12 or equivalent increased from 80 per cent in 1999 to 82.4 per cent in 2002;
- in 2002, Victoria had the highest proportion of 15 to 19 year olds (89 per cent) in Australia in full-time education, training or full-time employment; and
- participation in education and training by 15 to 19 year olds in rural and regional areas is more than 90 per cent.

Further progress was made on reducing class sizes in Prep to Year 2. As a result of the Government's investment in school education, class sizes in Prep to Year 2 have reduced from an average of 24.3 students in 1999 to 21.0 in 2003.

Reduced class sizes have increased the impact of key strategies to improve the acquisition of foundation skills. Following the achievements of the Early Years Literacy program, the Early Years Numeracy program provided numeracy coordination in primary schools to provide effective support for students requiring additional assistance in gaining foundation numeracy skills. The latest data shows Victoria at or above the national average on a range of national reading and numeracy benchmarks.

Within the Schools for Innovation and Excellence initiative, 70 clusters of schools were established across the State to encourage local reform of middle years curriculum and school structures and to provide transition support for students moving from primary to secondary schooling. The Access to Excellence initiative provided 300 extra teachers for 118 secondary schools where absenteeism, literacy and numeracy levels and retention rates indicated the need for additional assistance. The resources were used to allow smaller class sizes, to provide targeted teaching and learning, and to broaden curriculum choice.

In 2002, the Ministerial Statement *Improved Educational Outcomes: A Better Reporting and Accountability System for Schools* was released. It articulated a range of measures that are being progressively implemented to strengthen accountability to parents and the community, recognise achievement and provide for more active intervention to support other key reforms and improve school performance.

The Government established the Victorian Institute of Teaching to promote and recognise the teaching profession and ensure Victorian students are taught by qualified teachers who meet high professional standards. From the start of the 2003 school year, teachers and principals in all schools must be registered.

Support for Koori students was broadened through the creation of ongoing employment opportunities for Koori Educators and Koori Home School Liaison Officers to improve attendance and educational outcomes for Koori students.

Additional resources were provided to increase access to the school bus service and to upgrade conveyance allowances for students in government and non-government schools, particularly in rural and regional Victoria.

Funding was provided for the continued development, implementation and review of Individual School Drug Education Strategies in all government and participating non-government schools.

To improve post-compulsory pathways, DE&T has expanded its program offerings by providing additional support for vocational education and training (VET) in schools and the statewide implementation of the Victorian Certificate of Applied Learning (VCAL). The number of students participating in VET in the VCE programs increased from 24 686 in 2001 to 28 200 in 2002, an increase of 14.1 per cent. In 2003, the VCAL has been implemented on a statewide basis with 225 government and non-government school, TAFE and ACE providers offering the new certificate.

The Managed Individual Pathways (MIP) program, designed to ensure that post-compulsory students have a plan to guide their progression to further education and training or work, has been expanded. In 2002, a total of 90 694 post-compulsory students had individual pathways plans. Compared with the target of 60 per cent of Year 10–12 students having a pathways plan for 2002, 84 per cent had such a plan. A target of 100 per cent has been set for the end of 2003.

The 31 Local Learning and Employment Networks (LLENs) further expanded their membership to over 4 041 organisations and individuals and brokered a wide range of initiatives and local partnerships to improve pathways to further education and employment for young people. They provided advice on statewide policy and program issues to the Government through the Victorian Learning and Employment Skills Commission (VLESC).

The success of these post-compulsory initiatives is reflected in increased school retention rates. February retention rates (Years 7 to 12) for all schools increased from 81.2 per cent in 1999 to 85.3 per cent in 2002.

In 2002, the Ministerial Statement *Knowledge and Skills for the Innovation Economy: Future Directions for the Victorian Vocational Education and Training System* was released. It set out future directions for the Victorian vocational education and training system, including specific reforms to strengthen the training system's contribution to the economic and social wellbeing of Victoria, improve its accessibility to Victorian learners and industry and support the achievement of the Government's goals and targets for education and training.

Vocational education and training continued to grow in 2002, with almost 600 000 students participating in more than 110 million student contact hours. This is a growth rate of just over 2 per cent for students and 3 per cent in student contact hour delivery. Apprenticeships and traineeships also continued to grow, with almost 86 000 people commencing a training program in 2002. In March 2003 there were a record 144 178 apprentices and trainees in training, an increase of 24 per cent on March 2002. Fifteen per cent of rural Victorians and 10 per cent of Victorians from the metropolitan area participated in vocational education and training.

In 2002, vocational education and training delivery by TAFE institutes, ACE providers and private providers to 15 to 19 year olds expanded by 4.5 per cent to 32.9 million student contact hours. This cohort now represents 30.5 per cent of total delivery and reflects the VET sector's focus on the achievement of the Year 12 or equivalent completion target.

A range of Ministerial Statement initiatives aimed at reinvigorating TAFE were implemented during 2002-03. These included:

- the establishment of 15 Specialist Centres in key industry areas such as advanced manufacturing, food processing, building, hospitality, environmental technology and design and the establishment of the Centre of Excellence in Digital Design;
- funding for Industry Liaison Agents in six Victorian manufacturing industry sectors to identify training needs and stimulate demand for workplace training; and

- the allocation of specific funds by TAFE institutes to support innovative approaches to skill development and funding for innovative curriculum proposals.

In 2002, ACE providers and adult education institutions reported delivery of more than 10 million student contact hours of training and education to more than 164 000 people. Within overall delivery, the ACE sector expanded provision to 15 to 19 year olds by 10 per cent to 1.38 million student contact hours to support the achievement of the Year 12 or equivalent completion target.

In 2002, the Ministerial Statement *Knowledge and Skills for the Innovation Economy: Future Directions for Victorian Higher Education* was released. This Statement articulated the Government's responsibilities for higher education, its relationship with universities and its commitment to enhanced participation, especially in rural and regional areas. A review of university governance was initiated by the Government and publicly released in June 2002.

Financial and output performance

DE&T's aggregate financial and output performance is broadly in line with published budget forecasts. The projected level of surplus, however, is unlikely to be achieved mainly due to additional expenditure by TAFE institutes and schools on education and training, funded from the 'drawing-down' of cash balances, particularly resulting from locally raised funds.

Other increases in expenditure since the 2002-03 Budget reflect greater than anticipated enrolment growth in government and non-government schools, and additional government funding for the Disabilities program, agreed wage increases and the impact of asset revaluations on depreciation and capital assets charges.

Machinery of government changes

Machinery of government changes announced in December 2002 transferred responsibility for whole-of-government policies for young people to the new Department for Victorian Communities. As a consequence, the youth objective was deleted from DE&T's objectives for 2003-04.

Outlook for 2003-04

During 2003, the Government will develop and release a framework to improve the performance of government schools. The framework will encompass a range of school improvement, intervention and support options to ensure a comprehensive approach to lifting school performance, including professional development for school staff, information technology to improve learning outcomes and the strategic management of capital stock. Public recognition of quality educational programs and outstanding teaching and learning practice, planned for implementation in 2004, will be a particular focus.

Within its strategic framework, DE&T will implement and integrate Government initiatives to address additional demand and to maximise the policy impact of resources already allocated, improve the targeting of them to areas of need, and ensure that improvements are sustained within future funding arrangements.

For students in the early years, the Government will continue its commitment to maintain reduced Prep to Year 2 class sizes and provide additional support for literacy and numeracy to ensure a solid base for learning outcomes for students throughout their schooling.

The Government will provide additional funding for welfare officers in primary schools over four years to assist students at risk and establish effective partnerships between schools and other community support agencies. Welfare officers will reinforce other key strategies already in place.

Educational leadership, school improvement and accountability for student outcomes will be the focus of a new professional development program that will build and improve the capacity of school principals as educational leaders.

The Government will also provide funding for an additional 450 secondary school teachers over four years to develop areas of specialisation in schools to further strengthen school improvement and educational outcomes in the middle and later years.

In addition, a focus on languages, through three Centres of Excellence in secondary schools and five additional Victorian School of Languages centres in regional Victoria, will contribute to the development of a government school system characterised by access, excellence and innovation.

The Government's commitment to non-government schools will be expanded. Supplementary funding will be provided to needy non-government schools to assist with the rising costs of school education. Additional resources will also be provided to improve internet access for non-government schools.

For non-government schools, a new funding and accountability framework will be developed to better align non-government schools to DE&T objectives and improve accountability for funding.

In 2003-04, additional funding will be provided for VET in Schools and the VCAL will be implemented in additional education sites. The On Track initiative will be expanded to monitor student transitions, improve accountability and provide additional support for at-risk students. These initiatives will accelerate the performance of the post-compulsory education and training system so that the target of successful completion of Year 12 or equivalent by 90 per cent of young people by 2010 is achieved.

Over the next two years, the Government will provide funding to build new and upgrade existing learning environments. The Government will build six new primary and secondary schools and complete the construction of two secondary colleges. Reinstatement of facilities will occur at four schools that were destroyed or damaged by fire.

Funding will also be provided to modernise 38 schools for contemporary teaching and learning practices and replace three existing schools that have outgrown their facilities because of enrolment increases.

Excellence will be supported in the development of new specialist facilities in secondary schools in the subject areas of science and technology, arts, design, music, languages, and sport.

The community building role of education and training will be reinforced, by funding provided on a matching basis with local government to construct new school facilities for use by community groups and individuals. This will enhance community access to school facilities, including libraries, computer laboratories and sports facilities. In 2003-04, funding has been provided to initiate planning for this program to be implemented over the following three years.

In vocational education and training, the Skill Up program will retrain workers who have recently been made redundant to facilitate their re-entry to the workforce. The Government will also provide funds to assist parents to return to employment after time out of the workforce to look after young families.

A new program will be phased in to increase completion rates among young apprentices and trainees. Under this program, a completion bonus will be provided to employers with apprentices or trainees under the age of 25 years who complete their qualification.

In 2003-04, TAFE Specialist Centres will be further developed and the system of Industry Liaison Agents in the Victorian manufacturing industry sector will be fully established to network small to medium enterprises and stimulate demand for workplace training.

Research and development projects will be completed to enhance the capacity of ACE to address the needs of learners who require alternative educational settings, particularly 15 to 19 year-olds and older people who are 'second chance' learners.

Under the umbrella of the Ministerial Higher Education Statement, strategic partnerships with Victorian universities will be established to align their activity to State development priorities and support universities in achieving their missions. Effective credit-transfer arrangements between TAFE and higher education will be brokered and cross-sectoral programs promoted.

Funding will be provided to replace and upgrade obsolete equipment at TAFE institutes. This will enable institutes to keep pace with new and emerging technology, meet industry standards and ensure that students are well prepared for the workplace.

Lifelong learning will be supported by integrated provision of education and training in the Maryborough and Gippsland Education Precincts. Funding will be provided for initial development of the Maryborough site and continued construction of the Gippsland site.

Output information

The following outputs were transferred from DE&T to the Department for Victorian Communities as a result of machinery of government changes:

- Youth Policy Coordination; and
- Services to Youth.

The following section provides details of the outputs to be provided to Government, including performance measures and costs for each output. The table below summarises the total cost of outputs. The output costs shown in the table have been calculated on an accrual basis in accordance with generally accepted accounting principles.

In the output performance tables, a 2003-04 target showing 'na' indicates that the relevant measure will be discontinued after 30 June 2003.

Table 2.1.1: Output summary

(\$ million)

| | 2002-03 Budget ^(a) | 2002-03 Revised | 2003-04 Budget |
|---|----------------------------------|--------------------|-------------------|
| School Education | 4 824.3 | 5 085.4 | 5 203.0 |
| Training and Tertiary Education | 992.2 | 1 000.3 | 1 019.6 |
| Youth ^(b) | 5.1 | 5.2 | .. |
| Policy, Strategy and Information Services | 33.6 | 36.9 | 35.8 |
| Total | 5 855.2 | 6 127.8 | 6 258.4 |

Source: Department of Treasury and Finance

Notes:

- (a) 2002-03 Output Budget incorporates changes to the output structure and organisational restructuring and therefore may differ from figures published in the 2002-03 Budget.
- (b) Variation between 2002-03 and 2003-04 Budget reflects the transfer of Youth to the Department for Victorian Communities (DVC).

School Education

These outputs involve:

- Policy development, regulation and management of the Victorian government school system, including provision of a safe and effective learning environment staffed by appropriately trained and qualified teachers and conducted in a properly resourced and maintained physical environment;
- High-quality curriculum delivery to prescribed content and performance standards in the eight Key Learning Areas in Years Prep-10 and in accordance with the requirements of the Victorian Certificate of Education and Victorian Certificate of Applied Learning in Years 11 and 12;
- Provision of a range of programs specifically designed to improve the quality of student learning and school management;
- Provision of specialist services designed to improve the quality of student learning or social needs; and
- Financial support to and regulation of non-government schooling.

These outputs make a significant contribution to the achievement of the following Departmental objectives

- Improve the standards of literacy and numeracy in primary schooling;
- Increase the percentage of young people successfully completing Year 12 or its equivalent;
- Increase the percentage of adults taking up education and training and so increase the overall level of educational attainment and literacy levels in Victoria;
- Increase the level of participation and achievement in education and training in rural and regional Victoria and among groups where it is presently low; and
- Make near-universal participation in post-school education and training the norm in our society.

These objectives make a significant contribution to the achievement of the following key Government outcomes:

- Valuing and investing in lifelong education;
- Growing and linking all of Victoria;
- More jobs and thriving, innovative industries across Victoria;
- Building cohesive communities and reducing inequalities; and
- Promoting rights and respecting diversity.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual^(a) | 2002-03 Target^(b) | 2002-03 Expected Outcome^(c) | 2003-04 Target^(d) |
|-----------------------------------|------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|
|-----------------------------------|------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|

Primary Education

Delivery of education services in Victorian government schools for students in Years P-6.

Quantity

| | | | | | |
|--------------------------------|--------|--------|--------|--------|---------------------|
| Average P-2 class size | number | 22.4 | 21.7 | 21.8 | 21.0 ^(e) |
| Average years 3-6 class size | number | 25.2 | 25 | 24.8 | 24.8 |
| Teacher–student ratio: primary | ratio | 1:16.6 | 1:16.6 | 1:16.5 | 1:16.3 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual^(a) | 2002-03 Target^(b) | 2002-03 Expected Outcome^(c) | 2003-04 Target^(d) |
|--|------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|
| Primary school welfare officers employed | number | nm | nm | nm | 65 |
| Year 1 cohort accessing one-to-one literacy intervention programs such as Reading Recovery | per cent | 19.4 | 20 | 20 | 20 |
| Schools with a 1:5 or better computer to student ratio: primary | per cent | 88 | 95 | 95 | 95 |
| Teachers and principals with a notebook computer: primary | per cent | 83 | 95 | 91 | 95 |
| Students accessing education through distance education: primary | number | 357 | 365 | 365 | 365 |
| New arrival students receiving intensive or targeted support: primary | number | 794 | 825 | 1 138 | 1 150 |
| Eligible students in regular schools receiving ESL support: primary | per cent | 90.1 | 91.7 | 91.7 | 92.1 |
| Percentage of schools with an Early Years Numeracy Coordinator | per cent | nm | nm | 100 | 100 |
| Koori Home School Liaison Officers employed | number | nm | nm | 6 | 6 |
| Koori Educators employed | number | nm | nm | 15 | 15 |
| Average rate of student attendance at Year 5 | per cent | 94.2 | nm | 94.2 | 95 |
| Average rate of student attendance at Year 6 | per cent | 93.9 | nm | 93.9 | 95 |
| <i>Quality</i> | | | | | |
| Student attainment at text level 1 at end of Prep in reading (metropolitan and non-metropolitan students) ^(f) | per cent | 95.6 | 96 | 96 | 96 |
| Students in non-metropolitan regions achieving at text level 1 at end of Prep in reading ^(f) | per cent | 93.6 | 96 | 96 | 96 |
| Student attainment at text level 5 at end of Year 1 reading (metropolitan and non-metropolitan students) ^(g) | per cent | 99.3 | 100 | 99.5 | 99.6 |
| Percentage of Year 3 students reaching national benchmarks in reading ^{(h)(i)} | per cent | 89 | nm | nm | 92 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual^(a) | 2002-03 Target^(b) | 2002-03 Expected Outcome^(c) | 2003-04 Target^(d) |
|--|------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|
| Percentage of Year 3 indigenous students reaching national benchmarks in reading ^{(h)(i)} | per cent | 64.3 | nm | nm | 70 |
| Percentage of Year 3 students reaching national benchmarks in numeracy ^{(h)(i)} | per cent | 94.1 | nm | nm | 95 |
| Percentage of Year 3 indigenous students reaching national benchmarks in numeracy ^{(i)(j)} | per cent | 75.1 | nm | nm | 79 |
| Percentage of Year 5 students reaching national benchmarks in reading ^{(h)(i)} | per cent | 90.9 | nm | nm | 92 |
| Percentage of Year 5 indigenous students reaching national benchmarks in reading ^{(i)(j)} | per cent | 71.7 | nm | nm | 73 |
| Percentage of Year 5 students reaching national benchmarks in numeracy ^{(h)(i)} | per cent | 94.7 | nm | nm | 95 |
| Percentage of Year 5 indigenous students reaching national benchmarks in numeracy ^{(i)(j)} | per cent | 80.4 | nm | nm | 82 |
| Primary schools identified as performing at or above expected levels as identified in the triennial review process | per cent | 94.6 | 93 | 96.4 | 93 |
| Parent satisfaction with primary schooling on a 100-point scale ^(k) | per cent | 85 | 85 | 85 | 85 |
| Teachers reporting routine use of learning technologies in curriculum planning and delivery: primary | per cent | 80 | 85 | 93.1 | 90 |
| Cost | | | | | |
| Total output cost | \$ million | 2 193.7 | 2 149.9 | 2 229.1 | 2 270.2 |

Junior Secondary Education

Delivery of education services in Victorian government schools for students in Years 7-10.

Quantity

| | | | | | |
|---|----------|--------|--------|--------|--------|
| Teacher–student ratio: secondary | ratio | 1:12.5 | 1:12.4 | 1:12.3 | 1:12.1 |
| Years 7-10 English class sizes less than 26 students | per cent | 83.2 | 84 | 85.4 | 86 |
| Average rate of student attendance in Years 7-10 | per cent | 90.1 | 93 | 90.1 | 93 |
| Schools with a 1:5 or better computer to student ratio: secondary | per cent | 88 | 95 | 95 | 95 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual^(a) | 2002-03 Target^(b) | 2002-03 Expected Outcome^(c) | 2003-04 Target^(d) |
|---|------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|
| Teachers and principals with a notebook computer: secondary | per cent | 83 | 95 | 91 | 95 |
| Additional principals accessing new leadership programs | per cent | nm | nm | nm | 8 |
| Students accessing education through distance education: secondary | number | 3 464 | 3 500 | 3 500 | 3 500 |
| New arrival students receiving intensive or targeted support: secondary | number | 741 | 755 | 873 | 882 |
| Eligible students in regular schools receiving ESL support: secondary | per cent | 94.3 | 95.2 | 95.2 | 95.9 |
| Centres of Excellence in Languages established by February 2004 | number | nm | nm | nm | 3 |
| Additional Victorian School of Languages centres in regional Victoria by February 2004 | number | nm | nm | nm | 5 |
| Percentage of eligible after-hours ethnic schools provided with grants | per cent | nm | nm | nm | 100 |
| <i>Quality</i> | | | | | |
| Percentage of Restart participants assessed by teachers as 'consolidating' or above at CSF level 4 in English: Reading at end of Year 7 | per cent | nm | 75 | 75 | na |
| Percentage of Year 7 Restart students whose reading improved | per cent | nm | nm | nm | 75 |
| Year 7 students reaching national benchmarks in English: Reading (sample) ^{(l)(m)} | per cent | nm | 82 | 82 | na |
| Year 7 students reaching national benchmarks in English: Writing (sample) ^{(l)(m)} | per cent | nm | 76 | 76 | na |
| Year 7 students reaching national benchmarks in Mathematics (sample) ^{(l)(m)} | per cent | nm | 82 | 82 | na |
| Years 10-12 apparent retention rate in non-metropolitan regions (August census) | per cent | 72.8 | 74 | 73.6 | na |
| Years 10-12 apparent retention rate (August census) | per cent | 76.8 | 77.5 | 77.5 | 78 |
| Parent satisfaction with secondary schooling on a 100-point scale ^(k) | per cent | 75 | 75 | 75 | 75 |
| 30 | Education and Training | | Budget Estimates 2003-04 | | |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual^(a) | 2002-03 Target^(b) | 2002-03 Expected Outcome^(c) | 2003-04 Target^(d) |
|--|------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|
| Secondary schools identified as performing at or above expected levels as identified in the triennial review process | per cent | 93 | 90 | 92.7 | 90 |
| Teachers reporting routine use of learning technologies in curriculum planning and delivery: secondary | per cent | 81 | 85 | 93.9 | 90 |
| Percentage of Year 8 students assessed as 'consolidating' at CSF Level 5 or above in English: Reading | per cent | 84 | nm | 84 | 85 |
| Percentage of Year 8 students assessed as 'consolidating' at CSF Level 5 or above in English: Writing | per cent | 83.2 | nm | 83.2 | 85 |
| Percentage of Year 8 students assessed as 'consolidating' at CSF Level 5 or above in Mathematics: Chance & data | per cent | 81.2 | nm | 81.2 | 83 |
| Percentage of Year 8 students assessed as 'consolidating' at CSF Level 5 or above in Mathematics: Algebra | per cent | 79.5 | nm | 79.5 | 82 |
| Percentage of Year 10 students assessed as 'consolidating' at CSF Level 6 or above in English: Reading | per cent | 80 | 81 | 81 | 81 |
| Percentage of Year 10 students assessed as 'consolidating' at CSF Level 6 or above in English: Writing | per cent | 79.1 | nm | 79.1 | 82 |
| Percentage of Year 10 students assessed as 'consolidating' at CSF Level 6 or above in Mathematics: Chance & Data | per cent | 74 | 74 | 74 | 74 |
| Percentage of Year 10 students assessed as 'consolidating' at CSF level 6 or above in Mathematics: Algebra | per cent | 70.6 | nm | 70.6 | 73 |
| Statewide rate of transition from Year 10 to Year 11 | per cent | 95.5 | nm | 95.5 | 95.5 |
| Years 5-9 students' opinion of their connectedness with school | number (1-5) | nm | nm | nm | 3.8 |
| Years 5-9 students' opinion of their motivation to learn | number (1-5) | nm | nm | nm | 4.5 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual^(a) | 2002-03 Target^(b) | 2002-03 Expected Outcome^(c) | 2003-04 Target^(d) |
|--|------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|
| Years 5-9 students' opinion of the quality of instruction they receive | number (1-4) | nm | nm | nm | 3 |
| Years 5-9 students' opinion of the level of expectations their teachers have of them | number (1-4) | nm | nm | nm | 3 |
| Cost | | | | | |
| Total output cost | \$ million | 1 342.1 | 1 313.2 | 1 382.9 | 1 429.4 |

Senior Secondary Education

Delivery of education services in Victorian government schools for students in Years 11 and 12.

Quantity

| | | | | | |
|--|------------------|--------|--------|--------|--------|
| Students participating in VET in the VCE programs ⁽ⁱ⁾ | number | 24 686 | 27 000 | 28 200 | 30 000 |
| Average number of VCE studies provided per school | number | 26.6 | 26.7 | 26.9 | 27 |
| Annual student contact hours in VET in VCE programs ⁽ⁱ⁾ | number (million) | 6.24 | 6.8 | 7.1 | 7.6 |
| Number of providers offering VCAL | number | nm | nm | 200 | 300 |
| Number of students undertaking VCAL | number | nm | nm | nm | 5 000 |
| Students accessing technology-enabled curriculum choices | number | 2 948 | 3 000 | 3 000 | 3 000 |
| Percentage of government school students with a MIP plan | per cent | nm | nm | nm | 100 |

Quality

| | | | | | |
|--|----------|-------|--------|--------|--------|
| Students continuing past Year 10 in VCAL sites | per cent | nm | 90 | 90 | 90 |
| Students satisfactorily completing VCAL | per cent | nm | 50 | 50 | 50 |
| VET in VCE students progressing to further education, training or work ⁽ⁱ⁾⁽ⁿ⁾ | per cent | 93.6 | 90 | 90 | 90 |
| Median VCE study score | number | 29 | 29 | 29 | 29 |
| VET in VCE students completing a qualification ⁽ⁱ⁾ | number | 9 262 | 10 100 | 11 285 | 12 000 |
| Enrolments in VET in the VCE units as a proportion of total VCE unit enrolments ⁽ⁱ⁾ | per cent | 4.6 | 5 | 5.1 | 5 |
| Average rate of student attendance in Years 11 and 12 ⁽ⁱ⁾ | per cent | 91 | 93 | 90.9 | 93 |
| Years 7-12 apparent retention rate (August census) | per cent | 73.7 | 75 | 74.4 | 75 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual^(a) | 2002-03 Target^(b) | 2002-03 Expected Outcome^(c) | 2003-04 Target^(d) |
|---|------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|
| Years 7-12 apparent retention rate in non-metropolitan regions (August census) | per cent | 66.4 | 68 | 67.3 | na |
| Proportion of government school students in Years 10, 11 and 12 with a MIP Plan | per cent | 54 | 60 | 84 | 100 |
| Proportion of students leaving government schools after Year 9 but before completing Year 12 who were tracked by a school six months after exiting | per cent | nm | 50 | 50 | 60 |
| Percentage of Year 10-12 school students provided with initial (mail) follow-up in the year after exit | per cent | nm | nm | nm | 95 |
| Percentage of Year 10-12 school students provided with detailed (mail and phone) follow-up in the year after exit | per cent | nm | nm | nm | 70 |
| <i>Timeliness</i> | | | | | |
| Percentage of participating Year 10-12 school students provided with detailed follow-up by June in the year after exit (six months after the school year completes) | per cent | nm | nm | nm | 90 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 661.4 | 657.1 | 716.6 | 727.7 |

Non-government School Education

Provision of services for non-government students including payment of State recurrent and specific purpose grants to non-government schools, including student support services; targeted assistance to needy non-government schools and students, including Supplementary funding and needs-based capital assistance; monitoring of non-government school accountability requirements; registration of non-government schools and non-government teachers; registration reviews of non-government schools; and endorsement of non-government schools to accept full fee-paying overseas students.

Quantity

| | | | | | |
|---|----------|-------|-------|-------|----|
| Non-government teachers registered annually | number | 2 514 | 2 700 | 3 238 | na |
| Non-government students receiving supplementary funding as percentage of all non-government school students | per cent | nm | 79 | 79 | 79 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual^(a) | 2002-03 Target^(b) | 2002-03 Expected Outcome^(c) | 2003-04 Target^(d) |
|--|------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|
| Non-government schools receiving Needs Based Capital Assistance as percentage of total eligible applicants | per cent | nm | 65 | 65 | na |
| <i>Quality</i> | | | | | |
| Recommendations of non-government school registration reviews approved by Registered Schools Board | per cent | 99 | 99 | 100 | 99 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 281.6 | 283.0 | 305.4 | 313.5 |
| Student Welfare and Support | | | | | |
| Provision of education services relating to student welfare, including drug education and mental health issues; and student support services in the area of student well being including speech pathology, visiting teacher services for hearing, visually, health and physically impaired students, curriculum services and alternative programs. | | | | | |
| <i>Quantity</i> | | | | | |
| Percentage of Victorian government schools meeting minimum requirements of the Framework for Student Support Services in Victorian Government Schools | per cent | 95.3 | 98 | 96.5 | 98 |
| <i>Quality</i> | | | | | |
| Government schools who have completed an Individual School Drug Education Strategy or an action plan as part of the review process | per cent | nm | 100 | 100 | 100 |
| Percentage of students who participated in an alternative program who, on completion of the program, are engaged in education, training or employment | per cent | nm | 90 | 96 | 90 |
| School satisfaction with student support services | per cent | 79 | 82 | 77 | 82 |
| Percentage of parents participating in drug education activities who believe they will be better able to address drug-related issues with their children | per cent | nm | 85 | 96 | 90 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 73.6 | 76.1 | 76.4 | 78.1 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual^(a) | 2002-03 Target^(b) | 2002-03 Expected Outcome^(c) | 2003-04 Target^(d) |
|-----------------------------------|------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|
|-----------------------------------|------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|

Services to Students with Disabilities
 Provision of educational services to Victorian students with disabilities in government regular and specialist schools.

Quantity

| | | | | | |
|--|----------|-----|----|-----|----|
| Students funded under the disabilities program in government schools as a proportion of the total student population | per cent | 3.2 | 3 | 3.3 | 3 |
| Regular schools with students with disabilities | per cent | 90 | 89 | 91 | 89 |

Quality

| | | | | | |
|--|----------|----|----|----|----|
| Parent satisfaction with special education on a 100-point scale ^(k) | per cent | 90 | 92 | 91 | 92 |
|--|----------|----|----|----|----|

Cost

| | | | | | |
|-------------------|------------|-------|-------|-------|-------|
| Total output cost | \$ million | 261.2 | 258.1 | 283.6 | 287.9 |
|-------------------|------------|-------|-------|-------|-------|

Education Maintenance Allowance

Provision of Education Maintenance Allowance to eligible parents of school students up to the age of 16 years in government and non-government schools.

Quantity

| | | | | | |
|-----------------------------------|--------|---------|---------|---------|---------|
| School students receiving the EMA | number | 206 549 | 207 000 | 203 957 | 205 000 |
|-----------------------------------|--------|---------|---------|---------|---------|

Timeliness

| | | | | | |
|---|----------|-----|-----|-----|-----|
| EMA payments processed according to published timelines | per cent | 100 | 100 | 100 | 100 |
|---|----------|-----|-----|-----|-----|

Cost

| | | | | | |
|-------------------|------------|------|------|------|------|
| Total output cost | \$ million | 40.1 | 33.8 | 35.0 | 35.0 |
|-------------------|------------|------|------|------|------|

Student Transport

Administration of student conveyance allowances and the transport of government and non-government school students, including those attending specialist schools.

Quantity

| | | | | | |
|--|--------|--------|--------|--------|--------|
| School students (government) supported by conveyance allowance | number | 10 128 | 11 500 | 11 500 | 11 500 |
| School students (non-government) supported by conveyance allowance | number | 26 867 | 28 000 | 28 000 | 28 000 |
| Eligible special school students provided with appropriate travel | number | 5 700 | 5 800 | 5 800 | 5 800 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual^(a) | 2002-03 Target^(b) | 2002-03 Expected Outcome^(c) | 2003-04 Target^(d) |
|---|------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|
| <i>Timeliness</i> | | | | | |
| Student transport payments made according to published schedule | per cent | 100 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 47.8 | 53.1 | 56.5 | 61.2 |

Source: Department of Education and Training

Notes:

- (a) Actual refers to 2001 calendar year unless otherwise indicated.
- (b) Target refers to 2002 calendar year unless otherwise indicated.
- (c) Expected outcome refers to 2002 calendar year unless otherwise indicated.
- (d) Target refers to 2003 calendar year unless otherwise indicated.
- (e) Target is based on February 2003 School Census.
- (f) Students deemed as capable read unseen text with 90 per cent accuracy at text level 1.
- (g) Students deemed as capable read unseen text with 90 per cent accuracy at text level 5.
- (h) Data contains error margins of ± 1.9 per cent.
- (i) This measure will provide the basis for comparison between Victoria and other States and Territories.
- (j) Data contains error margins of ± 7.5 per cent.
- (k) Data refers to the previous calendar year (i.e. 2000 for 2001-02, 2001 for 2002-03 and 2002 for 2003-04).
- (l) Government and non-government schools.
- (m) National benchmarks for Year 7 have not yet been established by MCEETYA.
- (n) Does not include former students who are undertaking part-time work but are not engaged in further study or who are unemployed.

Training and Tertiary Education

These outputs involve the provision of training and tertiary education services to the Victorian community. These services are provided through a number of programs and service providers. The role of DE&T varies from direct service provision to accreditation and monitoring.

These outputs make a significant contribution to the achievement of the following Departmental objectives

- Increase the percentage of young people successfully completing Year 12 or its equivalent;
- Increase the percentage of adults taking up education and training and so increase the overall level of educational attainment and literacy levels in Victoria;
- Increase the level of participation and achievement in education and training in rural and regional Victoria and among groups where it is presently low; and
- Make near-universal participation in post-school education and training the norm in our society.

These objectives make a significant contribution to the achievement of the following key Government outcomes:

- Valuing and investing in lifelong education;
- Growing and linking all of Victoria;
- More jobs and thriving, innovative industries across Victoria;
- Building cohesive communities and reducing inequalities; and
- Promoting rights and respecting diversity.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual^(a) | 2002-03 Target^(b) | 2002-03 Expected Outcome^(c) | 2003-04 Target^(d) |
|-----------------------------------|------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|
|-----------------------------------|------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|

Training and Further Education Places

Provision of training and further education places by TAFE institutes and other registered training organisations in accordance with priorities set by Government, industry and the community. This output also includes provision of a range of services to providers and the community to ensure and enhance the quality of the education and training places purchased.

Quantity

| | | | | | |
|--|------------------|--------|-------|--------|--------|
| Annual Government funded Module Enrolments | number (million) | 2.43 | 2.63 | 2.65 | 2.65 |
| Government funded student contact hours of training and further education provided | number (million) | 72.81 | 68.65 | 75.70 | 69.55 |
| Change in apprenticeship/ traineeship commencements by new employees | per cent | 16.7 | 10.1 | 8.3 | na |
| Number of apprenticeship/ traineeship commencements by new employees | number | 56 542 | nm | 61 263 | 64 325 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual^(a) | 2002-03 Target^(b) | 2002-03 Expected Outcome^(c) | 2003-04 Target^(d) |
|--|------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|
| School-based apprentices/trainees in training | number | nm | 1 550 | 1 550 | 1 800 ^(e) |
| Number of apprentices/trainees completions who qualify for the completion bonus | number | nm | nm | nm | 7 670 |
| Number of people assisted by Parents Returning to Work grants | number | nm | nm | nm | 2 475 |
| Number of individuals assisted through the Skill Up program | number | nm | nm | nm | 600 |
| Audit of contract compliance by registered training organisations and other State Training System organisations | number | 451 | 350 ^(f) | 350 | 350 |
| <i>Quality</i> | | | | | |
| TAFE graduates in employment six months following graduation | per cent | 73.5 | 75 | 72 | 75 |
| Participation rate of 15 to 19 year-olds in training and further education in Victoria: All Victoria ^(g) | per cent | 28.2 | 24.5 | 27.8 | 27.8 |
| Participation rate of 15 to 19 year-olds in training and further education in Victoria: Non-metropolitan Victoria ^(g) | per cent | 34.8 | 28.2 | 31.1 | 31.1 |
| Persons aged 15-64 participating in TAFE programs as proportion of population | per cent | 14 | 14.3 | 14.8 | 14.8 |
| Successful training completions as measured by module load pass rate | per cent | 75 | 75 | 76.3 | 75.3 |
| Employer satisfaction with training | per cent | 78 | na | na | na ^(h) |
| TAFE students funded through Youth Pathways Program (YPP) with a MIP Plan | per cent | nm | 100 | 100 | 100 |
| TAFE students funded through Youth Pathways Program leaving TAFE who are tracked by a provider six months after exiting | per cent | nm | 100 | na | 100 ⁽ⁱ⁾ |
| Percentage of TAFE graduates who rate quality of training as 8 or more out of 10 | per cent | 63.5 | 65 | 60.8 | 65 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual^(a) | 2002-03 Target^(b) | 2002-03 Expected Outcome^(c) | 2003-04 Target^(d) |
|--|------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|
| <i>Timeliness</i> | | | | | |
| Performance agreements with TAFE institutes in place according to agreed timelines | per cent | 100 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 952.9 | 955.3 | 966.3 | 984.2 |

Adult and Community Education Places and Community Support

Provision of education and training places and support for education for adults in approximately 450 community settings and in adult education institutions (Adult Multicultural Education Services and the Centre for Adult Education), in accordance with priorities established by the Government and regional demand. This output also includes provision of a range of support services to providers, networks and the community to ensure and enhance the quality of the education and training places purchased.

Quantity

| | | | | | |
|---|------------------|---------|---------|---------|---------|
| Government funded annual module enrolments – ACE organisations and adult education institutions | number | 141 062 | 129 000 | 137 900 | 129 000 |
| Total annual module enrolments – ACE organisations and adult education institutions (includes self funded courses) | number | 363 736 | 356 000 | 382 121 | na |
| Government-funded student contact hours of vocational education and training activity provided through ACE providers and adult education institutions | number (million) | 4.96 | 3.68 | 5.01 | 3.68 |

Quality

| | | | | | |
|--|----------|------|-----|------|------|
| Student satisfaction with ACE courses meeting overall needs | per cent | 93.4 | 80 | 80 | 80 |
| Persons aged 15 and over participating in ACE as a proportion of the population | per cent | 5.2 | 4.8 | 4.6 | 4.6 |
| Successful completions as measured by module load completion rate – ACE organisations and adult education institutions | per cent | 80.7 | 80 | 78.9 | 78.5 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual^(a) | 2002-03 Target^(b) | 2002-03 Expected Outcome^(c) | 2003-04 Target^(d) |
|--|------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|
| ACE students funded through Youth Pathways Program with a MIP Plan | per cent | nm | 100 | 100 | 100 |
| ACE students funded through Youth Pathways Program leaving ACE who are tracked by a provider six months after exiting | per cent | nm | 100 | na | 100 ⁽ⁱ⁾ |
| <i>Timeliness</i> | | | | | |
| Performance agreements with Regional Councils signed before 31 December | number | 1 | 9 | 9 | na |
| Performance agreements with Regional Councils signed within agreed timelines | number | 1 | 9 | 9 | 9 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 28.3 | 34.5 | 32.6 | 33.9 |
| Higher Education | | | | | |
| Effective provision of a range of services to universities, higher education private providers and the public, including: liaison with Commonwealth Department of Education, Science and Training regarding appropriate levels of Commonwealth resources for universities; approval of private providers to deliver higher education courses; monitoring the performance of higher education private providers; endorsement of Victorian higher education courses for placement on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS); and provision of information to the public and liaison between the public and universities. | | | | | |
| <i>Quantity</i> | | | | | |
| Universities participating in cooperative arrangements in regional areas | number | 8 | 8 | 9 | 9 |
| Government-funded post graduate ICT research scholarship commencements ^(j) | number | 66 | 35 | 36 | na |
| Teacher scholarships taken up | number | 167 | 220 | 220 | 220 |
| <i>Quality</i> | | | | | |
| Private providers complying with quality standards | per cent | 100 | 100 | 100 | 100 |
| Direct costs of accrediting for-profit providers recovered through fees | per cent | 33 | 100 | 100 | 100 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual^(a) | 2002-03 Target^(b) | 2002-03 Expected Outcome^(c) | 2003-04 Target^(d) |
|---|------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|
| <i>Timeliness</i> | | | | | |
| Private provider applications assessed within six months | per cent | 50 | 75 | 75 | 75 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 3.6 | 2.4 | 1.4 ^(k) | 1.5 |

Source: Department of Education and Training

Notes:

- (a) Actual refers to 2001 calendar year unless otherwise indicated.*
- (b) Target refers to 2002 calendar year unless otherwise indicated.*
- (c) Expected outcome refers to 2002 calendar year unless otherwise indicated.*
- (d) Target refers to 2003 calendar year unless otherwise indicated.*
- (e) As at 30 June 2004.*
- (f) More intensive but fewer audits were programmed for 2002-03.*
- (g) Excludes participation undertaken through ACE organisations and adult education institutions.*
- (h) National survey of employers has not been undertaken since 2001.*
- (i) Refers to 2002-03 financial year.*
- (j) Refers to financial year.*
- (k) The fall in the Higher Education 2002-03 expected outcome is the result of a reallocation of DE&T overheads across the Department to better reflect business practice.*

Policy, Strategy and Information Services

These outputs involve provision of policy and strategy advice to the Ministers, and Ministerial and support services for the various statutory authorities and advisory bodies in the portfolio. Services relating to international education and public information and promotion are also included.

These outputs make a significant contribution to the achievement of the following Departmental objectives

- Improve the standards of literacy and numeracy in primary schooling;
- Increase the percentage of young people successfully completing Year 12 or equivalent;
- Increase the percentage of adults taking up education and training and so increase the overall level of educational attainment and literacy levels in Victoria;
- Increase the level of participation and achievement in education and training in rural and regional Victoria and among groups where it is presently low; and
- Make near-universal participation in post-school education and training the norm in our society.

These outputs make a significant contribution to the achievement of the following key Government outcomes:

- Valuing and investing in lifelong education;
- Sound financial management;
- Growing and linking all of Victoria;
- More jobs and thriving, innovative industries across Victoria;
- Building cohesive communities and reducing inequalities;
- Promoting rights and respecting diversity.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual^(a) | 2002-03 Target^(b) | 2002-03 Expected Outcome^(c) | 2003-04 Target^(d) |
|-----------------------------------|------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|
|-----------------------------------|------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|

Policy, Strategy and Executive Services

Provision of strategic policy advice and administrative support, including services relating to parliamentary and legislative responsibilities, to Ministers and Boards in the areas of: Department-wide resource management, planning and budgeting; school education; training and further education; adult and community education; and higher education.

Quantity

| | | | | | |
|--|--------|-------|-------|-------|-------|
| Correspondence prepared for Ministers' and Executive Group's signature or responded to on behalf of Ministers | number | 8 600 | 9 000 | 9 000 | 9 000 |
| Briefings prepared for Ministers' and Executive Group's signature | number | 4 900 | 5 000 | 5 000 | 5 000 |
| Number of partnership agreements between education, training and employment providers and agencies lodged with LLENs during the year | number | nm | 155 | na | na |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual^(a) | 2002-03 Target^(b) | 2002-03 Expected Outcome^(c) | 2003-04 Target^(d) |
|---|------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|
| Performance Measures | | | | | |
| Proportion of LLENs with a membership of every government secondary school, TAFE institute and ACE provider present within their boundary | per cent | nm | 100 | 100 | 100 |
| LLEN strategic plans forwarded to and approved by VLESC | per cent | nm | 100 | 100 | 100 |
| <i>Quality</i> | | | | | |
| Executive satisfaction that services received meet relevant quality standards | per cent | nm | 90 | 90 | 90 |
| <i>Timeliness</i> | | | | | |
| Correspondence prepared for Ministers' signatures or responded to on behalf of Ministers within pre-determined timelines | per cent | 80 | 95 | 95 | 95 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 24.3 | 21.9 | 22.8 | 21.8 |

International Education

Services include: marketing, recruitment, assessment and placement services for full-fee-paying overseas students in Victorian government schools and provision of generic marketing support for TAFE providers and the higher education sector; marketing of the Department's capabilities, programs and services to national and international markets; organisation of overseas delegations and study tours to visit DE&T and Victorian education and training institutions; and organisation and implementation of teacher and principal exchange programs and study tours, registration of student exchange organisations and student study tours.

Quantity

| | | | | | |
|---|----------|--------|--------|--------|--------|
| Overseas student study tour days into Victoria | number | 16 548 | 15 000 | 15 000 | 15 000 |
| Overseas students recruited to study in Victorian government schools in the year | number | 944 | 800 | 800 | 800 |
| Proportion of costs met by revenue raised from delivery of adult international study tours into Victoria ^(e) | per cent | 159 | 150 | 150 | 150 |
| Proportion of costs met by revenue raised from delivery of international projects and programs ^(e) | per cent | 83 | 80 | 80 | 80 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual^(a) | 2002-03 Target^(b) | 2002-03 Expected Outcome^(c) | 2003-04 Target^(d) |
|--|------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|
| <i>Quality</i> | | | | | |
| Satisfaction of agents with overseas student programs/services offered | per cent | 100 | 80 | 80 | 80 |
| Satisfaction of clients with services provided in relation to projects and programs | per cent | 90 | 80 | 80 | 80 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 6.5 | 5.5 | 7.0 | 6.9 |
| Public Information and Promotion | | | | | |
| Provision of information services about education and training to the community, including: advertising services, newspaper supplements, Education Times, Success and dissemination of information on Departmental policies and initiatives; telephone information services - Education Line and TAFE Course Line; and public promotions such as Education Week and Adult Learners Week. | | | | | |
| <i>Quantity</i> | | | | | |
| Responses to telephone and email information queries | number | 58 800 | 60 000 | 60 000 | 60 000 |
| Percentage of publications published online | per cent | 55 | 50 | 50 | 50 |
| <i>Quality</i> | | | | | |
| Reader satisfaction with news publications | per cent | 97 ^(f) | 95 | 95 | 95 |
| Customer satisfaction with quality of telephone information service | per cent | 92 | 95 | 95 | 95 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 7.6 | 6.3 | 7.1 | 7.1 |

Source: Department of Education and Training

Notes:

- (a) Target refers to 2001 calendar year unless otherwise indicated.
- (b) Target refers to 2002 calendar year unless otherwise indicated.
- (c) Expected outcome refers to 2002 calendar year unless otherwise indicated.
- (d) Target refers to 2003 calendar year unless otherwise indicated.
- (e) Refers to 2003-04 financial year.
- (f) Based on teacher and principal focus group research – 97 per cent of those surveyed said they read Education Times and were generally satisfied with the publication.

PART 2: FINANCIAL INFORMATION

Part 2 provides the financial information that supports reporting on the Department's provision of outputs. The information provided includes the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows for the Department as well as authority for resources.

The total resources made available to a department are applied to three uses:

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

The financial statements are presented in the format consistent with the AAS29 accounting standard. However, for the purposes of this paper they have been divided into controlled and administered items.

Administered items refer to those resources over which the Department cannot exercise direct control. Authority is provided through an appropriation for payments made on behalf of the State. Under the AAS29 standard, these items would normally appear as notes to the financial statements.

Financial Statements

The following tables can be used to assess the Department's financial performance and use of resources.

- **Table 2.1.2 – Statement of Financial Performance** – provides details of the Department's controlled revenue and expenses on an accrual basis reflecting the cost of providing its outputs;
- **Table 2.1.3 – Statement of Financial Position** – shows all controlled assets and liabilities of the Department. The difference between these represents the net assets position, which is an indicator of the State's equity in the Department;
- **Table 2.1.4 – Statement of Cash Flows** – shows all movements of cash (cash received and paid). The cash impact of financing and investing activities on Departmental resources is highlighted in this statement; and
- **Table 2.1.5 – Administered Items Statement** – provides details of the Department's administered revenue and expenses, and its administered assets and liabilities.

Operating Performance

The Department of Education and Training (DE&T) is estimated to have an operating surplus of \$151.6 million for 2003-04, an increase of \$86 million from the 2001-02 actual result. The increase in the surplus is mainly due to increases in schools' local fund raising activities. Schools are devoting increased levels of this funding to the purchase of non-current assets (computers, equipment and improvements to school facilities).

DE&T's estimated operating surplus in 2003-04 represents a \$53 million decrease from the 2002-03 Budget. The decrease in the surplus primarily reflects additional expenditure by TAFE institutes and schools on education and training, funded from the drawing-down of cash balances, particularly resulting from locally raised funds.

The Statement of Financial Performance shows an increase in total operating revenue of \$364 million (or 5.7 per cent) between the 2001-02 actual results and the 2003-04 Budget. The increase in revenue primarily reflects additional output revenue from the Government of \$371 million including:

- the flow-through effect of initiatives approved in previous budgets (which will have a further impact in 2003-04);
- the flow-through effect of supplementation to meet the costs of various enterprise bargaining outcomes (including the TAFE sector and Victorian Public Sector employees);
- funding for the implementation of a reform and demand strategy to ensure progress towards the goals and targets, which will result in increased numbers of students remaining in education over time; and
- funding for new initiatives announced in the 2003-04 Budget reflecting the Government's commitment to education as its number one priority. This includes funding for additional teachers to support excellence and for primary school student welfare officers, funding to further assist non-government schools in need, funding for an apprentice/trainee completion bonus, and funding to meet revised demand growth in the Disabilities program.

The increase in total operating revenue is partially offset by the transfer of Youth services from DE&T to the Department for Victorian Communities.

Total operating expenses for the Department are budgeted to increase by \$411 million (or 6.7 per cent) from the 2002-03 Budget. This reflects the increased cost to the Department of providing the additional education and training services discussed above, and the effect of strong growth in the property market on the value of State assets and resulting capital asset and depreciation charges.

The increase in total operating expenses is partially offset by general efficiencies in the operation of the Department.

Investment and Financing

The variations in the expected cash flows during the period 2001-02 to the 2003-04 Budget are reflected in the Statement of Cash Flows. Major changes are due to additional revenue from the State Government for new asset and output initiatives and an increase in schools' locally raised funds used to purchase assets.

Balance Sheet Performance

The Department's net asset position is expected to improve by \$428.5 million (or 5.5 per cent) from 30 June 2002 to 30 June 2004. This reflects a projected increase in total assets of \$433 million and an increase in total liabilities of \$4.5 million.

The increase in total assets is mainly attributable to an increase in non-current assets of \$490 million, reflecting:

- the State Government's ongoing asset investment program in education and training and new initiatives in the 2003-04 Budget targeted at modernisation of school facilities, building new schools, replacement of schools, reinstating school facilities damaged or destroyed by fire, providing specialist facilities in secondary schools and the upgrade of TAFE institutes' teaching equipment;
- purchase of non-current assets, mostly computers, equipment and improvements to school facilities by schools using locally raised funds; and
- Commonwealth funded asset initiatives in schools and TAFE institutes.

The expected increase in total liabilities is the result of an increase in Long Service Leave entitlements reflecting recruitment of additional teachers, the impact of recently funded wage agreements as well as the underlying growth in years of service. Under the funding arrangement between DE&T and Government this growth is also reflected in non-current receivables.

Administered Items Statement

Transactions administered by DE&T on behalf of the State are grants received from the Commonwealth for on-passing to non-government schools and revenue from other sources.

Total administered revenue has increased by \$151 million from the 2001-02 actual results to the 2003-04 Budget, due to increased grants to government and non-government schools from the Commonwealth.

The above discussion also explains the equivalent increase in DE&T's administered expenses.

Table 2.1.2: Statement of Financial Performance

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Revenue from ordinary activities | | | | | |
| Output Appropriations | 5 323.8 | 5 368.5 | 5 362.8 | 5 577.4 | 5 694.7 |
| Special Appropriations | .. | 0.3 | 0.3 | 0.3 | 0.3 |
| Resources received free of charge or for nominal consideration | .. | 0.7 | 0.7 | 0.7 | 0.7 |
| Sale of goods and services | 684.0 | 485.5 | 485.5 | 486.4 | 487.4 |
| Commonwealth Grants | 298.4 | 258.1 | 258.1 | 268.9 | 273.8 |
| Other revenue and revenue from other parties | 72.1 | 270.5 | 271.6 | 254.1 | 285.0 |
| | 6 378.4 | 6 383.6 | 6 378.9 | 6 587.8 | 6 741.9 |
| Expenses from ordinary activities | | | | | |
| Employee benefits | 3 775.8 | 3 729.9 | 3 729.4 | 3 894.5 | 3 907.7 |
| Depreciation and amortisation | 235.9 | 265.1 | 265.1 | 266.7 | 270.2 |
| Resources provided free of charge or for nominal consideration | .. | .. | .. | .. | .. |
| Grants and other payments | 545.0 | 576.1 | 572.5 | 586.0 | 565.0 |
| Capital asset charge | 578.6 | 565.3 | 565.2 | 608.7 | 666.7 |
| Supplies and services | 1 162.9 | 1 041.3 | 1 040.8 | 1 088.3 | 1 179.1 |
| Other expenses from ordinary activities | 13.9 | .. | .. | .. | .. |
| Borrowing costs | 0.6 | 1.3 | 1.3 | 1.7 | 1.7 |
| | 6 312.8 | 6 179.0 | 6 174.3 | 6 445.8 | 6 590.4 |
| Result from ordinary activities | 65.6 | 204.6 | 204.6 | 142.1 | 151.6 |
| Loss from extraordinary items | .. | .. | .. | .. | .. |
| Net result for the reporting period | 65.6 | 204.6 | 204.6 | 142.1 | 151.6 |
| Net increase in asset revaluation reserve | 637.2 | .. | .. | .. | .. |
| Total revenues, expenses and revaluation adjustments recognised directly in equity | 637.2 | .. | .. | .. | .. |
| Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner | 702.8 | 204.6 | 204.6 | 142.1 | 151.6 |

Source: Department of Treasury and Finance

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.1.3: Statement of Financial Position

(\$ million)

| | <i>Estimated as at 30 June</i> | | | | |
|--------------------------------------|--------------------------------|----------------|-------------------------------|----------------|----------------|
| | <i>2002</i> | <i>2003</i> | <i>2003</i> | <i>2003</i> | <i>2004</i> |
| | <i>Actual</i> | <i>Budget</i> | <i>Adjusted^(a)</i> | <i>Revised</i> | <i>Budget</i> |
| Current Assets | | | | | |
| Cash Assets | 478.0 | 468.9 | 468.9 | 468.6 | 470.3 |
| Other financial assets | 133.2 | 133.2 | 133.2 | 108.2 | 108.2 |
| Receivables | 126.6 | 126.6 | 126.6 | 102.9 | 102.9 |
| Inventories | 7.6 | 7.6 | 7.6 | 7.6 | 7.6 |
| Prepayments | 7.9 | 8.1 | 7.2 | 7.2 | 7.3 |
| Other | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 |
| Total current assets | 755.5 | 746.6 | 745.7 | 696.7 | 698.6 |
| Non-current assets | | | | | |
| Receivables | 358.1 | 434.0 | 433.1 | 384.3 | 448.9 |
| Inventories | .. | .. | .. | .. | .. |
| Other financial assets | 17.4 | 17.4 | 17.4 | 17.4 | 17.4 |
| Property, plant and equipment | 7 944.1 | 8 142.8 | 8 142.8 | 8 163.7 | 8 343.2 |
| Intangible assets | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Other | 11.8 | 11.8 | 11.8 | 11.8 | 11.8 |
| Total non-current assets | 8 331.5 | 8 606.0 | 8 605.2 | 8 577.2 | 8 821.4 |
| Total assets | 9 087.0 | 9 352.6 | 9 350.9 | 9 273.9 | 9 520.0 |
| Current liabilities | | | | | |
| Payables | 262.6 | 263.9 | 262.3 | 222.3 | 224.0 |
| Interest bearing liabilities | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 |
| Provisions | 165.5 | 174.2 | 174.1 | 102.0 | 118.9 |
| Other | 76.8 | 76.8 | 76.8 | 76.8 | 76.8 |
| Total current liabilities | 507.0 | 517.0 | 515.4 | 403.3 | 421.9 |
| Non-current liabilities | | | | | |
| Interest bearing liabilities | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 |
| Provisions | 750.5 | 801.6 | 801.5 | 832.4 | 840.2 |
| Other | .. | .. | .. | .. | .. |
| Amounts owing to other departments | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 |
| Total non-current liabilities | 755.8 | 806.9 | 806.8 | 837.7 | 845.4 |
| Total liabilities | 1 262.8 | 1 323.9 | 1 322.2 | 1 241.0 | 1 267.3 |
| Net assets | 7 824.2 | 8 028.8 | 8 028.7 | 8 032.9 | 8 252.7 |
| Equity | | | | | |
| Contributed capital | 5 827.7 | 5 827.7 | 5 827.7 | 5 894.4 | 5 962.6 |
| Reserves | 1 692.7 | 1 692.7 | 1 692.7 | 1 692.7 | 1 692.7 |
| Accumulated surplus | 303.8 | 508.4 | 508.3 | 445.8 | 597.4 |
| Total Equity | 7 824.2 | 8 028.8 | 8 028.7 | 8 032.9 | 8 252.7 |

Source: Department of Treasury and Finance

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.1.4: Statement of Cash Flows

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Cash flows from operating activities | | | | | |
| Receipts from Government | 5 684.9 | 5 551.0 | 5 546.1 | 5 820.4 | 5 904.2 |
| Receipts from other entities | 662.8 | 488.8 | 489.8 | 513.7 | 496.6 |
| Payments for supplies, grants and employees | (5 370.8) | (5 286.4) | (5 282.6) | (5 588.9) | (5 624.7) |
| | 976.8 | 753.4 | 753.4 | 745.1 | 776.1 |
| Interest received | 28.6 | 19.7 | 19.7 | 19.7 | 20.0 |
| Other revenue | 55.6 | 246.7 | 246.7 | 240.4 | 265.1 |
| Capital asset charge | (578.6) | (565.3) | (565.2) | (608.7) | (666.7) |
| Borrowing costs expense | (0.6) | (1.3) | (1.3) | (1.7) | (1.7) |
| Net cash inflow from operating activities | 481.8 | 453.2 | 453.2 | 395.0 | 392.7 |
| Cash flows from investing activities | | | | | |
| Payments for property, plant and equipment | (420.4) | (463.8) | (463.7) | (497.5) | (460.7) |
| Proceeds from sale of property, plant and equipment | 17.8 | 1.5 | 1.5 | 1.5 | 1.5 |
| Payments for investments | .. | .. | .. | .. | .. |
| Proceeds from sale of business assets (Repayment of) loans by other entities | 0.8 | .. | .. | 25.0 | .. |
| Net cash (outflow) from investing activities | (401.8) | (462.3) | (462.3) | (471.1) | (459.3) |
| Cash flows from financing activities | | | | | |
| Net Proceeds from capital contribution by State Government | 8.8 | .. | (0.1) | 66.7 | 68.2 |
| Net proceeds of borrowings | (3.0) | .. | .. | .. | .. |
| Repayment of finance leases | | | | | |
| Net cash inflows (outflow) from financing activities | 5.8 | .. | (0.1) | 66.7 | 68.2 |
| Net increase (decrease) in cash held | 85.7 | (9.1) | (9.1) | (9.4) | 1.7 |
| Cash at the beginning of the financial year | 392.3 | 478.0 | 478.0 | 478.0 | 468.6 |
| Cash at the end of the financial year | 478.0 | 468.9 | 468.9 | 468.6 | 470.3 |

Source: Department of Treasury and Finance

Notes:

- (a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.1.5: Administered Items Statement

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Administered revenue | | | | | |
| Appropriations - Payments made on behalf of the State | .. | .. | .. | .. | .. |
| Special Appropriations | .. | .. | .. | .. | .. |
| Resources received free of charge or for nominal consideration | .. | .. | .. | .. | .. |
| Sale of goods and services | 1.9 | 1.7 | 1.7 | 1.7 | 1.7 |
| Commonwealth grants | 1 477.3 | 1 392.8 | 1 392.8 | 1 560.4 | 1 627.6 |
| Other grants | .. | .. | .. | .. | .. |
| Taxes | .. | .. | .. | .. | .. |
| Fines | .. | .. | .. | .. | .. |
| Fees | .. | .. | .. | .. | .. |
| Other | 10.9 | 0.6 | 0.6 | 11.9 | 11.7 |
| Total administered revenue | 1 490.1 | 1 395.1 | 1 395.1 | 1 574.0 | 1 641.0 |
| Administered expenses | | | | | |
| Expenses on behalf of the State | .. | .. | .. | .. | .. |
| Grants and other payments | 1 017.7 | 961.0 | 961.0 | 1 097.6 | 1 162.0 |
| Payments into the Consolidated Fund | 475.2 | 445.3 | 445.3 | 476.4 | 478.9 |
| Total administered expenses | 1 492.9 | 1 406.3 | 1 406.3 | 1 573.9 | 1 640.9 |
| Revenue less expenses | (2.8) | (11.3) | (11.3) | 0.1 | 0.1 |
| Administered assets | | | | | |
| Cash assets | .. | 0.1 | 0.1 | 0.1 | 0.1 |
| Receivables | 0.2 | 0.1 | 0.1 | 0.2 | 0.2 |
| Other financial assets | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| Inventories | .. | .. | .. | .. | .. |
| Prepayments | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 |
| Property, plant and equipment | .. | .. | .. | .. | .. |
| Intangible assets | .. | .. | .. | .. | .. |
| Other | .. | .. | .. | .. | .. |
| Total administered assets | 4.3 | 4.2 | 4.2 | 4.3 | 4.4 |
| Administered liabilities | | | | | |
| Payables | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) |
| Interest bearing liabilities | .. | .. | .. | .. | .. |
| Provisions | .. | .. | .. | .. | .. |
| Amounts owing to other departments | .. | .. | .. | .. | .. |
| Other | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 |
| Total administered liabilities | 2.8 | 2.8 | 2.8 | 2.8 | 2.8 |

Source: Department of Treasury and Finance

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Authority for Resources

This section provides a summary of the sources of Parliamentary Authority available to the Department to fund the provision of outputs and additions to the net asset base.

Table 2.1.6: Parliamentary Authority for Resources

| | (\$ million) | | | |
|--|-------------------|------------------------------------|-----------------------------------|-------------------|
| | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised ^(b) | 2003-04 Budget |
| Annual appropriations | 5 322.2 | 5 316.4 | 5 515.6 | 5 631.8 |
| Receipts credited to appropriations | 57.6 | 57.6 | 127.9 | 131.1 |
| Unapplied previous years appropriation | .. | .. | 0.7 | .. |
| Accumulated surplus - previously applied appropriation | .. | .. | .. | .. |
| Gross Annual appropriation | 5 379.8 | 5 374.0 | 5 644.2 | 5 762.9 |
| Special appropriations | 0.3 | 0.3 | 0.3 | 0.3 |
| Trust funds | 1 291.5 | 1 291.5 | 1 432.7 | 1 502.1 |
| Total Parliamentary Authority | 6 671.5 | 6 665.8 | 7 077.1 | 7 265.3 |

Source: Department of Treasury and Finance

Notes:

- (a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.
- (b) 2002-03 Revised includes the impact of approved Treasurer's Advances.

DEPARTMENT OF HUMAN SERVICES

PART 1: OUTLOOK AND OUTPUTS

Overview

The Department of Human Services (DHS) supports the Ministerial portfolios of Health, Community Services, Aged Care and Housing. Its mission is to enhance and protect the health and wellbeing of all Victorians, emphasising vulnerable groups and those most in need.

Approximately 72 per cent of the Human Services budget is spent on services delivered by agencies under service agreements with the Department. These include government-related agencies such as metropolitan and rural hospital services, public nursing homes, local government, community health centres, ambulance services and a range of non-government organisations providing mainly welfare services. The Department also provides some services directly. These include public rental housing, disability services, child protection and juvenile justice services.

For the purposes of the Budget, the financial information for DHS includes appropriations for the Office of Housing as well as consolidated financial information for the following portfolio entities:

- metropolitan and rural health services;
- ambulance services;
- Victorian Health Promotion Foundation; and
- public nursing homes.

The Office of Housing is classified as a non-general government sector entity and only the net amount transferred to it from the budget sector is reported in the financial statements in Part 2.

The Department's primary functions include:

- providing high quality and efficient services in health care through the public hospital system, community health services, and ambulance services;

- providing secure, affordable and appropriate housing to low income Victorians as well as providing government concessions to improve the affordability of key essential services;
- providing a range of other accommodation and support services aimed at enhancing the quality of life of people with disabilities and homeless people;
- providing residential and rehabilitation care for older and disabled persons as well as support and assistance to enable them to continue to live at home as long as possible;
- promoting positive community perceptions of ageing and positive attitudes to older people;
- providing a wide range of health and community services for Victorian families, such as preschool, early intervention and family support services;
- providing a range of alcohol and drug prevention and treatment services and protecting the health of Victorians through promotion and delivery of emergency management, public health, prevention services, education and regulation; and
- meeting the State's statutory responsibilities for vulnerable children and young people in relation to child protection and juvenile justice.

Departmental objectives

The Department's objectives are to:

- build sustainable, well-managed and efficient services;
- provide timely and accessible human services;
- improve the safety and quality of human services;
- promote least intrusive human service options;
- strengthen the capacity of individuals, families and communities; and
- reduce inequalities in health and wellbeing.

These objectives are closely aligned to the Government's *Growing Victoria Together* outcomes. Due to the interrelationship between many of the human service issues facing the Department, these outcomes are aligned to multiple Departmental objectives and associated strategic priorities.

The following table shows the links between Departmental objectives and *Growing Victoria Together* outcomes:

| Departmental Objectives | Government Outcomes |
|---|--|
| Building sustainable, well managed and efficient human services | High quality, accessible health and community services Building cohesive communities and reducing inequalities Sound financial management |
| Providing timely and accessible human services | High quality, accessible health and community services |
| Improving the safety and quality of human services | High quality, accessible health and community services Safe streets, homes and workplaces |
| Promoting least intrusive human service options | High quality, accessible health and community services Building cohesive communities and reducing inequalities |
| Strengthening the capacity of individuals, families and communities | High quality, accessible health and community services Building cohesive communities and reducing inequalities Promoting rights and respecting diversity |
| Reducing inequalities in health and wellbeing | High quality, accessible health and community services Building cohesive communities and reducing inequalities |

Review of 2002-03

The Department's financial and output performance is broadly in line with the 2002-03 Budget estimates and has seen progressive implementation of service enhancements to achieve *Growing Victoria Together* outcomes.

Major achievements of 2002-03 have included:

- continued progress in implementing the Hospital Demand Management Strategy and Hospitals Admissions Risk Program to address growth in emergency admissions, reduce elective surgery waiting lists and minimise access blockages which impact on ambulance bypass and waiting times;
- redevelopment of the Austin and Repatriation Medical Centre is progressing well, as reflected in the Auditor General's report on the project tabled in the Parliament in February 2003;

- redevelopment of Kew Residential Services is also well underway with approximately 20 per cent of residents being relocated into community-based accommodation;
- the Department continued to add to the supply of social housing while improving housing conditions, client satisfaction levels and tenant participation;
- the Neighbourhood Renewal program continued to implement place-based approaches to combine better housing with job creation, training and education, service access and community safety to tackle social disadvantage in areas with high concentrations of social housing;
- child Protection Innovation Projects were established to deliver pro-active approaches to supporting vulnerable families in partnership with community organisations working in conjunction with child protection services to provide integrated responses;
- service quality has been improved through progressive development of comprehensive annual service quality plans in all programs and service quality management frameworks at the regional level, along with implementation of the *Looking after Children* framework to monitor the quality of care which children and young people receive. Specific projects have also been initiated to respond better to those with complex needs and delivering better outcomes for people with disabilities;
- introduction of clear guidelines around financial management and reporting, risk management, liability management, internal management reporting, clinical activities costing and benchmarking through exchange and analysis of information between the Department and funded agencies; and
- establishment of specific projects and initiatives to improve the lives of people with mental illness, reduce homelessness, improve access to preschool and public dental services, and contain the harm caused by drugs.

The Department's functions were varied slightly in 2002-03 by the transfer of responsibility for the Victorian Relief Committee from the Department of Premier and Cabinet from 1 January 2003. From July 2003, responsibility for biomedical research grants will pass to the Department of Innovation, Industry and Regional Development.

Outlook for 2003-04

In 2003-04, the Department of Human Services will implement Government policies consistent with 2003-04 Budget decisions and *Growing Victoria Together* objectives, and respond to growth and cost pressures on the human services system. Key priorities include:

- continuing the implementation of the Hospital Demand Management Strategy to continue improving the quality, accessibility and efficiency of hospitals, and reducing elective surgery waiting lists;
- addressing rising cost pressures in Victoria's public hospitals through strengthening their financial management systems and practices;
- addressing underlying and emerging demand pressures in services, including Home and Community Care, disability, ambulance and dental health services;
- providing more home and community based care options for patients and clients of human services;
- strengthening the relationship with funded agencies through a partnership approach to the provision and development of services;
- establishing partnerships with new housing providers to expand the supply of affordable housing;
- developing a Youth Homelessness Action Plan, and expanding homelessness services for families and young people;
- upgrading and improving ageing and outdated buildings and equipment to meet community expectations, including further progress in the completion of the Kew Residential Services redevelopment and the modernisation of bush nursing hospital facilities;
- addressing the attraction and retention of health professionals, particularly in rural areas;
- emphasising prevention, detection and early intervention activities to improve public health outcomes, including the development of strategies to reduce the impact of diabetes and obesity;
- developing initiatives that target communities with specific health and well being needs, including Victorian women and indigenous communities;

- improving the delivery of children’s services; and
- expanding Neighbourhood Renewal initiatives which combine better housing with new jobs, training and education, better access to services like transport and health, and safer streets and homes.

New asset investment will continue the redevelopment, upgrade and expansion of rural health and residential aged care facilities, juvenile justice custodial facilities, radiotherapy services, medical equipment, youth mental health services, and infrastructure for survivors of torture. Government will also undertake a number of important hospital redevelopments, including improvements at the Werribee Mercy, Nhill and Dandenong hospitals, and commence a major new program of further investment in health information and communication technology. Expansion of rural ambulance services will also continue.

Extra funds will also be directed towards expanding and improving existing and new providers of non-government affordable housing. A range of different opportunities will be explored, including private / public partnerships in inner city redevelopment and strengthened partnerships with local governments. Affordable Housing Associations will be established to provide services to a range of clients with specialised housing needs, including those of older Victorians and people with disabilities.

Output information

The 2003-04 output statements reflect changes to the output structure and associated output and performance information to provide more detailed performance reporting in these areas.

Within this new output structure, the Department has modified its 2002-03 output structure as follows:

| Existing Output (2002-03) | New Output (2003-04) |
|--|---|
| Disease Prevention, Control and Surveillance | Communicable Disease Prevention Non-Communicable Disease Prevention and Control |
| Public Health Research, Information and Training | Public Health Training |
| Biomedical Research, Ethics and Safety | Research and Ethics |
| Health and Social Development | Health and Social Development Koori Health and Multicultural Policy |
| Drug Prevention and Control | Drug Prevention and Control |
| Drug Treatment and Rehabilitation | Drug Treatment and Rehabilitation Drug Service System Development and Resourcing |

| Existing Output (2002-03) | New Output (2003-04) |
|--------------------------------------|--|
| Child Protection and Placement | Placement and Support Services Statutory Child Protection Services Child Protection Specialist Services |
| Early Childhood Services | Preschool and Child Care Services Maternal and Child Health Services Early Childhood Intervention Services |
| Family and Community Support | Support Services for Families Community Support Services Personal Support Services |
| Juvenile Justice Services | Juvenile Justice Custodial Services Juvenile Justice Community Based Services |
| Community and Home Based Support | Individual Support |
| Flexible Support Packages | Individual Support |
| Quality and Accreditation | Quality |
| Training, Development and Innovation | Quality |
| Community Participation | Community Participation and Inclusion |
| Strengthening Communities | Community Participation and Inclusion |

The following section provides details of outputs to be provided to Government, including their performance measures and the costs of each output. The Department is committed to continuing the refinement and improvement of performance information. For this purpose, a number of measures have been discontinued and new performance measures have been introduced in 2003-04.

In the output performance tables, a 2003-04 target showing 'na' indicates that the relevant measure will be discontinued after 30 June 2003.

The table below summarises the total output costs.

Table 2.2.1: Output summary

(\$ million)

| | 2002-03 Budget ^(a) | 2002-03 Revised | 2003-04 Budget |
|---|----------------------------------|--------------------|----------------------|
| Acute Health Services | 4 467.3 | 4 649.3 | 4 857.1 |
| Ambulance Services | 248.9 | 282.1 | 287.8 |
| Mental Health | 588.5 | 605.2 | 616.4 |
| Aged and Home Care | 679.4 | 683.1 | 717.4 |
| Primary Health | 148.3 | 156.4 | 152.7 |
| Dental Health | 84.0 | 86.9 | 88.8 |
| Public Health | 188.3 | 213.3 | 190.9 ^(b) |
| Drugs Services | 65.1 | 76.2 | 98.6 ^(c) |
| Disability Services | 766.5 | 813.0 | 844.4 |
| Child Protection and Placement | 254.1 | 258.9 | 269.8 |
| Juvenile Justice Services | 66.2 | 69.0 | 66.1 |
| Early Childhood Services | 167.7 | 167.8 | 184.6 |
| Family and Community Support | 88.2 | 91.7 | 91.3 |
| Concessions to Pensioners and Beneficiaries | 284.7 | 273.3 | 285.7 |
| Housing Assistance | 440.7 | 299.8 | 306.3 ^(d) |
| Total | 8 537.9 | 8 726.0 | 9 057.9 |

Source: Department of Treasury and Finance

Notes:

- (a) 2002-03 Output Budget incorporates changes to Output structure and organisational restructuring and therefore may differ from figures published in the 2002-03 Budget.
- (b) Reduction between 2002-03 Revised and 2003-04 Budget reflects machinery of government transfer of Biomedical Research to the Department of Innovation, Industry and Regional Development from 1 July 2003.
- (c) The 2003-04 Budget includes funding for the Victorian Drugs Strategy from the Community Support Fund (CSF). CSF funds for drugs programs in prior years were included under the Department of Premier and Cabinet.
- (d) The 2002-03 Revised and 2003-04 Budget include a change in the accounting treatment of the Government's contribution to the Housing Asset Program. In accordance with UIG38, and as reflected in the audited Estimated Financial Statements and appropriation acts, the Government's contribution is now reported as contributed capital rather than output funding.

Acute Health Services

Acute Health Services include a range of acute hospital inpatient, ambulatory, emergency, community-based services and specialist services.

The Acute Health Services outputs below make a significant contribution to the achievement of the following objectives:

- Building sustainable, well managed and efficient human services;
- Providing timely and accessible human services;
- Improving service safety and quality of human services;
- Promoting least intrusive human service options;
- Strengthening the capacity of individuals, families and communities; and
- Reducing inequalities in health and wellbeing.

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Admitted Services | | | | | |
| Same and multiday inpatient services (elective and non-elective) provided at metropolitan and rural hospitals. | | | | | |
| <i>Quantity</i> | | | | | |
| Separations | number ('000) | 1 066 | 1 066 | 1 115 | 1 150 |
| Weighted Inlier Equivalent Separations (WIES) (multi- and same-day services)(WIES 10) | number ('000) | 809.4 | 820.9 | 829 | 849 |
| Hospital in the home bed days | number | 136 400 | 135 000 | 150 000 | 150 000 |
| <i>Quality</i> | | | | | |
| Beds accredited | per cent | 99.96 | 100 | 100 | 100 |
| <i>Timeliness</i> | | | | | |
| Urgent (Category 1) patients admitted within 30 days | per cent | 100 | 100 | 100 | 100 |
| Semi-urgent (Category 2) patients admitted within 90 days | per cent | 79 | 80 | 79 | 80 |
| Emergency patients admitted within the recommended period (<12 hours) | per cent | 86.5 | 95 | 89 | 95 |
| % time on Ambulance bypass | per cent | 6.7 | 3.0 | 3.0 | 3.0 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 3029.4 ^(a) | 3 152.8 | 3 303.9 | 3 486.4 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Non-Admitted Services

Non-admitted services provided at metropolitan and rural hospitals.

Quantity

| | | | | | |
|---|---------------|--------|-------|-------|-------|
| Victorian Ambulatory Classification System (VACS) Group A outpatient encounters | number ('000) | 2151.3 | 2 186 | 2 200 | 2 243 |
|---|---------------|--------|-------|-------|-------|

Quality

| | | | | | |
|--|----------|----|----|----|----|
| Maternity service enhancement – women receiving postnatal domiciliary visits | per cent | 87 | 83 | 87 | 87 |
|--|----------|----|----|----|----|

Cost

| | | | | | |
|-------------------|------------|-------|-------|-------|-------|
| Total output cost | \$ million | 481.0 | 475.0 | 487.9 | 500.9 |
|-------------------|------------|-------|-------|-------|-------|

Emergency Services

Emergency admissions to major metropolitan hospitals with emergency departments.

Quantity

| | | | | | |
|------------------------------------|--------|---------|---------|---------|----------|
| Emergency department presentations | number | 949 101 | 889 000 | 997 000 | 1044 000 |
|------------------------------------|--------|---------|---------|---------|----------|

| | | | | | |
|---------------------|--------|---------|---------|---------|---------|
| Emergency admission | number | 226 306 | 228 000 | 245 000 | 261 000 |
|---------------------|--------|---------|---------|---------|---------|

Quality

| | | | | | |
|-------------------------------|--------|----|----|----|----|
| 24 hour emergency departments | number | 34 | 34 | 34 | 34 |
|-------------------------------|--------|----|----|----|----|

Timeliness

| | | | | | |
|--|----------|-----|-----|-----|-----|
| Emergency Category 1 treated immediately | per cent | 100 | 100 | 100 | 100 |
|--|----------|-----|-----|-----|-----|

| | | | | | |
|--|----------|----|----|----|----|
| Emergency Category 2 treated in 10 minutes | per cent | 78 | 75 | 75 | 75 |
|--|----------|----|----|----|----|

| | | | | | |
|--|----------|----|----|----|----|
| Emergency Category 3 treated in 30 minutes | per cent | 71 | 70 | 70 | 70 |
|--|----------|----|----|----|----|

Cost

| | | | | | |
|-------------------|------------|-------|-------|-------|-------|
| Total output cost | \$ million | 188.8 | 182.0 | 191.8 | 201.6 |
|-------------------|------------|-------|-------|-------|-------|

Sub-Acute Care Services

Inpatient care in extended care centres and dedicated sub-acute units within acute hospitals, home-based care including rehabilitation and a range of sub-acute ambulatory care services across Victoria.

Quantity

| | | | | | |
|--------------------|--------|---------|---------|---------|---------|
| Sub-Acute bed days | number | 703 342 | 704 180 | 704 180 | 711 870 |
|--------------------|--------|---------|---------|---------|---------|

| | | | | | |
|--------------------------|--------|--------|--------|--------|--------|
| Palliative Care bed days | number | 70 374 | 74 500 | 73 500 | 73 660 |
|--------------------------|--------|--------|--------|--------|--------|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Community Rehabilitation Clinics places | number | 100 098 | 99 000 | 99 000 | 99 000 |
| Completed post acute episodes | number | 32 150 | 29 500 | 36 230 | 36 230 |
| <i>Quality</i> | | | | | |
| Sub-Acute Beds accredited | per cent | 100 | 100 | 100 | 100 |
| Community Rehabilitation Clinics designated | per cent | 93 | 100 | 100 | 100 |
| Post acute clients not readmitted to acute hospital | per cent | 90 | 80 | 90 | 90 |
| <i>Timeliness</i> | | | | | |
| Patients contacted within 3 days of referral | per cent | 78.8 | 70 | 70 | 70 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 424.0 | 424.5 | 435.9 ^(b) | 455.2 ^(b) |
| Acute Training and Development | | | | | |
| Provision of grants to hospitals for training and accreditation of nurses and hospital registrars. | | | | | |
| <i>Quantity</i> | | | | | |
| First year graduate nurses places utilised | number | 1 091 | 1 200 | 1 140 | 1 200 |
| Post Graduate places at Diploma and Certificate level | number | nm | 954 | 850 ^(c) | 850 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 166.6 | 163.0 | 169.3 | 171.7 |
| Blood Services | | | | | |
| To provide adequate and safe supplies of blood and blood products for therapeutic use in Victoria. | | | | | |
| <i>Quantity</i> | | | | | |
| Blood collections ^(d) | number | 247 599 | 250 000 | 250 000 | na |
| Red Cell Products Issued | number | nm | nm | nm | 185 000 |
| Platelet Products Issued | number | nm | nm | nm | 29 050 |
| <i>Quality</i> | | | | | |
| Compliance of blood production and supply activities with Therapeutic Goods Administration requirements | per cent | 100 | 100 | 100 | 100 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Cost | | | | | |
| Total output cost | \$ million | 59.4 | 70.0 | 60.5 | 41.3 ^(e) |

Source: Department of Human Services

Notes:

- (a) Cost includes \$1 million for the Private Hospital Regulation output previously reported separately in 2001-02.
- (b) 2002-03 expected outcome and 2003-04 target reflect transfer of medical and public liability insurance from Aged Residential Care output.
- (c) The reduced 2002-03 outcome reflects the higher unit cost of post graduate training places.
- (d) This measure is replaced by 'Red Cell Products Issued' and 'Platelet Products Issued' which are two of the major outputs which are produced as a result of blood collection.
- (e) From 1 July 2003 all funding for blood services will be through the National Blood Authority with the balance of Commonwealth funds flowing directly to health services through that Authority.

Ambulance Services

Ambulance Services include emergency and non-emergency ambulance services and clinical training of ambulance paramedics.

The Ambulance Services outputs below make a significant contribution to the achievement of the following objectives:

- Building sustainable, well managed and efficient human services;
- Providing timely and accessible human services; and
- Reducing inequalities in health and wellbeing.

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|--|-----------------------|---------------------------------|-----------------------|
| Ambulance Emergency Services | | | | | |
| Emergency road, rotary and fixed air wing patient treatment and transport services. | | | | | |
| <i>Quantity</i> | | | | | |
| Metropolitan road cases | number | 230 985 | 245 000 | 253 000 | 257 000 |
| Country road cases | number | 84 388 | 81 000 | 85 000 | 87 000 |
| Rotary wing cases | number | 2 073 | 2 100 | 2 100 | 2 200 |
| Fixed wing cases | number | 764 | 850 | 700 | 700 ^(a) |
| <i>Quality</i> | | | | | |
| Audited cases meeting clinical practice standards | per cent | 94 (Jul 01- Feb 02) 83.7 (Mar 02- Jun 02) | 92 | 90 | 92 |
| <i>Timeliness</i> | | | | | |
| Emergency response time (code 1) in 50 per cent of cases - metro | minutes | 8 | 8 | 9 | 8 |
| Emergency response time (code 1) in 90 per cent of cases - metro | minutes | 14 | 13 | 14 | 13 |
| Emergency response time (code 1) in 50 per cent of cases - statewide | minutes | nm | nm | nm | 9 ^(b) |
| Emergency response time (code 1) in 90 per cent of cases - statewide | minutes | nm | nm | nm | 15 ^(b) |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 225.0 ^(c) | 216.8 | 246.9 ^(d) | 251.1 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|--|-----------------------|---------------------------------|------------------------|
| Performance Measures | | | | | |
| Ambulance Non-Emergency Services | | | | | |
| Non-emergency road and fixed air wing patient transport services. | | | | | |
| <i>Quantity</i> | | | | | |
| Metropolitan road cases | number | 154 397 | 169 000 | 170 000 | 180 000 |
| Country road cases | number | 42 641 | 42 500 | 42 500 | 43 000 |
| Fixed wing cases | number | 3 937 | 4 100 | 4 300 | 4 400 |
| <i>Quality</i> | | | | | |
| Audited cases meeting clinical practice standards | per cent | 92.1 (Jul 01- Feb 02) 90.3 (Mar 02- Jun 02) | 90 | 90 | 90 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 33.5 ^(c) | 28.0 | 31.3 ^(d) | 31.9 |
| Ambulance Services Training and Development | | | | | |
| Provision of clinical training for ambulance paramedics by external organisations. | | | | | |
| <i>Quantity</i> | | | | | |
| Ambulance student hours | number | 122 292 | 120 000 | 120 000 | 110 000 ^(e) |
| <i>Quality</i> | | | | | |
| Ambulance students successfully completing courses | per cent | 97 | 95 | 95 | 95 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 2.0 | 2.1 | 2.1 | 2.0 |
| Basic Life Support | | | | | |
| Provision of pre-ambulance life support care. | | | | | |
| <i>Quantity</i> | | | | | |
| Participants in CPR training | number | 31 021 | 20 000 | 20 000 | na |
| Public Access Defibrillation (PAD) sites established | number | nm | nm | nm | 10 |
| <i>Quality</i> | | | | | |
| Participants successfully completing courses | per cent | 100 | 97 | 97 | na |
| Audited cases attended by Community Emergency Response Teams (CERT) meeting clinical practice standards | per cent | nm | nm | nm | 80 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| CERT arrival occurs prior to ambulance | per cent | nm | nm | nm | 80 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 1.6 | 2.0 | 1.8 | 2.8 |

Source: Department of Human Services

Notes:

- (a) The 2003-04 target reflects reduced need for fixed wing emergency transports due to the improved availability of rotary wing craft.*
- (b) Improvement to rural data systems has enabled statewide reporting to be introduced from 2003-04.*
- (c) 2001-02 actual output costs exceeded 2002-03 target due to one-off adjustment for arrears in enterprise bargaining awards and increased third party revenue.*
- (d) 2002-03 expected outcome higher than 2002-03 target due to one-off budget adjustments and increased allowance for third party revenue and additional DVA revenue.*
- (e) 2003-04 target reflects reduced reliance on post-employment training as the number of students in pre-employment courses increases.*

Mental Health

Mental Health services include a range of inpatient, community-based residential and ambulatory services that treat and support people with a mental illness, their families and carers.

The Mental Health outputs below make a significant contribution to the achievement of the following objectives:

- Building sustainable, well managed and efficient human services;
- Providing timely and accessible human services;
- Improving service safety and quality of human services;
- Promoting least intrusive human service options;
- Strengthening the capacity of individuals, families and communities; and
- Reducing inequalities in health and wellbeing.

| <i>Major Outputs/Deliverables</i> Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|--------------------------|-----------------------|---------------------------------|-----------------------|
| Clinical Inpatient Care | | | | | |
| A range of inpatient treatment programs provided to people with mental illness. | | | | | |
| <i>Quantity</i> | | | | | |
| Separations | number | nm | 17 400 | 17 400 | 17 623 |
| <i>Quality</i> | | | | | |
| Clients readmitted (unplanned) within 28 days | per cent | nm | 15 | 15 | 15 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 238.6 | 251.4 | 252.6 | 259.5 |
| Clinical Community Care | | | | | |
| A range of community-based residential and ambulatory clinical services provided to people with mental illness. | | | | | |
| <i>Quantity</i> | | | | | |
| Continuing clients | number | nm | 55 000 | 55 000 | 56 000 |
| Episodes of care – periods of care of up to three months given in the one service setting | number | nm | nm | nm | 152 000 |
| <i>Quality</i> | | | | | |
| Clinical inpatient clients who have contact with clinical community care service providers during the seven days prior to admission | per cent | nm | 71 | 71 | 72 |
| <i>Quality</i> | | | | | |
| Clinical inpatient clients who have contact with clinical community care service providers during the seven days post-discharge | per cent | nm | 61 | 61 | 62 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 244.7 | 252.4 | 259.3 | 268.1 |
| 68 | Human Services | Budget Estimates 2003-04 | | | |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Psychiatric Disability Support Services | | | | | |
| A range of support and rehabilitation services provided to people with a psychiatric disability, their families and carers. | | | | | |
| <i>Quantity</i> | | | | | |
| Clients receiving Psychiatric Disability Support Services | number | 9 624 | 9 124 | 9 300 | 9 418 |
| <i>Quality</i> | | | | | |
| Individual Program Plans completed within two months | per cent | 71 | 75 | 75 | 75 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 53.9 | 62.5 | 56.1 ^(a) | 57.6 |
| Mental Health Service System Capacity Development | | | | | |
| A range of activities including research, training and education, that are designed to increase the capacity of the mental health services system. | | | | | |
| <i>Quantity</i> | | | | | |
| Number of clinical staff training hours | number | nm | 19 521 | 19 521 | 19 820 |
| <i>Quality</i> | | | | | |
| Clinical staff successfully completing courses | per cent | nm | 95 | 95 | 95 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 29.4 | 22.2 | 37.2 ^(a) | 31.2 |

Source: Department of Human Services

Note:

(a) Change between 2002-03 target and expected outcome is the result of realignment of activities between outputs including the transfer of one-off funding for the Information Development Plan.

Aged and Home Care

Aged and Home Care includes a range of in-home, community-based, specialist geriatric and residential care services for older people. It includes Home and Community Care (HACC) services for frail older people, people with a disability and their carers.

The Aged and Home Care outputs below make a significant contribution to the achievement of the following objectives:

- Building sustainable, well managed and efficient human services;
- Providing timely and accessible human services;
- Improving service safety and quality of human services;
- Promoting least intrusive human service options;
- Strengthening the capacity of individuals, families and communities; and
- Reducing inequalities in health and wellbeing.

| <i>Major Outputs/Deliverables</i> Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Positive Ageing | | | | | |
| Community-based information and activities to promote health and wellbeing for older Victorians. | | | | | |
| <i>Quantity</i> | | | | | |
| Attendances at Victorian Seniors' Festival | number | 490 000 | 400 000 | 400 000 | 400 000 |
| <i>Quality</i> | | | | | |
| Eligible seniors with a senior's card | per cent | nm | 95 | 95 | 95 |
| Funded projects for which satisfactory reports have been received | per cent | nm | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 4.0 | 4.0 | 4.0 | 4.2 |

Aged Care Assessment

Comprehensive assessment of people's requirements for treatment and residential aged care services.

Quantity

| | | | | | |
|--|--------|--------|---------|---------|---------|
| Aged care service delivery (aged care units) | number | nm | 308 000 | 308 000 | 308 000 |
| Aged Care Assessments | number | 52 052 | 53 600 | 53 600 | 53 600 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| Average wait (days) between client registration and ACAS assessment – hospital-based assessment | number | nm | 2.5 | 2.0 | 2.5 |
| Average wait (days) between client registration and ACAS assessment – community-based assessment | number | nm | 15 | 15 | 15 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 24.5 | 24.9 | 25.3 | 25.6 |

Aged Support Services

A range of community services that support older Victorians and their carers.

Quantity

| | | | | | |
|--|--------|--------|---------|---------|------------------------|
| Aged care service delivery (aged care units) | number | nm | 791 000 | 800 800 | 507 700 ^(a) |
| Individuals provided with respite services | number | 20 502 | 20 450 | 20 450 | 20 450 |
| Personal alert units allocated | number | nm | 14 100 | 16 200 | 16 200 |

Cost

| | | | | | |
|-------------------|------------|---------------------|------|------|---------------------|
| Total output cost | \$ million | 67.1 ^(b) | 72.1 | 73.8 | 57.0 ^(a) |
|-------------------|------------|---------------------|------|------|---------------------|

Aged Residential Care

Services for people requiring ongoing care and support in a residential aged care setting.

Quantity

| | | | | | |
|--|--------|-----------|-----------|-----------|-----------|
| Aged care service delivery (aged care units) | number | nm | 963 700 | 967 600 | 967 600 |
| Nursing home bed days | number | 1 257 435 | 1 245 000 | 1 250 000 | 1 250 000 |

Quality

| | | | | | |
|--|----------|-----|-----|-----|-----|
| Residential care services certified and accredited | per cent | 100 | 100 | 100 | 100 |
|--|----------|-----|-----|-----|-----|

Cost

| | | | | | |
|-------------------|------------|-------|-------|----------------------|----------------------|
| Total output cost | \$ million | 231.6 | 240.3 | 240.8 ^(c) | 250.6 ^(c) |
|-------------------|------------|-------|-------|----------------------|----------------------|

Aged Care Service System Development and Resourcing

Workforce, community and service development projects that support the aged care sector and improve the quality and targeting of aged care services.

Quantity

| | | | | | |
|---|--------|----|---------|---------|---------|
| Aged care service system development and resourcing (aged care service system resourcing units) | number | nm | 102 000 | 102 000 | 102 000 |
|---|--------|----|---------|---------|---------|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Quality</i> | | | | | |
| Funded research and service development projects for which satisfactory reports have been received | per cent | nm | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 9.2 | 8.9 | 7.0 ^(d) | 7.0 |
| HACC Primary Health, Community Care and Support | | | | | |
| A range of community-based nursing, allied health and support services enabling frail older people and younger people with disabilities to maintain their independence in the community. | | | | | |
| <i>Quantity</i> | | | | | |
| Home and Community Care service delivery (including case management packages) (HACC community service units) | number ('000) | 4 455 | 4 700 | 4 700 | 5 120 ^(a) |
| <i>Quality</i> | | | | | |
| Target population receiving Home and Community Care services | per cent | nm | 60 | 60 | 60 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 289.8 | 309.5 | 312.8 | 352.6 ^(a) |
| HACC Service System Development and Resourcing | | | | | |
| Workforce, community, service and minor capital development projects that support the aged care sector and improve the quality and targeting of HACC services. | | | | | |
| <i>Quantity</i> | | | | | |
| Home and Community Care service system development and resourcing (HACC service system resourcing units) | number | 300 000 | 333 000 | 333 000 | 333 000 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 23.7 | 19.7 | 19.4 | 20.4 |

Source: Department of Human Services

Notes:

- (a) Change between 2002-03 target and 2003-04 target is due to the transfer of budget for Day Centres and Domiciliary and Community Nursing from Aged Support Services output to HACC Primary Health, Community Care and Support output and Primary Health output.
- (b) Cost excludes Palliative Care services which were transferred to the Acute Health output.
- (c) 2002-03 expected outcome and 2003-04 target reflect transfer of medical and public liability insurance to Sub-Acute Services output.
- (d) Reduction between 2002-03 target and 2002-03 expected outcome primarily caused by lower than expected carry-forward from 2001-02 and transfer of Community Based Acquired Brain Injury Service to Disability Services output.

Primary Health

Primary Health Services include a range of in-home, community-based, community and primary health services designed to promote health and wellbeing and prevent the onset of more serious illness.

The Primary Health Services outputs below make a significant contribution to the achievement of the following objectives:

- Building sustainable, well managed and efficient human services;
- Providing timely and accessible human services;
- Improving service safety and quality of human services;
- Promoting least intrusive human service options;
- Strengthening the capacity of individuals, families and communities; and
- Reducing inequalities in health and wellbeing.

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Community Health Care

A range of community care and support services, including allied and women's health that enable people to continue to live independently in the community.

Quantity

| | | | | | |
|---|--------|---------|---------|---------|-----------|
| Community and primary health care service hours | number | 830 294 | 879 850 | 879 850 | na |
| Primary health service delivery (primary health unit) | number | nm | nm | nm | 1 366 365 |
| Service delivery hours in community health care | number | nm | nm | nm | 902 600 |

Quality

| | | | | | |
|---|----------|----|----|----|-----|
| Agencies with satisfactorily completed Health Promotion Plans | per cent | nm | nm | nm | 100 |
|---|----------|----|----|----|-----|

Cost

| | | | | | |
|-------------------|------------|-------|-------|-------|-------|
| Total output cost | \$ million | 107.4 | 113.6 | 118.3 | 119.2 |
|-------------------|------------|-------|-------|-------|-------|

School Nursing

Provision of appropriate health promotion and individual health care and support to young people.

Quantity

| | | | | | |
|--|--------|--------|--------|--------|--------|
| Prep aged students assessed by school nurses | number | 57 000 | 57 600 | 57 600 | 57 000 |
| Designated schools receiving secondary school nursing services | number | nm | 199 | 199 | 199 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Quality</i> | | | | | |
| Proportion of prep aged students assessed by school nurses | per cent | nm | 90 | 90 | 90 |
| Primary school aged students with completed care plans receiving follow-up care | per cent | 100 | 100 | 100 | 100 |
| Secondary school annual action plans completed | per cent | nm | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 12.9 | 13.3 | 13.3 | 13.1 |
| Primary Health Service System Development and Resourcing | | | | | |
| Workforce, community and service development projects that support the community and primary health service sector and improve the quality and targeting of services. | | | | | |
| <i>Quantity</i> | | | | | |
| Primary Care Partnerships with reviewed and updated Community Health Plans | per cent | 100 | 100 | 100 | 100 |
| Better Health Channel internet sessions (visits) | number ('000) | nm | 1 440 | 3 400 | 3 000 |
| Better Health Channel internet enquiries (page views) | number ('000) | 5 018 | 5 000 | 8 500 | 8 000 |
| <i>Quality</i> | | | | | |
| Number of Better Health Channel articles | number | 1 175 | 1 250 | 1 250 | 1 250 |
| <i>Timeliness</i> | | | | | |
| Better Health Channel accessible 24 hours a day | per cent | 100 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 34.3 ^(a) | 21.4 | 24.8 | 20.4 ^(b) |

Source: Department of Human Services

Notes:

- (a) Includes the transfer of Better Health Channel previously reported under the Acute Health outputs.
- (b) Reduction in 2003-04 output cost due to cessation of non-recurrent National Health Development funds from the Commonwealth and capital grants to non-budget sector agencies.

Dental Health

Dental Health Services include a range of specialist, community, school and preschool dental services for eligible Victorians.

The Dental Health outputs below make a significant contribution to the achievement of the following objectives:

- Building sustainable, well managed and efficient human services;
- Providing timely and accessible human services;
- Improving service safety and quality of human services;
- Promoting least intrusive human service options;
- Strengthening the capacity of individuals, families and communities; and
- Reducing inequalities in health and wellbeing.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Dental Services

A range of dental health services to support health and wellbeing in the community.

Quantity

| | | | | | |
|---|--------|---------|---------|---------|------------------------|
| Community, school, preschool and specialist services (dental service units) | number | 610 981 | 624 300 | 624 000 | 616 000 ^(a) |
|---|--------|---------|---------|---------|------------------------|

Quality

| | | | | | |
|--|----------|-------|-------|-------|-------|
| Ratio of emergency to general courses of dental care | ratio | 59:41 | 49:51 | 56:44 | 49:51 |
| Disadvantaged students accessing School Dental Care | per cent | 80 | 80 | 80 | 80 |

Timeliness

| | | | | | |
|--|--------|----|----|----|----|
| Waiting time for restorative dental care | months | 23 | 22 | 24 | 22 |
| Waiting time for dentures | months | 24 | 24 | 28 | 24 |

Cost

| | | | | | |
|-------------------|------------|------|------|---------------------|------|
| Total output cost | \$ million | 71.1 | 74.0 | 76.9 ^(b) | 76.6 |
|-------------------|------------|------|------|---------------------|------|

Dental Service System Development and Resourcing

Workforce, community and service development projects that support the Dental Health service sector and improve the quality and targeting of dental health services.

Quantity

| | | | | | |
|---|--------|--------|--------|--------|-----------------------|
| Dental service system development and resourcing (dental service system resourcing units) | number | 14 300 | 14 300 | 14 300 | 23 000 ^(c) |
|---|--------|--------|--------|--------|-----------------------|

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Cost | | | | | |
| Total output cost | \$ million | 10.6 | 10.0 | 10.0 | 12.2 |

Source: Department of Human Services

Notes:

- (a) Decreased 2003-04 target due to shortage of dental therapists and increases in the costs of private denture services.*
- (b) 2002-03 expected outcome is higher than the 2002-03 target due to additional allocation of non recurrent funding to stabilise waiting lists.*
- (c) Increased 2003-04 target reflects new funding for workforce training.*

Public Health

Public Health includes the provision of leadership, support and services that promote and protect the health and wellbeing of all Victorians in partnership with key stakeholders and communities.

The Public Health outputs below make a significant contribution to the achievement of the following objectives:

- Building sustainable, well managed and efficient human services;
- Providing timely and accessible human services;
- Improving service safety and quality of human services;
- Promoting least intrusive human service options;
- Strengthening the capacity of individuals, families and communities; and
- Reducing inequalities in health and wellbeing.

| <i>Major Outputs/Deliverables</i> | <i>Unit of Measure</i> | <i>2001-02 Actual</i> | <i>2002-03 Target</i> | <i>2002-03 Expected Outcome</i> | <i>2003-04 Target</i> |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Communicable Disease Prevention and Control | | | | | |
| Reduces risk to the Victorian community from communicable disease, including sexually transmissible infections, through the implementation of patient focused and population focused control strategies based on surveillance and risk assessment. Reduces the incidence and prevalence of vaccine preventable diseases through maintenance of high levels of immunisation coverage. | | | | | |
| <i>Quantity</i> | | | | | |
| Screens for preventable illness (TB undertakings) | number | 2 949 | 2 500 | 2 500 | 2 500 |
| <i>Quality</i> | | | | | |
| Immunisation coverage: | | | | | |
| • At 2 years of age | per cent | 88.3 | 90 | 90 | 90 |
| • At school entry | per cent | 85.6 | 87 | 87 | 87 |
| • Pre-adolescent (year 7) students fully immunised for Hepatitis B | per cent | 80.6 | 82 | 82 | 82 |
| • At 65+ years of age (influenza) | per cent | 81 | 80 | 80 | 80 |
| <i>Timeliness</i> | | | | | |
| Infectious disease outbreaks responded to within 24 hours | per cent | nm | nm | nm | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | | 59.7 | 67.8 | 91.3 ^(a) | 86.7 ^(a) |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|------------------------|
| Performance Measures | | | | | |
| Non-Communicable Disease Prevention and Control | | | | | |
| Provides policy and funding for cancer screening and surveillance; contributes to national policy on priorities for cancer; manages statewide program for genetics (clinical and laboratory); authoritative source of evidence for Government on the health and determinants of health of Victorians through population health surveillance, perinatal morbidity and mortality surveillance. | | | | | |
| <i>Quantity</i> | | | | | |
| Screens for preventable illness (cancer screening, genetic screenings) | number | 971 533 | 993 400 | 960 000 | 957 700 ^(b) |
| <i>Quality</i> | | | | | |
| Perinatal morbidity notices received, processed and reported | per cent | nm | nm | nm | 100 |
| <i>Timeliness</i> | | | | | |
| Target population screened within specified timeframe for breast cancer | per cent | 60 | 58 | 60 | 63 |
| Target population screened within specified timeframe for cervical cancer | per cent | 67 | 70 | 67 | 67 |
| <i>Cost</i> | | | | | |
| Total output cost | | 37.7 | 39.1 | 40.2 | 42.1 |
| Public Health Training | | | | | |
| Victorian Public Health Training Scheme ensures the maintenance of a high quality public health workforce in Victoria through the provision of Public Health registrar position training within the requirements of the Australasian Faculty of Public Health Medicine and support to the Master of Public Health consortium and the Victorian Public Health Research and Education Council. | | | | | |
| <i>Quantity</i> | | | | | |
| DHS funded Public Health training positions | number | 12 | 12 | 12 | 12 |
| <i>Quality</i> | | | | | |
| Graduating Public Health trainees achieving Master of Health Science (La Trobe University) qualification | per cent | nm | nm | nm | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | | 3.8 | 2.7 | 2.7 | 2.7 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Research and Ethics

Develops and implements policy associated with public health research funding. Ensures that programs supporting biotechnologies consider ethical, community and health and safety issues arising from their use. Provision of policy advice on aspects of infertility, abortion and the derivation of embryonic stem cells.

Quantity

| | | | | | |
|--|----------|----|----|----|----|
| National Health and Medical Research grant funding received by research institutes in Victoria | per cent | 15 | 15 | 15 | na |
| Funded Public Health projects for which satisfactory reports have been received | per cent | 90 | 90 | 90 | 90 |

Quality

| | | | | | |
|---|----------|-----|-----|-----|----|
| Supported grants that are peer reviewed | per cent | 100 | 100 | 100 | na |
|---|----------|-----|-----|-----|----|

Cost

| | | | | | |
|-------------------|--|------|------|------|---------------------|
| Total output cost | | 31.0 | 35.8 | 35.8 | 17.6 ^(c) |
|-------------------|--|------|------|------|---------------------|

Health and Social Development

Develops and implements planning, health promotion and primary prevention strategies aimed at improving the health and wellbeing of Victorians particularly targeting inequalities and utilising strategic partnerships.

Quantity

| | | | | | |
|---|----------|-----|---------|---------|---------|
| Local agencies and Primary Care Partnerships supported to develop the health promotion component of Community Health | number | 32 | 32 | 32 | na |
| People who have undertaken funded health promotion training or a professional development program | number | 634 | 450 | 450 | na |
| Practitioners in targeted locations who have participated in training/education in the new service intervention model | per cent | nm | nm | nm | 70 |
| Community agencies in targeted locations participating in community obesity prevention strategies | per cent | nm | nm | nm | 85 |
| Visits to the Public Health internet web site | number | nm | 600 000 | 700 000 | 700 000 |
| FarmSafe Groups that implement injury prevention activities | per cent | nm | nm | nm | 100 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Quality</i> | | | | | |
| Parents receiving Child Health Records | per cent | 97 | 98 | 98 | na |
| Funded health development initiatives for which evaluation reports are required and have been received | per cent | 100 | 100 | 100 | na |
| Local Government Authorities with Municipal Public Health Plans | per cent | nm | nm | nm | 80 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 30.0 | 31.1 | 31.4 ^(d) | 29.8 ^(e) |
| Environmental Health and Safety | | | | | |
| Reduces and manages the public health risks associated with air, land, water, chemicals and other aspects of the environment in Victoria through risk assessment approaches, emergency response, information and advice, education and training, regulation and the provision of statutory services. | | | | | |
| <i>Quantity</i> | | | | | |
| Environmental health inspections and investigations undertaken | number | 2 860 | 2 900 | 2 900 | 2 900 |
| Number of people trained in emergency response | number | nm | nm | nm | 1000 |
| <i>Quality</i> | | | | | |
| Public Health emergency response calls dealt with within designated plans and procedure timelines | per cent | 100 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 5.3 | 5.2 | 5.2 | 5.2 |
| Food Safety | | | | | |
| Continually improves the safety of food in Victoria through administration of the regulatory system together with the provision of education and information to food businesses and the general community. | | | | | |
| <i>Quantity</i> | | | | | |
| Food Safety Program Templates registered | number | 8 | 10 | 10 | 10 |
| <i>Quality</i> | | | | | |
| Level of participant satisfaction with Food Safety Training Programs | per cent | 75 | 80 | 90 | 80 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| Average time taken from notification to commencement of enforcement action | hours | 24 | 24 | 24 | 24 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 3.2 | 3.0 | 3.0 | 3.0 |
| Koori Health and Multicultural Policy | | | | | |
| Supports policy and service development that improves health and wellbeing outcomes for Aboriginal people in Victoria, particularly by supporting access to culturally appropriate health services through the work of Koori Hospital Liaison Officers. Service access for people from culturally and linguistically diverse backgrounds is supported through the funding of language services. | | | | | |
| <i>Quantity</i> | | | | | |
| Regions with Regional Aboriginal Plans and Regional Aboriginal Advisory Committees | per cent | nm | nm | nm | 100 |
| <i>Quality</i> | | | | | |
| Complete accurate Hospital Admissions Report submitted | per cent | nm | nm | nm | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 3.0 | 3.6 | 3.7 | 3.8 |

Source: Department of Human Services

Notes:

- (a) *Includes additional recurrent and non recurrent funding from the Commonwealth for vaccines.*
- (b) *The 2003-04 target reflects a reduction in demand for cervical screening due to a change in national screening guidelines.*
- (c) *Reduction between 2002-03 and 2003-04 reflects Machinery of Government transfer of Biomedical Research to Department of Innovation, Industry and Regional Development.*
- (d) *Includes non recurrent National Health Development funds which expire 30 June 2003.*
- (e) *The reduction in 2003-04 output cost is due to cessation of non-recurrent National Health Development funds from the Commonwealth.*

Drugs Services

Drugs Services include the provision of programs to promote and protect the health and wellbeing of all Victorians by reducing death, disease and social harm caused by the use and misuse of licit and illicit drugs.

The Drugs Services outputs below make a significant contribution to the achievement of the following objectives:

- Building sustainable, well managed and efficient human services;
- Providing timely and accessible human services;
- Improving service safety and quality of human services;
- Promoting least intrusive human service options;
- Strengthening the capacity of individuals, families and communities; and
- Reducing inequalities in health and wellbeing.

| <i>Major Outputs/Deliverables</i> Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Drug Prevention and Control

Encourages all Victorians to minimise the harmful effects of illicit and licit drugs including tobacco and alcohol by providing a comprehensive range of strategies which focus on enhanced community and professional education, targeted prevention and early intervention, and the use of effective regulation.

Quantity

| | | | | | |
|---|---------------|-------|-------|-------|-------|
| GPs trained to prescribe pharmacotherapy | number | 58 | 60 | 60 | 60 |
| Participants in peer education programs for injecting drug users | number | 172 | 300 | 300 | 300 |
| Contacts through Family Drug Help | number | 3 796 | 3 000 | 3 000 | 3 000 |
| Needles provided through the Needle and Syringe Program | number ('000) | 4 760 | 4 000 | 5 000 | 5 500 |
| Licences and permits for supply or use of drugs and poisons | number | nm | 1 590 | 1 590 | 1 590 |
| Inspected restaurants, cafes and dining areas complying with smoke free dining | per cent | 98 | 75 | 98 | na |
| Restaurants, cafes, gaming areas, bingo centres, shopping centres and pubs and clubs complying with smoke free environment laws | per cent | nm | nm | nm | 90 |

Quality

| | | | | | |
|---|----------|----|----|----|----|
| Local councils trained in tobacco reforms | per cent | 93 | 85 | 85 | na |
|---|----------|----|----|----|----|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Pharmacotherapy permits processed within designated timeframe | per cent | nm | nm | nm | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 4.8 | 5.0 | 6.4 | 8.3 ^(a) |
| Drug Treatment and Rehabilitation | | | | | |
| Assists the community and individuals to control and reduce the harmful effects of illicit and licit drugs including alcohol in Victoria through the provision of residential and community-based services which include withdrawal services, rehabilitation, supported accommodation, education and training, counselling and support. | | | | | |
| <i>Quantity</i> | | | | | |
| Commenced courses of treatment: | | | | | |
| • residential based drug treatment services | number | nm | nm | nm | 5 810 |
| • community-based drug treatment services | number | nm | nm | nm | 32 690 |
| Clients on the pharmacotherapy program | number | 7 700 | 7 000 | 7 000 | 7 000 |
| <i>Quality</i> | | | | | |
| Successful courses of treatment | per cent | 93 | 85 | 85 | na |
| Successful courses of treatment (Episodes of care): | | | | | |
| • Residential based drug treatment services | number | 5 356 | 6 700 | 5 400 | 5 400 ^(b) |
| • Community-based drug treatment services | number | 30 884 | 35 800 | 30 430 | 30 400 ^(b) |
| • Drug counselling, consulting and continuing care | number | 12 895 | 13 600 | 13 600 | 13 600 ^(b) |
| <i>Timeliness</i> | | | | | |
| Average working days between screening of client and commencement of residential based drug treatment | number | 3 | 9 | 6 | 6 |
| Average working days between screening of client and commencement of community-based drug treatment | number | 1 | 5 | 3 | 3 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 50.5 | 52.8 | 61.3 | 75.6 ^(a) |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Drug Service System Development and Resourcing | | | | | |
| Workforce, research, community development projects that support the Drug Service sector and improve the quality and targeting of drugs prevention and treatment services. | | | | | |
| <i>Quantity</i> | | | | | |
| Training program units delivered | number | nm | nm | nm | 10 |
| Evaluation, research and development projects satisfactorily completed | number | nm | nm | nm | 6 |
| <i>Quality</i> | | | | | |
| Alcohol and Drug workers accredited | per cent | nm | nm | nm | 85 |
| Drug Services accredited | per cent | nm | nm | nm | 75 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 7.0 | 7.3 | 8.5 | 14.7 ^(a) |

Source: Department of Human Services

Notes:

- (a) 2003-04 Budget includes funding for the Victorian Drugs Strategy from the Community Support Fund (CSF). CSF funds for drugs programs for earlier years were included under the Department of Premier and Cabinet.
- (b) This measure has been renamed and moved from being a quantity measure to being a quality measure. This reflects the fact that changes in the counting rules for this measure only record successfully completed courses and therefore the 2002-03 expected outcome and 2003-04 target excludes unsuccessful attempts at treatment.

Disability Services

Disability Services include provision of continuing care and support services for people with disabilities, their carers and their families.

The Disability Services outputs below make a significant contribution to the achievement of the following objectives:

- Building sustainable, well managed and efficient human services;
- Providing timely and accessible human services;
- Improving service safety and quality of human services;
- Promoting least intrusive human service options;
- Strengthening the capacity of individuals, families and communities; and
- Reducing inequalities in health and wellbeing.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Intake Assessment

Assessment of eligibility, referrals and provision of advice regarding availability of services and service options.

Quantity

| | | | | | |
|--|--------|-------|-------|-------|-------|
| Eligibility assessments completed a year | number | 1 205 | 1 000 | 1 000 | 1 000 |
|--|--------|-------|-------|-------|-------|

Timeliness

| | | | | | |
|---|----------|----|----|----|----|
| Eligibility assessments undertaken within 30 days | per cent | 80 | 75 | 85 | 90 |
|---|----------|----|----|----|----|

Cost

| | | | | | |
|-------------------|------------|------|------|------|------|
| Total output cost | \$ million | 15.0 | 15.4 | 15.2 | 15.9 |
|-------------------|------------|------|------|------|------|

Planning and Coordination

Services to people who require assistance with the co-ordination of services and accessing necessary resources to maximise their independence and participation in the community. Includes assessment of needs, development of plans, implementation and monitoring of goals.

Quantity

| | | | | | |
|--|--------|-------|-------|-------|-------|
| Clients receiving case management services | number | 5 592 | 4 950 | 5 000 | 5 300 |
|--|--------|-------|-------|-------|-------|

| | | | | | |
|--|--------|-------|-------|-------|-------|
| General Service Plans completed a year | number | 3 071 | 2 300 | 3 000 | 3 000 |
|--|--------|-------|-------|-------|-------|

Quality

| | | | | | |
|---|----------|----|----|----|----|
| Case Management outlets reporting a minimum of two planned quality improvement activities in the forthcoming year | per cent | 97 | 90 | 90 | 90 |
|---|----------|----|----|----|----|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|--------------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| Average case management waiting time | days | 40 | 60 | 55 | 55 |
| General Service Plans reviewed within timelines | per cent | 84 | 83 | 83 | 83 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 20.1 | 21.6 | 21.9 | 23.8 |
| Primary Support | | | | | |
| A range of programs and services aimed at maintaining and increasing the functional independence of people with disabilities and supporting primary caregiving relationships by providing respite for families and carers. | | | | | |
| <i>Quantity</i> | | | | | |
| Carer households provided with a respite service | number | 11 090 | 10 250 | 10 250 | na |
| Clients accessing aids and equipment | number | 31 300 | 23 040 | 23 040 | 23 040 |
| Episodes of respite provided | number | nm | nm | nm | 15 420 |
| <i>Quality</i> | | | | | |
| Clients satisfied with the aids and equipment services system | per cent | 93 | 85 | 85 | 85 |
| Carer households satisfied with quality of respite service provided | per cent | 91 | 80 | 80 | 80 |
| <i>Timeliness</i> | | | | | |
| Clients either in receipt of equipment or sent written acknowledgment of Aids and Equipment applications within 10 working days | per cent | nm | 90 | 90 | 90 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 75.2 | 73.4 | 78.6 | 79.3 |
| Community Participation and Inclusion | | | | | |
| A broad range of activities aimed at addressing individual needs and promoting community building to further independence, community participation and inclusion together with the provision of support to facilitate transition from the school system to the community. | | | | | |
| <i>Quantity</i> | | | | | |
| Number of community forums and training programs conducted | number | 2 179 ^(a) | 200 | 750 | na |
| Clients with day activities | number | 7 513 | 7 700 | 7 700 | 7 700 |
| Futures for Young Adults (FFYA) clients | number | 4 895 | 5 160 | 5 160 | 5 160 |
| 86 | Human Services | Budget Estimates 2003-04 | | | |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| Day activity clients program plans reviewed within 60 days of the end of each 12 month service period | per cent | 92 | 90 | 90 | 90 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 136.4 | 141.9 | 156.4 | 159.8 |
| Individual Support | | | | | |
| Individually tailored and case managed packages of support and home-based services provided to clients of assessed high needs including flexible support for families and unpaid carers aimed at preventing future long term residential placement. | | | | | |
| <i>Quantity</i> | | | | | |
| Clients receiving flexible care packages | number | 3 285 | 3 300 | 3 600 | na |
| Clients receiving Community and Home-Based Support | number | 2 343 | 2 390 | 2 390 | na |
| Clients receiving Individual Support | number | nm | nm | nm | 6 920 |
| <i>Quality</i> | | | | | |
| Outlets reporting a minimum of two planned quality improvement activities in the forthcoming year | per cent | 93 | 90 | 90 | 90 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 66.1 | 77.5 | 84.3 | 94.8 |
| Shared Supported Accommodation | | | | | |
| Accommodation support services provided to groups of clients in community-based settings. | | | | | |
| <i>Quantity</i> | | | | | |
| Clients in Shared Supported Accommodation | number | 4 242 | 4 375 | 4 375 | 4 435 |
| <i>Quality</i> | | | | | |
| Outlets reporting a minimum of two planned Quality improvement activities in the forthcoming year | per cent | 96 | 90 | 90 | 90 |
| <i>Timeliness</i> | | | | | |
| Shared Supported Accommodation client program plans reviewed within 60 days of the end of each 12 month service period | per cent | 98 | 90 | 95 | 95 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 317.1 | 332.1 | 349.8 | 359.5 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|--------------------------|-----------------------|---------------------------------|-----------------------|
| Specialist Services | | | | | |
| Assessment, consultation and intervention services for people with highly complex and challenging behaviours. | | | | | |
| <i>Quantity</i> | | | | | |
| Clients receiving Specialist Services | number | 1 376 | 1 900 | 2 000 | 2 000 |
| <i>Quality</i> | | | | | |
| Clients referred to the same service type more than once in an 18 month period | per cent | 3 | 10 | 5 | 5 |
| <i>Timeliness</i> | | | | | |
| Clients waiting less than one month for specialist services | per cent | 45 | 75 | 55 | 75 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 11.5 | 11.6 | 11.7 | 13.7 |
| Congregate Care | | | | | |
| Centre-based residential accommodation and training services. | | | | | |
| <i>Quantity</i> | | | | | |
| Clients in Training Centres | number | 794 | 695 | 695 | 635 |
| <i>Quality</i> | | | | | |
| Training Centre Clients with appropriate day activities | per cent | 99 | 95 | 98 | 98 |
| Total accommodation and support clients in Training Centres | per cent | 11 | 10 | 10 | 8 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 74.3 | 78.4 | 80.2 | 82.0 |
| Quality | | | | | |
| Quality improvement and assurance activities including assessments against service standards and performance reviews, provision of competency-based induction and in-service training, research, and innovation funding aimed at enhancing service delivery. | | | | | |
| <i>Quantity</i> | | | | | |
| Number of service reviews/performance audits | number | 310 | 340 | 340 | na |
| Staff Undertaking Certificate 4 in Community Services (Disability Work) | number | nm | 900 | 900 | 900 |
| <i>Quality</i> | | | | | |
| Eligible providers participating in a quality self-assessment process | per cent | 80 | 100 | 100 | na |
| Outlets with an annual quality plan | per cent | nm | nm | nm | 100 |
| 88 | Human Services | Budget Estimates 2003-04 | | | |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| Staff obtaining induction training within three months of commencing employment | per cent | 85 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 7.5 | 9.4 | 9.7 | 10.3 |
| Information and Advocacy Services | | | | | |
| Information, assistance and advocacy support to people with disabilities | | | | | |
| <i>Quantity</i> | | | | | |
| Clients receiving advocacy support | number | 1 120 | 910 | 1 000 | 1 000 |
| <i>Quality</i> | | | | | |
| Websites compliant with appropriate guidelines for accessibility | per cent | 100 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 5.1 | 5.2 | 5.2 | 5.3 |

Source: Department of Human Services

Note:

- (a) 2001-02 actual figure reflects inclusion of a wider range of community planning activities in the measures for that year. The measure was modified in 2002-03 to include only major forums and training programs.

Child Protection and Placement

The Child Protection and Placement funds statutory child protection services, placement services, adoption and permanent care services, and specialist support services, to ensure the safety and wellbeing of adolescents and children at risk of harm, abuse and neglect.

The Child Protection and Placement outputs below make a significant contribution to the achievement of the following objectives:

- Building sustainable, well managed and efficient human services;
- Providing timely and accessible human services;
- Improving service safety and quality of human services;
- Strengthening the capacity of individuals, families and communities; and
- Reducing inequalities in health and wellbeing.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Statutory Child Protection Services

Child protection services to ensure the safety and wellbeing of children and young people at risk of harm, abuse and neglect.

Quantity

| | | | | | |
|--|--------|--------|--------|--------|--------|
| Notifications to child protection services | number | 37 976 | 39 530 | 37 600 | 37 410 |
|--|--------|--------|--------|--------|--------|

Quality

| | | | | | |
|---|----------|------|----|----|----|
| Children and young people who were the subject of an investigation which led to a decision not to substantiate, who were subsequently the subject of a substantiation within three months of case closure | per cent | nm | 7 | 5 | 7 |
| Protective cases re-substantiated within 12 months of case closure | per cent | 20.7 | 20 | 21 | 20 |

Timeliness

| | | | | | |
|---|----------|----|----|----|----|
| Protective intervention cases closed with 90 days | per cent | 70 | 80 | 70 | na |
| Investigations commencing within 14 calendar days of notification | per cent | nm | 95 | 75 | 90 |

Cost

| | | | | | |
|-------------------|------------|-------|----------------------|-------|-------|
| Total output cost | \$ million | 105.6 | 109.1 ^(a) | 108.7 | 111.0 |
|-------------------|------------|-------|----------------------|-------|-------|

Child Protection Specialist Services

Specialist case management, treatment and support services for children and young people at risk of harm, abuse and neglect.

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Quantity</i> | | | | | |
| Daily average number of clients receiving a specialist support service | number | 1 116 | 1 000 | 1 200 | na |
| Total number of clients receiving a specialist assessment and treatment service | number | nm | nm | nm | 2 100 |
| <i>Quality</i> | | | | | |
| Clients referred by DHS Child Protection to the Intensive Therapeutic Service more than once in a 12 month period | per cent | nm | nm | nm | 15 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 21.8 | 22.5 ^(a) | 23.2 | 27.3 |

Placement and Support Services

Placement services for children and young people who are unable to live with their family due to issues of abuse or neglect.

Quantity

| | | | | | |
|------------------------------------|--------|-------|-------|-------|-------|
| Daily average number of placements | number | 3 997 | 3 745 | 4 083 | 4 200 |
|------------------------------------|--------|-------|-------|-------|-------|

Quality

| | | | | | |
|--|----------|----|----|----|----|
| Children and young people in out of home care who have had three or more placements in the last 12 months (not including placements at home) | per cent | nm | 15 | 15 | 15 |
| Proportion of placements that are Home-based Care | per cent | 88 | 85 | 89 | 85 |

Cost

| | | | | | |
|-------------------|------------|-------|----------------------|-------|-------|
| Total output cost | \$ million | 118.5 | 122.5 ^(a) | 127.0 | 131.5 |
|-------------------|------------|-------|----------------------|-------|-------|

Source: Department of Human Services

Note:

(a) 2002-03 target adjusted to reflect revised apportionment of overhead and indirect costs.

Juvenile Justice Services

The Juvenile Justice Services fund a range of services including the provision of advice to court, community-based and custodial supervision, as well as support services that promote community connection and minimise the likelihood of re-offending.

The Juvenile Justice Services outputs below make a significant contribution to the achievement of the following objectives:

- Building sustainable, well managed and efficient human services;
- Providing timely and accessible human services;
- Improving service safety and quality of human services;
- Strengthening the capacity of individuals, families and communities; and
- Reducing inequalities in health and wellbeing.

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Juvenile Justice Custodial Services | | | | | |
| Custodial services for young people ordered by a court to be placed in a juvenile justice custodial facility. | | | | | |
| <i>Quantity</i> | | | | | |
| Male Senior Youth Training Centre (YTC) occupancy rate | per cent | 83.8 | 85 | 80 | 85 |
| Male Senior YTC custodial capacity | number | 125 | 125 | 125 | 125 |
| Male Junior YRC/YTC and Female occupancy rate | per cent | nm | nm | nm | 65 |
| Male Junior YRC/YTC and Female custodial capacity | number | nm | 91 | 91 | 91 |
| <i>Quality</i> | | | | | |
| Juvenile Justice clients participating in pre release activities | per cent | nm | nm | nm | 80 |
| <i>Timeliness</i> | | | | | |
| Young people on supervised orders who have a client service plan completed within six weeks of commencement of the order | per cent | 93.9 | 95 | 95 | 95 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 42.3 | 47.2 ^(a) | 49.2 ^(b) | 47.3 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Juvenile Justice Community Based Services | | | | | |
| Community-based supervision and support services for young people ordered by a court to be placed on a community-based order and specialist support services that provide advice to the court, promote community connection and minimise the likelihood of re-offending. | | | | | |
| <i>Quantity</i> | | | | | |
| Juvenile Justice clients on community-based orders | number | nm | nm | nm | 800 |
| Juvenile Justice clients on community-based orders | per cent | 81.0 | 80 | 83 | 80 |
| <i>Quality</i> | | | | | |
| Juvenile Justice clients participating in community integration (pre-release partnership) program | per cent | 10.25 | 12.5 | 11 | na |
| Juvenile Justice clients participating in post release support activities | per cent | 94.2 | 80 | 95 | 90 |
| <i>Timeliness</i> | | | | | |
| Young people on supervised orders who have a client service plan completed within six weeks of commencement of the order | per cent | 93.9 | 95 | 95 | 95 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 17.0 | 19.0 ^(a) | 19.8 ^(b) | 18.8 |

Source: Department of Human Services

Notes:

(a) 2002-03 target adjusted to reflect revised apportionment of overhead and indirect costs.

(b) 2002-03 expected outcome includes funding for one off items.

Early Childhood Services

The Early Childhood Services fund a range of services providing support to children in the early years, including preschool and child care, maternal and child health and early intervention services for children with a disability.

The Early Childhood Services outputs below make a significant contribution to the achievement of the following objectives:

- Building sustainable, well managed and efficient human services;
- Providing timely and accessible human services;
- Improving service safety and quality of human services;
- Strengthening the capacity of individuals, families and communities; and
- Reducing inequalities in health and wellbeing.

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Maternal and Child Health Services

Community-based maternal and child health services available to all families with children aged 0-6 years that provide developmental health surveillance, early intervention, parenting support and health education.

Quantity

| | | | | | |
|---|--------|--------|--------|--------|-----------------------|
| Total number of clients ^(a) | number | 58 976 | 58 609 | 58 609 | 58 900 ^(b) |
| Calls to the Maternal and Child Health Line | number | 54 203 | 52 800 | 52 800 | 52 800 |

Quality

| | | | | | |
|--|----------|---|---|---|---|
| Maternal and child health clients with children aged 0-1 years receiving enhanced maternal and child health services | per cent | 7 | 7 | 7 | 7 |
|--|----------|---|---|---|---|

Timeliness

| | | | | | |
|--|----------|----|----|----|----|
| Children 0-1 month enrolled at Maternal and Child Health services from birth notifications | per cent | 98 | 98 | 98 | 98 |
|--|----------|----|----|----|----|

Cost

| | | | | | |
|-------------------|------------|------|---------------------|------|------|
| Total output cost | \$ million | 21.4 | 22.2 ^(c) | 23.1 | 25.0 |
|-------------------|------------|------|---------------------|------|------|

Preschool and Child Care Services

Provision of preschool and child care services. These services include the licensing and monitoring of centre-based children's services, and specialist services to improve access to preschools for disadvantaged children.

Quantity

| | | | | | |
|------------------------------|----------|--------|--------|--------|--------|
| Total number of clients | number | 63 744 | 65 046 | 64 678 | 67 000 |
| Preschool participation rate | per cent | 96.3 | 96 | 96 | 96 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| <i>Quality</i> | | | | | |
| Funded preschool services with a quality assurance process | per cent | 89.5 | 94 | 90 | 94 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 102.5 | 106.3 ^(c) | 105.7 | 117.8 |
| Early Childhood Intervention Services | | | | | |
| A range of services and support for children with a developmental delay or disability and their families. | | | | | |
| <i>Quantity</i> | | | | | |
| Total number of clients | number | 15 795 | 9 000 | 9 000 | 8 010 ^(d) |
| <i>Quality</i> | | | | | |
| Families sampled who are satisfied with the service provided | per cent | nm | nm | nm | 85 |
| <i>Timeliness</i> | | | | | |
| Support plans completed within 4 weeks of service commencement | per cent | nm | nm | nm | 80 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 37.8 | 39.2 ^(c) | 39.1 | 41.8 |

Source: Department of Human Services

Notes:

- (a) The total number of clients figure is based on the number of enrolled children aged 0-1 years. The Maternal and Child Health program supports all families with children from birth to school entry.
- (b) The increase in target from 2002-03 to 2003-04 reflects the projected demographic increase in 2003-04 in the number of infants attending the Maternal and Child Health Service.
- (c) 2002-03 target adjusted to reflect revised apportionment of overhead and indirect costs.
- (d) The decline in target from 2002-03 to 2003-04 results from the transfer of the Strengthening Parent Support Program from the Early Childhood Intervention Services Output to the Support Services for Families Output.

Family and Community Support

The Family and Community Support funds a range of services providing support to families, individuals and the community comprising support services for families, a range of counselling services, neighbourhood houses and networks, and community development initiatives.

The Family and Community Support outputs below make a significant contribution to the achievement of the following objectives:

- Building sustainable, well managed and efficient human services;
- Providing timely and accessible human services;
- Improving service safety and quality of human services;
- Strengthening the capacity of individuals, families and communities; and
- Reducing inequalities in health and wellbeing.

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Support Services for Families

A range of services for families: family services, parenting services, early parenting centres and the *Parentline* telephone counselling service.

Quantity

| | | | | | |
|---|--------|---------|---------|---------|-----------------------|
| Total number of calls/contacts/ occasions of service | number | 279 000 | 249 700 | 250 000 | na |
| Total number of clients | number | 20 217 | 24 474 | 21 628 | 25 700 ^(a) |

Quality

| | | | | | |
|------------------------------|----------|----|----|----|----|
| Agencies with a quality plan | per cent | nm | nm | nm | 75 |
|------------------------------|----------|----|----|----|----|

Timeliness

| | | | | | |
|--|----------|----|----|----|----|
| Family Services clients receiving an initial response within 10 working days of referral | per cent | nm | nm | nm | 80 |
|--|----------|----|----|----|----|

Cost

| | | | | | |
|-------------------|------------|------|---------------------|------|------|
| Total output cost | \$ million | 46.3 | 47.8 ^(b) | 50.0 | 49.2 |
|-------------------|------------|------|---------------------|------|------|

Community Support Services

A range of services for the community: financial counselling, problem gambling, youth services, neighbourhood houses and community development initiatives.

Quantity

| | | | | | |
|--|--------|---------|---------|---------|--------|
| Funded hours of neighbourhood houses coordination | number | 314 100 | 314 100 | 314 100 | na |
| Total number of clients | number | nm | 27 700 | 27 700 | 28 300 |

Quality

| | | | | | |
|---|----------|------|----|----|----|
| Families expressing satisfaction with Parentline | per cent | 96.3 | 98 | 96 | na |
| Agencies with a quality plan | per cent | nm | nm | nm | 75 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| Financial counselling clients receiving an initial response within five working days | per cent | nm | 95 | 60 | 60 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 24.7 | 25.5 ^(b) | 26.1 | 26.8 |
| Personal Support Services | | | | | |
| A range of services for individuals: telephone services, family violence support services and sexual assault support services. | | | | | |
| <i>Quantity</i> | | | | | |
| Total number of clients receiving a family violence or sexual assault support service | number | nm | nm | nm | 12 500 |
| <i>Quality</i> | | | | | |
| Agencies with a quality plan | per cent | nm | nm | nm | 75 |
| <i>Timeliness</i> | | | | | |
| Sexual Assault Support Services clients receiving an initial response within five working days of referral | per cent | nm | nm | nm | 80 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 14.4 | 14.9 ^(b) | 15.6 | 15.3 |

Source: Department of Human Services

Notes:

- (a) The increase in target from 2002-03 to 2003-04 results from the transfer of the Strengthening Parent Support Program from the Early Childhood Intervention Services Output to the Support Services for Families Output.
- (b) 2002-03 target adjusted to reflect revised apportionment of overhead and indirect costs.

Concessions to Pensioners and Beneficiaries

Concessions to Pensioners and Beneficiaries include development and coordination of the delivery of concessions and relief grants to eligible consumers and concession card holders.

The Concessions to Pensioners and Beneficiaries outputs below make a significant contribution to the achievement of the following objective:

- Reducing inequalities in health and wellbeing.

| <i>Major Outputs/Deliverables</i> | <i>Unit of Measure</i> | <i>2001-02 Actual</i> | <i>2002-03 Target</i> | <i>2002-03 Expected Outcome</i> | <i>2003-04 Target</i> |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Energy Concessions

Provides a 17.5 per cent rebate off winter energy bills for eligible mains energy users and a \$66 rebate for eligible non-mains users.

Quantity

| | | | | | |
|--|--------|---------|---------|---------|---------|
| Households receiving mains electricity concessions | number | 685 231 | 733 000 | 733 000 | 740 330 |
| Households receiving mains gas concessions | number | 531 637 | 523 000 | 523 000 | 528 230 |
| Households receiving non-mains energy concessions | number | 20 552 | 23 300 | 23 300 | 23 533 |

Cost

| | | | | | |
|-------------------|------------|------|------|------|------|
| Total output cost | \$ million | 84.0 | 89.8 | 89.8 | 89.7 |
|-------------------|------------|------|------|------|------|

Water and Sewerage Concessions

Provides 50 per cent off water and sewerage charges up to a maximum of \$135 for eligible householders.

Quantity

| | | | | | |
|---|--------|---------|---------|---------|---------|
| Households receiving water and sewerage concessions | number | 516 218 | 530 000 | 530 000 | 535 300 |
|---|--------|---------|---------|---------|---------|

Cost

| | | | | | |
|-------------------|------------|------|------|------|------|
| Total output cost | \$ million | 61.0 | 72.2 | 64.0 | 67.6 |
|-------------------|------------|------|------|------|------|

Municipal Rates Concessions

Provides 50 per cent off rates and charges up to a value of \$135 for pensioner home owners.

Quantity

| | | | | | |
|--|--------|---------|---------|---------|---------|
| Households receiving pensioner concessions for municipal rates and charges | number | 396 300 | 399 000 | 393 000 | 396 930 |
|--|--------|---------|---------|---------|---------|

Cost

| | | | | | |
|-------------------|------------|------|------|------|------|
| Total output cost | \$ million | 49.1 | 53.6 | 48.7 | 54.7 |
|-------------------|------------|------|------|------|------|

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Trustee Services | | | | | |
| Financial administration and relief services for low income people or those who are subject to an order by the Victorian Civil and Administrative Tribunal. | | | | | |
| <i>Quantity</i> | | | | | |
| Number of services provided to State Trustee clients | number | 12 308 | 13 000 | 13 000 | 13 130 |
| <i>Quality</i> | | | | | |
| Compliance with standards | per cent | 90 | 90 | 90 | 90 |
| <i>Timeliness</i> | | | | | |
| Responses and ongoing management within agreed product specific service level | per cent | 90 | 90 | 90 | 90 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 5.9 | 4.9 | 6.6 | 6.7 |

Source: Department of Human Services

Housing Assistance

Housing Assistance includes provision of homelessness services, crisis and transitional accommodation and long term adequate, affordable and accessible housing assistance, coordinated with support services where required, and home renovation assistance and management of home loan portfolio.

The Housing Assistance outputs below make a significant contribution to the achievement of the following objectives:

- Building sustainable, well managed and efficient human services;
- Providing timely and accessible human services;
- Improving service safety and quality of human services;
- Promoting least intrusive human service options;
- Strengthening the capacity of individuals, families and communities; and
- Reducing inequalities in health and wellbeing.

| <i>Major Outputs/Deliverables</i> Performance Measures | <i>Unit of Measure</i> | <i>2001-02 Actual</i> | <i>2002-03 Target</i> | <i>2002-03 Expected Outcome</i> | <i>2003-04 Target</i> |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Homelessness Assistance

Supported Accommodation Assistance Program (SAAP) Services to people who are homeless or at risk of homelessness and who are in crisis. Short-term crisis housing in emergency or crisis situations. Medium term accommodation, linked to support services (particularly SAAP).

Quantity

| | | | | | |
|---|--------|--------|--------|--------|-------------------|
| Total SAAP support periods during year | number | 44 200 | 45 000 | 45 000 | 45 237 |
| Households assisted with Crisis/Transitional Housing during year | number | 15 700 | 16 500 | 16 500 | 16 700 |
| Households assisted with Housing Establishment assistance during year | number | 30 000 | 30 500 | 30 500 | 30 500 |
| Households assisted with private rental brokerage during year | number | nm | nm | nm | 50 |
| Additional Crisis Supported and Transitional Housing properties during year | number | 376 | 235 | 235 | 60 ^(a) |

Quality

| | | | | | |
|---|----------|----|----|----|----|
| SAAP support periods for which a case plan was required and developed | per cent | 85 | 85 | 85 | 85 |
|---|----------|----|----|----|----|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| SAAP closed support periods during which a housing/accommodation need was unable to be met | per cent | 19 | 18 | 18 | 17 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 125.9 | 114.8 | 121.5 | 102.8 |
| Long Term Housing Assistance | | | | | |
| Long-term rental accommodation assistance for low-income families, older persons, singles, youth and other households, co-ordinated with support services where required. | | | | | |
| Appropriate and secure housing to meet the social, cultural and economic aspirations of the Victorian Aboriginal community, managed by the Aboriginal Housing Board Victoria (AHBV). | | | | | |
| <i>Quantity</i> | | | | | |
| Households assisted with public rental housing (tenancies) at end of year | number | 62 423 | 62 500 | 62 500 | 62 500 |
| Households assisted with long term community housing (tenancies) at end of year | number | 5 800 | 6 000 | 6 000 | 6 000 |
| Koori Households assisted (tenancies) at end of year (AHBV) | number | 1 119 | 1 080 | 1 120 | 1 150 |
| Properties acquired during year for long term housing, including leases and joint ventures | number | 1 285 | 1 300 | 1 300 | 960 |
| Joint venture units delivered during year | number | 160 | 215 | 215 | 380 |
| Bonds issued during year | number | 12 461 | 13 600 | 13 600 | 13 600 |
| <i>Quality</i> | | | | | |
| Number of dwellings with major upgrade during year (including Neighbourhood Renewal upgrades) | number | 2 984 | 2 700 | 2 700 | 2 700 |
| Number of dwellings with major upgrade in Neighbourhood Renewal areas during year | number | nm | nm | nm | 700 |
| Tenants satisfied or very satisfied (measured by national customer satisfaction surveys) | per cent of national average | 94.25 | 95 | 95.6 | 95 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| <i>Timeliness</i> | | | | | |
| Average waiting time for those who have received early housing allocation | months | 3.7 | 4 | 6 | 5 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 307.3 | 325.9 | 178.3 ^(b) | 203.5 ^(b) |
| Home Ownership and Renovation Assistance | | | | | |
| Home Finance assistance and home renovation advice to aged or disabled home owners, to enable them to make their home safe and secure and continue independent living in their own homes. | | | | | |
| <i>Quantity</i> | | | | | |
| Home renovation inspection reports during year | number | 3 675 | 3 800 | 3 800 | 3 800 |
| <i>Quality</i> | | | | | |
| Clients satisfied with home renovation advice and service | per cent | nm | 90 | 90 | 90 |
| Loans in arrears by more than 30 days | per cent | 5.46 | 5 | 5 | 5 |
| <i>Timeliness</i> | | | | | |
| Time from request to receipt of home renovation advice | days | 20 | 20 | 20 | 20 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 0.2 | na ^(c) | na ^(c) | na ^(c) |

Source: Department of Human Services

Notes:

- (a) This measure represents additions to current stock, presently standing at 3 675 units. The lower level of additions in 2003-04 reflects a focus on creating exit points from Crisis Supported and Transitional Housing accommodation to longer-term housing solutions, a recommendation of the Victorian Homelessness Strategy.
- (b) The 2002-03 Revised and 2003-04 Budgets include a change in the accounting treatment of the Government's contribution to the Housing Asset Program. In accordance with UIG38, and as reflected in the audited Estimated Financial Statements and appropriation acts, the Government's contribution is now reported as contributed capital rather than output funding.
- (c) Since 2002-03, this output has been provided by the Office of Housing.

PART 2: FINANCIAL INFORMATION

Part 2 provides the financial statement that support reporting on the Department's provision of outputs. The information provided includes the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows for the Department as well as authority for resources.

The total resources made available to a department are applied to three uses:

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

The financial statements are presented in the format consistent with the AAS29 accounting standard. However, for the purposes of this paper they have been divided into controlled and administered items.

Administered items refer to those resources over which the Department cannot exercise direct control. Authority is provided through an appropriation for payments made on behalf of the State. Under the AAS29 standard, these items would normally appear as notes to the financial statements.

Financial Statements

The following tables can be used to assess the Department's financial performance and use of resources.

- **Table 2.2.2 – Statement of Financial Performance** – provides details of the Department's controlled revenue and expenses on an accrual basis reflecting the cost of providing its outputs;
- **Table 2.2.3 – Statement of Financial Position** – shows all controlled assets and liabilities of the Department. The difference between these represents the net assets position, which is an indicator of the State's equity in the Department;
- **Table 2.2.4 – Statement of Cash Flows** – shows all movements of cash (cash received and paid). The cash impact of financing and investing activities on Departmental resources is highlighted in this statement; and
- **Table 2.2.5 – Administered Items Statement** – provides details of the Department's administered revenue and expenses, and its administered assets and liabilities.

Operating Performance

The Statement of Financial Performance shows an increase in revenue of \$570 million from the 2002-03 Published Budget to the 2003-04 Budget. This increase is largely due to growth in appropriation revenue as a result of:

- Funding provided for *Labor's Financial Statement 2002 –The second term of a Bracks Labor Government* commitments and other policy, including \$116 million for hospital demand management and \$68.6 million for support for the non-government sector, and
- Costs resulting from Australian Industrial Relations Commission decisions and enterprise bargaining across a range of DHS outputs, particularly for medical staff (AMA) and hospital support staff (HSUA No. 1 Branch) which were negotiated during 2002-03.

Other revenue increases relating to hospitals take account of new Commonwealth funding arrangements for pharmaceuticals supplied to patients upon discharge.

Recognition has been given in 2002-03 to assets received free of charge as a result of the transfer of the Latrobe Regional Hospital to the State.

Operating expenses are budgeted to increase by \$597 million between 2002-03 Budget and 2003-04 Budget and flow from the increases in revenue outlined above.

The 2002-03 Revised, and the 2003-04 Budget include a change in the accounting treatment in accordance with Urgent Issues Group abstract (UIG 38) for the Government's contribution to the Housing asset program. The capital grants are no longer reported in the Statement of Financial Performance and are now treated as contributions to other sectors by the State in its capacity as owner.

Investment and Funding

Cash flows from operating activities are consistent with the trends discussed for the Statement of Financial Performance.

Increases in payments for property, plant and equipment reflect the continued asset investment in the Department and hospitals and includes new initiatives relating to growth, infrastructure and regulatory requirements.

Balance Sheet Performance

The Department's Net Asset position is expected to decrease by \$15 million between 2002-03 and 2003-04, reflecting a projected increase in total liabilities of \$251 million, offset by a projected increase in total assets of \$236 million.

The forecast decrease in the net assets is mainly attributed to:

- An increase in insurance claim liabilities (\$136 million) following compliance with the new Accounting Standard AASB 1044 - Provisions, Contingent Liabilities and Contingent Assets, which resulted in the recognition, for the first time, of medical insurance claims incurred but not reported.
- An increase, net of depreciation, in property, plant and equipment (non-current assets) (\$152 million), reflecting the impact of increased investment in the asset program for the Department and hospitals.
- An increase in the provision for employee benefits of \$106 million, reflecting movements in employee numbers, and an increase in long service leave entitlements due to recent wage agreements. This is partly offset by an increase in receivables, representing increased employee benefits accruing.

Administered Items Statement

This statement includes items from the Commonwealth Government and fees credited to the Department. Funds provided from the Australian Health Care Agreement are escalated to take account of population and demand growth and cost indexation. Negotiations are currently being held for a new Agreement effective from 1 July 2003, and the provision for 2003-04 is based on continuing the current agreement.

Table 2.2.2: Statement of Financial Performance

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Revenue from ordinary activities | | | | | |
| Output Appropriations | 6 539.5 | 6 879.0 | 6 879.3 | 7 090.8 | 7 289.3 |
| Special Appropriations | 1 081.9 | 1 146.1 | 1 146.1 | 1 060.6 | 1 136.4 |
| Resources received free of charge or for nominal consideration | 1.8 | .. | .. | 51.5 | .. |
| Sale of goods and services | 737.5 | 787.6 | 787.6 | 798.0 | 820.7 |
| Commonwealth Grants | 52.7 | .. | .. | 12.2 | 30.8 |
| Fines and Fees | .. | .. | .. | .. | .. |
| Other revenue and revenue from other parties | 401.5 | 113.4 | 113.4 | 185.6 | 218.6 |
| | 8 814.9 | 8 926.0 | 8 926.4 | 9 198.7 | 9 495.8 |
| Expenses from ordinary activities | | | | | |
| Employee benefits | 4 074.5 | 4 148.7 | 4 148.7 | 4 367.5 | 4 507.7 |
| Depreciation and amortisation | 230.0 | 238.9 | 238.9 | 238.9 | 246.8 |
| Resources provided free of charge or for nominal consideration | 1.1 | .. | .. | .. | .. |
| Grants and other payments | 741.1 | 740.6 | 740.8 | 577.3 | 597.7 |
| Capital asset charge | 325.4 | 346.3 | 346.3 | 346.3 | 367.5 |
| Supplies and services | 3 372.6 | 3 431.0 | 3 431.1 | 3 616.8 | 3 782.8 |
| Other expenses from ordinary activities | 48.4 | .. | .. | 16.6 | .. |
| Borrowing costs | 3.3 | .. | .. | .. | .. |
| | 8 796.4 | 8 905.5 | 8 905.9 | 9 163.4 | 9 502.5 |
| Result from ordinary activities | 18.5 | 20.5 | 20.5 | 35.4 | (6.7) |
| Loss from extraordinary items | .. | .. | .. | .. | .. |
| Net result for the reporting period | 18.5 | 20.5 | 20.5 | 35.4 | (6.7) |
| Net increase in asset revaluation reserve | 58.8 | .. | .. | .. | .. |
| Total revenues, expenses and revaluation adjustments recognised directly in equity | 58.8 | .. | .. | .. | .. |
| Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner | 77.3 | 20.5 | 20.5 | 35.4 | (6.7) |

Source: Department of Treasury and Finance

Note:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.2.3: Statement of Financial Position

(\$ million)

| | <i>Estimated as at 30 June</i> | | | | |
|--------------------------------------|--------------------------------|-----------------------|---------------------------------------|------------------------|-----------------------|
| | 2002 <i>Actual</i> | 2003 <i>Budget</i> | 2003 <i>Adjusted^(a)</i> | 2003 <i>Revised</i> | 2004 <i>Budget</i> |
| Current Assets | | | | | |
| Cash Assets | 285.6 | 285.6 | 285.6 | 289.6 | 293.6 |
| Other financial assets | 404.4 | 404.4 | 404.4 | 388.2 | 388.2 |
| Receivables | 220.5 | 220.5 | 220.5 | 221.0 | 221.5 |
| Inventories | 61.9 | 61.9 | 61.9 | 61.9 | 61.9 |
| Prepayments | 13.9 | 13.9 | 13.9 | 13.9 | 13.9 |
| Other | .. | .. | .. | .. | .. |
| Total current assets | 986.4 | 986.4 | 986.4 | 974.7 | 979.2 |
| Non-current assets | | | | | |
| Receivables | 265.2 | 340.3 | 340.3 | 356.7 | 431.4 |
| Inventories | .. | .. | .. | .. | .. |
| Other financial assets | 94.0 | 94.0 | 94.0 | 94.0 | 94.0 |
| Property, plant and equipment | 4 356.2 | 4 526.8 | 4 526.8 | 4 524.1 | 4 679.4 |
| Intangible assets | 4.2 | 4.2 | 4.2 | 4.2 | 4.2 |
| Other | 8.4 | 8.4 | 8.4 | 8.4 | 8.4 |
| Total non-current assets | 4 728.0 | 4 973.8 | 4 973.8 | 4 987.4 | 5 217.4 |
| Total assets | 5 714.4 | 5 960.2 | 5 960.2 | 5 962.1 | 6 196.7 |
| Current liabilities | | | | | |
| Payables | 392.9 | 392.9 | 392.9 | 392.9 | 392.9 |
| Interest bearing liabilities | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 |
| Provisions | 495.9 | 501.6 | 501.6 | 506.6 | 517.7 |
| Other | 104.1 | 104.1 | 104.1 | 108.6 | 113.1 |
| Total current liabilities | 1 001.0 | 1 006.7 | 1 006.7 | 1 016.2 | 1 031.8 |
| Non-current liabilities | | | | | |
| Interest bearing liabilities | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 |
| Provisions | 464.2 | 533.7 | 533.7 | 551.2 | 624.0 |
| Other | 113.1 | 113.1 | 113.1 | 233.0 | 249.2 |
| Amounts owing to other departments | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Total non-current liabilities | 607.4 | 676.9 | 676.9 | 814.3 | 903.3 |
| Total liabilities | 1 608.4 | 1 683.6 | 1 683.6 | 1 830.5 | 1 935.1 |
| Net assets | 4 106.0 | 4 276.6 | 4 276.6 | 4 131.7 | 4 261.6 |
| Equity | | | | | |
| Contributed capital | 2 587.6 | 3 546.4 | 3 546.4 | 3 492.2 | 3 628.8 |
| Reserves | 618.6 | 618.6 | 618.6 | 618.6 | 618.6 |
| Accumulated surplus | 899.7 | 111.6 | 111.6 | 20.9 | 14.2 |
| Total Equity | 4 106.0 | 4 276.6 | 4 276.6 | 4 131.7 | 4 261.6 |

Source: Department of Treasury and Finance

Note:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.2.4: Statement of Cash Flows

| | (\$ million) | | | | |
|---|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Cash flows from operating activities | | | | | |
| Receipts from Government | 7 641.2 | 7 949.9 | 7 950.2 | 8 072.1 | 8 381.8 |
| Receipts from other entities | 726.8 | 787.6 | 787.6 | 799.2 | 856.5 |
| Payments for supplies, grants and employees | (8 047.9) | (8 245.1) | (8 245.5) | (8 461.7) | (8 783.6) |
| | 320.1 | 492.4 | 492.4 | 409.6 | 454.7 |
| Interest received | 33.4 | 35.0 | 35.0 | 35.4 | 35.0 |
| Other revenue | 331.6 | 81.6 | 81.6 | 151.7 | 152.3 |
| Capital asset charge | (325.4) | (346.3) | (346.3) | (346.3) | (367.5) |
| Borrowing costs expense | (3.3) | .. | .. | .. | .. |
| Net cash inflow from operating activities | 356.3 | 262.7 | 262.7 | 250.5 | 274.5 |
| Cash flows from investing activities | | | | | |
| Payments for property, plant and equipment | (496.1) | (412.8) | (412.8) | (358.6) | (407.1) |
| Proceeds from sale of property, plant and equipment | 34.8 | .. | .. | .. | .. |
| Payments for investments | .. | .. | .. | .. | .. |
| Proceeds from sale of business assets | .. | .. | .. | .. | .. |
| (Repayment of) loans by other entities | 28.5 | .. | .. | 16.2 | .. |
| Net cash (outflow) from investing activities | (432.8) | (412.8) | (412.8) | (342.4) | (407.1) |
| Cash flows from financing activities | | | | | |
| Net Proceeds from capital contribution by State Government | 135.6 | 150.1 | 150.1 | 95.9 | 136.6 |
| Net proceeds of borrowings | (7.6) | .. | .. | .. | .. |
| Repayment of finance leases | .. | .. | .. | .. | .. |
| Net cash inflows (outflow) from financing activities | 128.0 | 150.1 | 150.1 | 95.9 | 136.6 |
| Net increase (decrease) in cash held | 51.5 | .. | .. | 4.0 | 4.0 |
| Cash at the beginning of the financial year | 235.6 | 287.1 | 287.1 | 287.1 | 291.1 |
| Cash at the end of the financial year | 287.1 | 287.1 | 287.1 | 291.1 | 295.1 |

Source: Department of Treasury and Finance

Note:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.2.5: Administered Items Statement

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Administered revenue | | | | | |
| Appropriations - Payments made on behalf of the State | .. | .. | .. | .. | .. |
| Special Appropriations | .. | .. | .. | .. | .. |
| Resources received free of charge or for nominal consideration | .. | .. | .. | .. | .. |
| Sale of goods and services | 173.5 | 181.9 | 181.9 | 219.5 | 225.2 |
| Commonwealth grants | 2 439.8 | 2 569.2 | 2 569.2 | 2 630.0 | 2 648.8 |
| Other grants | .. | .. | .. | .. | .. |
| Taxes | .. | .. | .. | .. | .. |
| Fines | .. | .. | .. | .. | .. |
| Fees | 2.1 | 2.3 | 2.3 | 2.2 | 2.2 |
| Other | 6.2 | 3.3 | 3.3 | 3.3 | 5.1 |
| Total administered revenue | 2 621.7 | 2 756.6 | 2 756.6 | 2 854.8 | 2 881.2 |
| Administered expenses | | | | | |
| Expenses on behalf of the State | 0.8 | .. | .. | .. | .. |
| Grants and other payments | .. | .. | .. | .. | .. |
| Payments into the Consolidated Fund | 2 629.2 | 2 756.6 | 2 756.6 | 2 854.8 | 2 881.2 |
| Total administered expenses | 2 630.0 | 2 756.6 | 2 756.6 | 2 854.8 | 2 881.2 |
| Revenue less expenses | (8.3) | .. | .. | .. | .. |
| Administered assets | | | | | |
| Cash assets | .. | .. | .. | .. | .. |
| Receivables | 5.9 | 5.9 | 5.9 | 5.9 | 5.9 |
| Other financial assets | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| Inventories | .. | .. | .. | .. | .. |
| Prepayments | .. | .. | .. | .. | .. |
| Property, plant and equipment | .. | .. | .. | .. | .. |
| Intangible assets | .. | .. | .. | .. | .. |
| Other | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 |
| Total administered assets | 119.5 | 119.5 | 119.5 | 119.5 | 119.5 |
| Administered liabilities | | | | | |
| Payables | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| Interest bearing liabilities | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 |
| Provisions | .. | .. | .. | .. | .. |
| Amounts owing to other departments | .. | .. | .. | .. | .. |
| Other | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 |
| Total administered liabilities | 117.7 | 117.7 | 117.7 | 117.7 | 117.7 |

Source: Department of Treasury and Finance

Note:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Authority for Resources

This section provides a summary of the sources of Parliamentary Authority available to the Department to fund the provision of outputs and additions to the net asset base.

Table 2.2.6: Parliamentary Authority for Resources

| | (\$ million) | | | |
|--|-------------------|------------------------------------|-----------------------------------|-------------------|
| | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised ^(b) | 2003-04 Budget |
| Annual appropriations | 6 073.9 | 6 074.2 | 6 248.6 | 6 491.5 |
| Receipts credited to appropriations | 944.0 | 944.0 | 1 038.8 | 986.3 |
| Unapplied previous years appropriation | 11.1 | 11.1 | 41.2 | 36.4 |
| Accumulated surplus - previously applied appropriation | .. | .. | 15.2 | 9.2 |
| Gross Annual appropriation | 7 029.1 | 7 029.4 | 7 343.7 | 7 523.4 |
| Special appropriations | 1 146.1 | 1 146.1 | 1 060.6 | 1 136.4 |
| Trust funds | 26.6 | 26.6 | 27.2 | 27.8 |
| Total Parliamentary Authority | 8 201.8 | 8 202.1 | 8 431.6 | 8 687.7 |

Source: Department of Treasury and Finance

Notes:

- (a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.
- (b) 2002-03 Revised includes the impact of approved Treasurer's Advances.

DEPARTMENT OF INFRASTRUCTURE

PART 1: OUTLOOK AND OUTPUTS

Overview

The Department of Infrastructure (DOI) has the lead responsibility for the strategic planning and delivery of Victoria's essential energy, transport and information and communication technology infrastructure.

DOI supports four Ministerial portfolios: Transport, Major Projects, Energy Industries and Resources, and Information and Communication Technology. Working directly or through associated agencies and private sector providers, the Department is responsible for Victoria's road and rail transport services and infrastructure, the ports and marine sectors, implementing information and communication technology (ICT) policy, providing strategic advice on energy policy, and managing the delivery of large scale development and construction projects for the Victorian Government.

The Department aims to be a leader in policy, planning and the development of integrated infrastructure that contributes to sustainable environmental, economic and social development across the whole of Victoria.

The Department's primary functions include:

- linking the transport system of road, rail, air and sea channels to promote economic and social development through increased mobility and access, and a more cost-effective freight and logistics sector;
- promoting efficient and integrated transport services across different modes while managing road and freight traffic growth, in order to address the needs of the travelling public and industry;
- delivering the Government's major transport infrastructure investments;
- providing strategic policy advice, analysis and support to Government, our stakeholders and communities in the areas of energy policy, information and communication technology, and transport systems; and
- delivering a wide range of other major projects on behalf of government departments and agencies.

Departmental objectives

The Department pursues the following organisational objectives, which are closely aligned to the long-term priorities outlined in the Government's *Growing Victoria Together* framework:

- **Public safety** – improve transport, marine and energy sector safety and reduce the incidence, severity and cost of accidents and incidents.
- **Seamless freight and logistics system** – facilitate the development of an integrated and seamless freight and logistics system that enhances global competitiveness and meets the needs of business.
- **Access and mobility** – deliver a transport system that provides people with the choice to participate in a range of activities to meet their changing needs.
- **Connected Victorians** – deliver an innovative, accessible ICT environment that shares the benefits of new technologies across the entire community and drives economic growth.
- **Rural and regional development** – foster prosperous and sustainable rural and regional communities through the provision of essential transport, ICT and energy infrastructure.
- **Infrastructure delivery and management** – deliver cost-effective investment in, and management of, infrastructure development in Victoria.
- **Secure and sustainable energy supply** – provide policy advice to deliver an affordable, efficient and safe energy supply to the State.
- **Organisational capability building** – build the Department's capability and capacity to deliver high-quality and efficient services.

The following table shows the links between Departmental objectives and *Growing Victoria Together* outcomes:

| Departmental Objectives | Government Outcomes |
|---------------------------------------|---|
| Public safety | Safe streets, homes and workplaces |
| Seamless freight and logistics system | Growing and linking all of Victoria More jobs and thriving, innovative industries across Victoria Promoting sustainable development |
| Access and mobility | Growing and linking all of Victoria Protecting the environment for future generations Building cohesive communities and reducing inequalities |

| Departmental Objectives | Government Outcomes |
|--|--|
| Connected Victorians | Growing and linking all of Victoria More jobs and thriving, innovative industries across Victoria Building cohesive communities and reducing inequalities Government that listens and leads |
| Rural and regional development | Growing and linking all of Victoria More jobs and thriving, innovative industries across Victoria Building cohesive communities and reducing inequalities |
| Infrastructure delivery and management | Sound financial management Growing and linking all of Victoria More jobs and thriving, innovative industries across Victoria Government that listens and leads |
| Secure and sustainable energy supply | Growing and linking all of Victoria Promoting sustainable development More jobs and thriving, innovative industries across Victoria Protecting the environment for future generations |
| Organisational capability building | Government that listens and leads Sound financial management |

The Department of Infrastructure has a lead responsibility for delivering the Government's priorities for 'growing and linking all of Victoria'. Several of the Department's corporate objectives encompass long-term strategies aimed at increasing the efficiency, integration and competitiveness of Victoria's transport system and freight and logistics industry; building the mode share for rail traffic in the State; increasing patronage of public transport; developing secure and sustainable energy markets; and providing better, more accessible communication links throughout the State.

A significant contribution is also made to achieving 'safe streets, homes and workplaces' by improving safety on roads, public transport and Victorian waters, and by providing a safe energy supply.

By developing integrated transport solutions and ICT initiatives that connect communities across the State, the Department contributes to economic growth, increased employment and investment opportunities, and the development of more sustainable and cohesive communities.

DOI also aims to deliver best practice infrastructure projects and maintenance regimes that achieve positive triple-bottom-line benefit/cost ratios and meet established timeliness, value and quality standards. Through extensive strategic planning; project scoping, development and delivery practices, and public consultation processes, the Department works to achieve Government outcomes of sound financial management and listening and leading in the community.

Review of 2002-03

The Department's objectives and organisational priorities during 2002-03 supported the Government's *Growing Victoria Together* themes, particularly in the area of 'growing and linking all of Victoria' and creating 'safe streets, homes and workplaces'.

The most significant impact on the Department's performance during 2002-03 arose from cost pressures facing the privatised public transport system.

The pressures on the public transport franchisees, mainly due to unrealistic assumptions about revenue and costs made at the time of franchising in August 1999, led to a review process jointly managed with the Department of Treasury and Finance. A series of contract disputes were also managed and settlements were negotiated where appropriate. The Department ensured a strong adherence to performance obligations throughout this period and franchisees continued to deliver services to a high standard.

The need to restructure support for franchisees under the existing contracts became evident after detailed assessment of their position. National Express chose not to take up the Government's offer to share losses in return for the right to re-franchise, and withdrew its support from its three franchises: M>Tram, M>Train and V/Line. Connex and Yarra Trams each took up the offer.

The National Express withdrawal triggered the application of arrangements based around the appointment of a receiver-manager to the National Express franchises and funding support for the receiver in continuing to operate the businesses. Employees' entitlements were protected by the Government and transitional arrangements were negotiated to ensure that all essential business systems, particularly safety, were maintained. Rail and tram passengers experienced no service disruption during this transition period. In April 2003, the Premier announced an expected increase of around \$1 billion in government subsidy to sustain the public transport franchisees over the next five years.

The Government has decided that the Mitcham-Frankston Freeway project will be funded through tolls. This 40km freeway project, linking Melbourne's eastern and south-eastern suburbs, comprises the former Eastern Freeway Extension and Scoresby Freeway projects. The tender process for the Mitcham-Frankston Freeway will commence before the end of the 2002-03 financial year. The entire project is expected to be completed in 2008.

Significant achievements during 2002-03 included:

Regional Fast Rail – the centrepiece of the State Government's *Linking Victoria* strategy, the Regional Fast Rail project aims to deliver faster rail connections between Melbourne and the Ballarat, Bendigo, Geelong and Latrobe Valley corridors. New trains, travelling at up to 160km/h, will deliver more frequent and faster services, with greater reliability and comfort. Infrastructure contracts worth almost \$500 million were signed in mid-2002 and work started on all four lines in October 2002. Construction of the new trains commenced, as well as installation of a fibre optic network for the new signalling system. A major program of market research was conducted, which, along with extensive community consultation, will assist in developing the new V/Line passenger timetables. The project is on track for completion by mid-2005.

Spencer Street Station Redevelopment – this Partnerships Victoria project is the largest public-private transport interchange project undertaken in Australia to date. The contract was awarded to the Civic Nexus consortium in July 2002. Financial close and signing of agreements was achieved on schedule and work commenced at the site in October. The redeveloped interchange, to be named Southern Cross Station, is due for completion in mid-2005.

Return of Trains to Ararat and Bairnsdale – this project involves the return of high quality passenger rail services to Ararat and Bairnsdale and their broader regions. A construction contract for upgrading the two lines was signed in February 2003, and work started on both lines in March. Proposed train and coach timetables were issued for comment, with the project on schedule for completion by mid-2003. Planning and development work is continuing for the return of passenger rail services on the Mildura and Leongatha lines.

Tram and Train Interim Operating Agreements – in response to the significant financial difficulties of train and tram franchisees, Interim Operating Agreements were negotiated to provide additional financial support. These covered part, but not all of the forecast losses, in return for a new right for the Government to restructure/retender these contracts and make them stable on a long term basis. Contract performance was maintained throughout this process and continues to be closely monitored. Customer satisfaction with performance remains high.

New Trains and Trams – new trains and trams were introduced to the public transport fleet for the first time since the 1980s. Thirty-six low-floor Citadis trams were put into service, and new Combino trams were also introduced by M>Tram. Connex took delivery of the first of its X'Trapolis trains in December 2002 and M>Train received its first new trains from Siemens in late February 2003.

Ticketing System Reform – disputes over poor availability of public transport ticketing machines that had dogged the effective performance of the system were resolved and ticket machine availability increased dramatically during 2002-03. Vandalism was reduced by a combination of strengthened machine protection and targeted enforcement in areas of highest damage.

Telecommunications Purchasing and Management Strategy (TPAMS) – this strategy covers the acquisition and management of telecommunications and networking requirements to provide the best possible outcome and value for the Victorian Government sector over the next five to ten years. TPAMS will also foster a better environment for investment in regional and rural telecommunications infrastructure. The strategy was finalised and detailed planning, tender and implementation phases are underway.

Investment Attraction and Industry Development – a number of major ICT-related development projects were facilitated during the year, including projects with Computershare and IBM. These projects, some of which are the culmination of several years' work, will create over 2 000 new jobs and confirm Victoria's place as a prime investment location for the ICT industry.

Geelong Road Upgrade – the upgraded freeway was opened for 100km/h travel, bringing considerable time and safety benefits for road users between Melbourne and Geelong. The project was funded by the Victorian and Commonwealth Governments as a Road of National Importance.

Calder Highway Upgrade to Bendigo – the Karlsruhe section of the Calder Highway was opened eight months early, in April 2003. The \$50 million project to upgrade a 7km section of the Highway between the Woodend Bypass and the Kyneton Bypass was jointly funded by the State and Commonwealth Governments.

***arrive alive!* Road Safety Strategy** – a number of initiatives were implemented as part of the Government's *arrive alive!* Road Safety Strategy. These included a comprehensive speed management strategy in the metropolitan area; Responsible Driving Legislation with higher penalties for speeding, drink driving, and using hand-held mobile telephones; piloting permanent 50km/h speed zones in regional town centres with high pedestrian activity; and continuing the Statewide Blackspot program, which is now fully allocated with over 1 000 projects approved since the program began.

Craigieburn Bypass – the first contract on the \$306 million federally funded Craigieburn Bypass has been completed and works on the remainder of the project are underway. The Bypass is expected to deliver more than \$1 billion over 30 years in economic benefits to Victoria as a result of lower travel times, fewer accidents, fuel savings and reduced vehicle-operating costs.

Port Reform – significant progress was achieved on the implementation of Port Reform initiatives, culminating in the introduction into Parliament of the *Port Services (Port of Melbourne Reform) Bill* in April 2003. The Bill provides for the abolition of the Melbourne Port Corporation and the establishment of a new, integrated Port of Melbourne Corporation that will have a broad charter to enable the Port to operate sustainably and commercially, and to compete effectively with interstate ports.

Energy Policy – the foundation was laid for a second phase of energy market reform by developing reform proposals and making significant progress on national acceptance of a reform package. The Government's first integrated statement on energy policy was prepared. Energy markets were opened up by introducing full retail competition for gas and standard electricity and gas prices to consumers were constrained.

Security of Energy Supply – the 400MW upgrade of the SNOVic electricity interconnector with NSW was completed by VENCORP on time and under budget, and the commissioning of AGL's Somerton generator was facilitated, resulting in a secure electricity supply for the 2002-03 summer period.

Energy for Regional Victoria – a 12-month, \$118 million rebate was introduced to achieve consistency between metropolitan and regional electricity prices for consumers. The Government has committed to contribute \$70 million over four years to extend the natural gas network into regional towns.

Major Projects – the redevelopment of the Austin and Repatriation Medical Centre and relocation of the Mercy Hospital for Women were assigned to the Major Projects Portfolio in August 2002. Land development projects progressed with the completion of stage 1 at Bundoora (stages 2 and 3 are now underway). Final negotiations were achieved on the remaining parcels of land at Kensington Banks and Eastside. Work began on redeveloping the Royal Agricultural Showgrounds and Flinders Street West (the former Fishmarket Site). Feasibility studies were undertaken on the relocation of the Melbourne Wholesale Markets and expanding convention facilities for the Melbourne Convention and Exhibition Trust. Work commenced on establishing the technical team for the Australian Synchrotron project, and significant progress was made on the State Library and National Gallery of Victoria projects. The public sections of Federation Square were opened in October 2002.

Machinery of government changes

Machinery of government changes announced in December 2002 resulted in major changes to the Department's structure. The Planning Division, encompassing the planning, heritage and building functions, was relocated to the Department of Sustainability and Environment (DSE). A section of DOI's Strategic Planning Division also moved to DSE in view of its focus on strategic land use planning. Strategic planning for transport sector investments has been retained. The former Ports portfolio was incorporated into the Transport portfolio.

The Department for Victorian Communities (DVC) assumed responsibility for local government, and DOI's Local Government Division therefore transferred to DVC. Multimedia Victoria moved from the Department of Innovation Industry and Regional Development (DIIRD), and DOI also assumed responsibility for strategic advice on energy policy, which was previously in the former Department of Natural Resources and Environment (DNRE).

As a result of these changes, two of the objectives published in DOI's 2002-05 Corporate Plan have not been included in the Departmental Overview. They are the *Liveable communities* and *Local governance* objectives. Two new objectives, *Connected Victorians* and *Secure and sustainable energy supply*, have been added.

Outlook for 2003-04

DOI's responsibilities for delivering infrastructure and services through transport, major projects, energy policy and ICT place it at the forefront of managing significant commercial relationships for the delivery of essential community services in support of the Government's *Growing Victoria Together* outcomes.

During 2003-04 the Department will continue to deliver key *Linking Victoria* and *Connecting Victoria* projects, including Regional Fast Rail, the Spencer Street Station Redevelopment and the Mitcham-Frankston Freeway.

A priority for the year will be to stabilise, in financial terms, all the public transport franchises.

The Department will also focus on implementing and monitoring high-level, preventative security measures as part of the whole-of-government approach to securing Victoria against terrorist attacks. These counter-terrorism measures will be applied across the State's road, rail and maritime transport systems and the energy industry sector.

Developing the new energy retail markets so that they deliver effective competition and consumer protection will be a priority for the **Energy Industries and Resources** portfolio.

Electricity and gas prices for residential and small business customers will be monitored and measures put in place to address the gap between metropolitan and regional electricity prices in the medium term. The Department will contribute actively to the delivery by the Department of Innovation Industry and Regional Development of funding contributions to extending the natural gas networks in regional Victoria.

Priority will be given to improving the functioning of wholesale energy markets by further developing and gaining agreement to proposed reforms of the national energy market. New generation capacity and demand management improvements will be facilitated to further enhance the security of energy supplies, and policy measures will be developed to reduce greenhouse emissions from the energy sector while maintaining and enhancing signals for investment in new supplies.

The **Information and Communication Technology** portfolio will continue to implement the *TPAMS*, *Regional Connections*, *Growing Tomorrow's Industries Today* and *Putting People at the Centre* strategies. A major priority for the coming year will be to further develop the Government's framework for broadband. Other priorities will include the continued implementation of *Victoria's eCommerce Advantage* and meeting an ongoing commitment to building ICT skills to support the development of the ICT sector in the State. The portfolio will also assist with the creation of the Chief Information Officer and Chief Technology Officer roles to provide leadership and management of ICT within government.

Priorities for the **Major Projects** portfolio include completing the Dome Reading Room and McCoy Hall at the State Library and having the National Gallery of Victoria redevelopment completed and opened to the public.

The Hazardous Waste Siting project will be further advanced in the coming year, with one soil recycling site chosen, and work will commence to find suitable sites for a long-term containment facility. The project team for the Australian Synchrotron development project will be established and the main building works will begin. Planning will continue for the establishment of the Commonwealth Games Athletes' Village, following the appointment of a Development Consortium during 2002-03. Design work will begin for the new MTC Theatre and Dame Elisabeth Murdoch Recital Hall performance facilities at Southbank.

The **Transport** portfolio will focus on the continued delivery of the major public transport and road infrastructure projects that are currently in progress.

The installation of a fibre optic network along the Regional Fast Rail corridors will continue and a number of level crossings and pedestrian crossings throughout the State will be upgraded to improve the safety of the rail system.

Funding is also provided to establish a railway station and passenger rail services in the major growth suburb of Grovedale, Geelong. New services are scheduled to commence by the end of 2004.

The second stage of the SmartBus project to develop a cross-town network of premium bus routes will commence, by upgrading the existing Warrigal Road service between Mordialloc and Box Hill. Other existing bus services will be upgraded in several outer metropolitan suburbs, and two pilot programs of high frequency 'loop' bus services will commence in targeted growth corridors.

TravelSMART pilot programs will be implemented in homes, workplaces and schools throughout the State, with the aim of encouraging people to choose sustainable travel alternatives such as cycling, walking or public transport, thereby reducing their dependency on the car. Planning provisions will be amended to require facilities for cyclists to be incorporated into all new developments, and the Department will work with public transport operators to improve cycle parking facilities at railway stations. In addition, work on the establishment of the Principal Bicycle Network will be accelerated.

Improvements will be made to road infrastructure in Melbourne's growth corridors to address urgently needed road duplication projects and other road upgrades, improve safety and relieve traffic congestion. Under the Outer Metropolitan Road Program, work will commence on upgrading sections of the Greensborough Highway (Plenty River bridge), Moorooduc Highway (Towerhill Road to Frankston-Flinders Road), and Thompsons Road (Dandenong Valley Highway to Western Port Highway). The upgrade of the Calder Highway will continue and work will commence on the Pakenham Bypass and the Pyalong Bypass. Planning work will commence for the Geelong Western Bypass.

New road and motorcycle safety initiatives have been funded under the Government's *arrive alive!* Strategy, including the installation of School Speed Zones to provide schools with lower speed limits during the busy morning and afternoon arrival and departure times.

Construction of the Corio Independent Goods Line will commence in 2003-04, which will provide standard gauge rail access to Corio Quay, North Shore and Lascelles Wharf at the Port of Geelong. Negotiations will continue with Freight Australia and other rail users about co-operative arrangements for progressing rail gauge standardisation, track access and other freight development issues.

A detailed development plan will be prepared for the Dynon Rail Precinct in response to Government plans to integrate the Port of Melbourne with the Dynon rail terminals to create a single freight transport and logistics hub (Melbourne Port@1) for the port precinct. Detailed assessment for the deepening of the Port of Melbourne's shipping channels will continue, with the exhibition of an Environment Effects Statement timed for mid-2004. The Victorian Freight and Logistics Strategy is due for release later in 2003 and will provide a blueprint for improving performance in the State's freight and logistics sector.

Output information

The following outputs were transferred from DOI as a result of machinery of government changes:

- Regional and Rural Strategies (partial^(a)) (to DSE);
- Metropolitan Development Strategies (partial^(a)) (to DSE);
- Planning System Development (to DSE);
- Planning Operations and Environmental Assessment (to DSE);
- Heritage Conservation (to DSE);
- Regional and Urban Amenity Initiatives (to DSE);
- Environmental Strategies and Initiatives (partial^(b)) (to DSE);
- Local Government Sector Development (to DVC);
- Governance Support (to DVC); and
- Grants Funding for Public Libraries and Other Local Government Services (partial^(c)) (to DVC).

The following outputs were transferred to DOI as a result of the machinery of government changes:

- Energy Policy Services (from the former DNRE);
- ICT Industry and Community Development (from DIIRD^(d)); and
- eGovernment and ICT policy (from DIIRD^(d)).

The Department has revised its 2002-03 output structure as follows:

| Existing Output (2002-03) | New Output (2003-04) |
|-------------------------------------|--|
| Regional and Rural Strategies | Infrastructure Strategies ^(a) |
| Metropolitan Development Strategies | Travel Management Initiatives ^(a) |
| Major Regional Road Projects | Regional Road Projects ^(e) |
| Regional Arterial Road Links | Regional Road Projects ^(e) |

Notes:

- (a) *The Department's Strategic Planning function that related to land-use planning transferred to DSE and the function relating to transport planning remained. Two new outputs were developed: Infrastructure Strategies and Travel Management Strategies, to reflect the continuing work of DOI's Strategic Planning group. These include revised or updated measures for projects reported under the former outputs (e.g. TravelSMART).*
- (b) *Measures relating to oil pollution response capability remained with DOI and are now reported under the Marine Safety Initiatives and Regulation output. Measures relating to the retrofitting of noise barriers are retained by DOI and are reported under the Metropolitan Arterial Road Links output.*
- (c) *Two measures relating to road grant allocations to local government have been retained and are now reported under the new Regional Road Projects output.*
- (d) *These two outputs were created by merging four outputs previously reported under DIIRD's Innovation and Policy section. The change was made to streamline output reporting processes.*
- (e) *The former Major Regional Road Projects and Regional Arterial Road Projects outputs have been replaced by a single output: Regional Road Projects. This change reflects the Department's ongoing commitment to reviewing and improving its performance reporting practice.*

The 2003-04 output statements reflect the 2003-04 output structure of the Department. 2002-03 outputs and performance measures are integrated into this new structure.

The following section provides details of the outputs to be provided to Government, including performance measures and costs for each output. The table below summarises the total cost of outputs. The output costs shown in the table have been calculated on an accrual basis in accordance with generally accepted accounting principles.

In the output performance tables, a 2003-04 target showing 'na' indicates that the relevant measure will be discontinued after 30 June 2003.

Table 2.3.1: Output summary

(\$ million)

| | 2002-03 Budget ^(a) | 2002-03 Revised ^(b) | 2003-04 Budget |
|---|----------------------------------|-----------------------------------|-------------------|
| Infrastructure Planning and Policy | 9.4 | 13.8 | 13.5 |
| ICT and Multimedia | .. | 20.0 | 43.5 |
| Ports and Intermodal Gateways | 24.8 | 57.0 | 24.5 |
| Regional and Rural Transport Services | 301.6 | 309.2 | 334.0 |
| Regional and Rural Transport Infrastructure | 394.8 | 356.0 | 324.1 |
| Metropolitan Transport Services | 1 106.1 | 1 176.9 | 1 128.1 |
| Metropolitan Transport Infrastructure and Public Development Projects ^(c) | 410.5 | 434.7 | 436.9 |
| Transport Safety and Accessibility | 329.5 | 332.9 | 262.4 |
| Total | 2 576.7 | 2 700.5 | 2 567.0 |

Source: Department of Treasury and Finance

Note:

- (a) 2002-03 output budget incorporates changes to output structure and organisational restructuring and therefore differs from figures published in the 2002-03 Budget.
- (b) 2002-03 Revised output costs differ from Total Expenses from Ordinary Activities disclosed in Table 2.3.2 Statement of Financial Performance due to changes to output structure and organisation restructuring.
- (c) This amount differs from the disclosure in the previous published Budget due to revised accounting recognition of the Concession Fees associated with the Melbourne City Link.

Infrastructure Planning and Policy

These outputs involve the planned delivery of transport infrastructure and travel management strategies, port development strategies and energy policy services aimed at improving the economic and social capacity of Victoria. Key elements include integrated transport planning in regional, rural and metropolitan areas; developing a forward infrastructure investment strategy; travel demand management initiatives such as the TravelSMART program; initiatives to achieve the Government's ports policy goals; and the provision of energy policy advice to Government to secure a safe, sustainable and cost-effective energy supply to the State.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- *Infrastructure delivery and management*: deliver cost effective investment in, and management of, infrastructure development in Victoria;
- *Rural and regional development*: foster prosperous and sustainable rural and regional communities through the provision of essential transport, ICT and energy infrastructure;
- *Access and mobility*: deliver a transport system that provides people with the choice to participate in a range of activities to meet their changing needs;
- *Public safety*: improve transport, marine and energy sector safety and reduce the incidence, severity and cost of accidents and incidents;
- *Secure and sustainable energy supply*: provide policy advice to deliver an affordable, efficient and safe energy supply to the State;
- *Seamless freight and logistics systems*: facilitate the development of an integrated and seamless freight and logistics system that enhances global competitiveness and meets the needs of business; and
- *Organisational capability building*: build the Department's capability and capacity to deliver high-quality and efficient services.

These objectives make a contribution to the achievement of the following Government outcomes:

- Growing and linking all of Victoria;
- Government that listens and leads;
- More jobs and thriving, innovative industries across Victoria;
- Promoting sustainable development;
- Building cohesive communities and reducing inequalities;
- Sound financial management; and
- Protecting the environment for future Victorians.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Infrastructure Strategies

Produce strategies for regional, rural and metropolitan Victoria by working collaboratively across government with other development agencies and consultatively with the community to develop planning frameworks, infrastructure priorities and implementation processes.

Quantity

| | | | | | |
|---|--------|----|----|----|---|
| Regional integrated transport studies commenced | number | nm | nm | nm | 3 |
| Integrated transport studies continuing | number | nm | nm | nm | 4 |

Quality

| | | | | | |
|--|----------|----|----|----|-----|
| Studies completed in accordance with agreed specifications | per cent | nm | nm | nm | 100 |
|--|----------|----|----|----|-----|

Timeliness

Integrated transport studies completed:

| | | | | | |
|---|------|----|----|----|-----------|
| • Inner Western Strategy | date | nm | nm | nm | Mar 2004 |
| • Wyndham Growth Corridor | date | nm | nm | nm | Mar 2004 |
| • Northern Central City Corridor Strategy | date | nm | nm | nm | Nov 2003 |
| • Latrobe Valley Access and Mobility Strategy | date | nm | nm | nm | Sept 2003 |
| Guidelines prepared on transport and urban planning | date | nm | nm | nm | Jun 2004 |

Cost

| | | | | | |
|-------------------|------------|----|-----|-----|-----|
| Total output cost | \$ million | nm | 2.8 | 1.8 | 1.0 |
|-------------------|------------|----|-----|-----|-----|

Travel Management Initiatives

Review travel demand management and transport policies and practices to manage travel demands in urban and rural areas.

Quantity

| | | | | | |
|--|--------|----|----|----|----|
| TravelSMART Demonstration Program implementation in schools, workplaces and communities ^(a) | number | nm | nm | nm | 12 |
|--|--------|----|----|----|----|

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Funding framework developed for infrastructure in growth areas | number | nm | nm | nm | 1 |
| Reducing barriers to Walking and Cycling to School Program - schools visited | number | nm | nm | nm | 18 |
| <i>Quality</i> | | | | | |
| Participation rate in TravelSMART Demonstration Program: | | | | | |
| • by target community ^(a) | per cent | nm | nm | nm | 50 |
| • by target schools and councils ^(a) | per cent | nm | nm | nm | 80 |
| <i>Timeliness</i> | | | | | |
| Multi Agency Access and Mobility Project in rural and regional areas completed | date | nm | nm | nm | Dec 2003 |
| Commenced preparation of funding framework for infrastructure in growth areas | date | nm | nm | nm | Mar 2004 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | nm | 4.7 | 4.7 | 3.7 |
| Port Development Strategies | | | | | |
| Develop, manage and monitor implementation of strategies and initiatives created to deliver the Government's port policy goals. These services aim to improve the policy/regulatory framework for efficient and safe operation of ports and effective medium and long term transport logistics. In addition, land use planning ensures ongoing competitiveness of these critical trade gateways. | | | | | |
| <i>Quantity</i> | | | | | |
| Port Reform ^(b) | per cent complete | nm | 50 | 50 | 100 |
| Channel Deepening – detailed investigations | per cent complete | nm | 60 | 50 ^(c) | 90 |
| <i>Quality</i> | | | | | |
| Projects completed against agreed plans and timeframes | per cent | 100 | 100 | 100 | 100 |
| <i>Timeliness</i> | | | | | |
| Channel Deepening – detailed investigations progressed to agreed stage | date | nm | Jun 2003 | Aug 2003 ^(c) | Aug 2003 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 2.2 | 1.9 | 2.1 | 2.0 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Energy Policy Services | | | | | |
| Provision of policy advice to deliver Government objectives for a secure and cost effective energy supply to the State. | | | | | |
| <i>Quantity</i> | | | | | |
| Major strategic policy advice to Government | number | 4 | 4 | 4 | 4 |
| Strategic policy briefings to Portfolio Minister | number | 117 | 200 | 200 | 200 |
| Exercise strategies for electricity and gas supply emergencies | number | nm | 2 | 2 | 2 |
| Powerline relocation grants approved | number | nm | 20 | 20 | 20 |
| <i>Quality</i> | | | | | |
| Compliance with criteria for approval of powerline relocation grants | per cent | nm | 100 | 100 | 100 |
| <i>Timeliness</i> | | | | | |
| Responses to Ministerial correspondence delivered within agreed timelines | per cent | nm | nm | nm | 85 |
| Key deliverables and projects managed on time – in line with planned and agreed project timetable | per cent | 90 | 95 | 95 | 95 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | nm | nm | 5.3 | 6.8 |

Source: Department of Infrastructure

Notes:

- (a) The TravelSMART Pilot Program was completed during 2002-03, and implementation has moved to the next stage.
- (b) Port Reform represents the implementation of agreed directions of the Port Reform Review, which was completed during 2001-02.
- (c) This project has been delayed due to changes in scoping for an Environment Effects Statement and assessing the implications of channel deepening on utility services in the Yarra River.

ICT and Multimedia

These outputs focus on a range of activities designed to enhance Victoria's strengths in the key areas of information and communication technologies (ICT). In addition to the strong policy and strategy development role, a number of strategic programs are being delivered in the areas of ICT infrastructure, industry and community development and eGovernment. These activities include the continued implementation of the Government's agenda as outlined in the *Growing Tomorrow's Industries Today*, *Regional Connections*, and *Putting People at the Centre* strategies. A priority will be finalising and implementing the Government's policy on broadband.

Achievements relating to new investments facilitated and announced, and jobs derived from investments facilitated will be reported through the Investment Facilitation and Attraction output of the Department of Innovation, Industry and Regional Development (DIIRD).

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- *Connected Victorians*: deliver an innovative, accessible information and communication technology environment that shares the benefits of new technologies across the entire community and drives economic growth;
- *Infrastructure delivery and management*: deliver cost effective investment in, and management of, infrastructure development in Victoria;
- *Rural and regional development*: foster prosperous and sustainable rural and regional communities through the provision of essential transport, ICT and energy infrastructure; and
- *Organisational capability building*: build the Department's capability and capacity to deliver high-quality and efficient services.

These objectives make a contribution to the achievement of the following Government outcomes:

- Growing and linking all of Victoria;
- More jobs and thriving, innovative industries across Victoria;
- Building cohesive communities and reducing inequalities;
- Sound financial management; and
- Government that listens and leads.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

ICT Industry and Community Development

Delivers policy advice and projects to grow a global ICT industry in Victoria and to promote the uptake of ICT across the economy. Also involves the development, contract management and monitoring of ICT community development projects designed to promote effective use of ICT in the community.

Quantity

| | | | | | |
|---|--------|-----|-----|-----|----|
| Minimum ICT community development projects underway or completed | number | 9 | 7 | 7 | 11 |
| Investment recruitment projects | number | 116 | 100 | 115 | na |
| Investment projects under development | number | nm | nm | nm | 25 |
| Export Development projects | number | 38 | 30 | 35 | 35 |
| ICT skills projects underway or completed | number | 6 | 6 | 6 | 6 |
| Projects underway or completed to increase business use of IT and electronic commerce | number | 16 | 8 | 8 | 8 |
| Post implementation review completed | number | 1 | 1 | 1 | 1 |

Quality

| | | | | | |
|--|----------|----|-----|-----|-----|
| Assessment of quarterly monitoring reports for ICT community development grant agreements undertaken | per cent | nm | 100 | 100 | 100 |
|--|----------|----|-----|-----|-----|

Timeliness

| | | | | | |
|---|----------|----|-----|-----|-----|
| Payments made according to contracts, provided ICT community development grant recipients meet contract terms | per cent | nm | 100 | 100 | 100 |
|---|----------|----|-----|-----|-----|

Cost

| | | | | | |
|-------------------|------------|----|----|-----|------|
| Total output cost | \$ million | nm | nm | 5.6 | 12.2 |
|-------------------|------------|----|----|-----|------|

eGovernment and ICT Policy

Delivers policy advice and projects in respect of eGovernment, Government voice and data networks, and statewide ICT infrastructure and services.

Quantity

| | | | | | |
|--|--------|----|----|----|-------------------|
| Projects relating to eGovernment underway or completed | number | 9 | 9 | 9 | na ^(a) |
| Whole-of-government ICT infrastructure services established and operated | number | nm | nm | nm | 3 |

| | | | | | |
|--------------------------|--|--|----------------|--|-----|
| Budget Estimates 2003-04 | | | Infrastructure | | 129 |
|--------------------------|--|--|----------------|--|-----|

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Regional ICT projects assessed | number | 32 | 5 | 5 | 6 |
| Minimum regional access projects underway or completed | number | nm | 5 | 5 | 5 |
| Policy reviews conducted | number | 1 | 1 | 1 | 1 |
| eGovernment telecommunications/ data infrastructure projects underway or implemented | number | 8 | 8 | 8 | 8 |
| eGovernment infrastructure policy reviews completed | number | 2 | 1 | 1 | 1 |
| Quality | | | | | |
| Projects meet Critical Success Factors | per cent | nm | nm | nm | 90 |
| Services operated as per Service Level Agreements | per cent | nm | nm | nm | 100 |
| Timeliness | | | | | |
| Projects delivered in accordance with agreed plan tolerances | per cent | nm | nm | nm | 90 |
| Cost | | | | | |
| Total output cost | \$ million | nm | nm | 14.4 | 31.3 |

Source: Department of Infrastructure

Note:

- (a) *Following the Government decision to create a Chief Information Officer and the transfer of eGovernment functions to the Department of Premier and Cabinet, this measure no longer applies to DOI.*

Ports and Intermodal Gateways

These outputs involve initiatives to improve the efficiency, accessibility and usability of the transport system by addressing the interfaces of different components of this multi-faceted system. They cover the connections between ports, rail and road transport and airports in metropolitan, regional and rural areas, and aim to maximise the use of existing transport infrastructure across the State.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- *Seamless freight and logistics systems*: facilitate the development of an integrated and seamless freight and logistics system that enhances global competitiveness and meets the needs of business;
- *Access and mobility*: deliver a transport system that provides people with the choice to participate in a range of activities to meet their changing needs;
- *Infrastructure delivery and management*: deliver cost effective investment in, and management of, infrastructure development in Victoria;
- *Rural and regional development*: foster prosperous and sustainable rural and regional communities through the provision of essential transport, ICT and energy infrastructure; and
- *Organisational capability building*: build the Department's capability and capacity to deliver high-quality and efficient services.

These objectives make a contribution to the achievement of the following Government outcomes:

- Growing and linking all of Victoria;
- More jobs and thriving, innovative industries across Victoria;
- Sound financial management;
- Government that listens and leads; and
- Protecting the environment for future generations.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Ports and Intermodal Freight

Supply services to initiate, develop, manage and monitor a range of infrastructure strategies and projects designed to promote efficient, seamless transfers between road, rail and sea modes and to reduce costs to shippers.

Quantity

| | | | | | |
|--|----------|----|-----|------------------|-------------------|
| Geelong Port Rail Access ^(a) | per cent | nm | 100 | 5 ^(b) | 15 ^(c) |
| Freight and Logistics Strategy completed | per cent | nm | 100 | 100 | na |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Melbourne Freight Hub Masterplan completed | per cent | nm | 100 | 100 | na |
| Masterplan implementation for Dynon Rail Precinct (Melbourne Port@I) | per cent | nm | nm | nm | 25 |
| <i>Quality</i> | | | | | |
| Projects completed in accordance with agreed project specification | per cent | 100 | 100 | 100 | 100 |
| <i>Timeliness</i> | | | | | |
| Projects completed within agreed timeframes | per cent | nm | 100 | 66 ^(b) | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 2.8 | 2.2 | 2.4 | 2.6 |

Passenger Interchange Development

Improve access to, and ease of use of, transport interchange facilities to encourage mobility and optimise use of the State's transport infrastructure. This output is delivered by both Government and private operators.

Quantity

| | | | | | |
|--|-------------------|-----------------------|--------|-----------------------|-----------------------|
| Cruise ship visits | number | 31 | 25 | 31 ^(d) | 30 ^(e) |
| Cruise ship days in port | number | 35 | 28 | 37 ^(d) | 32 ^(e) |
| Cruise ship visitor days | number | 46 900 ^(f) | 39 200 | 38 000 ^(g) | 36 000 ^(e) |
| Redevelopment of Spencer Street Station (Partnership Victoria) | per cent complete | nm | 25 | 15 ^(h) | 60 |
| Rural modal interchange upgrade program implementation | per cent complete | 60 | 80 | 80 | 100 |
| Metropolitan modal interchange upgrade program implementation | per cent complete | 65 | 100 | 100 | na |

Quality

| | | | | | |
|--|----------|-----|-----|-----|-----|
| Projects completed against agreed plans and timeframes | per cent | 100 | 100 | 100 | 100 |
|--|----------|-----|-----|-----|-----|

Timeliness

Redevelopment of Spencer Street Station:

| | | | | | |
|--|------|----|-----------|----------|----------|
| • Construction commenced | date | nm | Sept 2002 | Oct 2002 | na |
| • Completion of necessary rail modifications | date | nm | nm | nm | Mar 2004 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| • Completion of Collins Street concourse | date | nm | nm | nm | Jun 2004 |
| Cost | | | | | |
| Total output cost | \$ million | 15.9 | 22.6 | 54.7 | 21.9 |

Source: Department of Infrastructure

Notes:

- (a) In 2002-03 this measure related only to the Lascelles Wharf Rail Connection project. The broader Geelong Port Rail Access project now involves North Geelong yard works, the Corio Independent Goods Line, and the Lascelles Wharf Rail Connection.
- (b) Toll GeelongPort, which owns and manages the Port of Geelong, has requested and been given a six month deferment of the Lascelles Wharf Rail Connection project so that it can review the project scope in light of projected changes in trades across Lascelles Wharf. The business case for the project will be reassessed on the basis of the revised scope and rail traffic projections.
- (c) 15 per cent completion represents agreement with respect to scope, all design work being completed, all necessary approvals in place, and contracts awarded. It assumes that outstanding issues with Toll GeelongPort and Freight Australia can be resolved by the end of the third quarter 2003.
- (d) Due to changing market forces, more cruise ships called in Melbourne during the 2002-03 season than were forecast at the beginning of the season.
- (e) Due to global unrest, many cruise lines based in the United States of America are yet to commit to visiting destinations outside their local ports in the USA. The prediction for visits to the Port of Melbourne is therefore conservative for the coming year.
- (f) This figure includes passengers and crew. Subsequent figures refer only to passengers.
- (g) Visitor numbers were lower than expected during 2002-03, despite an increase in the number of actual cruise ships arriving in port. This is due to the increased proportion of smaller ships, carrying fewer passengers.
- (h) The consortium's contractor has revised its construction methodology and adopted an amended project program. This program will meet the original completion deadline.

Regional and Rural Transport Services

These outputs involve the delivery of quality public transport services to regional and rural areas of Victoria through contractual arrangements with private operators. These services include intrastate and interstate rail services, route and school bus services. Contracts with private operators are managed to ensure that service provision is in accordance with contractually agreed standards and that committed investment levels for rolling stock and new buses are delivered.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- *Rural and regional development*: foster prosperous and sustainable rural and regional communities through the provision of essential transport, ICT and energy infrastructure;
- *Access and mobility*: deliver a transport system that provides people with the choice to participate in a range of activities to meet their changing needs;
- *Public safety*: improve transport, marine and energy sector safety and reduce the incidence, severity and cost of accidents and incidents; and
- *Infrastructure delivery and management*: deliver cost effective investment in, and management of, infrastructure development in Victoria.

These objectives make a contribution to the achievement of the following Government outcomes:

- Growing and linking all of Victoria;
- More jobs and thriving, innovative industries across Victoria;
- Safe streets, homes and workplaces;
- Building cohesive communities and reducing inequalities;
- Sound financial management;
- Government that listens and leads; and
- Protecting the environment for future generations.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Country/Interstate Rail Services

Manage contractual arrangements with private operators for the provision of quality rail passenger and associated road coach services to regional and rural areas of Victoria. Contractual performance standards are reflected in the performance measures for the delivery of the output.

Quantity

| | | | | | |
|--|---------------------|------|------|------|------|
| Total kilometres timetabled | million | 11.4 | 11.2 | 11.2 | 11.3 |
| Services delivered | per cent | 99.7 | 99.6 | 99.7 | 99.7 |
| Maintain freight gates for the provision of general freight and charity services | number of locations | 29 | 28 | 28 | 28 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Quality</i> | | | | | |
| Passengers carried | million | 8.7 | 8.2 ^(a) | 8.2 | 7.7 ^(b) |
| Rolling stock plans provided and agreed | per cent | 100 | 100 | 100 | 100 |
| Customer satisfaction index ^(c) | score | 75.5 | 76 | 75 | 76 |
| Number of claims against total general freight consignments | per cent | 0.3 | 0.4 | 0.4 | 0.3 |
| <i>Timeliness</i> | | | | | |
| Services arriving at destination no more than 59 seconds before and less than 5 minutes 59 seconds after timetable | per cent | 93.6 | 93.5 | 93.5 | 91.5 ^(d) |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 128.2 | 117.3 | 122.3 | 133.9 |

Country Bus Services

Manage the contractual arrangements with private operators for the delivery of bus services in accordance with the contractual service standards and provide air conditioning on bus replacements.

Quantity

| | | | | | |
|-----------------------------------|----------|----|------|------|------|
| Total kilometres timetabled | million | 17 | 17.3 | 17.3 | 17.3 |
| Timetabled Bus Services delivered | per cent | 99 | 99 | 99 | 99 |

Quality

| | | | | | |
|----------------------------------|----------|------|------|------|------|
| Passengers carried | million | 11.5 | 11.7 | 11.7 | 11.7 |
| Air conditioned buses in service | per cent | 16 | 17 | 17 | 22 |

Timeliness

| | | | | | |
|--|----------|----|----|----|----|
| Services within 5 minutes of timetable | per cent | 95 | 95 | 99 | 99 |
|--|----------|----|----|----|----|

Cost

| | | | | | |
|-------------------|------------|------|------|------|------|
| Total output cost | \$ million | 42.2 | 48.2 | 46.7 | 50.8 |
|-------------------|------------|------|------|------|------|

School Bus Services

Manage the contractual arrangements with private operators for the delivery of bus services in accordance with the contract service standards and implement approved initiatives for School Bus Services including air conditioning on bus replacements.

Quantity

| | | | | | |
|-----------------------------------|----------|------|------|------|------|
| Kilometres scheduled | million | 33.4 | 33.4 | 33.4 | 33.4 |
| Timetabled bus services delivered | per cent | 99 | 99 | 99 | 99 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Quality</i> | | | | | |
| Air-conditioned school buses in service | per cent | 12.2 | 17.5 | 19 | 25.5 |
| School bus safety program delivered – interchange upgrade | per cent | 71 | 80 | 80 | 100 |
| Safety Program – communications/ flashing lights | per cent | 90 | 98 | 100 | na |
| <i>Timeliness</i> | | | | | |
| Services within 5 minutes of timetable | per cent | 99 | 99 | 99 | 99 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 127.5 | 136.1 | 140.3 | 149.3 |

Source: Department of Infrastructure

Notes:

- (a) Extension of the electrified metropolitan train network to Sydenham has resulted in the transfer of passengers from this output to the Metropolitan Train Services output.
- (b) Patronage on some country rail lines will be affected temporarily by the construction works for the Regional Fast Rail Project.
- (c) The Director of Public Transport commissions monthly surveys of both users and non-users of public transport to measure satisfaction with services.
- (d) Timeliness of passenger services on some country lines will be temporarily affected for the duration of the capital works for the Regional Fast Rail Project.

Regional and Rural Transport Infrastructure

These outputs involve the development and maintenance of regional and rural transport networks by implementing major road projects, regional and rural rail projects and monitoring the quality of rail infrastructure as defined in the contracts with private operators. They facilitate the movement of goods and passengers in an efficient and timely manner.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- *Infrastructure delivery and management*: deliver cost effective investment in, and management of, infrastructure development in Victoria;
- *Public safety*: improve transport, marine and energy sector safety and reduce the incidence, severity and cost of accidents and incidents;
- *Rural and regional development*: foster prosperous and sustainable rural and regional communities through the provision of essential transport, ICT and energy infrastructure;
- *Seamless freight and logistics systems*: facilitate the development of an integrated and seamless freight and logistics system that enhances global competitiveness and meets the needs of business;
- *Access and mobility*: deliver a transport system that provides people with the choice to participate in a range of activities to meet their changing needs; and
- *Organisational capability building*: build the Department's capability and capacity to deliver high-quality and efficient services.

These objectives make a contribution to the achievement of the following Government outcomes:

- Growing and linking all of Victoria;
- Sound financial management;
- Safe streets, homes and workplaces;
- More jobs and thriving, innovative industries across Victoria;
- Promoting sustainable development;
- Building cohesive communities and reducing inequalities;
- Government the listens and leads; and
- Protecting the environment for future generations.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Regional Public Transport Passenger and Freight Development

Ensure delivery of the Government's commitment to regional and rural transport infrastructure development and monitor the quality of rail infrastructure as set out in the contracts with the private operators.

Quantity

| | | | | | |
|---------------------------------|--------|----|----|----|------------------|
| Projects continuing in 2003-04: | number | nm | nm | nm | 2 ^(a) |
| • Wodonga Rail Bypass | | | | | |
| • Rail Gauge Standardisation | | | | | |

| | | |
|--------------------------|----------------|-----|
| Budget Estimates 2003-04 | Infrastructure | 137 |
|--------------------------|----------------|-----|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Regional Fast Rail projects: | | | | | |
| • Ballarat | per cent complete | nm | nm | nm | 65 |
| • Geelong | per cent complete | nm | nm | nm | 80 |
| • Latrobe | per cent complete | nm | nm | nm | 95 |
| • Bendigo | per cent complete | nm | nm | nm | 70 |
| Reintroducing country passenger rail services | per cent complete | nm | nm | nm | 50 |
| <i>Quality</i> | | | | | |
| Ensure that Freight Australia measures Track Ride Quality Index (passenger lines only) | number times per year | 4 | 4 | 4 | 4 |
| Ensure that Freight Australia meets Ride Quality specification on all passenger lines | per cent compliance | 100 | 100 | 100 | 100 |
| <i>Timeliness</i> | | | | | |
| Projects provided within agreed budget and timeframes (where Government funded) | per cent | 100 | 100 | 80 ^(a) | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 26 | 38.5 | 35.7 | 40.0 |

Regional Road Projects

Reduce travel time, lower transport operating costs, and upgrade the quality of roads with respect to safety and increased access through improved road transport links. Completion of major road projects to regional centres, adding new roads and paving, strengthening bridges, intersection improvements and road alignment, completing regional arterial road projects and improving road transport links to regional and rural centres.

Quantity

| | | | | | |
|-----------------------------------|--------|----|----|----|------------------|
| Road assistance grants announced | number | 25 | 34 | 34 | 24 |
| Major Projects/Road Improvements: | | | | | |
| • In progress | number | nm | nm | nm | 4 ^(b) |
| • Completed | number | nm | nm | nm | .. |
| • Commenced | number | nm | nm | nm | 2 ^(c) |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Other Road Improvement/Road Construction Projects: | | | | | |
| • In progress | number | nm | nm | nm | 2 |
| • Completed | number | nm | nm | nm | 28 ^(d) |
| • Commenced | number | nm | nm | nm | 23 ^(d) |
| Bridge strengthening and replacement projects: | | | | | |
| • In progress | number | nm | nm | nm | 5 |
| • Completed | number | nm | nm | nm | 17 |
| • Commenced | number | nm | nm | nm | 14 |
| Quality | | | | | |
| Stakeholder satisfaction with grants administration | per cent | 85 | 85 | 85 | 85 |
| Projects delivered in accordance with agreed scope and standard | per cent | nm | nm | nm | 98 |
| Timeliness | | | | | |
| Road improvements completed earlier than planned | per cent | nm | nm | nm | 5 |
| Bridge strengthening and replacement projects completed earlier than planned | per cent | nm | nm | nm | 5 |
| Cost | | | | | |
| Total output cost | \$ million | 198.3 | 200.0 | 165.4 | 144.1 |
| Regional Road Network Maintenance | | | | | |
| Provision of maintenance for declared rural arterial roads, including pavement, bridges, roadside, and traffic facilitation components, covering routine and periodic maintenance, rehabilitation, and operational supervision of tasks/projects. | | | | | |
| Quantity | | | | | |
| Lane – km of network maintained | km | 40 107 | 40 200 | 40 320 | 40 380 |
| Sq metres resurfaced | (000m ²) | 3 758 ^(e) | 11 700 | 11 700 | 11 700 |
| Bridges treated (Periodic Maintenance and Rehabilitation) | number | nm | 275 | 275 | 250 ^(f) |
| Quality | | | | | |
| Network to intervention levels | per cent | nm | 90 | 90 | 90 |
| Network >4.2 IRI ^(g) | per cent | nm | 10.6 | 10.3 ^(h) | 10.2 |
| Network >5.3 IRI | per cent | nm | 2.7 | 2.7 | 2.6 |
| Smooth travel exposure ⁽ⁱ⁾ | per cent | nm | 92 | 92 | 93 |
| Bridges mass limited | per cent | nm | 3 | 3 | 2 |
| Bridges with level 4 defects | per cent | nm | 3.4 | 3.4 | 3 |
| Budget Estimates 2003-04 | | Infrastructure | | | 139 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| Annual program completed | per cent | 100 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 151.6 | 156.3 | 154.9 | 140.0 |

Source: Department of Infrastructure

Notes:

- (a) Progress on the Wodonga Rail Bypass is dependent on negotiations with the Commonwealth and New South Wales governments. Progress on Rail Gauge Standardisation is subject to negotiations with Freight Australia and other stakeholders.
- (b) Kyneton North, Ravenswood, Albury-Wodonga, Geelong Western Bypass.
- (c) Ravenswood, Geelong Western Bypass.
- (d) Subject to Commonwealth funding approval.
- (e) 2001-02 Actual was based on a unit of measure of lane km resurfaced, whereas from 2002-03 the unit of measurement changed to 000m².
- (f) A large number of smaller bridge treatment works were undertaken in 2002-03, with higher value jobs to be treated in 2003-04.
- (g) 'IRI' is the International Roughness Index. Community surveys for comfort have indicated that road surfaces having a count greater than 4.2 IRI were considered 'moderately rough', while counts above 5.3 IRI were considered 'very rough'.
- (h) Network >4.2 IRI. The 2002-03 target was 10.6 per cent, and the expected outcome is 10.3 per cent. This positive result is due to improvement in targeting of surface treatments.
- (i) Percentage of travel undertaken each year on roads with a roughness level condition <4.2 IRI.

Metropolitan Transport Services

These outputs involve the delivery of a quality public transport service to the metropolitan area through contractual arrangements with private operators. These services include rail, tram and routed buses. Contracts with private operators are managed to ensure that service provision is in accordance with contractually agreed standards and that the committed investment levels for rolling stock and new buses are delivered.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- *Public safety*: improve transport, marine and energy sector safety and reduce the incidence, severity and cost of accidents and incidents;
- *Access and mobility*: deliver a transport system that provides people with the choice to participate in a range of activities to meet their changing needs; and
- *Infrastructure delivery and management*: deliver cost effective investment in, and management of, infrastructure development in Victoria.

These objectives make a contribution to the achievement of the following Government outcomes:

- Safe streets, homes and workplaces;
- Growing and linking all of Victoria;
- Protecting the environment for future generations;
- Building cohesive communities and reducing inequalities;
- More jobs and thriving, innovative industries across Victoria;
- Sound financial management;
- Government that listens and leads.

| <i>Major Outputs/Deliverables</i> | <i>Unit of Measure</i> | <i>2001-02 Actual</i> | <i>2002-03 Target</i> | <i>2002-03 Expected Outcome</i> | <i>2003-04 Target</i> |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Metropolitan Train Services

Manage the contractual arrangements with private operators for the delivery of quality metropolitan train services. Contractual performance standards are reflected in the performance measures for the delivery of outputs.

Quantity

| | | | | | |
|-----------------------------|----------|------|---------------------|------|------|
| Total kilometres timetabled | million | 16.6 | 16.8 ^(a) | 16.8 | 16.8 |
| Services delivered | per cent | 99.2 | 99.4 | 99.5 | 99.5 |

Quality

| | | | | | |
|--|----------|-------|-------|-------|-------|
| Customer satisfaction index ^(b) | score | 71.2 | 71 | 70.5 | 71 |
| Passengers carried | million | 131.8 | 133.5 | 133.5 | 134.6 |
| Rolling stock plans provided and agreed | per cent | 100 | 100 | 100 | 100 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| Services arriving at destination no more than 59 seconds before and less than 5 minutes 59 seconds after timetable | per cent | 96.2 | 96.5 | 97 | 97.1 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 552.7 | 560.8 | 596.3 | 546.9 |

Metropolitan Tram Services

Manage the contractual arrangements with private operators for the delivery of quality metropolitan tram services. Contractual performance standards are reflected in the performance measures for the delivery of outputs.

Quantity

| | | | | | |
|-----------------------------|----------|------|----|----|------|
| Total kilometres timetabled | million | 21.6 | 22 | 22 | 22 |
| Service delivery | per cent | 98.9 | 99 | 99 | 99.1 |

Quality

| | | | | | |
|--|----------|-------|--------------------|-------|------|
| Customer satisfaction index ^(b) | score | 71.2 | 71 | 71 | 71.2 |
| Passengers carried | million | 134.7 | 132 ^(c) | 137.4 | 140 |
| Services completing journey | per cent | 99.4 | 97.4 | 99.2 | 99.2 |
| Rolling stock plans provided and agreed | per cent | 100 | 100 | 100 | 100 |

Timeliness

Services departing a monitoring point no more than 59 seconds before and less than 5 minutes 59 seconds after timetable:

| | | | | | |
|-----------------------------|----------|------|----|----|----|
| • 2nd monitoring point | per cent | 94.8 | 95 | 94 | 95 |
| • 2nd last monitoring point | per cent | 70.9 | 72 | 71 | 72 |

Cost

| | | | | | |
|-------------------|------------|-------|-------|-------|-------|
| Total output cost | \$ million | 289.1 | 275.2 | 292.3 | 270.5 |
|-------------------|------------|-------|-------|-------|-------|

Metropolitan Bus Services

Manage the contractual arrangements with private operators for the delivery of quality metropolitan bus services in accordance with the contractual service standards and implementation of approved initiatives for new bus services, including air conditioning on bus replacements.

Quantity

| | | | | | |
|-----------------------------------|----------|------|------|---------------------|---------------------|
| Kilometres scheduled | million | 70.4 | 72.4 | 72.6 ^(d) | 73.2 ^(d) |
| Timetabled bus services delivered | per cent | 99 | 99 | 99 | 99 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Quality</i> | | | | | |
| Customer satisfaction index ^(b) | score | 69 | 69 | 69 | 70 |
| Passengers carried | million | 92.2 | 92.5 | 92.5 | 92.7 |
| Air-conditioned and low floor route buses in service | per cent | 12 | 17.1 | 27.8 ^(e) | 32 |
| <i>Timeliness</i> | | | | | |
| Services within 5 minutes of timetable | per cent | 95 | 95 | 95 | 95 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 246.9 | 270.1 | 288.3 | 310.7 |

Source: Department of Infrastructure

Notes:

- (a) Extension of the electrified metropolitan train network to Sydenham resulted in an increase in kilometres timetabled in this output and a transfer of passengers previously carried in the Country/Interstate Rail Services output.
- (b) The Director of Public Transport commissions monthly surveys of both users and non-users of public transport to measure satisfaction with services.
- (c) The 2002-03 target was set prior to 2001-02 actual patronage levels being known, and was set conservatively. It was anticipated that there would be a patronage increase of approximately two million in excess of the previous year and this is expected to be achieved.
- (d) The increase in kilometres scheduled is the result of bus service enhancements on 25 routes and including 2003-04 initiatives. The increase in 2003-04 reflects the full-year impact of these services.
- (e) The outcome is expected to be higher due to service initiatives implemented in 2002-03.

Metropolitan Transport Infrastructure and Public Development Projects

These outputs involve the development and maintenance of metropolitan road networks and implementation of major civic and road projects, the management and delivery of major public construction and land development projects, and the development of metropolitan rail and tram infrastructure as set out in the contracts with the private operators. They deliver major parts of the transport network in the metropolitan area and are aimed at facilitating the movement of goods and passengers in an efficient, timely and safe manner to their destinations.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- *Infrastructure delivery and management*: deliver cost effective investment in, and management of, infrastructure development in Victoria;
- *Public safety*: improve transport, marine and energy sector safety and reduce the incidence, severity and cost of accidents and incidents;
- *Seamless freight and logistics systems*: facilitate the development of an integrated and seamless freight and logistics system that enhances global competitiveness and meets the needs of business;
- *Access and mobility*: deliver a transport system that provides people with the choice to participate in a range of activities to meet their changing needs; and
- *Organisational capability building*: build the Department's capability and capacity to deliver high-quality and efficient services.

These objectives make a contribution to the achievement of the following Government outcomes:

- Growing and linking all of Victoria;
- Sound financial management;
- Building cohesive communities and reducing inequalities;
- Safe streets, homes and workplaces;
- More jobs and thriving, innovative industries across Victoria;
- Government that listens and leads;
- Promoting sustainable development; and
- Protecting the environment for future generations.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Metropolitan Public Transport Development

Provide enhanced transport networks planning capacity to ensure delivery of the Government's commitment to metropolitan public transport infrastructure development and to monitor the quality of rail infrastructure as set out in the contracts with the private operators.

Quantity

| | | | | | |
|--|----------|-----|-----|-----|-----|
| Franchise maintenance account funds fully allocated to defined maintenance and renewal works | per cent | 100 | 100 | 100 | 100 |
|--|----------|-----|-----|-----|-----|

Quality

| | | | | | |
|--|----------|----|----|----|------------------|
| Metropolitan rail design works completed to feasibility evaluation stage | per cent | nm | nm | nm | 100 |
| Ensure franchisees asset management plans are provided | number | 4 | 4 | 4 | 4 ^(a) |
| Ensure franchisee asset management reports are provided | number | 4 | 4 | 4 | 4 ^(a) |
| Temporary speed restrictions due to track condition in the metropolitan area no more extensive than that which existed at franchise commencement | number | 4 | 4 | 4 | 4 ^(a) |

Timeliness

| | | | | | |
|---|----------|-----|-----|-----|-----|
| Feasibility studies for proposed works within agreed timeframes and budgets | per cent | 100 | 100 | 100 | na |
| Franchise asset management plans and reports provided within agreed timelines | per cent | nm | nm | nm | 100 |

Cost

| | | | | | |
|-------------------|------------|------|------|------|------|
| Total output cost | \$ million | 11.8 | 10.3 | 12.6 | 18.4 |
|-------------------|------------|------|------|------|------|

Major Metropolitan Road Projects

Deliver projects to improve the performance of Melbourne's arterial road network by carrying out large-scale projects addressing network discontinuities and bottlenecks aimed to improve access, decrease travel time, and reduce transport costs.

Quantity

| | | | | | |
|--------------------------|--------|----|---|------------------|------------------|
| Projects to commence | number | 1 | 1 | 0 | 1 ^(b) |
| Projects continuing | number | 5 | 4 | 3 ^(c) | 3 ^(d) |
| Projects to be completed | number | na | 2 | 2 | 1 ^(e) |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Quality</i> | | | | | |
| Projects delivered in accordance with agreed scope and standards | per cent | 100 | 100 | 100 | 100 |
| <i>Timeliness</i> | | | | | |
| Projects delivered in accordance with original planned completion date | per cent | 100 | 100 | 95 | 95 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 158 | 95.0 | 103.1 | 100.7 |

Metropolitan Arterial Road Links

Improve the performance of Melbourne's arterial road network by carrying out projects addressing deficiencies and bottlenecks through the provision of new link roads and intersection improvements aimed at improving access, decreasing travel time, increasing residential amenity and reducing transport costs, particularly in the outer suburbs.

Quantity

| | | | | | |
|---|---------|----------------|----|---------------------|------|
| Noise barriers retro fitted | km | 1 | 0 | 0.9 | 2 |
| Road projects covering duplications and overtaking lanes: | | | | | |
| • Projects completed | lane km | 29 | 25 | 31.5 ^(f) | 16.8 |
| • Projects in progress | lane km | 47 | 26 | 20.2 | 7.8 |
| • Projects commencing | lane km | .. | 3 | 3.4 | 4.4 |
| Bridge strengthening and replacement: | | | | | |
| • Projects completed | number | ^(g) | 4 | 3 | 4 |
| • Projects in progress | number | .. | .. | 1 | 0 |
| • Projects commencing | number | ^(h) | 2 | 2 | 3 |
| Pavement widening (including shoulders): | | | | | |
| • Projects completed | lane km | .. | .. | 0 | 0 |
| • Projects in progress | km | ⁽ⁱ⁾ | .. | 0 | 3.9 |
| • Projects commencing | km | .. | .. | 0 | 3.9 |
| Road improvements (including intersections and realignments): | | | | | |
| • Projects completed | number | 1 | 2 | 1 | 2 |
| • Projects in progress | number | .. | 1 | 2 | 2 |
| • Projects commencing | number | .. | 1 | 1 | 2 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Quality</i> | | | | | |
| Projects delivered without variance to planned scope and standards | per cent | 100 | 100 | 95 | 95 |
| <i>Timeliness</i> | | | | | |
| Projects delivered in accordance with the original planned completion date | per cent | 100 | 100 | 99 | 95 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 129.9 | 148.0 | 159.6 | 160.5 |

Metropolitan Road Network Maintenance

Provision of the annual maintenance program for declared metropolitan arterial roads, including pavement, bridges, roadside and traffic facility components, covering routine and periodic maintenance, rehabilitation and operational management tasks.

| | | | | | |
|---|--------------------------|------------------------------------|--------|-------------------|-------------------|
| <i>Quantity</i> | | | | | |
| Lane – km of network maintained | km | 10 455 | 10 520 | 10 520 | 10 550 |
| Sq metres resurfaced | m ² (‘000) | 638 (lane km) ^(l) | 2 500 | 2 500 | 2 500 |
| Bridges treated (Periodic Maintenance and Rehabilitation) | number | nm | 86 | 86 ^(k) | 60 ^(k) |
| <i>Quality</i> | | | | | |
| Network to intervention levels | per cent | nm | 90 | 90 | 90 |
| Network >4.2 IRI ^(l) | per cent | nm | 12.9 | 12.9 | 12.7 |
| Network >5.3 IRI ^(l) | per cent | nm | 4.6 | 4.6 | 4.5 |
| Smooth travel exposure ^(m) | per cent | nm | 91 | 91 | 91 |
| Bridges mass limited | per cent | nm | 3 | 3 | 2 |
| Bridges with level 4 defects | per cent | nm | 1.4 | 1.4 | 1.2 |
| <i>Timeliness</i> | | | | | |
| Annual program completed | per cent | 100 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 150.8 | 154.2 | 156.4 | 154.5 |

Major Public Construction and Land Development

Management and delivery of nominated public construction and land development projects, the coordination of development projects and associated feasibility studies⁽ⁿ⁾.

| | | | | | |
|----------------------------------|--------|----|---|---|----|
| <i>Quantity</i> | | | | | |
| Project management: | | | | | |
| • Beacon Cove | number | 1 | 1 | 1 | na |
| • Parkville | number | nm | 1 | 1 | na |
| • Congress Centre ^(o) | number | nm | 1 | 1 | na |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-------------------------|
| Performance Measures | | | | | |
| Project feasibility studies conducted | number | 10 | 5-10 | 2 ^(p) | 5 |
| Melbourne Exhibition and Convention Centre ongoing site management ^(o) | number | nm | nm | nm | 1 |
| <i>Quality</i> | | | | | |
| Delivery of nominated projects complies with agreed plans | per cent | nm | 100 | 100 | 100 |
| <i>Timeliness</i> | | | | | |
| Hazardous Waste Siting: | | | | | |
| • Stage 2 public consultation process commenced for soil recycling facility | date | nm | Jun 2003 | Jun 2003 | na |
| • Facilitate establishment of soil recycling facility | date | nm | Dec 2002 | Apr 2003 ^(q) | na |
| • Statutory approval given for soil recycling facility at preferred site | date | nm | nm | nm | Dec 2003 |
| • Application lodged for statutory approval for a long-term containment facility | date | nm | nm | nm | Dec 2003 |
| Commonwealth Games Athletes' Village: Evaluation of proposals | number | nm | Sept 2002 | Oct 2002 | na |
| Bundoora Land Development: | | | | | |
| • Opening of Stage 2 display village | date | nm | Dec 2002 | Jun 2003 ^(r) | na |
| • Final development payment | date | nm | nm | nm | Dec 2003 |
| Jolimont/Eastside Rationalisation Program: Settlement of outstanding land sales | date | nm | Dec 2002 | Jun 2003 | na |
| Kensington Banks Residential Program: Sales of final land parcels | date | nm | Dec 2002 | Dec 2003 ^(s) | Dec 2003 ^(s) |
| Complete construction of Bonegilla Migrant Settlement Centre | date | nm | nm | nm | Apr 2004 |
| Beacon Cove: Commence construction of land side development | date | nm | nm | nm | Feb 2004 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 2.3 | 3.0 | 3.1 | 2.8 |

Source: Department of Infrastructure

Notes:

- (a) *Target numbers may be varied following the outcome of the Franchise Review process, which may affect the number of franchisees.*
- (b) *Pakenham Bypass.*
- (c) *The Eastern Freeway Extension and the Scoresby Freeway project have been combined into one project: the Mitcham-Frankston Freeway, to be built by the private sector and financed through tolls.*
- (d) *Pakenham Bypass, Craigieburn Bypass, Mitcham-Frankston Freeway.*
- (e) *Hallam Bypass.*
- (f) *Hutton Road was originally scheduled for completion in 2003-04, but is ahead of schedule and will be completed in 2002-03.*
- (g) *Bridge strengthening on the West Gate Freeway was delayed due to technical problems relating to the strengthening technique.*
- (h) *Bridge strengthening not required on the Glenhuntly Road (Elwood Canal) – strength adequate.*
- (i) *Pavement widening included in Major Metropolitan Road Projects – Cooper Street.*
- (j) *2001-02 Actual was based on a unit of measure of lane km resurfaced, whereas from 2002-03 the unit of measurement changed to 000m².*
- (k) *A large number of smaller bridge treatment works were undertaken in 2002-03, with higher value jobs to be treated in 2003-04.*
- (l) *'IRI' is the International Roughness Index. Community surveys for comfort have indicated that road surfaces having a count greater than 4.2 IRI were considered 'moderately rough', while counts above 5.3 IRI were considered 'very rough'.*
- (m) *Percentage of travel undertaken each year on roads with a roughness level condition <4.2 IRI.*
- (n) *Major Projects Victoria also manages major property development and public construction projects for other government agencies. This work is carried out on a fee for service basis (full cost recovery). Projects delivered for other departments include: Austin and Repatriation Medical Centre redevelopment and Mercy Hospital for Women relocation, Docklands Studios delivery, redeveloping the former Fishmarket Site, Melbourne Sports and Aquatic Centre Stage 2, National Gallery of Victoria redevelopment, Australian Synchrotron development project, Royal Melbourne Showgrounds redevelopment, State Library of Victoria refurbishment, Yarra Precinct Arts Integration and the Melbourne Wholesale Markets relocation.*
- (o) *Melbourne Exhibition and Convention Centre was previously referred to as the Congress Centre.*
- (p) *Fewer studies were conducted than initially anticipated due to the Melbourne Wholesale Markets Redevelopment Study requiring significant resources.*
- (q) *Further technical studies were required, which delayed confirmation of the preferred site for a soil recycling facility.*
- (r) *Extended negotiations with the purchaser of the site resulted in delays to the project.*
- (s) *There was a delay in rezoning of the site by the City of Melbourne.*

Transport Safety and Accessibility

These outputs involve safety initiatives for road, public transport and waterway users. This is provided through the application of performance based standards to regulate transport providers, and to reduce cost of regulations on business, while raising safety and access levels for the community through improved transport regulation, reform, education, environmental response strategies and prevention programs. It includes services to improve accessibility and subsidised taxi travel for the disabled.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- *Public safety*: improve transport, marine and energy sector safety and reduce the incidence, severity and cost of accidents and incidents;
- *Access and mobility*: deliver a transport system that provides people with the choice to participate in a range of activities to meet their changing needs;
- *Infrastructure delivery and management*: deliver cost effective investment in, and management of, infrastructure development in Victoria; and
- *Organisational capability building*: build the Department's capability and capacity to deliver high-quality and efficient services.

These objectives make a contribution to the achievement of the following Government outcomes:

- Safe streets, homes and workplaces;
- Growing and linking all of Victoria;
- Protecting the environment for future generations;
- Building cohesive communities and reducing inequalities;
- Sound financial management;
- More jobs and thriving, innovative industries across Victoria; and
- Government that listens and leads.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Taxi, Hire Car and Tow Truck Regulation

Administer, regulate and monitor taxis, hire cars, special purpose vehicles, restricted hire cars, tow trucks and the driving instructor industry and ensure public transport safety standards are maintained and advanced through the implementation of new initiatives.

Quantity

| | | | | | |
|-------------------------------------|--------|--------|--------|--------|--------|
| Taxis audited | number | 12 180 | 13 000 | 13 000 | 13 000 |
| Tow truck licence transactions | number | 399 | 420 | 420 | 420 |
| Tow truck driver authorities issued | number | 781 | 1 100 | 1 100 | 1 100 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Commercial passenger vehicle licence transactions: | | | | | |
| • Taxis | number | nm | 1 200 | 1 200 | 1 200 |
| • Others | number | 340 | 350 | 350 | 350 |
| Commercial passenger vehicle drivers' certificates issued | number | 15 896 | 14 000 | 14 000 | 14 000 |
| Driver certificates, authorities and instructor applications: suspensions, revocations and refusals | number | nm | 180 | 180 | 180 |
| Driver instructor authorities processed | number | 549 | 450 | 450 | 450 |
| <i>Quality</i> | | | | | |
| Taxis and tow trucks conform to quality standards | per cent | 91.8 | >94 | >94 | >94 |
| Taxi service complaints investigated | number | 643 ^(a) | 600 | 600 | 600 |
| Tow Truck Allocation Centre calls answered within 45 seconds | per cent | 97 | 96 | 96 | 96 |
| Successful criminal prosecutions | per cent | nm | 96 | 96 | 96 |
| Appeals dismissed: driver certificates, authorities and instructor applications | per cent | nm | 94 | 94 | 94 |
| <i>Timeliness</i> | | | | | |
| Preliminary investigation of serious taxi service complaints completed within 10 working days | per cent | 86.5 | 88 | 88 | 92 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 2.4 | 4.0 | 2.9 | 3.2 |

Accessible Transport Initiatives

Provide access for the disabled to transport facilities by monitoring obligations under the Disability Discrimination Act 1992 (Cwth), programs of the private operators and implementation of direct government funded initiatives. This includes the Multi Purpose Taxi Program of subsidised taxi services for the disabled.

Quantity

Taxi trips:

| | | | | | |
|-----------------------|---------------|--------|--------|--------|--------|
| • Passenger only | number ('000) | 5 654 | 5 400 | 5 400 | 5 400 |
| • With wheelchair | number ('000) | 461 | 500 | 500 | 500 |
| Applications assessed | number | 28 046 | 26 500 | 26 500 | 26 500 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Customer phone enquires | number ('000) | 74 | 50 ^(b) | 50 | 60 |
| Number of transport access sites treated | number | 284 | 300 | 300 | 267 |
| <i>Quality</i> | | | | | |
| Projects delivered to agreed scope or standard | per cent | 100 | 100 | 100 | 100 |
| <i>Timeliness</i> | | | | | |
| Applications completed within 10 working days | per cent | 96 | 96 | 96 | 96 |
| Works completed within agreed timeframes | per cent | 93 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 49.6 | 51.8 | 54.6 | 58.9 |

Accident Blackspots

Deliver an agreed program of remedial actions to upgrade identified high accident black spot and black length areas of roads to reduce the cause of regular severe road accidents that have high social costs to the community.

Quantity

| | | | | | |
|--------------------------|--------|-----|-----|-----|-------------------|
| Projects to be completed | number | 391 | 454 | 540 | 51 ^(c) |
|--------------------------|--------|-----|-----|-----|-------------------|

Quality

| | | | | | |
|---|----------|-------------------|-----|-----|-----|
| Projects completed to agreed scope and standard | per cent | 85 ^(d) | 100 | 100 | 100 |
|---|----------|-------------------|-----|-----|-----|

Timeliness

| | | | | | |
|--|----------|-------------------|-----|-----|-----|
| Programmed work to be completed in accordance with agreed timeframes | per cent | 85 ^(d) | 100 | 100 | 100 |
|--|----------|-------------------|-----|-----|-----|

Cost

| | | | | | |
|-------------------|------------|------|-------|------|--------------------|
| Total output cost | \$ million | 72.0 | 104.0 | 85.0 | 7.0 ^(c) |
|-------------------|------------|------|-------|------|--------------------|

Traffic and Road Use Management Improvements

Provide and undertake low-cost traffic improvement projects and services including traffic priority signalling and information services, incident management, and the administration of road freight regulatory reform for greater efficiency of freight movement.

Quantity

| | | | | | |
|--------------------------------|--------|-----|-----|-----|-----|
| Traffic management projects | number | 25 | 15 | 10 | 5 |
| Road user improvement projects | number | 110 | 145 | 145 | 135 |

Quality

| | | | | | |
|--|----------|-----|-----|-----|-----|
| Projects delivered in accordance with agreed scope and standards | per cent | 100 | 100 | 100 | 100 |
|--|----------|-----|-----|-----|-----|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| Program works completed within agreed timeframes | per cent | 94 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 22.9 | 22.7 | 29.7 | 29.6 |

Vehicle and Driver Regulation

Provision of a vehicle registration and driver licensing service to provide a framework covering the integrity of the road user environment, ensuring the registration of trained drivers, roadworthy vehicles, and the ability to easily trace missing vehicles.

Quantity

| | | | | | |
|---|---------------|-------|-------|-------|-------|
| New driver licences issued | number ('000) | 106.5 | 103 | 112 | 112 |
| Driver licences renewed | number ('000) | 480 | 485 | 496 | 530 |
| New vehicle registrations issued | number ('000) | 449 | 451 | 452 | 460 |
| Vehicle registrations renewed | number ('000) | 3 823 | 3 905 | 3 905 | 3 973 |
| Vehicle registration transfers | number ('000) | 866 | 873 | 910 | 930 |
| Vehicle and driver information requests processed | number ('000) | 1 507 | 1 555 | 1 558 | 1 560 |

Quality

| | | | | | |
|---|----------|----|-----|------|-----|
| User satisfaction with registration and licensing | per cent | 90 | >90 | >90 | >90 |
| Currency of registration and licensing records | per cent | 98 | 99 | 98.4 | >99 |

Timeliness

| | | | | | |
|--|----------|----|-----|----|-----|
| Customers served within 10 minutes in licensing and registration offices | per cent | 74 | >80 | 82 | >80 |
| Average time to answer central calls | seconds | 62 | <30 | 40 | <30 |

Cost

| | | | | | |
|-------------------|------------|------|------|------|------|
| Total output cost | \$ million | 78.1 | 87.6 | 94.5 | 94.2 |
|-------------------|------------|------|------|------|------|

Road Safety Initiatives and Regulation

Provision of a safety program that embraces two main areas, road user education and the upgrading of aspects of the road infrastructure system that have proved dangerous.

Quantity

| | | | | | |
|----------------------------------|--------|-----|----|----|----|
| Road Safety Projects/Initiatives | number | 113 | 66 | 66 | na |
| • Safer Roads | number | nm | nm | nm | 33 |

| | | |
|--------------------------|----------------|-----|
| Budget Estimates 2003-04 | Infrastructure | 153 |
|--------------------------|----------------|-----|

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| • Safer Vehicles | number | nm | nm | nm | 4 |
| • Safer Road Users | number | nm | nm | nm | 18 |
| School speed zones | per cent | nm | nm | nm | 25 |
| <i>Quality</i> | | | | | |
| Projects completed within specified scope and standards | per cent | 100 | 100 | 100 | 100 |
| <i>Timeliness</i> | | | | | |
| Programmed works completed within agreed timeframes | per cent | 100 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 46.3 | 45.8 | 46.2 | 49.3 |

Public Transport Safety Initiatives and Regulation

Maintain and advance public transport safety standards through the implementation of new initiatives and operator accreditation systems.

Quantity

Safety initiatives:

| | | | | | |
|------------------------------|--------|-----|-----|-----|-----|
| • Unannounced audits | number | 120 | 120 | 120 | 120 |
| • Bus mechanical inspections | number | 56 | 50 | 50 | 50 |

Quality

| | | | | | |
|--|----------|------|-----|-----|-----|
| Audit observations closed out by next compliance audit | per cent | 95.7 | 100 | 100 | 100 |
| Non conformances/compliances closed out within 2 months | per cent | 96 | 100 | 95 | 100 |
| Material changes to accreditation responded with feedback within two weeks | per cent | 98 | 100 | 100 | 100 |

Timeliness

| | | | | | |
|---|----------|-----|-----|-----|-----|
| Audits carried out: Rail (within 12 months) | per cent | 100 | 100 | 100 | 100 |
| Audits carried out: Bus (within 24 months) | per cent | na | 100 | 100 | 100 |
| Follow up of critical defect notices within five days | per cent | 100 | 90 | 90 | 90 |
| Review of responses of inquiry within six weeks | per cent | 100 | 90 | 90 | 90 |

Cost

| | | | | | |
|-------------------|------------|-----|-----|-----|-----|
| Total output cost | \$ million | 4.3 | 3.8 | 6.1 | 8.6 |
|-------------------|------------|-----|-----|-----|-----|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Marine Safety Initiatives and Regulation

Develop and administer the policy/regulatory framework for the safe and efficient operation of commercial and recreational vessels in Victorian waters and implement a range of programs and initiatives designed to achieve the Government's marine safety objectives. Facilitate the marine pollution response system and ballast water and hull fouling regime to prevent pests entering coastal waters.

Quantity

| | | | | | |
|--|---------------------------|-------------------|-------|-------------------|--------------------|
| Vessel compliance with registration requirements | per cent | 86 ^(f) | 100 | 88 ^(f) | >90 ^(e) |
| All personal water craft operators and operators under 21 years licensed | per cent | 70 ^(e) | 100 | 90 ^(e) | na |
| Operators of personal water craft (jet skis) with licences | per cent | nm | nm | nm | >90 |
| Audit compliance with Recreational Boating Regulations: | | | | | |
| • Boats audited | per cent | 4 | 5 | 5 | 2 |
| • Waterways audited | per cent | 40 | 10 | 10 | 10 |
| Commercial vessels surveyed | number | 1 428 | 1 500 | 1 500 | 1500 |
| Marine operators' certificates issued | number | 414 | 300 | 300 | 350 |
| Safety audits performed on commercial vessels | number | 123 | 150 | 150 | 150 |
| Oil pollution response capability to react within four hours of reporting for small spills | per cent coastal coverage | 100 | 100 | 100 | 100 |

Quality

| | | | | | |
|--|----------|-----|-----|-----|-----|
| Reported oil pollution incidents responded to and resolved | per cent | 100 | 100 | 100 | 100 |
| Projects completed against statutory requirements and specifications | per cent | 95 | 95 | 100 | na |
| Vessel surveys conducted and documented in accordance with strict quality procedures | per cent | nm | nm | nm | 100 |

Timeliness

| | | | | | |
|--|------|----|------------|------------|----|
| Fully accessible system for Recreational Boat Operator licensing in place (all operators aged 21 years and over) | date | nm | 1 Feb 2003 | 1 Feb 2003 | na |
|--|------|----|------------|------------|----|

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Increase the number of licensed recreational boat operators by 10 per cent | date | nm | nm | nm | Dec 2003 |
| Cost | | | | | |
| Total output cost | \$ million | 6.9 | 9.8 | 13.9 | 11.6 |

Source: Department of Infrastructure

Notes:

- (a) The increase in the number of investigations into taxi service complaints is due to the implementation of a more comprehensive recording and monitoring system, set up during 2001-02 by the Victorian Taxi and Tow Truck Directorate.
- (b) A new telephone system incorporating call counting capacity was introduced in July 2001. Call numbers since that time show that the initial estimate of 75 000 calls per annum was too high.
- (c) The Statewide Accident Blackspot Program is now fully allocated, with 540 projects scheduled to be completed in 2002-03 and 51 projects to be undertaken during 2003-04. At the completion of the Program, more than 1 000 accident blackspots will have been treated since it commenced in 2000.
- (d) The shortfall occurred mainly as a result of non-completion of projects under the management of local councils.
- (e) The 2001-2002 Actual published in the Department's 2001-2002 Annual Report was an estimate only, as data was not available at the time of production. The final outcome is recorded above. The previous target of 100 per cent compliance has also been revised for 2003-04, to better reflect the staged improvements in compliance levels and the impact of external factors that are beyond the Department's direct control.
- (f) The 2001-2002 Actual published in the Department's 2001-2002 Annual Report was an estimate only, as data was not available at the time of production. The final outcome is recorded above. The previous target of 100 per cent compliance has also been revised, given that the licensing requirements were new and that licensing levels are also affected by external factors outside the Department's direct control. A new measure has been developed, with a more appropriate target.

PART 2: FINANCIAL INFORMATION

Part 2 provides the financial information that supports reporting on the Department's provision of outputs. The information provided includes the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows for the Department as well as authority for resources.

The total resources made available to a department are applied to three uses:

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

The financial statements are presented in the format consistent with the AAS29 accounting standard. However, for the purposes of this paper they have been divided into controlled and administered items.

Administered items refer to those resources over which the Department cannot exercise direct control. Authority is provided through an appropriation for payments made on behalf of the State. Under the AAS29 standard, these items would normally appear as notes to the financial statements.

Financial Statements

The following tables can be used to assess the Department's financial performance and use of resources.

- **Table 2.3.2 – Statement of Financial Performance** – provides details of the Department's controlled revenue and expenses on an accrual basis reflecting the cost of providing its outputs;
- **Table 2.3.3 – Statement of Financial Position** – shows all controlled assets and liabilities of the Department. The difference between these represents the net assets position, which is an indicator of the State's equity in the Department;
- **Table 2.3.4 – Statement of Cash Flows** – shows all movements of cash (cash received and paid). The cash impact of financing and investing activities on Departmental resources is highlighted in this statement; and
- **Table 2.3.5 – Administered Items Statement** – provides details of the Department's administered revenue and expenses, and its administered assets and liabilities.

Operating Performance

The Department's Statement of Financial Performance for 2003-04 indicates an expected operating surplus of \$112.6 million, compared to the budgeted result for 2002-03 of \$175.3 million.

Total operating revenue forecast for 2003-04 is lower than 2002-03 by \$160.6 million. This is primarily as a result of a decrease in Commonwealth Government revenues for roads of \$124.1 million in line with approved cash flows for individual projects, the wind up of the State funded component of the Accident Blackspot Program in 2002-03, and the impact of machinery of government changes, totalling \$22.2 million, partially offset by the impact of funding for new output initiatives for 2003-04. These initiatives include additional bus services, public transport safety, *arrive alive!* school safety speed zones and new cycling paths. Revenue is also impacted by changes in cash flows of previously approved projects, predominantly Regional Fast Rail.

Decreased operating expenditure of \$97.9 million from 2002-03 is due to a reduction in the purchase of supplies and services for the original Accident Blackspot Program, for which State funding will end on 30 June 2003, and decreased employee benefits by a \$38.9 million contribution to superannuation adjustment in line with the transfer of the unfunded superannuation liability for former VicRoads employees to the Department of Treasury and Finance. The decrease was partially offset by new initiatives funded in 2003-04, which are mentioned above, and by higher capital asset charges and depreciation expenses of \$66 million, associated with the increased projected asset values of new initiatives and previous committed projects.

The 2002-03 revised budget indicates a surplus of \$236.6 million, as against an original budgeted surplus of \$175.3 million. This is the result of a higher than expected carry-over from 2002-03 to 2003-04, a reclassification of expenditure from operating to capital relating to road construction, and, following the receivership of National Express, DOI has recognised as revenue the payment of \$135 million made by National Express in lieu of the performance bond. These funds are being used to offset the additional costs to be incurred by the Department as a result of assuming responsibility for National Express' train and tram operations.

Investment and Financing

The variations in the expected cash flows between the 2002-03 Budget and the 2003-04 Budget are reflected in the Statement of Cash Flows. Major variations were due to movements in net cash inflows from investment and financing activities which increased by \$179.3 million between the two budget periods. The

cash flows are in line with approved cash flows for existing and new asset initiatives.

Balance Sheet Performance

The Department's net asset position increased by \$762.3 million or 4.6 per cent, from the 2002-03 Budget to the 2003-04 Budget. Major movements include the impact of the construction of new roads and other infrastructure. In addition, liabilities associated with provisions for former employees of VicRoads have transferred to the Department of Treasury and Finance. The value of the transferred liability was \$450.8 million.

Administered Items Statement

Transactions administered by DOI on behalf of the State include the collection of road and public transport related revenues.

Total administered revenue has decreased by \$274.4 million from the 2002-03 Budget due to the redirection of Financial Assistance Grants, received from the Commonwealth Government for onpassing to local government, to the Department for Victorian Communities, and reduced Commonwealth Government road funding of \$124 million in line with approved project cash flows.

The reduced revenue was offset by a \$49.9 million increase in fees for motor registration, driver licence and other departmental fees; improved compliance over the provision of motor vehicle registration concessions; and funding for the Electricity Rebate Scheme of \$49 million in 2003-04.

The above discussion also explains the equivalent decrease in the Department's administered expenses.

Table 2.3.2: Statement of Financial Performance

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Revenue from ordinary activities | | | | | |
| Output Appropriations | 2 406.1 | 2 550.1 | 2 542.8 | 2 555.7 | 2 388.2 |
| Special Appropriations | .. | .. | .. | .. | .. |
| Resources received free of charge or for nominal consideration | 111.7 | .. | .. | .. | .. |
| Sale of goods and services | 117.2 | 101.1 | 101.1 | 103.8 | 104.4 |
| Commonwealth Grants | 0.1 | .. | .. | .. | .. |
| Taxes ^(b) | 107.1 | 48.1 | 48.1 | 48.1 | 48.1 |
| Fines and Fees | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Other revenue and revenue from other parties | (7.2) | 138.9 | 135.9 | 262.3 | 137.0 |
| | 2 737.0 | 2 840.2 | 2 829.9 | 2 971.9 | 2 679.6 |
| Expenses from ordinary activities | | | | | |
| Employee benefits | 200.7 | 225.5 | 223.6 | 247.9 | 190.3 |
| Depreciation and amortisation | 242.8 | 240.1 | 241.1 | 262.9 | 283.9 |
| Resources provided free of charge or for nominal consideration | 15.5 | .. | .. | .. | .. |
| Grants and other payments ^(b) | 641.9 | 567.6 | 553.1 | 581.7 | 566.5 |
| Capital asset charge | 69.9 | 104.0 | 105.0 | 103.8 | 126.2 |
| Supplies and services | 1 456.9 | 1 519.5 | 1 523.0 | 1 532.5 | 1 393.5 |
| Other expenses from ordinary activities | 0.2 | .. | .. | .. | .. |
| Borrowing costs | 5.6 | 8.3 | 8.3 | 6.5 | 6.5 |
| | 2 633.4 | 2 664.9 | 2 654.1 | 2 735.3 | 2 567.0 |
| Result from ordinary activities | 103.5 | 175.3 | 175.8 | 236.6 | 112.6 |
| Loss from extraordinary items | .. | .. | .. | .. | .. |
| Net result for the reporting period | 103.5 | 175.3 | 175.8 | 236.6 | 112.6 |
| Net increase in asset revaluation reserve | 954.1 | .. | .. | .. | .. |
| Total revenues, expenses and revaluation adjustments recognised directly in equity | 954.1 | .. | .. | .. | .. |
| Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner | 1 057.6 | 175.3 | 175.8 | 236.6 | 112.6 |

Source: Department of Treasury and Finance

Notes:

- (a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.
- (b) This amount differs from the disclosure in the previous published Budget due to revised accounting recognition of the Concession Fees associated with the Melbourne City Link.

Table 2.3.3: Statement of Financial Position

(\$ million)

| | <i>Estimated as at 30 June</i> | | | | |
|--------------------------------------|--------------------------------|------------------------|--|-------------------------|------------------------|
| | <i>2002 Actual</i> | <i>2003 Budget</i> | <i>2003 Adjusted^(a)</i> | <i>2003 Revised</i> | <i>2004 Budget</i> |
| Current Assets | | | | | |
| Cash Assets | 85.7 | 85.7 | 85.7 | 85.7 | 85.7 |
| Other financial assets | 35.0 | 35.0 | 35.0 | 35.0 | 35.0 |
| Receivables | 70.9 | 70.9 | 70.9 | 70.9 | 70.9 |
| Inventories | 7.4 | 7.4 | 7.4 | 7.4 | 7.4 |
| Prepayments | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 |
| Other | .. | .. | .. | .. | .. |
| Total current assets | 201.9 | 201.9 | 201.9 | 201.9 | 201.9 |
| Non-current assets | | | | | |
| Receivables | 332.8 | 336.4 | 336.9 | 521.0 | 322.3 |
| Inventories | 5.4 | 5.4 | 5.4 | 5.4 | 5.4 |
| Other financial assets | 3 550.6 | 3 625.0 | 3 621.7 | 3 571.4 | 3 644.3 |
| Property, plant and equipment | 13 040.3 | 13 256.3 | 13 278.7 | 13 207.7 | 13 584.0 |
| Intangible assets | 10.4 | 10.4 | 10.4 | 10.4 | 10.4 |
| Other | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Total non-current assets | 16 939.8 | 17 233.8 | 17 253.4 | 17 316.2 | 17 566.7 |
| Total assets | 17 141.7 | 17 435.7 | 17 455.3 | 17 518.1 | 17 768.6 |
| Current liabilities | | | | | |
| Payables | 297.0 | 302.9 | 302.9 | 306.5 | 306.8 |
| Interest bearing liabilities | .. | .. | .. | .. | .. |
| Provisions | 56.2 | 58.4 | 58.4 | 23.3 | 23.5 |
| Other | 20.3 | 20.3 | 20.3 | 20.3 | 20.3 |
| Total current liabilities | 373.4 | 381.6 | 381.6 | 350.1 | 350.7 |
| Non-current liabilities | | | | | |
| Interest bearing liabilities | .. | .. | .. | .. | .. |
| Provisions | 441.0 | 439.7 | 439.7 | 43.7 | 42.1 |
| Other | 1.4 | 0.5 | 0.5 | 0.5 | (0.4) |
| Amounts owing to other departments | .. | .. | .. | .. | .. |
| Total non-current liabilities | 442.3 | 440.2 | 440.2 | 44.2 | 41.7 |
| Total liabilities | 815.8 | 821.8 | 821.8 | 394.3 | 392.4 |
| Net assets | 16 325.9 | 16 613.9 | 16 633.5 | 17 123.8 | 17 376.2 |
| Equity | | | | | |
| Contributed capital | 14 618.7 | 14 731.4 | 14 750.5 | 15 179.9 | 15 319.7 |
| Reserves | 2 192.5 | 2 192.5 | 2 192.5 | 2 192.5 | 2 192.5 |
| Accumulated surplus | (485.3) | (310.0) | (309.5) | (248.6) | (136.0) |
| Total Equity | 16 325.9 | 16 613.9 | 16 633.5 | 17 123.8 | 17 376.2 |

Source: Department of Treasury and Finance

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.3.4: Statement of Cash Flows

| | (\$ million) | | | | |
|---|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Cash flows from operating activities | | | | | |
| Receipts from Government | 2 330.1 | 2 546.5 | 2 538.8 | 2 367.6 | 2 586.8 |
| Receipts from other entities | 329.4 | 216.3 | 213.3 | 229.8 | 235.4 |
| Payments for supplies, grants and employees | (2 347.4) | (2 305.7) | (2 292.8) | (2 331.9) | (2 151.4) |
| | 312.2 | 457.2 | 459.3 | 265.6 | 670.9 |
| Interest received | 3.0 | 0.4 | 0.4 | 0.4 | 0.4 |
| Other revenue | 33.1 | 62.5 | 62.5 | 175.1 | 48.6 |
| Capital asset charge | (69.9) | (104.0) | (105.0) | (103.8) | (126.2) |
| Borrowing costs expense | (5.6) | (8.3) | (8.3) | (6.5) | (6.5) |
| Net cash inflow from operating activities | 272.8 | 407.7 | 408.7 | 330.7 | 587.1 |
| Cash flows from investing activities | | | | | |
| Payments for property, plant and equipment | (348.6) | (530.5) | (550.6) | (451.2) | (733.1) |
| Proceeds from sale of property, plant and equipment | 9.3 | 10.1 | 10.1 | 10.1 | 6.2 |
| Payments for investments | .. | .. | .. | .. | .. |
| Proceeds from sale of business assets | .. | .. | .. | .. | .. |
| (Repayment of) loans by other entities | 2.4 | .. | .. | .. | .. |
| Net cash (outflow) from investing activities | (336.8) | (520.4) | (540.5) | (441.1) | (726.8) |
| Cash flows from financing activities | | | | | |
| Net Proceeds from capital contribution by State Government | 121.0 | 112.7 | 131.8 | 110.4 | 139.8 |
| Net proceeds of borrowings | .. | .. | .. | .. | .. |
| Repayment of finance leases | .. | .. | .. | .. | .. |
| Net cash inflows (outflow) from financing activities | 121.0 | 112.7 | 131.8 | 110.4 | 139.8 |
| Net increase (decrease) in cash held | 56.9 | .. | .. | .. | .. |
| Cash at the beginning of the financial year | 28.8 | 85.7 | 85.7 | 85.7 | 85.7 |
| Cash at the end of the financial year | 85.7 | 85.7 | 85.7 | 85.7 | 85.7 |

Source: Department of Treasury and Finance

Notes:

- (a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.3.5: Administered Items Statement

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Administered revenue | | | | | |
| Appropriations - Payments made on behalf of the State | 10.2 | 16.7 | 13.8 | 21.5 | 49.0 |
| Special Appropriations | .. | .. | .. | .. | .. |
| Resources received free of charge or for nominal consideration | .. | .. | .. | .. | .. |
| Sale of goods and services | 2.0 | 3.7 | 3.7 | 3.7 | 3.9 |
| Commonwealth grants | 593.4 | 602.4 | 438.9 | 392.3 | 139.3 |
| Other grants | 2.0 | .. | .. | 66.0 | .. |
| Taxes ^(b) | 874.5 | 1 023.5 | 1 023.5 | 1 076.9 | 1 194.1 |
| Fines | 5.0 | 3.5 | 3.5 | 3.5 | 3.5 |
| Fees | 9.9 | 26.6 | 26.6 | 26.6 | 10.6 |
| Other | 109.7 | 2.8 | 2.8 | 2.8 | 4.6 |
| Total administered revenue | 1 606.7 | 1 679.3 | 1 512.9 | 1 593.3 | 1 404.9 |
| Administered expenses | | | | | |
| Expenses on behalf of the State | 3.6 | 1.4 | 1.4 | .. | .. |
| Grants and other payments | 338.2 | 350.7 | 184.3 | 193.3 | 45.2 |
| Payments into the Consolidated Fund | 1 155.2 | 1 313.7 | 1 313.7 | 1 371.5 | 1 328.6 |
| Total administered expenses | 1 497.0 | 1 665.8 | 1 499.4 | 1 564.9 | 1 373.9 |
| Revenue less expenses | 109.7 | 13.5 | 13.5 | 28.4 | 31.0 |
| Administered assets | | | | | |
| Cash assets | 7.7 | 7.8 | 7.8 | 7.8 | 7.8 |
| Receivables ^(b) | 155.0 | 168.6 | 168.6 | 183.5 | 214.7 |
| Other financial assets | .. | .. | .. | .. | .. |
| Inventories | .. | .. | .. | .. | .. |
| Prepayments | .. | .. | .. | .. | .. |
| Property, plant and equipment | .. | (0.1) | (0.1) | (0.1) | (0.3) |
| Intangible assets | .. | .. | .. | .. | .. |
| Other | .. | .. | .. | .. | .. |
| Total administered assets | 162.7 | 176.2 | 176.2 | 191.2 | 222.2 |
| Administered liabilities | | | | | |
| Payables | 18.5 | 18.5 | 18.5 | 18.5 | 18.5 |
| Interest bearing liabilities | .. | .. | .. | .. | .. |
| Provisions | .. | .. | .. | .. | .. |
| Amounts owing to other departments | .. | .. | .. | .. | .. |
| Other | 87.2 | 87.2 | 87.2 | 87.2 | 87.2 |
| Total administered liabilities | 105.7 | 105.7 | 105.7 | 105.7 | 105.7 |

Source: Department of Treasury and Finance

Notes:

- (a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.
- (b) This amount differs from the disclosure in the previous published Budget due to a changed accounting recognition of the Concession Fees associated with the Melbourne City Link.

Authority for Resources

This section provides a summary of the sources of Parliamentary Authority available to the Department to fund the provision of outputs and additions to the net asset base.

Table 2.3.6: Parliamentary Authority for Resources

| | (\$ million) | | | |
|--|-------------------|------------------------------------|-----------------------------------|-------------------|
| | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised ^(b) | 2003-04 Budget |
| Annual appropriations | 2 593.1 | 2 602.0 | 2 604.2 | 2 828.0 |
| Receipts credited to appropriations | 269.3 | 269.3 | 222.7 | 146.1 |
| Unapplied previous years appropriation | 21.1 | 21.1 | 86.7 | 7.2 |
| Accumulated surplus - previously applied appropriation | .. | .. | .. | .. |
| Gross Annual appropriation | 2 883.5 | 2 892.4 | 2 913.6 | 2 981.2 |
| Special appropriations | .. | .. | .. | .. |
| Trust funds | 504.2 | 337.7 | 442.3 | 136.2 |
| Total Parliamentary Authority | 3 387.7 | 3 230.1 | 3 355.9 | 3 117.4 |

Source: Department of Treasury and Finance

Notes:

- (a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.
- (b) The 2002-03 revised estimates include the impact of approved Treasurer's Advances.

Payments on behalf of the State

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. They are usually on-passed or administered by the State.

Table 2.3.7: Payments made on behalf of the State

| | (\$ million) | | | |
|--|-------------------|------------------------------------|--------------------|-------------------|
| Accounts | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Employer Contribution to Superannuation | 1.3 | 1.3 | .. | .. |
| National competition payments for distribution to local government | 15.4 | 12.5 | 13.5 | .. |
| Electricity Network Tariff Rebate | .. | .. | 8.0 | 49.0 |
| Total | 16.7 | 13.8 | 21.5 | 49.0 |

Source: Department of Treasury and Finance

Notes:

- (a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

DEPARTMENT OF INNOVATION, INDUSTRY AND REGIONAL DEVELOPMENT

PART 1: OUTLOOK AND OUTPUTS

Overview

The Department of Innovation, Industry and Regional Development (DIIRD) is the lead agency for the Victorian Government in economic and regional development and delivering on the Government's commitment to build a creative, innovative and enterprising State with thriving businesses. The three key planks of its charter are to drive innovation, to stimulate economic growth and to foster regional development.

The Department has wide ranging responsibilities:

- commitment to rebuilding the whole State through providing initiatives to enhance and attract investment, to develop the growth capabilities of Victoria and to rebuild rural and regional economic communities;
- to lead the Government's innovation agenda, as the basis for driving economic growth and creating high quality jobs and improving living standards;
- to oversee the manufacturing sector, to work with industry, to develop and deliver programs to help Victorian manufacturers become more innovative, internationally competitive and export focused;
- to assist Victorian small businesses to embrace new opportunities as well as promoting an environment in which small business can grow in a fair, competitive and innovative economy;
- to develop strategies to help grow Victoria's financial services sector which is the third largest contributor to the State's economy and provides essential services in other key areas such as manufacturing, construction and the public sector;

- to create fairer working conditions and promote positive, high performance and cooperative workplace practice, implement a program of legislative reform and promote changes to Commonwealth Government policy and legislation; and
- to promote the growth of Victoria's tourism sector which is the fourth largest contributor to the State's economy, in turn driving growth, investment and economic benefit to the regions and metropolitan Melbourne. To lead the State's effort to boost domestic and international tourism by promoting Victoria as a competitive tourism destination nationally and internationally.

Departmental objectives

A clear focus for the Department is delivering on the Government's commitment in *Growing Victoria Together* to build more jobs and thriving, innovative industries across Victoria, building cohesive communities and reducing inequalities.

The Innovation Statement, the Business Statement, and other key government policy statements, provide the broad framework for the policy priorities of the Department.

In this context, the Department has a range of strategic and long term objectives to best achieve the Government's vision:

- encourage and support the development of innovative, internationally integrated and competitive industries and businesses for Victoria;
- work to create a competitive business environment and capabilities for innovation economy;
- strengthen Victoria's regional economies, infrastructure, and communities;
- support the development of high performing, cooperative and fair workplaces and a highly skilled workforce; and
- encourage and support the contribution of tourism to Victoria's economic and social development.

The following table shows the links between Departmental objectives and *Growing Victoria Together* outcomes:

| Departmental Objectives | Government Outcomes |
|--|--|
| Encourage and support the development of innovative, internationally integrated and competitive industries and businesses for Victoria | Sound financial management Growing and linking all of Victoria More jobs and thriving, innovative industries across Victoria |

| Departmental Objectives | Government Outcomes |
|--|---|
| Work to create a competitive business environment and capabilities for an innovation economy | Sound financial management Growing and linking all of Victoria More jobs and thriving, innovative industries across Victoria |
| Strengthen Victoria's regional economies, infrastructure and communities | Sound financial management Growing and linking all of Victoria More jobs and thriving, innovative industries across Victoria Building cohesive communities and reducing inequalities |
| Support the development of high performing, cooperative and fair workplaces and a highly skilled workforce | Sound financial management More jobs and thriving, innovative industries across Victoria Building cohesive communities and reducing inequalities Promoting rights and respecting diversity |
| Encourage and support the contribution of tourism to Victoria's economic and social development | Sound financial management Growing and linking all of Victoria More jobs and thriving, innovative industries across Victoria |

Key measures of the Department's performance focus on Victoria's economic performance, global recognition of the competitiveness of the Victorian business environment, gross expenditure in research and development as a proportion of gross state product and improved regional economic performance. A positive industrial relations environment and participation in training in line with innovation economy needs will also signify the achievement of desired goals. These will be achieved by the following strategies:

Innovative internationally integrated and competitive industries and businesses for Victoria:

- develop and implement plans to internationalise the business sector and improve the international competitiveness of priority industries;
- increase the adoption of enabling technology in small, medium and large businesses;
- position Victoria as an internationally competitive business location;
- develop and implement a strategy to stimulate the formation of innovative, competitive businesses of all sizes; and
- develop a Victorian export strategy to achieve the Government's long term export targets by 2010.

Competitive business environment and capabilities for innovation economy:

- actively advocate for a competitive regulatory and taxation environment, nationally and in the State;
- stimulate public and private research and development in Victoria; and
- work across government to ensure both skills and infrastructure meet the needs of new innovative businesses.

Strengthen Victoria's regional economies, infrastructure, and communities:

- develop and implement strategies to support rural and regional industries and businesses that are nationally and internationally competitive;
- identify and enhance regional industry and business strengths;
- work across government to address the particular infrastructure and skill needs of regional and rural Victoria;
- support community capacity building; and
- assist rural and regional communities undergoing economic change.

High performing, cooperative and fair workplaces and a highly skilled workforce:

- develop and promote the value proposition for high performing and cooperative workplaces and facilitate their creation;
- develop a strategy to demonstrate Victoria's positive industrial relations environment, as a key element of the Government's investment attraction strategy;
- develop a partnership in the public sector; and
- lead and advocate reform.

Contribution of tourism to Victoria's economic and social development:

- develop and market the State as a competitive tourist destination for domestic and international tourists; and
- provide leadership and coordination for the tourism industry.

Review of 2002-03

Machinery of government changes announced in December 2002 impacted on the structure of DIIRD in a number of ways.

The Employment Programs Division moved to the Department for Victorian Communities (DVC), Multimedia Victoria moved to the Department of Infrastructure (DOI) and Liquor Licensing and Trade Measurement moved to the Department of Justice (DOJ). Tourism Victoria, previously located in the

Department of Tourism, Sport and the Commonwealth Games (DTSCG), together with responsibility for biomedical research in the Department of Human Services (DHS) transferred to DIIRD.

Notwithstanding these changes, in 2002-03 the Department expects to meet its overall budget and output performance targets in providing leadership as the economic development facilitation agency for Victoria.

Major achievements for the year include:

The Innovation Statement: 'Victorians. Bright Ideas. Brilliant Future'

This Statement was released by the Premier and the Minister for Innovation on 31 October 2002, and provides the policy framework to deliver the *Growing Victoria Together* vision of Victoria as a state where 'innovation leads to thriving industries generating high quality jobs'. The Innovation Statement targets five areas of strategic capability, including biotechnology, design, and new manufacturing technologies. The aim of the Statement is to drive innovation across these sectors of the Victorian economy by improving Victoria's performance in priority areas including: building an educated and highly skilled workforce; becoming a leader in knowledge creation and innovation; and fostering high levels of enterprise formation and business growth. The Statement announced the creation of the second generation Science, Technology and Innovation (STI) fund, making available \$310 million over five years.

Science Technology and Innovation

During 2002-03 the Biotechnology Strategic Development Plan, launched in June 2001, was implemented to bring together biotechnology initiatives from industry, education and research communities. The Government announced the successful applicants for the STI Infrastructure Grants, Round 2, approving funding of \$59.14 million for 16 new projects valued in total at about \$190 million. These grants will act as catalysts for knowledge and wealth creation by enhancing the science and technology base and facilitating the delivery of beneficial research outcomes.

New funds were also approved for the establishment of the Centre for Energy and Greenhouse Technologies to facilitate research and commercialisation of technologies to reduce the greenhouse intensity of energy supply. Following the Government's decision to proceed with an enhanced design for the Australian Synchrotron, a successful workshop for potential users of the Synchrotron was held in January 2003, attracting people from industry and the national research community to assist beamline development.

Investment Attraction

New investment attracted in 2002-03 is expected to total \$1.6 billion resulting in the creation of nearly 5 500 direct jobs by investing companies. This positive outcome was achieved in spite of an increasingly competitive investment environment. The major contributions to facilitated investment came from the automotive, food, energy and information and communication technology (ICT) sectors.

Regional Development

Of the \$1.6 billion of investments facilitated in 2002-03, over \$700 million is anticipated to be in rural and regional Victoria. In addition, a number of significant capital works projects have been delivered under the Regional Infrastructure Development Fund throughout country Victoria. These include cattle underpasses, the Hepburn Springs Bathhouse redevelopment, the RMIT complex at Hamilton, the Warrnambool Flagstaff Hill Maritime Museum, and the implementation of the National Livestock Identification Scheme at Victorian saleyards.

Regional Development Victoria is a statutory body established in March 2003 under the *Regional Development Victoria Act 2002*. It is a dedicated body with a specific role to facilitate the coordinated delivery of Government programs, services and resources in rural and regional Victoria and it will work alongside local councils to put projects on the ground and create local jobs.

Manufacturing

The \$0.8 billion of manufacturing investments facilitated during the year included major investments by ION Ltd and Bassell and created more than 1 700 jobs.

As part of the Business Statement, the Agenda for New Manufacturing was funded to provide practical means to grow the economy, increase the availability of high value jobs and improve the international competitiveness of Victorian businesses. Consequently, a significant number of initiatives are now in place under the Agenda that add to the existing suite of programs administered by the Office of Manufacturing.

New programs encouraging innovation and investment in manufacturing firms and programs to support the Government's target of doubling exports have also been developed and implemented.

Small Business

Recent legislative and regulatory commitments have centred on the establishment of a new Small Business Commissioner and new legislation for Retail Leases.

The substantial, statewide Under New Management program has been implemented, offering management skill group workshops and one-on-one counselling for business intenders and new business start-ups. The Department continues to support its extensive small business client base by delivering the EASY Government initiative. Further, the number of small business telephone inquiries was up 41 per cent and internet inquiries up 31 per cent on the previous year.

During 2002-03, an innovative new Women's Program was developed involving the launch of 'Show me the money', providing access to workshops and finance manuals for businesswomen. As well, a Victorian Government submission to the Commonwealth Review of the Trade Practices Act called on the Commonwealth Government to strengthen protection for small business against unfair market practices.

Industrial Relations

The industrial relations legislative program provided strategic analysis, wide ranging consultation and legislative proposals designed to achieve the Government's commitment to fairer employment conditions. This has been achieved through legislation that will apply federal award terms and conditions by common rule to all Victorian non-award employees (*Federal Awards [Uniform System] Bill*); provide improved protection for outworkers in the clothing industry (*Outworkers Protection Bill*) and substantially reform laws regulating the employment of children under the age of 15 (*Child Protection Bill*).

Tourism

Tourism Victoria continued to adopt an innovative, strategic approach in marketing the State as a domestic and international tourism destination. The Government provided \$2 million to stimulate tourism activity in those areas impacted by the 2002-03 bushfires. Funding and program activities have also been directed towards drought affected areas.

To achieve long term sustainable growth for regional Victoria, a Regional Renewal project commenced that is designed to stimulate destination development through the integration of industry development, infrastructure and marketing strategies.

Outlook for 2003-04

The strategic priority for DIIRD is to position Victoria as a centre for business in the global innovation economy. Particular focus will be on the three themes of competitiveness, innovation and connectedness identified in the Government's Business Statement.

In 2003-04 the Department will continue to develop and deliver the Government's policies and programs across innovation, industry and regional development. The Business Statement released in April 2002, the Innovation Statement released in October 2002 and the creation of Regional Development Victoria, together with 2002-03 Budget initiatives provide a clear and strong agenda for the Department. In addition, the uncertainties in the international environment and the impacts of the drought and the bushfires present significant challenges to the Department in pursuing its goals and targets.

Key initiatives for 2003-04 include:

Design Initiative

DIIRD has the lead responsibility for the whole-of-government activity to develop the design capability of the Victorian economy. In addition to a number of specific initiatives, which are underway in DIIRD and the Department of Education and Training, a major task this year will be the development of a strategic plan to build Victoria's design capability and establish Victoria as an international centre of design excellence.

Biotechnology

The Biotechnology Strategic Development Plan will be updated to take into consideration the development of the biotechnology sector since June 2001, and will be delivered in 2003-04. The five key areas for action to position Victoria as a leading biotechnology cluster are skill base, research base, commercialisation, corporate base and marketing, and government leadership and support.

Science, Technology and Innovation Initiatives

The STI Second Generation Initiative (STIG2) will be implemented as announced in the Government's Innovation Statement, 'Victorians: Bright Ideas. Brilliant Future'. The new \$310 million initiative follows on from the first STI Initiative that commenced in 1999, and will be managed on a whole-of-government basis by the Department. Five government departments will receive funding under STIG2. Planning will commence for allocation of further grants for research and innovation infrastructure, as well as to other initiatives to develop Victoria's capabilities in science and technology.

Synchrotron

Construction works for the Australian Synchrotron project will commence at the Monash site early in 2003-04 (with project delivery by Major Projects Victoria). A major program will be implemented to engage industry and inform business about research and development and innovation benefits to be gained from the Australian Synchrotron. Intensive negotiations will continue with the Commonwealth, States and Territories aimed at building the Australian Synchrotron as a truly national facility.

VicStart

The VicStart program will commence in 2003. VicStart is designed to address barriers at the very early stage of technology commercialisation, including technology transfer skills within universities and research institutes and the immaturity of the venture capital market in Victoria.

Small Business Commissioner

The Small Business Commissioner will provide a central point where retail tenancy disputes and small business concerns regarding unfair market practices can be addressed. The new *Retail Leases Act 2003* will promote certainty, fairness and clarity in dealings between landlords and tenants. The Small Business Commissioner will also have the responsibility to monitor flexibility of government regulation.

Regional Development Victoria

The establishment of Regional Development Victoria (RDV) represents the next stage in the Government's agenda to rebuild and renew country Victoria. It will ensure a strong and coordinated focus on regional Victoria across all State Government programs and services including coordinated delivery of assistance programs to drought and bushfire affected areas. RDV will:

- encourage infrastructure development in country Victoria, including the extension of natural gas to rural areas;
- oversee and administer money paid out of the Regional Infrastructure Development Fund;
- work in partnership with all tiers of government to improve planning and policy for country Victoria; and
- promote country Victoria as a great place to live, work, invest and visit.

Industrial Relations Legislative Program

Implementation of the Government's legislative proposals to meet its commitment to fairer employment conditions for all employees will be a priority in 2003-04.

Tourism

The Tourism industry is working in one of the most challenging periods of its history with the number and scale of global and local events placing unprecedented pressures on the industry. This environment is likely to influence short and long-term targets for the industry. Notwithstanding, Tourism Victoria (TV) will deliver some significant activities in 2003-04. These include hosting the 2004 Australian Tourism Exchange, the completion of the zonal tourism development plans, including strategic destination development for regional

Victoria, and continuing the roll out of Phase 7 of the highly successful Jigsaw marketing campaign. TV will also manage the implementation of the four year 2006 Commonwealth Games Tourism Marketing plan in partnership with relevant tourism and travel industry partners. Research into a new Plenary Hall for Victoria will commence in 2003.

Financial Services

Victoria is a major financial and business centre. Few comparable locations in the Asia-Pacific can match Victoria's traditional business leadership, its present day commitment to excellence, or its focus on future growth.

The Government will work with existing and emerging companies in the sector to build on our traditional areas of strength and to capitalise on new and expanding niche areas where Victoria has a competitive advantage.

Victorian Industry Participation Policy

The Government will be introducing legislation relating to Victorian Industry Participation Policy (VIPP). VIPP is a means of encouraging increased local industry participation in major government procurement contracts and projects. It will require Government agencies to report to Parliament on their VIPP commitments and their outcomes achieving increased local industry participation.

DIIRD's 2003-04 Budget initiatives continue to build upon the Government's substantial investment in delivery on its commitment to build a creative, innovative and enterprising State with thriving businesses.

Output information

The following outputs were transferred from DIIRD as a result of the machinery of government changes:

- ICT Industry Development and E-Commerce (to DOI);
- eGovernment and ICT Policy (to DOI);
- ICT Community Development (to DOI);
- eGovernment Infrastructure (to DOI);
- Trade Measurement Development and Services (to DOJ);
- Effective Management of the Sale of Liquor (to DOJ);
- Policy and Labour Market Advice (to DVC);
- Community Employment Programs (to DVC);
- Business Employment Programs (to DVC); and
- Migrant Employment Services (to DVC).

The following outputs were transferred into DIIRD as a result of the machinery of government changes:

- Tourism Marketing and Events Facilitation (from DTSCG);
- Tourism Industry and Infrastructure Development (from DTSCG); and
- Biomedical Research, Ethics and Safety (partial) (from DHS).

The Department amalgamated three STI outputs to a single output in accordance with the recommendations of a 2002 STI output review.

The Department has revised its 2002-03 output structure as follows:

| Existing Output (2002-03) | New Output (2003-04) |
|---|-----------------------------------|
| STI Policy, Awareness and Biotechnology | Science Technology and Innovation |
| STI Initiative Management | |
| Technology Commercialisation Program | |

The 2003-04 output statements reflect the 2003-04 output structure of the Department. The 2002-03 outputs and performance measures are integrated into this new structure. The 2002-03 Business output classification was split into two classifications – Business and Regional Development – to be consistent with the policy directions of the establishment of Regional Development Victoria.

The following section provides details of the outputs to be provided to Government, including performance measures and costs for each output. The table below summarises the total cost of outputs. The output costs shown in the table have been calculated on an accrual basis in accordance with generally accepted accounting principles.

In the output performance tables, a 2003-04 target showing ‘na’ indicates that the relevant measure will be discontinued after 30 June 2003.

Table 2.4.1: Output summary

(\$ million)

| | 2002-03 Budget ^(a) | 2002-03 Revised | 2003-04 Budget |
|--------------------------------------|----------------------------------|--------------------|-------------------|
| Innovation and Policy ^(b) | 124.7 | 108.0 | 156.6 |
| Business ^(c) | 249.0 | 107.7 | 73.6 |
| Regional Development | .. | 68.5 | 99.9 |
| Industrial Relations | 11.9 | 12.0 | 11.4 |
| Tourism ^(d) | .. | 23.8 | 38.3 |
| Employment Programs ^(e) | 46.3 | 22.1 | .. |
| Total | 431.9 | 342.1 | 379.8 |

Source: Department of Treasury and Finance

Notes:

- (a) 2002-03 Output Budget incorporates changes to Output structure and organisational restructuring and therefore may differ from figures published in the 2002-03 Budget.
- (b) Variation between 2002-03 and 2003-04 Budget reflects the transfer of Multimedia Victoria to the Department of Infrastructure (DOI).
- (c) Variation between 2002-03 and 2003-04 Budget reflects the transfer of Trade Measurement Victoria and Liquor Licensing to the Department of Justice (DOJ) and the transfer of budget to the newly established Regional Development Victoria.
- (d) Tourism was transferred to DIIRD from the former Department of Tourism, Sport and the Commonwealth Games (DTSCG) during 2002-03.
- (e) Employment Programs was transferred to the Department for Victorian Communities (DVC) during 2002-03.

Innovation and Policy

Description:

Brings together the strategic leadership responsibilities for economic development policies with the key areas of science, technology and innovation. Together these responsibilities largely define the future direction for the Victorian economy. In addition to the strong policy and strategic development role there is also a number of programs delivered, including the areas of biotechnology and STI.

Departmental objectives to which services contribute:

- Encourage and support the development of innovative, internationally integrated and competitive industries and businesses for Victoria.
- Work to create a competitive business environment and capabilities for the innovation economy.
- Strengthen Victoria's regional economies, infrastructure and communities.
- Support the development of high performing, cooperative and fair workplaces and a highly skilled workforce.

| <i>Major Outputs/Deliverables</i> | <i>Unit of Measure</i> | <i>2001-02 Actual</i> | <i>2002-03 Target</i> | <i>2002-03 Expected Outcome</i> | <i>2003-04 Target</i> |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Strategic Policy

Identification of issues of key importance to the development of Victoria and shaping strategies to address them and delivery of advice to government on portfolio related issues, including policy papers, submissions and briefings and provision of Ministerial support for Parliament and Cabinet.

Quantity

Victoria's Design Capabilities
(DIIRD Deliverables):

- | | | | | | |
|--|----------|----|-----|-----|-----|
| • Centres of Excellence proposals funded | number | na | 2 | 1 | 1 |
| • Policy and planning for the design capability completed | per cent | na | 100 | 60 | 100 |
| • Planning for Design Showcase and Premier's Award completed | per cent | na | 100 | 100 | na |

Victoria's Design Capabilities
(DE&T Deliverables):

- | | | | | | |
|---|--------|----|-----|-----|------|
| • Number of qualifications developed and accredited | number | na | 1 | 1 | 2 |
| • Number of students enrolled in courses leading to new design qualifications | number | na | 60 | 60 | 60 |
| • Number of TAFE/manager and secondary teachers participants in design and innovative thinking activities | number | na | 300 | 300 | 1500 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| • Range of industry training areas receiving specialist input and adopting modified delivery practice | number | na | 5-10 | 5-10 | 15 |
| • Range of curriculum areas with online support materials provided | number | na | 2-5 | 2-5 | 5-8 |
| • Number of pilot design education programs scoped, developed and evaluated | number | na | 6 | 6 | 6 |
| • Number of industry sectors with discernible design pathways | number | na | 4 | 4 | 6 |
| <i>Quality</i> | | | | | |
| Policy advice which meets quality standards | per cent | 100 | 100 | 100 | 100 |
| Agreed timeliness or milestones met | per cent | >95 | >95 | >95 | >95 |
| <i>Timeliness</i> | | | | | |
| Victoria's Design Capabilities (DIIRD Deliverables): Design Showcase and Premier's Award delivered | date | nm | nm | nm | 4 th qtr |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 7.8 | 8.8 | 9.1 | 10.8 |

Science Technology and Innovation

Implements the Government's strategy of driving Victoria's economic growth and development by enhancing the Science and Technology base, encouraging business innovation, facilitating the commercialisation of research, and advancing Victoria's leadership in the innovation economy and emerging new sectors.

Quantity

| | | | | | |
|--|--------|----|----|----|----|
| Policy submissions on National, International and State issues | number | 4 | 4 | 4 | na |
| Awareness activities | number | 12 | 12 | 40 | na |
| Biotechnology strategic development plan implementation: | number | na | 4 | 4 | na |
| Support Platform Technology Steering group (meetings) | | | | | |
| Contestable Funding Rounds | number | 1 | 0 | 0 | na |
| Management of 1999-2000 grants to agencies | number | 20 | 20 | 20 | na |
| Management of (external) grants from Round 1 | number | 17 | 17 | 14 | na |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|---|-----------------------|---------------------------------|-----------------------|
| Management of external grants for Round 2 and other grants | number | na | 22 | 24 | na |
| Australian Synchrotron Project: Beam line user meetings | number | na | 6 | 17 | na |
| Australian Synchrotron Project: Community consultation Forums | number | na | 4 | 5 | na |
| Management of existing TCP Service contract Providers | number | 13 | 10 | 9 | na |
| Management of new TCP Diffusion providers | number | na | 2 | 2 | na |
| Management of TCP grant | number | 1 | 1 | 1 | na |
| Technology Commercialisation events organised and supported | number | 13 | 12 | 12 | na |
| Commercialisation Policy – Papers/Frameworks | number | 4 | 2 | 2 | na |
| Centre for Innovation and Technology Commercialisation: Management reports | number | na | 4 | 4 | na |
| CRC memberships | number | na | 4 | 4 | na |
| STI infrastructure projects under management | number | nm | nm | nm | 70 |
| Businesses/researchers accessing STI funded infrastructure | number | nm | nm | nm | 200 |
| Biotechnology partnerships facilitated | number | nm | nm | nm | 5 |
| Victorian participation in international biotechnology fora led by Government | number | nm | nm | nm | 3 |
| Awareness raising and skills programs | number | nm | nm | nm | 7 |
| Value of projects attracted by 1 st generation STI contestable funding | ratio | nm | nm | nm | 4:1 |
| Support for KISE Council meetings | number | 4 | 4 | 4 | na |
| Biotechnology e-bulletins | number | na | 12 | 12 | na |
| <i>Quality</i> | | | | | |
| Policy advice meets quality standards | percent | 100 | 100 | 100 | na |
| Quality research papers published in peer review journals from STI funded research projects | number | nm | nm | nm | 100 |
| Skills expansion - PhD's commenced in STI funded projects | number | nm | nm | nm | 40 |
| Patents sought by STI funded organisations | number | nm | nm | nm | 10 |
| Budget Estimates 2003-04 | | Innovation, Industry and Regional Development | | | 179 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| Awareness sponsorships – 2 competitive rounds | date | na | qtr 1 and 2 | qtr 2 | na |
| BIO 2003 delegation | date | na | qtr 1 | qtr 1 | na |
| STI grants evaluation | date | na | qtr 4 | qtr 4 | qtr 2 |
| Australian Synchrotron - Client Management: Completion of finance, business and communication plan | date | na | qtr 1 | qtr 2 | na |
| Australian Synchrotron Project: Project management plan | date | na | qtr 1 | qtr 3 | na |
| Australian Synchrotron Project: Site works started | date | na | qtr 2 | qtr 2 | na |
| Centre for Energy and Greenhouse Technologies: Business plan completed and centre established | date | na | qtr 2 | qtr 2 | na |
| VicStart – program approved and implementation commenced | date | nm | nm | nm | qtr 1 |
| Victoria Prize and Fellowships | date | qtr 2 | qtr 1 | qtr 1 | na |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 41.2 | 80.6 | 86.0 | 145.8 |

Source: Department of Innovation, Industry and Regional Development

Business

Description:

Provision of an integrated business development model to deliver broadcast information services and business development programs to support industry development, manufacturing, financial services and small business growth. Key activities include:

- Attract and facilitate new investment into the State and improve the capacity of Victorian industry to compete internationally;
- Business improvement and export assistance services directed primarily at business in Victoria's manufacturing and trade services sectors and small and medium enterprises generally;
- Increase the capacity of local industries to compete, grow and employ; and
- Development of online business services.

Departmental objectives to which services contribute:

- Encourage and support the development of innovative, internationally integrated and competitive industries and businesses for Victoria.
- Work to create a competitive business environment and capabilities for the innovation economy.
- Strengthen Victoria's regional economies, infrastructure and communities.

| <i>Major Outputs/Deliverables</i> | <i>Unit of Measure</i> | <i>2001-02 Actual</i> | <i>2002-03 Target</i> | <i>2002-03 Expected</i> | <i>2003-04 Target Outcome</i> |
|-----------------------------------|------------------------|-----------------------|-----------------------|-------------------------|-------------------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|-------------------------|-------------------------------|

Investment Facilitation and Attraction

Incentives and facilitation services are offered to attract new international investment and encourage additional investment by companies already operating in Victoria. ^(a)

Quantity

| | | | | | |
|---|------------|-------|-------|-------|----------------------|
| New investments facilitated and announced | \$ million | 2 243 | 1 200 | 1 600 | 1 400 ^(b) |
| Investment attracted in rural Victoria | \$ million | 538 | 300 | 300 | na |
| Jobs derived from investments facilitated | number | 5 760 | 4 000 | 4 000 | 4 000 |
| Inbound investor visits supported | number | 87 | 120 | 120 | na |
| Overseas companies and other organisations visited | number | 1 117 | 800 | 800 | na |
| Overseas public presentations | number | 48 | 80 | 80 | na |
| Site packages prepared for potential investors | number | 72 | 80 | 80 | na |
| New leads generated | number | 100 | 100 | 100 | na |
| Number of interagency project facilitation meetings | number | 250 | 100 | 100 | na |
| Investment projects under investigation | \$ million | 5 176 | 5 000 | 5 000 | na |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Investment projects under development | number | nm | nm | nm | 250 |
| Exports delivered from investments facilitated | \$ million | nm | nm | nm | 500 |
| Companies provided with incentives and/or facilitation services | number | nm | nm | nm | 150 |
| <i>Quality</i> | | | | | |
| Client satisfaction rating by businesses with investment facilitation services | per cent | nm | nm | nm | 90 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 31.1 | 44.4 | 60.3 | 35.8 |

Business Development

Industry growth strategy targeting exports, innovation and industry collaboration is implemented through industry wide initiatives, catalysed by assistance delivered to innovative growth-oriented businesses to improve innovation and technology uptake, export marketing and knowledge sharing.

Quantity

| | | | | | |
|---|------------|--------|--------|--------|-------------------|
| Trade fairs and missions supported | number | 25 | 25 | 25 | 25 |
| Industrial Supplies Office Import Replacement | \$ million | 100 | 88 | 88 | na |
| Enterprise Improvement Services directed to clients in rural Victoria | per cent | 25 | 25 | 25 | na |
| Enterprise Improvement Services directed to small enterprises | per cent | 59 | 50 | 50 | 60 |
| Business Events assisted | number | 6 | 5 | 5 | na |
| Visitations/Delegations to the Investment Centre | number | 24 253 | 12 000 | 12 000 | na |
| Visits by overseas companies to Investment Centre | number | 3 086 | 2 000 | 2 000 | na |
| Expand Export Base: Engagements in export communications network | number | na | 1 500 | 1 500 | na |
| Building Momentum of Innovation: Companies participating in Innovation Insights Visits program ^(c) | number | na | 200 | 180 | 180 |
| Victorian Transport and logistics: Companies participating in survey | number | na | 5 | 5 | na |
| Victorian Transport and logistics: Groups participating | number | na | 3 | 3 | na |
| Exports facilitated | \$ million | 1 088 | 600 | 600 | na ^(d) |
| Exports facilitated and imports replaced | \$ million | nm | nm | nm | 180 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|---|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Companies provided with export assistance | number | nm | nm | nm | 2 500 |
| Companies provided with assistance for innovation and technology uptake | number | nm | nm | nm | 1 500 |
| Companies provided with assistance for growth opportunities | number | nm | nm | nm | 700 |
| Quality | | | | | |
| Client satisfaction rating by businesses with Business development services | per cent | nm | nm | nm | 90 |
| Cost | | | | | |
| Total output cost | \$ million | 28.3 | 37.0 | 34.7 | 27.7 |
| Regulation Reform | | | | | |
| Initiate and coordinate implementation of reforms that will enhance Victoria's business climate. | | | | | |
| Quantity | | | | | |
| Industry sector reviews | number | 8 | 8 | 8 | na |
| Quality | | | | | |
| Client satisfaction with advice, development and implementation of initiatives that promote a competitive regulatory environment | per cent | 90 | 90 | 90 | 90 |
| Industry sector review implementation coordination within agreed timelines | per cent | 100 | 100 | 100 | na |
| Timeliness | | | | | |
| Regulatory Impact Statements assessed within 5 days of receipt | per cent | 100 | 100 | 100 | 100 |
| Implementation of regulation reform initiatives within agreed timeframes | per cent | nm | nm | nm | 100 |
| Cost | | | | | |
| Total output cost | \$ million | 1.0 | 1.7 | 2.3 | 3.9 |
| Small Business Support | | | | | |
| Development and delivery of business information, advisory and referral services through the Victorian Business Line (VBL), online services and regional offices operating across rural and metropolitan Victoria, including managing the delivery of initiatives and events to assist and promote small business. | | | | | |
| Quantity | | | | | |
| General enquiries: | | | | | |
| • Business Channel | number | 117 295 | 96 000 | 96 000 | na |
| • Business Access Website | number | 106 645 | 96 000 | 96 000 | na |
| Budget Estimates 2003-04 | Innovation, Industry and Regional Development | | | | 183 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| BLIS enquires: | | | | | |
| • Victorian Business Line | number | 9 720 | 12 000 | 12 000 | na |
| • Business Channel | number | 6 306 | 12 000 | 12 000 | na |
| Business referrals | number | 42 863 | 39 000 | 39 000 | 39 000 |
| Initiative/events commenced or completed | number | 47 | 25 | 25 | na |
| Vic Export client visits | number | 11 270 | 6 000 | 6 000 | na |
| General enquiries: Business Enquiries | number | 35 674 | 43 000 | 43 000 | 43 000 |
| Small business website enquiries – Business Access, business channel, VicExport | number | nm | nm | nm | 300 000 |
| StreetLife KPIs completed | per cent | 93 | 90 | 90 | na |
| <i>Quality</i> | | | | | |
| Client satisfaction on small business information, referral or mentoring service (survey) | per cent | 93 | 80 | 80 | 80 |
| Small Business Commissioner – proportion of business disputes successfully mediated by Commissioner | per cent | nm | nm | nm | 50 |
| <i>Timeliness</i> | | | | | |
| Small Business State and Regional Awards presented | date | completed | qtr 4 | qtr 4 | qtr 4 |
| Vic Export Stage 3 launch | date | achieved | qtr 2 | qtr 2 | na |
| Proportion of applications by retail tenants before leases of less than eight years that are responded to by the Small Business Commissioner in 21 days | per cent | nm | nm | nm | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 5.4 | 5.1 | 5.9 | 6.2 |

Source: Department of Innovation, Industry and Regional Development

Notes:

- (a) Includes manufacturing, regional, financial services and small business divisions.
- (b) Aggregate whole-of-government figure including contributions from Regional Development Victoria and the Department of Infrastructure.
- (c) Includes major Industry Capability Missions under Agenda for Manufacturing.
- (d) Export delivered from investment facilitated (\$500 million) is now under the investment facilitation and attraction output.

Regional Development

Description:

Leads rural and regional economic policy and program development and provides services that target regional strategic leadership, regional economic development, rural community development and regional infrastructure development.

Key activities include:

- Support and fund regional, community business and tourism infrastructure;
- Facilitate the coordinated delivery of government programs, services and resources;
- Support regional community development; and
- Increase the capacity of rural and regional industries to compete, invest, grow and employ.

Departmental objectives to which services contribute:

- Strengthen Victoria's regional economies, infrastructure and communities.
- Encourage and support the development of innovative, internationally integrated and competitive industries and businesses for Victoria.
- Work to create a competitive business environment and capabilities for the innovation economy.

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Regional Strategic Leadership

Program development, economic intelligence and policy development services that build the Department's capacity to take a leadership role in regional development.

Quantity

| | | | | | |
|--|--------|----|----|----|----|
| Programs delivered to groups of local councils and regional development bodies | number | 28 | 12 | 12 | 12 |
| Support for Local Government Summit | number | 1 | 1 | 1 | na |
| Strategic policy initiated | number | nm | nm | nm | 2 |
| Regional Development Advisory Committee meetings held in rural and regional Victoria | number | nm | nm | nm | 5 |
| Ministerial forums supported | number | nm | nm | nm | 3 |
| Support for forums on Community Regional Industry Skills Program | number | nm | nm | nm | 4 |

Quality

| | | | | | |
|--|----------|----|----|----|----|
| Satisfaction of Regional Development Advisory Committee meetings supported | per cent | nm | nm | nm | 95 |
|--|----------|----|----|----|----|

Cost

| | | | | | |
|-------------------|------------|-----|-----|-----|-----|
| Total output cost | \$ million | 3.3 | 2.4 | 2.3 | 1.8 |
|-------------------|------------|-----|-----|-----|-----|

| | | |
|--------------------------|---|-----|
| Budget Estimates 2003-04 | Innovation, Industry and Regional Development | 185 |
|--------------------------|---|-----|

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Rural Community Development

Program delivery to rural communities to ensure their input to policy, program and service development and to improve their access to government services.

Quantity

| | | | | | |
|---|--------|-----|-----|-----|----|
| Ministerial meetings supported | number | na | 10 | 10 | na |
| Rural leadership and community events organised and supported | number | 136 | 120 | 120 | 60 |
| Community capacity building initiative-implementation of action plans | number | na | 11 | 11 | 11 |
| Regional State-Local Government community forums | number | nm | nm | nm | 5 |
| Community development grants supported | number | nm | nm | nm | 9 |

Quality

| | | | | | |
|---|----------|----|----|----|----|
| Satisfaction with Community Leadership projects | per cent | nm | nm | nm | 80 |
| Satisfaction with support for Community Events | per cent | nm | nm | nm | 80 |

Cost

| | | | | | |
|-------------------|------------|-----|------|------|-----|
| Total output cost | \$ million | 4.9 | 12.2 | 11.8 | 2.9 |
|-------------------|------------|-----|------|------|-----|

Regional Infrastructure Development

Capital works funds for infrastructure development projects in regional Victoria.

Quantity

| | | | | | |
|---|--------|----|----|----|----|
| Regional Infrastructure Development Fund – projects funded | number | 26 | 20 | 20 | na |
| Regional economic development – infrastructure projects funded | number | nm | nm | nm | 5 |
| RIDF projects funded (excluding Gas and Small Towns Development Fund) | number | nm | nm | nm | 5 |
| Small Towns Development Fund (RIDF) projects funded | number | nm | nm | nm | 60 |
| Number of towns included in natural gas reticulation | number | nm | nm | nm | 4 |

Quality

| | | | | | |
|--|----------|-----|----|----|----|
| RIDF Committee recommendations accepted by Ministers | per cent | 100 | 90 | 90 | 90 |
|--|----------|-----|----|----|----|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| Advice to RIDF applicants - after receipt of applications | days | 76 | 90 | 90 | 90 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 28.0 | 132.1 | 48.4 | 86.5 |
| Regional Economic Development | | | | | |
| Facilitation of new investment and support of business development in regional Victoria. | | | | | |
| <i>Quantity</i> | | | | | |
| Living Regions, Living Suburbs Support fund: Projects supported | number | 28 | 30 | 30 | na |
| Living Regions, Living Suburbs Support fund: Implement one stop shops pilots | number | na | 4 | 4 | na |
| New investment facilitated and announced in regional Victoria | number | nm | nm | nm | 450 |
| Jobs created in regional Victoria | number | nm | nm | nm | 1 000 |
| Regional economic development non-infrastructure projects funded | number | na | 20 | 20 | 20 |
| Living Regions, Living Suburbs Support fund: community banking project grants | number | nm | nm | nm | 8 |
| Companies in regional Victoria provided with assistance for growth opportunities | number | nm | nm | nm | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 4.3 | 6.5 | 6.0 | 8.7 |

Source: Department of Innovation, Industry and Regional Development

Industrial Relations

Description:

Aims to develop and implement an industrial relations policy and legislative climate that promotes fairness, job growth and enhanced employment opportunities and actively promotes the development of co-operative work practices and relations between employers, employees and their representatives, as well as to Commonwealth Government policy and legislation.

Departmental objectives to which services contribute:

- Support the development of high performing, cooperative and fair workplaces and a highly skilled workforce.
- Encourage and support the development of innovative, internationally integrated and competitive industries and businesses for Victoria.
- Work to create a competitive business environment and capabilities for the innovation economy.
- Strengthen Victoria's regional economies, infrastructure and communities.

| <i>Major Outputs/Deliverables</i> | <i>Unit of Measure</i> | <i>2001-02 Actual</i> | <i>2002-03 Target</i> | <i>2002-03 Expected Outcome</i> | <i>2003-04 Target</i> |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Industrial Relations Services

Aims to provide current, meaningful and accessible information, advice and assistance to all relevant stakeholders within Victoria. Provide grants for and promote cooperative partnerships in the workplace and provide investment facilitation services for businesses considering Victoria as a place in which to invest.

Quantity

| | | | | | |
|--|--------|----|----|----|----|
| Industrial Roundtables and Forums | number | 3 | 3 | 3 | 5 |
| Delivery of Partnership at Work Programs | number | na | 40 | 40 | 45 |

Quality

| | | | | | |
|--|----------|----|----|----|----|
| Client satisfaction with delivery of programs for workplace innovation, co-operative workplaces and Partners at Work and Better Work and Family Balance | per cent | nm | nm | nm | 90 |
| Client satisfaction with the information, education and advice services provided to meet the needs of Victorian employers, employees and their representatives | per cent | nm | nm | nm | 90 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| Key advice and industrial relations services especially in relation to investment attraction and public sector employment areas delivered within agreed timeframes | per cent | 100 | 100 | 100 | 100 |
| Education and communication strategies deployed within agreed timeframes | per cent | 100 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 5.9 | 6.6 | 6.7 | 7.1 |

Industrial Relations Policy

Aims to develop a fair system of industrial relations for all Victorians, to create an industrial relations environment where innovative and cooperative workplace practices are the norm and to provide an environment that contributes to the State's economic development.

Quality

| | | | | | |
|--|----------|-----|-----|-----|-----|
| Ministerial satisfaction with quality and timeliness of policy and advice provided by IRV | per cent | 90 | 100 | 90 | 100 |
| Victoria represented in major industrial relations cases | per cent | 100 | 100 | 100 | 100 |
| Client satisfaction with the quality of policy advice provided to Government Agencies by IRV | per cent | nm | nm | nm | 85 |

Timeliness

| | | | | | |
|--|----------|-----|-----|-----|-----|
| Industrial relations briefings provided within agreed timeframes | per cent | 100 | 100 | 100 | 100 |
| Public sector industrial relations policy advice provided within agreed timeframes | per cent | 100 | 100 | 100 | 100 |

Cost

| | | | | | |
|-------------------|------------|-----|-----|-----|-----|
| Total output cost | \$ million | 5.0 | 5.3 | 5.3 | 4.3 |
|-------------------|------------|-----|-----|-----|-----|

Source: Department of Innovation, Industry and Regional Development

Tourism

Description:

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 for both domestic and international tourists as well as product development, leadership and coordination.

Departmental objectives to which services contribute:

- Encourage and support the development of innovative, internationally integrated and competitive industries and businesses for Victoria.
- Work to create a competitive business environment and capabilities for the innovation economy.
- Strengthen Victoria's regional economies, infrastructure and communities.
- Encourage and support the contribution of tourism to Victoria's economic and social development.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Tourism Marketing and Event Facilitation

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.

Quantity

| | | | | | |
|--|-------------------|------|-----------|-----------|-----------|
| Tourism Victoria international marketing expenditure as proportion of total campaign expenditure | ratio | na | 1:3 | 1:3 | 1:3 |
| Visitor nights (Domestic) | number (million) | 55.7 | 52-54 | 52-54 | 54-56 |
| Visitor Expenditure (Domestic) | number \$ billion | na | 5.8-6.0 | 5.8-6.0 | 6.0-6.2 |
| Visitor nights (International) | number (million) | 20.6 | 20-22 | 20-22 | 18-22 |
| Number of visitors (International) | number (million) | 1.1 | 1.0-1.3 | 1.0-1.3 | 1.0-1.4 |
| Visitor Expenditure (International) | number \$ billion | na | 1.55-1.65 | 1.55-1.65 | 1.4-1.7 |
| Visitor nights to Regional Victoria (Domestic) | number (million) | na | 35-37 | 35-37 | 35.5-37.5 |
| Visitvictoria.com monthly visitors delivered | number ('000) | na | 45-50 | 80 | na |
| Visitvictoria.com monthly page impressions delivered | number ('000) | na | 600-650 | 900 | na |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| International tactical marketing campaigns delivered | number | na | 70-90 | 70-90 | na |
| Melbourne Great Indoors tactical marketing campaign: Website page impressions | number ('000) | na | 14-16 | 40-50 | na |
| Melbourne Great Indoors tactical marketing campaign: Room nights sold | number | na | 18 000 | 15,100 | na |
| SKI tactical marketing campaign: Website page impressions | number ('000) | na | 40-50 | 20-30 | na |
| Major events assisted | number | 33 | 30-35 | 30-35 | na |
| Hallmark and special events assisted | number | 22 | 22 | 22 | na |
| Visitvictoria.com annual visitors to site | number ('000) | nm | nm | nm | 1 000 |
| Visitvictoria.com annual page impressions delivered | number | nm | nm | nm | 11 000 |
| Value of earned ink generated: Domestic | \$ million | 49.46 | 25-35 | 55 | 40-60 |
| Value of earned ink generated: International | \$ million | 224.3 | 200-225 | 200 | 200-225 |
| Non-hallmark events assisted | number | nm | nm | nm | 30-35 |
| Quality | | | | | |
| Awareness of advertising on Victoria: | | | | | |
| • Victoria | per cent | 16 | 8-12 | 8-12 | 8-12 |
| • New South Wales | per cent | 21 | 18-22 | 18-22 | 18-22 |
| • South Australia | per cent | 22 | 10-16 | 10-16 | 10-16 |
| • Queensland | per cent | 23 | 18-22 | 18-22 | 18-22 |
| Cost | | | | | |
| Total output cost | \$ million | 22.9 | 35.0 | 20.9 | 35.0 |

Tourism Industry and Infrastructure Development

Facilitate investment in quality tourism infrastructure, provide leadership and direction in line with the Tourism Victoria Strategic Business Plans for each of Victoria's product regions and improve international air services to Melbourne.

Quantity

| | | | | | |
|--|------------|----|---------|---------|---------|
| Investment projects facilitated | \$ million | na | 200-250 | 200-250 | 200-250 |
| Number of consultative industry forums, seminars/workshops conducted | \$ million | 43 | 20-25 | 25-35 | 30-40 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Quality</i> | | | | | |
| Service level agreements with major industry partners acquitted within agreed guidelines | per cent | 100 | 100 | 100 | na |
| <i>Cost</i> | | | | | |
| Total output cost | | 1.8 | 3.4 | 2.9 | 3.3 |

Source: Department of Innovation, Industry and Regional Development

PART 2: FINANCIAL INFORMATION

Part 2 provides the financial information that supports reporting on the Department's provision of outputs. The information provided includes the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows for the Department as well as authority for resources.

The total resources made available to a department are applied to three uses:

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

The financial statements are presented in the format consistent with the AAS29 accounting standard. However, for the purposes of this paper they have been divided into controlled and administered items.

Administered items refer to those resources over which the Department cannot exercise direct control. Authority is provided through an appropriation for payments made on behalf of the State. Under the AAS29 standard, these items would normally appear as notes to the financial statements.

Financial Statements

The following tables can be used to assess the Department's financial performance and use of resources.

- **Table 2.4.2 – Statement of Financial Performance** – provides details of the Department's controlled revenue and expenses on an accrual basis reflecting the cost of providing its outputs;
- **Table 2.4.3 – Statement of Financial Position** – shows all controlled assets and liabilities of the Department. The difference between these represents the net assets position, which is an indicator of the State's equity in the Department;
- **Table 2.4.4 – Statement of Cash Flows** – shows all movements of cash (cash received and paid). The cash impact of financing and investing activities on Departmental resources is highlighted in this statement; and
- **Table 2.4.5 – Administered Items Statement** – provides details of the Department's administered revenue and expenses, and its administered assets and liabilities.

Operating Performance

Relative to 2002-03, the Department is projecting a significant decrease in both revenue and expenditure in 2003-04. Machinery of government changes as well as the re-phasing of expenditure of an existing regional program are jointly responsible for these reductions.

The estimated result for DIIRD in 2003-04 is an operating deficit of \$64.5 million, compared to an expected surplus of \$79.5 million in 2002-03. This is due to the re-phasing of expenditure for the Regional Infrastructure Development Fund (RIDF). This fund will recognise total revenue of \$126 million in 2002-03, although actual expenditure for 2002-03 is now estimated at \$45 million. Consistent with the *Regional Infrastructure Development Act 1999*, the surplus will remain in the RIDF Trust at the end of 2002-03. It is expected that this surplus will be drawn down to meet expenditure in 2003-04 and 2004-05.

In 2003-04, revenue and expenditure is expected to drop by around \$117 million and \$52 million respectively (relative to the 2002-03 Budget). Drivers behind this (in addition to the RIDF program explained above) are:

- The machinery of government changes have seen Multimedia Victoria, Employment, Liquor Licensing and Trade Measurement transfer out of DIIRD, and Tourism Victoria and Biomedical Research move into DIIRD. In 2002-03, this has seen the overall level of expenditure (and output appropriation revenue) for DIIRD decrease by around \$25 million since the 2002-03 Budget. On the expenditure side, these machinery of government effects are represented predominantly in the grants and other payments, and supplies and services area of the Statement of Financial Performance.
- The Department has estimated a carryover of \$29.5 million from 2002-03 to 2003-04, which has the effect of reducing appropriation funding and expenditure in 2002-03, and re-allocating it to 2003-04. The impact on expenditure is in the Supplies and Services area of the Operating Statement.
- There are a number of new initiatives totalling \$41 million (net) that will increase the operating budget from 2003-04 onwards. These partially offset the decreases resulting from the machinery of government transfers.

Balance Sheet Performance

The Department's asset base will increase significantly in 2003-04, primarily due to the continued investment in Synchrotron, the Film and Television Studio and the commencement of the City Office Accommodation project.

The Statement of Cash Flows reflects the cash impact of those changes previously discussed in the Statement of Financial Performance and Statement of Financial Position.

Receipts from government and payments for supplies, grants and employees have decreased in proportion to the reduction in appropriation revenue and expenditure.

Administered Items Statement

In 2002-03 Major Projects Victoria (MPV) was transferred from DIIRD to DOI. A significant component of MPV's business was administered land sales. Accordingly, land sales were represented in the 2002-03 Budget. As MPV is no longer part of DIIRD, administered revenue is now reduced by \$6.8 million.

Table 2.4.2: Statement of Financial Performance

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Revenue from ordinary activities | | | | | |
| Output Appropriations | 334.7 | 431.9 | 407.0 | 418.3 | 313.7 |
| Special Appropriations | .. | .. | .. | .. | .. |
| Resources received free of charge or for nominal consideration | 0.7 | .. | .. | .. | .. |
| Sale of goods and services | .. | .. | .. | .. | 1.5 |
| Commonwealth Grants | .. | .. | .. | .. | .. |
| Other revenue and revenue from other parties | 21.4 | .. | .. | 3.3 | 0.1 |
| | 356.8 | 431.9 | 407.0 | 421.6 | 315.3 |
| Expenses from ordinary activities | | | | | |
| Employee benefits | 59.7 | 58.2 | 57.1 | 57.5 | 51.4 |
| Depreciation and amortisation | 3.8 | 6.5 | 4.5 | 4.5 | 3.6 |
| Resources provided free of charge or for nominal consideration | 10.5 | .. | .. | .. | .. |
| Grants and other payments | 182.2 | 305.8 | 259.9 | 242.0 | 217.5 |
| Capital asset charge | 1.9 | 4.0 | 2.8 | 2.8 | 4.1 |
| Supplies and services | 61.5 | 57.3 | 82.9 | 35.5 | 103.3 |
| Other expenses from ordinary activities | 0.7 | .. | (0.1) | (0.1) | .. |
| Borrowing costs | .. | .. | .. | .. | .. |
| | 320.3 | 431.9 | 407.0 | 342.1 | 379.8 |
| Result from ordinary activities | 36.5 | .. | .. | 79.5 | (64.5) |
| Loss from extraordinary items | .. | .. | .. | .. | .. |
| Net result for the reporting period | 36.5 | .. | .. | 79.5 | (64.5) |
| Net increase in asset revaluation reserve | .. | .. | .. | .. | .. |
| Total revenues, expenses and revaluation adjustments recognised directly in equity | (41.8) | .. | .. | .. | .. |
| Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner | (5.3) | .. | .. | 79.5 | (64.5) |

Source: Department of Treasury and Finance

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.4.3: Statement of Financial Position

(\$ million)

| | <i>Estimated as at 30 June</i> | | | | |
|--------------------------------------|--------------------------------|------------------------|--|-------------------------|------------------------|
| | <i>2002 Actual</i> | <i>2003 Budget</i> | <i>2003 Adjusted^(a)</i> | <i>2003 Revised</i> | <i>2004 Budget</i> |
| Current Assets | | | | | |
| Cash Assets | (2.3) | (2.3) | 2.4 | 2.4 | 2.4 |
| Other financial assets | .. | .. | .. | .. | .. |
| Receivables | 5.1 | 5.1 | 6.2 | 6.2 | 6.2 |
| Inventories | .. | .. | .. | .. | .. |
| Prepayments | 0.8 | 0.8 | 1.1 | 1.1 | 1.1 |
| Other | .. | .. | .. | .. | .. |
| Total current assets | 3.6 | 3.6 | 9.7 | 9.7 | 9.7 |
| Non-current assets | | | | | |
| Receivables | 66.9 | 67.4 | 67.0 | 117.7 | 63.6 |
| Inventories | .. | .. | .. | .. | .. |
| Other financial assets | .. | .. | 0.1 | 0.1 | 0.1 |
| Property, plant and equipment | 8.6 | 61.0 | 38.8 | 52.0 | 92.5 |
| Intangible assets | .. | .. | .. | .. | .. |
| Other | .. | .. | .. | .. | .. |
| Total non-current assets | 75.5 | 128.4 | 105.9 | 169.8 | 156.2 |
| Total assets | 79.1 | 132.1 | 115.6 | 179.4 | 165.9 |
| Current liabilities | | | | | |
| Payables | 36.0 | 36.3 | 37.8 | 9.1 | 9.1 |
| Interest bearing liabilities | .. | .. | .. | .. | .. |
| Provisions | 5.1 | 5.1 | 5.8 | 5.8 | 5.8 |
| Other | 0.2 | 0.2 | 1.0 | 1.0 | 1.0 |
| Total current liabilities | 41.3 | 41.6 | 44.6 | 15.8 | 15.8 |
| Non-current liabilities | | | | | |
| Interest bearing liabilities | .. | .. | .. | .. | .. |
| Provisions | 9.6 | 9.8 | 10.3 | 10.3 | 10.3 |
| Other | .. | .. | .. | .. | .. |
| Amounts owing to other departments | .. | .. | .. | .. | .. |
| Total non-current liabilities | 9.6 | 9.8 | 10.3 | 10.3 | 10.3 |
| Total liabilities | 50.9 | 51.5 | 54.8 | 26.1 | 26.1 |
| Net assets | 28.2 | 80.6 | 60.7 | 153.3 | 139.8 |
| Equity | | | | | |
| Contributed capital | 2.0 | 54.3 | 34.5 | 47.6 | 98.5 |
| Reserves | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 |
| Accumulated surplus | 22.1 | 22.1 | 22.1 | 101.6 | 37.1 |
| Total Equity | 28.2 | 80.6 | 60.7 | 153.3 | 139.8 |

Source: Department of Treasury and Finance

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.4.4: Statement of Cash Flows

| | (\$ million) | | | | |
|---|----------------|----------------|-------------------------|----------------|----------------|
| | 2001-02 | 2002-03 | 2002-03 | 2002-03 | 2003-04 |
| | Actual | Budget | Adjusted ^(a) | Revised | Budget |
| Cash flows from operating activities | | | | | |
| Receipts from Government | 303.2 | 431.4 | 407.0 | 367.5 | 367.8 |
| Receipts from other entities | 33.3 | .. | (0.2) | 2.6 | 1.5 |
| Payments for supplies, grants and employees | (329.2) | (420.7) | (396.8) | (360.6) | (372.2) |
| | 7.3 | 10.7 | 10.0 | 9.4 | - 2.8 |
| Interest received | 0.1 | .. | .. | .. | .. |
| Other revenue | 5.1 | .. | (0.2) | 0.4 | 0.1 |
| Capital asset charge | (2.1) | (4.0) | (2.8) | (2.8) | (4.1) |
| Borrowing costs expense | .. | .. | .. | .. | .. |
| Net cash inflow from operating activities | 10.4 | 6.7 | 6.9 | 6.9 | (6.8) |
| Cash flows from investing activities | | | | | |
| Payments for property, plant and equipment | (4.0) | (59.0) | (34.6) | (47.7) | (44.1) |
| Proceeds from sale of property, plant and equipment | .. | .. | .. | .. | .. |
| Payments for investments | .. | .. | .. | .. | .. |
| Proceeds from sale of business assets | .. | .. | .. | .. | .. |
| (Repayment of) loans by other entities | .. | .. | (0.1) | (0.1) | .. |
| Net cash (outflow) from investing activities | (4.0) | (59.0) | (34.7) | (47.8) | (44.1) |
| Cash flows from financing activities | | | | | |
| Net Proceeds from capital contribution by State Government | 2.0 | 52.3 | 32.5 | 45.6 | 50.9 |
| Net proceeds of borrowings | .. | .. | .. | .. | .. |
| Repayment of finance leases | (13.1) | .. | .. | .. | .. |
| Net cash inflows (outflow) from financing activities | (11.1) | 52.3 | 32.5 | 45.6 | 50.9 |
| Net increase (decrease) in cash held | (4.7) | .. | 4.7 | 4.7 | .. |
| Cash at the beginning of the financial year | 2.4 | (2.3) | (2.3) | (2.3) | 2.4 |
| Cash at the end of the financial year | (2.3) | (2.3) | 2.4 | 2.4 | 2.4 |

Source: Department of Treasury and Finance

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.4.5: Administered Items Statement

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Administered revenue | | | | | |
| Appropriations - Payments made on behalf of the State | 4.3 | .. | .. | .. | .. |
| Special Appropriations | .. | .. | .. | .. | .. |
| Resources received free of charge or for nominal consideration | .. | .. | .. | .. | .. |
| Sale of goods and services | 6.5 | 0.3 | 0.3 | 0.3 | .. |
| Commonwealth grants | 0.4 | 0.2 | 0.2 | 0.2 | .. |
| Other grants | .. | .. | .. | .. | .. |
| Taxes | .. | .. | .. | .. | .. |
| Fines | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Fees | 2.6 | 2.2 | 2.2 | 2.2 | 2.2 |
| Other | .. | 7.1 | 7.1 | 7.1 | 0.3 |
| Total administered revenue | 14.0 | 9.9 | 9.9 | 9.9 | 2.6 |
| Administered expenses | | | | | |
| Expenses on behalf of the State | 4.3 | .. | .. | .. | .. |
| Grants and other payments | 20.5 | .. | .. | .. | .. |
| Payments into the Consolidated Fund | 13.1 | 9.9 | 9.9 | 9.9 | 2.6 |
| Total administered expenses | 37.9 | 9.9 | 9.9 | 9.9 | 2.6 |
| Revenue less expenses | (23.9) | .. | .. | .. | .. |
| Administered assets | | | | | |
| Cash assets | .. | .. | .. | .. | .. |
| Receivables | 15.8 | 15.8 | 15.8 | 15.8 | 15.8 |
| Other financial assets | .. | .. | .. | .. | .. |
| Inventories | .. | .. | .. | .. | .. |
| Prepayments | .. | .. | .. | .. | .. |
| Property, plant and equipment | .. | .. | .. | .. | .. |
| Intangible assets | .. | .. | .. | .. | .. |
| Other | .. | .. | .. | .. | .. |
| Total administered assets | 15.8 | 15.8 | 15.8 | 15.8 | 15.8 |
| Administered liabilities | | | | | |
| Payables | .. | .. | .. | .. | .. |
| Interest bearing liabilities | .. | .. | .. | .. | .. |
| Provisions | .. | .. | .. | .. | .. |
| Amounts owing to other departments | .. | .. | .. | .. | .. |
| Other | .. | .. | .. | .. | .. |
| Total administered liabilities | .. | .. | .. | .. | .. |

Source: Department of Treasury and Finance

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Authority for Resources

This section provides a summary of the sources of Parliamentary Authority available to the Department to fund the provision of outputs and additions to the net asset base.

Table 2.4.6: Parliamentary Authority for Resources

| | (\$ million) | | | |
|--|-------------------|------------------------------------|-----------------------------------|-------------------|
| | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised ^(b) | 2003-04 Budget |
| Annual appropriations | 423.8 | 376.8 | 401.1 | 333.6 |
| Receipts credited to appropriations | .. | .. | .. | .. |
| Unapplied previous years appropriation | 60.2 | 60.2 | 60.2 | 31.0 |
| Accumulated surplus - previously applied appropriation | .. | .. | 29.0 | .. |
| Gross Annual appropriation | 484.0 | 437.0 | 490.3 | 364.6 |
| Special appropriations | .. | .. | .. | .. |
| Trust funds | .. | .. | 0.6 | 0.1 |
| Total Parliamentary Authority | 484.0 | 437.0 | 490.9 | 364.7 |

Source: Department of Treasury and Finance

Notes:

- (a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.
- (b) 2002-03 revised estimates include the impact of approved Treasurer's Advances.

DEPARTMENT OF JUSTICE

PART 1: OUTLOOK AND OUTPUTS

Overview

The Department of Justice (DOJ) provides: an accessible, equitable and responsive body of civil law and system regulation that protects the rights and freedoms of all Victorians; a fair and just system of criminal justice; the preservation of civil order and the prevention and detection of crime; a safe, secure, just and humane adult correctional system that incorporates the elements of protection, rehabilitation and reparation for the community; the protection of individuals and property through the prevention and suppression of fires and provision of coordinated emergency services; an effective framework for consumer affairs; and the development and ongoing regulation and reform of the gaming sector.

DOJ supports the Ministerial portfolios of the Attorney-General; Police and Emergency Services; Corrections; Consumer Affairs; and Gaming and Racing.

Services are delivered through direct service provision and through partnerships and central coordinating arrangements with a wide range of judicial and quasi judicial bodies, statutory agencies and offices.

The Department is structured around four core functional areas:

Justice Operations

- Public Safety Policy Development;
- Provision of Policing Services;
- Emergency Prevention and Response; and
- Management of the Correctional System.

Legal and Equity

- Drafting of Legislation;
- Provision of Legal Advice to Government;
- Administration of the Court System; and
- Provision of Advocacy and Guardianship Services.

Consumer Affairs

- Protection of Consumers.

Gaming and Racing

- Management and Regulation of Gaming and Racing.

The Department's cross portfolio policy responsibilities and obligations include:

- securing cooperation, coordination and cohesion amongst portfolio agencies to enhance service delivery capabilities;
- promoting increased efficiency, effectiveness and accountability of service delivery and resource management in all organisations associated with the Justice portfolio; and
- providing executive services to Ministers.

In this regard, key features of the Justice portfolio are the 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 Country Fire Authority and the Metropolitan Fire and Emergency Services Board.

Departmental objectives

The Department's objectives, which align with the Government's *Growing Victoria Together* outcomes, are:

- maintain and enhance the confidence of Victorians in their personal safety and reduce their fear of crime;
- reduce the incidence of violent crime in targeted areas;
- reduce Victoria's road toll;
- improve Victorians' confidence in the legal and courts system;
- improve access to justice services, particularly to legal aid, victim support services and alternative dispute resolution;
- ensure that matters in the Courts and Tribunals are finalised within the respective elapsed time benchmarks;
- reduce offending and re-offending rates and the number of prisoners returning to prisons;
- improve access to consumer protection services, particularly for vulnerable groups;
- ensure responsible management and regulation of gaming and racing activities; and
- improve access to human rights protection services in targeted areas.

The following table shows the links between Departmental objectives and *Growing Victoria Together* outcomes:

| Departmental Objectives | Government Outcomes |
|---|--|
| Maintain and enhance the confidence of Victorians in their personal safety and reduce their fear of crime | Safe streets, homes and workplaces Building cohesive communities and reducing inequalities |
| Reduce the incidence of violent crime in targeted areas | Safe streets, homes and workplaces |
| Reduce Victoria's road toll | Safe streets, homes and workplaces |
| Improve Victorians' confidence in the legal and courts system | Promoting rights and respecting diversity Building cohesive communities and reducing inequalities |
| Improve access to justice services, particularly to legal aid, victim support services and alternative dispute resolution | Promoting rights and respecting diversity Building cohesive communities and reducing inequalities |
| Ensure that matters in the Courts and Tribunals are finalised within respective elapsed time benchmarks | Promoting rights and respecting diversity |
| Reduce offending and re-offending rates and the number of prisoners returning to prisons | Safe streets, homes and workplaces |
| Improve access to consumer protection services, particularly for vulnerable groups | Promoting rights and respecting diversity Building cohesive communities and reducing inequalities |
| Ensure responsible management and regulation of gaming and racing activities | Promoting rights and respecting diversity Building cohesive communities and reducing inequalities |
| Improve access to human rights protection services in targeted areas | Promoting rights and respecting diversity Building cohesive communities and reducing inequalities |

The Justice portfolio has an important contribution to make to the *Growing Victoria Together* focus on 'safe streets, homes and workplaces' and 'promoting rights and diversity' through public safety, crime and violence prevention strategies and the development of a holistic and strategically integrated system that improves access to justice and better protects the rights of Victorians, especially those who are most disadvantaged. By addressing these issues appropriately the Justice portfolio can also make a significant contribution to the *Growing Victoria Together* strategy of 'building cohesive communities and reducing inequalities'.

Review of 2002-03

Growing Victoria Together provided the key driver behind Departmental activity for the 2002-03 year.

The Department expects to meet its overall budget and output performance targets. All major service initiatives for which provisions were made in the 2002-03 Budget and subsequent budget reviews concerning the early implementation of the Government's priority election commitments have been either successfully implemented or substantially progressed including:

- the recruitment of an additional 800 front line police more than a year ahead of schedule and issuance of a range of new protective and safety equipment to the force as well as significant upgrades of police facilities. Since being elected in 1999, the Government has approved funding for 65 new or replacement police stations and facilities throughout Victoria;
- considerable operational support by emergency services in north-eastern Victoria during the recent bushfires. In order to speed recovery for bushfire affected areas, the Premier established a Ministerial Taskforce on Bushfire Recovery and the Office of the Emergency Services Commissioner will undertake a review of operations centres across the State to ensure that all of Victoria's emergency services agencies are operating in a coordinated manner;
- full implementation of phase one of the *Community Safety Emergency Support Program* providing funding support to community-based emergency service volunteers for the purchasing of emergency equipment opening the way for phase two of the program;
- progress on the implementation of the Corrections Long Term Management Strategy. The prison capacity is almost complete and the construction of new prisons (while slightly delayed) is being managed;
- launch of two new family violence prevention initiatives in Brimbank and in Shepparton as part of the Government's crime and violence prevention strategy, *Safer Streets and Homes 2002-2005*;
- opening of Victoria's first pilot Drug Court in Dandenong and the expansion of the State's successful drug diversion and treatment program (CREDIT) to the Sunshine, Ringwood, Frankston, Dandenong, Moe and Geelong Magistrates' Courts;
- establishment of two Koori Courts on a pilot basis in Shepparton and Broadmeadows capable of meeting the needs of the Victorian indigenous community; and

- conclusion of an in-principle agreement between the Government and the Wotjobaluk people in regards to their native title claim in the Wimmera region. This is the first time that a claim has been agreed-in-principle in Victoria and it represents a significant step forward.

Machinery of government changes

As part of machinery of government changes announced in December 2002, the Department of Justice assumed responsibility for the regulation of gaming, racing, liquor licensing and trade measurement.

Outlook for 2003-04

The Department's 2003-04 budget initiatives continue to build upon the achievements and substantial investment in community safety and a stronger justice system, contributing to the Government's outcomes of safe streets, homes and workplaces; promoting rights and respecting diversity; and building cohesive communities and reducing inequalities.

Targeted outcomes from policy implementation and output and asset investment initiatives for 2003-04 are as follows:

Community Safety

The implementation of a revitalised whole-of-government strategy to reduce offending and re-offending will include a combination of community based crime prevention and smarter crime fighting strategies coupled with diversion from imprisonment, therapeutic jurisprudence in courts and offender behaviour modification/treatment programs in correctional services:

- partnerships between Crime Prevention Victoria, Victoria Police, and the community are utilising the latest available evidence of effective strategies, together with detailed analysis of local crime trends in order to build customised crime reduction strategies around specific target zones and target groups;
- Victoria Police is progressively increasing police numbers towards the Government's target of an additional 600 police as part of its commitment to maintaining an effective community safety presence in support of its target of reducing crime by five per cent over five years;
- A Domestic Violence Division of the Magistrates' Court of Victoria will be established to enable the justice system to respond to family violence issues in a preventative and responsive manner;

- alternatives are being developed to divert low risk offenders from custodial sentences to appropriate and effective community supervision and treatment orders, and provide enhanced pre and post release support to reduce the likelihood of released prisoners returning to the correctional system; and
- existing prison facilities will be expanded to meet projected growth in prison numbers and ensure that the Victorian prison system provides safe, secure and humane correctional facilities and an environment conducive to rehabilitation.

Ongoing strategies to improve road safety and emergency services capabilities will further enhance the confidence of Victorians in their safety, including measures to address the security risks arising from threats of terrorism:

- the Department has primary responsibility for the road traffic law enforcement elements of the Government's integrated road safety campaign *arrive alive! 2002-07*, including the rollout of new booze buses, updated breath testing equipment, new safety cameras and additional speed detection devices;
- the development of a State-wide, Integrated Public Safety Communications Strategy will progressively enhance the operational capabilities of the State's Emergency Service Organisations; and
- counter terrorism measures are being designed to strengthen the capacity of police and emergency services to deal with the consequences of any major terrorist incident including chemical, biological and radiological attack.

A Stronger Justice System

The Department is committed to ensuring a 'Fair Go for all' through targeting of legal rights protection services to vulnerable groups and individuals and enhancements to social regulation, including the development and ongoing reform of the gaming sector:

- key principles and objectives that will lay the foundations for building a justice system that is fair, accessible and understandable are being articulated through a Justice Statement and used to drive more effective resource planning, operational enhancements and the further application of information technology based system improvements in a five year strategic plan for courts, tribunals and related agencies;
- a Sentencing Advisory Council will be established providing a means of allowing informed community input to be incorporated into guideline judgements of the Court of Appeal and to the sentencing process on a permanent and formal basis;

- access to the justice system will be improved through the extension of legal aid services in outer metropolitan growth corridors and the provision of additional specialist services to persons with disabilities, homeless persons and persons with consumer credit and environmental/planning problems;
- community awareness of equal opportunity rights and responsibilities will be improved through initiatives of the Equal Opportunity Commissioner to target examples of systemic discrimination;
- the Office of the Public Advocate will continue to promote the rights and dignity of people with disabilities and to provide advocacy and guardianship services where necessary;
- the consumer protection priorities aim to ensure confident consumers and protected communities. The priorities are to address current and emerging marketplace issues, including e-commerce, product safety and underage drinking; ensure existing interventions in the marketplace are efficient and effective through activities such as the review of the *Retirement Villages Act 1986*; target issues of concern to vulnerable consumers including credit and debt; provide leadership in alternative dispute resolution; strengthen compliance and enforcement; and strengthen information and education services so that consumers are aware of their rights and responsibilities and are assisted in asserting these rights;
- interactive on-line dispute resolution is being piloted in Consumer Affairs and the Dispute Settlement Centre of Victoria as a mediation option for resolving neighbourhood or community disputes, with a potentially wide application across other state government departments, local government and community agencies;
- an Advocate for Responsible Gaming will be established to encourage, facilitate and promote responsible gambling; and
- the Aboriginal Justice Agreement, entering its fourth year of implementation, is providing a dynamic whole-of-government framework for agencies and the Aboriginal community to work together to address the complex issues that underpin overrepresentation of Aboriginals in the criminal justice system and the disproportionately high level of indigenous disadvantage.

Output information

The following outputs were transferred from DOJ as a result of machinery of government changes announced in December 2002:

- Registration of Births, Deaths and Marriages to the Department for Victorian Communities.

The following outputs were transferred to DOJ as a result of the machinery of government changes:

- Effective Management of the Sale of Liquor from the Department of Innovation, Industry and Regional Development (DIIRD);
- Trade Measurement Development and Services from DIIRD;
- Regulation of Gambling from the Department of Treasury and Finance (DTF);
- Gaming Policy Advice from DTF; and
- Sport and Recreation Industry Development (racing portfolio) from the Department of Tourism, Sport and the Commonwealth Games.

The Department has revised its 2002-03 output structure as follows to reflect machinery of government changes and significant policy changes as a result of priorities identified in the Victoria Police Five Year Strategic Plan and recommendations of the 2002-03 Consumer Affairs Output Review:

| Existing Output (2002-03) | New Output (2003-04) |
|--|---|
| Police Presence in the Community | Investigating Crimes |
| Community Safety Programs | Police Court and Custody Services |
| Response Readiness | Targeting Driver Behaviour |
| Response to Incidents | Responding to Calls for Assistance |
| Event Management | Diversion and Community Support Programs |
| Investigating Crimes against the Person | Community Confidence in Policing Services |
| Investigating Crimes against Property | Partnership Policing |
| Investigating Illegal Drug Activity | |
| Road Safety Strategies and Awareness | |
| Road Traffic Law Enforcement | |
| Road Traffic Incident/Collision Management | |
| Providing Justice Services | |
| Managing People in Custody | |
| Consumer Awareness and Protection | Consumer Protection |
| Business Licensing and Registration | |
| Effective Management of the Sale of Liquor | |
| Trade Measurement Development and Services | |
| Gaming Policy Advice | Gaming and Racing Industry Management |
| Sport and Recreation Industry Development | |

Victoria Police has developed a revised output framework in line with the Chief Commissioner's reform program which aims to increase accountability for and better measure the levels of service provided by Victoria Police to the community. The new structure reflects priorities identified in the Victoria Police Five Year Strategic Plan.

The new *Consumer Protection* output incorporates the two previous outputs of Consumer Affairs (Consumer Awareness and Protection and Business Licensing and Registration) and the liquor licensing and trade measurement functions recently transferred to the Department of Justice as part of machinery of government changes. This amalgamation better reflects the interrelated nature of the work.

The *Gaming Policy Advice* and *Sport and Recreation Industry Development (racing)* outputs that were transferred to the DOJ have been merged into one output, *Gaming and Racing Industry Management*.

The 2003-04 output statements reflect the 2003-04 output structure of the department. 2002-03 outputs and performance measures are integrated into this new structure.

The following section provides details of the outputs to be provided to Government, including performance measures and costs for each output. The table below summarises the total cost of outputs. The output costs shown in the table have been calculated on an accrual basis in accordance with generally accepted accounting principles.

In the output performance tables, a 2003-04 target showing 'na' indicates that the relevant measure will be discontinued after 30 June 2003.

Table 2.5.1: Output summary

(\$ million)

| | 2002-03 Budget ^(a) | 2002-03 Revised | 2003-04 Budget |
|---|----------------------------------|--------------------|-------------------|
| Public Safety Policy | 11.5 | 11.5 | 9.7 |
| Emergency Prevention and Response | 105.3 | 105.3 | 91.8 |
| Reducing the Crime Rate | 553.0 | 558.3 | 572.9 |
| Reducing the Road Toll and Incidence of Road Trauma | 115.7 | 117.1 | 119.2 |
| High Levels of Community Perceptions of Safety | 433.6 | 437.2 | 466.2 |
| High Levels of Customer Satisfaction | 49.4 | 49.8 | 50.6 |
| Legal Support for Government | 68.3 | 67.8 | 43.5 |
| Dispensing Justice | 284.1 | 282.2 | 286.6 |
| Enforcing Court Orders | 93.8 | 90.0 | 118.6 |
| Enforcing Correctional Orders | 312.7 | 311.0 | 328.6 |
| Protecting Consumers | 53.3 | 53.2 | 55.3 |
| Regulating Gaming and Racing | 10.2 | 10.0 | 23.7 |
| Achieving Equal Opportunity | 10.5 | 10.4 | 10.5 |
| Total | 2 101.4 | 2 103.8 | 2 177.2 |

Source: Department of Treasury and Finance

Note:

(a) 2002-03 Output Budget incorporates changes to the output structure and organisational restructuring and therefore may differ from figures published in the 2002-03 Budget.

Public Safety Policy

These outputs provide a focus for public safety policy development and advice to the Minister, new policy implementation, coordination and effectiveness evaluation, including implementation of 'Safer Streets and Homes', the Crime and Violence Prevention Strategy for Victoria.

These outputs make a significant contribution to the achievement of the Departmental objective:

- Maintain and enhance the confidence of Victorians in their personal safety and reduce their fear of crime.

This objective contributes to the following key Government outcomes:

- Safe streets, homes and workplaces; and
- Building cohesive communities and reducing inequalities.

| <i>Major Outputs/Deliverables</i> | <i>Unit of Measure</i> | <i>2001-02 Actual</i> | <i>2002-03 Target</i> | <i>2002-03 Expected Outcome</i> | <i>2003-04 Target</i> |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Crime and Violence Prevention

Coordinates Government's initiatives and undertakes targeted research and community projects to prevent violence and crime.

Quantity

| | | | | | |
|------------------|-------|-------|--------|--------|--------|
| Service capacity | hours | 9 960 | 10 080 | 10 080 | 10 080 |
|------------------|-------|-------|--------|--------|--------|

Quality

| | | | | | |
|----------------------------------|----------|----|----|----|----|
| Advice meets internal benchmarks | per cent | 95 | 95 | 95 | 95 |
|----------------------------------|----------|----|----|----|----|

Timeliness

| | | | | | |
|---|----------|-----|-----|-----|-----|
| Achievement of milestone targets for grant processing | per cent | 100 | 100 | 100 | 100 |
|---|----------|-----|-----|-----|-----|

Cost

| | | | | | |
|-------------------|------------|-----|-----|-----|-----|
| Total output cost | \$ million | 4.3 | 7.4 | 7.4 | 4.0 |
|-------------------|------------|-----|-----|-----|-----|

Emergency Readiness Support

Establishes and monitors performance standards for fire and emergency services and provides the Minister with high level emergency management advice.

Quantity

| | | | | | |
|------------------|-------|-------|--------|--------|--------|
| Service capacity | hours | 8 280 | 10 572 | 10 572 | 12 705 |
|------------------|-------|-------|--------|--------|--------|

Quality

| | | | | | |
|----------------------------------|----------|----|----|----|----|
| Advice meets internal benchmarks | per cent | 95 | 95 | 95 | 95 |
|----------------------------------|----------|----|----|----|----|

Timeliness

| | | | | | |
|-----------------------|----------|----|----|----|----|
| Agreed time-lines met | per cent | 95 | 95 | 95 | 95 |
|-----------------------|----------|----|----|----|----|

Cost

| | | | | | |
|-------------------|------------|-----|-----|-----|-----|
| Total output cost | \$ million | 6.1 | 4.1 | 4.1 | 5.7 |
|-------------------|------------|-----|-----|-----|-----|

Source: Department of Justice

Emergency Prevention and Response

These outputs support emergency prevention and response services provided by the Metropolitan Fire and Emergency Services Board, Country Fire Authority and Victoria State Emergency Services.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- Maintain and enhance the confidence of Victorians in their personal safety and reduce their fear of crime; and
- Reduce Victoria's road toll.

These objectives contribute to the key Government outcome:

- Safe streets, homes and workplaces.

| <i>Major Outputs/Deliverables</i> | <i>Unit of Measure</i> | <i>2001-02 Actual</i> | <i>2002-03 Target</i> | <i>2002-03 Expected Outcome</i> | <i>2003-04 Target</i> |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Metropolitan Fire and Emergency Services | | | | | |
| Provide for fire suppression, fire prevention, emergency prevention and response services in the metropolitan fire district. | | | | | |
| <i>Quantity</i> | | | | | |
| Firefighters on duty 24 hours a day | number | 248 | >248 | >248 | >248 |
| <i>Quality</i> | | | | | |
| Structural fire contained to room of origin | per cent | 91.8 | 90 | 90 | 90 |
| <i>Timeliness</i> | | | | | |
| Response time at the 90 th percentile | minutes | 7.5 | 7.7 | 7.7 | 7.7 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 18.9 | 20.6 | 20.6 | 23.4 |
| Country Fire Authority | | | | | |
| Provide for fire suppression, emergency prevention and response services in rural and regional Victoria and outer metropolitan Melbourne. | | | | | |
| <i>Quantity</i> | | | | | |
| Service delivery points | number | 1 258 | 1 258 | 1 258 | 1 295 |
| <i>Timeliness</i> | | | | | |
| Response to road accident rescue calls meeting benchmark times | per cent | 91 | 90 | 90 | 90 |
| <i>Cost</i> | | | | | |
| Total output cost ^(a) | \$ million | 38.8 | 54.8 | 54.8 | 39.4 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| State-wide Emergency Services | | | | | |
| Provides for the management of major natural disasters, provision of road accident rescue and support of local government and communities in disaster prevention and mitigation. | | | | | |
| <i>Quantity</i> | | | | | |
| Volunteer Units | number | 149 | 149 | 149 | 149 |
| <i>Quality</i> | | | | | |
| SES customer satisfaction | per cent | nm | nm | nm | 75 |
| Municipal customer satisfaction | per cent | nm | nm | nm | 80 |
| Audited municipal emergency management plans meeting Ministerial guidelines after 12 month rectification period | per cent | na | 100 | 100 | na |
| <i>Timeliness</i> | | | | | |
| Response to road accident rescue calls meeting benchmark times | per cent | 90 | 90 | 90 | 90 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 31.5 | 29.9 | 29.9 | 29.0 |

Source: Department of Justice

Note:

(a) 2002-03 amounts include a one-off payment towards the costs of the bushfires.

Reducing the Crime Rate

These outputs establish a visible and accessible police presence in the community and provide an appropriate and effective response to reported and detected crime.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- Maintain and enhance the confidence of Victorians in their personal safety and reduce their fear of crime;
- Reduce the incidence of violent crime in targeted areas; and
- Reduce offending and re-offending rates and the number of prisoners returning to prisons.

These objectives contribute to the following key Government outcomes:

- Safe streets, homes and workplaces; and
- Building cohesive communities and reducing inequalities.

| <i>Major Outputs/Deliverables</i> Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Investigating Crimes

Provides for the investigation of reported and detected crimes against the person (including murder, sexual assault, armed robbery and physical assault); targeted anti-crime strategies designed to deliver significant reductions in crimes against property (including car thefts and household burglaries); and investigations of illegal drug activity (including cultivation, manufacture and trafficking).

Quantity

| | | | | | |
|--|--------|----|----|----|--------|
| Major drug investigations | number | nm | nm | nm | 70 |
| Household burglaries investigated | number | nm | nm | nm | 41 435 |
| Car thefts investigated | number | nm | nm | nm | 33 910 |
| Crimes against the person investigated | number | nm | nm | nm | 37 729 |

Quality

| | | | | | |
|--|----------|----|----|----|------|
| Major investigations resulting in charges for trafficking offences | per cent | nm | nm | nm | 75 |
| Household burglaries resolved | per cent | nm | nm | nm | 12.2 |
| Car thefts resolved | per cent | nm | nm | nm | 16.9 |
| Crimes against the person resolved | per cent | nm | nm | nm | 77.1 |

Timeliness

| | | | | | |
|--|----------|----|----|----|------|
| Major investigations resolved within Drug Investigation Target Committee approved timeframes | per cent | nm | nm | nm | 100 |
| Household burglaries resolved in 30 days | per cent | nm | nm | nm | 8.2 |
| Car thefts resolved in 30 days | per cent | nm | nm | nm | 12.9 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Crimes against the person resolved in 30 days | per cent | nm | nm | nm | 55.4 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 341.0 | 364.4 | 368.3 | 380.3 |
| Police Court and Custody Services | | | | | |
| Provides efficient and effective court case management, judicial processing, and court security and ensure the safe, fair and expeditious handling of all persons involved in the judicial process. | | | | | |
| <i>Quantity</i> | | | | | |
| Prosecutions handled by police | number | nm | nm | nm | 80 000 |
| <i>Quality</i> | | | | | |
| Achievement of quality and timeliness standards specified in prisoner transport and custody management contracts | per cent | nm | nm | nm | 100 |
| Ratio of serious incidents to persons held in police custody | per cent | nm | nm | nm | <1 |
| Cases in which costs are awarded against police | per cent | nm | nm | nm | <1 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 175.8 | 188.6 | 190.0 | 192.6 |

Source: Department of Justice

Reducing the Road Toll and Incidence of Road Trauma

This output provides for the reduction in the incidence of impaired driving and other traffic offences and for police attendance at and investigation of major collisions and other road traffic incidents.

These outputs make a significant contribution to the achievement of the Departmental objective:

- Reduce Victoria's road toll.

This objective contributes to the key Government outcome:

- Safe streets, homes and workplaces.

| <i>Major Outputs/Deliverables</i> | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Targeting Driver Behaviour

Identifies those initiatives, programs and operations designed to reduce the incidence of impaired driving and other traffic offences and determines the effectiveness of Victoria Police programs in reducing Victoria's road toll and the incidence of road trauma through the conduct of specialist investigations, mechanical investigations and collision reconstructions.

Quantity

| | | | | | |
|--|--------|----|----|----|-----------|
| Incidents/collisions investigated | number | nm | nm | nm | 38 000 |
| Heavy vehicle operations conducted | number | nm | nm | nm | 13 |
| Drug impaired driver assessments conducted | number | nm | nm | nm | 230 |
| Alcohol screening tests conducted | number | nm | nm | nm | 1 300 000 |
| Vehicles detected speeding | number | nm | nm | nm | 932 000 |
| Targeted police operations conducted | number | nm | nm | nm | 18 |

Quality

| | | | | | |
|--|----------|----|----|----|-----|
| Collisions investigated involving fatigue | per cent | nm | nm | nm | 8 |
| Collisions investigated involving alcohol/drug use | per cent | nm | nm | nm | 20 |
| Collisions investigated involving inappropriate speed | per cent | nm | nm | nm | 30 |
| Successful prosecutions of heavy vehicle infringements | per cent | nm | nm | nm | 90 |
| Drivers tested who fail preliminary/random breath test | per cent | nm | nm | nm | 0.5 |

Cost

| | | | | | |
|-------------------|------------|-------|-------|-------|-------|
| Total output cost | \$ million | 108.4 | 115.7 | 117.1 | 119.2 |
|-------------------|------------|-------|-------|-------|-------|

Source: Department of Justice

High Levels of Community Perceptions of Safety

These outputs ensure that the community has easy access to police services and focus on preventing crime and deterring recidivist offending through diversion and community support programs.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- Maintain and enhance the confidence of Victorians in their personal safety and reduce their fear of crime; and
- Reduce offending and re-offending rates and the number of prisoners returning to prisons.

These objectives contribute to the following key Government outcomes:

- Safe streets, homes and workplaces; and
- Building cohesive communities and reducing inequalities.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Responding to calls for assistance

Provides timely responses to calls for assistance in matters of personal and public safety, including emergencies, serious incidents, offence attendance and routine response to calls for emergency assistance.

Quantity

| | | | | | |
|---------------------|--------|----|----|----|---------|
| Events responded to | number | nm | nm | nm | 834 300 |
|---------------------|--------|----|----|----|---------|

Quality

| | | | | | |
|--|----------|----|----|----|------|
| Community satisfied with police services | per cent | nm | nm | nm | 76.8 |
|--|----------|----|----|----|------|

Timeliness

| | | | | | |
|--|----------|----|----|----|----|
| Priority 1 calls taken and dispatched in 160 seconds - metro | per cent | nm | nm | nm | 80 |
|--|----------|----|----|----|----|

Cost

| | | | | | |
|-------------------|------------|------|------|------|------|
| Total output cost | \$ million | 63.3 | 67.9 | 68.3 | 68.6 |
|-------------------|------------|------|------|------|------|

Diversion and community support programs

Focuses on preventing crime, supporting victims of crime and deterring recidivist offending by moving early offenders away from the criminal justice system and into counselling education programs.

Quantity

| | | | | | |
|----------------------------|--------|----|----|----|--------|
| Diversion from prosecution | number | nm | nm | nm | 13 021 |
|----------------------------|--------|----|----|----|--------|

Quality

| | | | | | |
|---|----------|----|----|----|----|
| Level of community satisfaction with community support programs | per cent | nm | nm | nm | 76 |
|---|----------|----|----|----|----|

Cost

| | | | | | |
|-------------------|------------|-------|-------|-------|-------|
| Total output cost | \$ million | 341.2 | 365.7 | 368.9 | 397.6 |
|-------------------|------------|-------|-------|-------|-------|

Source: Department of Justice

| | | |
|--------------------------|---------|-----|
| Budget Estimates 2003-04 | Justice | 217 |
|--------------------------|---------|-----|

High Levels of Customer Satisfaction

These outputs focus on increasing the confidence of the community in their policing services and aim to establish effective partnerships with other government departments, organisations and community groups.

These outputs make a significant contribution to the achievement of the Departmental objective:

- Maintain and enhance the confidence of Victorians in their personal safety and reduce their fear of crime.

This objective contributes to the following key Government outcomes:

- Safe streets, homes and workplaces; and
- Building cohesive communities and reducing inequalities.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Community Confidence in Policing Services

Provides for effective management of complaints against police via alternative dispute resolution and investigation.

Quantity

| | | | | | |
|---------------------------|--------|----|----|----|-----|
| Complaints against police | number | nm | nm | nm | 926 |
|---------------------------|--------|----|----|----|-----|

Quality

| | | | | | |
|--|----------|----|----|----|------|
| Level of community satisfaction with police in most recent contact | per cent | nm | nm | nm | 83.9 |
|--|----------|----|----|----|------|

| | | | | | |
|--|--------|----|----|----|-----|
| Number of complaints resolved through Alternative Dispute Resolution Process | number | nm | nm | nm | 256 |
|--|--------|----|----|----|-----|

| | | | | | |
|--|--------|----|----|----|-----|
| Number of complaints against police resolved through investigation | number | nm | nm | nm | 670 |
|--|--------|----|----|----|-----|

Timeliness

| | | | | | |
|---|----------|----|----|----|----|
| Complaints resolved within specified timeframes | per cent | nm | nm | nm | 70 |
|---|----------|----|----|----|----|

Cost

| | | | | | |
|-------------------|------------|------|------|------|------|
| Total output cost | \$ million | 19.3 | 21.2 | 20.8 | 21.7 |
|-------------------|------------|------|------|------|------|

Partnership Policing

Involves relevant stakeholders in the development of community safety programs aimed at reducing the incidence of crime in the community.

Quantity

| | | | | | |
|----------------------------------|--------|----|----|----|-----|
| Partnerships on community safety | number | nm | nm | nm | 360 |
|----------------------------------|--------|----|----|----|-----|

| | | | | | |
|----------------------------------|--------|----|----|----|-----|
| Partnerships on public transport | number | nm | nm | nm | 116 |
|----------------------------------|--------|----|----|----|-----|

| | | | | | |
|-----------------------------|--------|----|----|----|-----|
| Partnerships on road safety | number | nm | nm | nm | 123 |
|-----------------------------|--------|----|----|----|-----|

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---------------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Partnerships on substance abuse/drugs | number | nm | nm | nm | 81 |
| Partnerships on family violence | number | nm | nm | nm | 82 |
| Partnerships on youth issues | number | nm | nm | nm | 158 |
| Cost | | | | | |
| Total output cost | \$ million | 26.8 | 28.2 | 29.0 | 28.9 |

Source: Department of Justice

Legal Support for Government

These outputs provide the Department's primary focus for state law reform, the development of justice policy and procedures, administrative reviews of justice agencies and the implementation of new or amending legislation. They also provide advice to government on legal matters and solicitor services, and manage a range of legal frameworks on behalf of government including native title issues, protection of privacy, and the conduct of state elections.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- Improve access to justice services, particularly to legal aid, victim support services and alternative dispute resolution;
- Ensure that matters in the Courts and Tribunals are finalised within respective elapsed time benchmarks; and
- Improve Victorians' confidence in the legal and courts system.

These objectives contribute to the following key Government outcomes:

- Promoting rights and diversity; and
- Building cohesive communities and reducing inequalities.

| <i>Major Outputs/Deliverables</i> | <i>Unit of Measure</i> | <i>2001-02 Actual</i> | <i>2002-03 Target</i> | <i>2002-03 Expected Outcome</i> | <i>2003-04 Target</i> |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Legal Policy | | | | | |
| Provides support to the Attorney-General through the coordination of research, consultation and advice on legal policy and law reform proposals intended for implementation through new or amending legislation and administrative reforms, and attention to pre and post parliamentary matters, assistance with executive matters including correspondence, administration of legislation, administrative reviews of agencies and support for Department of Justice advisory councils, committees and task forces. | | | | | |
| <i>Quantity</i> | | | | | |
| Capacity to provide advice, Briefings and consultations | hours | 19 000 | 19 000 | 19 000 | 19 000 |
| Law Reform Projects (including Legislative program matters) | number | 29 | 27-30 | 28 | 29-32 |
| <i>Quality</i> | | | | | |
| Advice meets internal quality standards | per cent | 95 | 95 | 95 | 95 |
| <i>Timeliness</i> | | | | | |
| Agreed timeliness, milestones or schedules met | per cent | 70 | 80 | 80 | 85 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 4.3 | 6.6 | 6.5 | 5.2 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Law Reform

Undertakes legal and empirical research and provides policy advice to Government on law reform issues referred to the Commission by the Attorney-General, undertakes research and makes recommendations on minor law reform issues raised in community consultations or suggested by the judiciary, the legal profession or by Community Legal Centres, implements proposals through new or amending legislation and administrative reforms.

Quantity

| | | | | | |
|--|--------|----|---|---|---|
| Community Law Reform Activities | number | nm | 6 | 6 | 9 |
| References and Community Law Reform Projects | number | nm | 6 | 6 | 6 |

Quality

| | | | | | |
|--|----------|----|----|----|----|
| Projects meet internal quality standards | per cent | nm | 95 | 95 | 95 |
|--|----------|----|----|----|----|

Timeliness

| | | | | | |
|---|----------|----|----|----|----|
| Agreed timelines, milestones or schedules met | per cent | nm | 95 | 95 | 95 |
|---|----------|----|----|----|----|

Cost

| | | | | | |
|-------------------|------------|-----|-----|-----|-----|
| Total output cost | \$ million | 2.4 | 2.4 | 2.4 | 2.3 |
|-------------------|------------|-----|-----|-----|-----|

Legal Advice to Government

Provision of legal advice to Government on constitutional and other legal matters, and a full range of disputation, prosecutorial, commercial and property related solicitor services on behalf of client government departments.

Quantity

| | | | | | |
|---|-------|--------|--------|--------|--------|
| Capacity to provide client legal services | hours | 34 178 | 45 000 | 45 200 | 45 500 |
|---|-------|--------|--------|--------|--------|

Quality

| | | | | | |
|---|-------|------|------|------|------|
| Client satisfaction with quality of legal advice provided | level | high | high | high | high |
|---|-------|------|------|------|------|

Timeliness

| | | | | | |
|--|-------|------|------|------|------|
| Client satisfaction with timeliness of legal advice provided | level | high | high | high | high |
|--|-------|------|------|------|------|

Cost

| | | | | | |
|-------------------|------------|-----|-----|-----|-----|
| Total output cost | \$ million | 9.5 | 9.3 | 9.3 | 9.4 |
|-------------------|------------|-----|-----|-----|-----|

Privacy Regulation

Supports the Office of the Victorian Privacy Commission which is responsible for establishing, implementing and managing a privacy compliance regime within the Victorian public sector as per the *Information Privacy Act 2000*.

Quantity

| | | | | | |
|--|--------|----|-------|-------|-------|
| Requests for advice ^(a) | number | nm | 1 000 | 3 300 | 3 400 |
| Formal complaints in jurisdiction ^(a) | number | nm | 500 | 20 | 110 |

| | | | | | |
|--------------------------|--|--|---------|--|-----|
| Budget Estimates 2003-04 | | | Justice | | 221 |
|--------------------------|--|--|---------|--|-----|

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|--------------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Promotional/training activities delivered ^(a) | number | nm | 8 | 30 | 230 |
| Requests for advice/briefing/code | number | na | 1 000 | 3 300 | na |
| Complaints received | number | na | 500 | 20 | na |
| Major promotional activities completed | number | na | 8 | 30 | na |
| <i>Quality</i> | | | | | |
| Client satisfaction with services provided | per cent | na | 80 | 80 | 80 |
| <i>Timeliness</i> | | | | | |
| Statutory or agreed timelines met ^(a) | per cent | nm | 80 | 80 | 80 |
| Complaints processed within fixed time-lines | per cent | na | 80 | na | na |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 1.8 | 4.4 | 4.0 | 2.2 |
| Native Title Framework | | | | | |
| Manages native title claims on behalf of the State; provides leadership on whole-of-government native title policy; coordinates research mediation and negotiation on all claims. | | | | | |
| <i>Quantity</i> | | | | | |
| Native title claims for which evidence has been assessed | number | nm | 4 | 4 | 4 |
| <i>Quality</i> | | | | | |
| Claims resolved | per cent | nm | 100 | 100 | 100 |
| <i>Timeliness</i> | | | | | |
| Achievement of strategic project milestone targets | per cent | 100 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 2.1 | 2.4 | 2.4 | 2.7 |
| State Electoral Roll and Elections | | | | | |
| Maintains the integrity of the Victorian electoral system through the conduct of fair and impartial elections. | | | | | |
| <i>Quantity</i> | | | | | |
| Training programs conducted for election officials | number | 24 | 34 | 38 | 37 |
| Elector enrolment changes | number | 682 328 | 600 000 | 750 000 | 500 000 |
| Non-government | number | 23 | 40 | 15 | 15 |
| Municipal | number | 23 | 53 | 58 | 7 |
| Elections and by-elections and polls | number | 0 | 2 | 3 | 0 |
| 222 | Justice | Budget Estimates 2003-04 | | | |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Quality</i> | | | | | |
| Election results contested in the Court | number | 0 | 0 | 1 | 0 |
| <i>Timeliness</i> | | | | | |
| Post election implementation review reports provided | per cent | 100 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 18.6 | 43.2 | 43.2 | 21.7 |

Source: Department of Justice

Note:

(a) 2001-02 and 2002-03 amounts have been reconstructed from historical data but have not previously been reported.

Dispensing Justice

These outputs involve supporting the State's judiciary in its dispensation of criminal and civil matters, maintaining the administrative operations of the system of courts and statutory tribunals and providing alternative civil dispute resolution mechanisms. The outputs also involve management of criminal prosecutions on behalf of the State; provision of legal aid for system users and support to victims of crime.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- Reduce the time taken to dispose of matters in courts and tribunals;
- Improve access to justice services, particularly to legal aid, victim support services and alternative dispute resolution;
- Ensure that matters in the Courts and Tribunals are finalised within respective elapsed time benchmarks;
- Improve Victorians' confidence in the legal and courts system; and
- Reduce offending and re-offending rates and the number of prisoners returning to prison.

These objectives contribute to the following key Government outcomes:

- Promoting rights and respecting diversity;
- Safe streets, homes and workplaces; and
- Building cohesive communities and reducing inequalities.

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Public Prosecutions | | | | | |
| Supports the Office of Public Prosecutions to prepare and conduct proceedings in the High Court, Supreme Court, County Court and Magistrates' Court on behalf of the Director of Public Prosecutions in an effective, economical and efficient manner. | | | | | |
| <i>Quantity</i> | | | | | |
| Matters prepared for proceedings and attendance at court | number ('000) | 52.8 | 49.5 | 51 | 51 |
| <i>Quality</i> | | | | | |
| Client satisfaction with quality of preparation for and conduct of proceedings | per cent | 95 | 95 | 95 | 95 |
| <i>Timeliness</i> | | | | | |
| Matters prepared within statutory time limits | per cent | 95 | 95 | 95 | 95 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 24.2 | 25.4 | 25.4 | 26.0 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Forensic Evidence

Provides forensic pathology and scientific services through the Victorian Institute of Forensic Medicine, which is responsible for the production of reports to the Coroner as part of death investigations.

Quantity

| | | | | | |
|-----------------|--------|-------|-------|-------|-------|
| Bodies admitted | number | 3 013 | 3 000 | 3 000 | 3 000 |
|-----------------|--------|-------|-------|-------|-------|

Quality

| | | | | | |
|--------------------|----------|----|----|----|----|
| VIFM quality audit | per cent | nm | 95 | 95 | 95 |
|--------------------|----------|----|----|----|----|

Timeliness

| | | | | | |
|---|----------|----|----|----|----|
| Post mortem reports issued within agreed period | per cent | nm | 70 | 70 | 70 |
|---|----------|----|----|----|----|

| | | | | | |
|--|----------|----|----|----|----|
| Autopsies completed within 18 working hours of being ordered | per cent | nm | 70 | 70 | 70 |
|--|----------|----|----|----|----|

Cost

| | | | | | |
|-------------------|------------|------|------|------|------|
| Total output cost | \$ million | 10.9 | 13.3 | 13.3 | 13.5 |
|-------------------|------------|------|------|------|------|

Matters in the Supreme Court

The Supreme Court is the superior court of Victoria and can deal with all manner of cases, both criminal and civil, except those expressly excluded by statute. In the main, it deals with such cases as murder, manslaughter and other serious criminal matters, civil actions involving large claims and appeals against decisions of lower courts.

Quantity

| | | | | | |
|------------------|--------|--------|---------------|--------|---------------|
| Matters disposed | number | 19 935 | 18 000-19 000 | 19 000 | 18 000-19 000 |
|------------------|--------|--------|---------------|--------|---------------|

Quality

| | | | | | |
|---|-------|------|------|------|------|
| User survey rating the registries, Juries Division or Court amenities | level | high | high | high | high |
|---|-------|------|------|------|------|

Timeliness

| | | | | | |
|--|----------|----|----|----|----|
| Civil cases disposed of within 24 months of commencement | per cent | 80 | 80 | 85 | 85 |
|--|----------|----|----|----|----|

| | | | | | |
|---|----------|----|----|----|----|
| Criminal Cases disposed of within 12 months of commencement | per cent | 80 | 80 | 80 | 80 |
|---|----------|----|----|----|----|

Cost

| | | | | | |
|-------------------|------------|------|------|------|------|
| Total output cost | \$ million | 33.3 | 38.0 | 38.0 | 37.4 |
|-------------------|------------|------|------|------|------|

Matters in the County Court

The County Court has jurisdiction in relation to indictable offences, with the exception of murder and treason. The Court also has jurisdiction in civil matters, adoption proceedings and it can hear and determine change of name applications. The Court is a Court of Appeal from Magistrates' Court decisions.

Quantity

| | | | | | |
|------------------|--------|--------|--------|--------|--------|
| Matters disposed | number | 11 020 | 11 250 | 11 425 | 11 800 |
|------------------|--------|--------|--------|--------|--------|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Quality</i> | | | | | |
| Respondents to user survey rating the registry service as good or very good | per cent | 90 | 90 | 80 | 80 |
| <i>Timeliness</i> | | | | | |
| Civil cases disposed of within 12 months of commencement | per cent | 46 | 50 | 35 | 35 |
| Criminal Cases disposed of within 12 months of commencement | per cent | 90 | 80 | 75 | 75 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 38.6 | 57.9 | 57.9 | 56.8 |

Matters in the Magistrates' Court

The Magistrates' Court of Victoria is responsible for dispensing justice in a wide range of criminal and civil matters of dispute. Registrars perform quasi-judicial functions and together with Court staff, are responsible for the non-judicial operations of the Court and the provision of logistical and administrative support to the judiciary.

Quantity

Substantive matters finalised:

| | | | | | |
|------------------|--------|----|---------|---------|---------|
| • VOCAT | number | nm | nm | nm | 5 000 |
| • CFV | number | nm | nm | nm | 21 000 |
| • Criminal | number | nm | nm | nm | 112 000 |
| • Civil | number | nm | nm | nm | 10 500 |
| Matters disposed | number | na | 219 000 | 219 000 | na |

Quality

Quality of registry services:

| | | | | | |
|---|----------|----|----|----|----|
| • responsiveness to enquiries within established timeframes - Email/Web | per cent | nm | nm | nm | 90 |
| • responsiveness to enquiries within established timeframes - Telephone | per cent | nm | nm | nm | 70 |
| • responsiveness to enquiries within established timeframes - Counter | per cent | nm | nm | nm | 75 |

Ratio of number of matters finalised to commenced:

| | | | | | |
|------------|----------|----|----|----|-----|
| • VOCAT | per cent | nm | nm | nm | 100 |
| • CFV | per cent | nm | nm | nm | 90 |
| • Criminal | per cent | nm | nm | nm | 90 |
| • Civil | per cent | nm | nm | nm | 100 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| User survey rating of the registry service | level | na | high | high | na |
| <i>Timeliness</i> | | | | | |
| Proportion of matters finalised within nine months - VOCAT | per cent | nm | nm | nm | 60 |
| Proportion of matters finalised within six months: | | | | | |
| • CFV | per cent | nm | nm | nm | 99 |
| • Criminal | per cent | nm | nm | nm | 85 |
| • Civil | per cent | nm | nm | nm | 75 |
| Matters finalised within target elapsed time benchmarks | per cent | na | 96 | 96 | na |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 68.7 | 67.2 | 67.2 | 68.2 |

Matters in the Children's Court

The Children's Court of Victoria has criminal and family divisions which hear and determine matters concerning children and young persons under the age of 17 years pursuant to the legislation.

Quantity

| | | | | | |
|------------------|--------|--------|--------|--------|--------|
| Matters disposed | number | 13 279 | 12 000 | 13 700 | 14 000 |
|------------------|--------|--------|--------|--------|--------|

Quality

| | | | | | |
|---|----------|----|----|----|----|
| Responsiveness to telephone enquiries within established timeframes | per cent | nm | nm | nm | 70 |
|---|----------|----|----|----|----|

| | | | | | |
|---|----------|----|----|----|----|
| Responsiveness to counter enquiries within established timeframes | per cent | nm | nm | nm | 75 |
|---|----------|----|----|----|----|

| | | | | | |
|--|-------|----|------|------|----|
| User survey rating of the registry service | level | na | high | high | na |
|--|-------|----|------|------|----|

Timeliness

| | | | | | |
|--|-------|----|----|----|----|
| Average elapsed time between issue and finalisation of Protection Applications - less than or equal to | weeks | nm | nm | nm | 15 |
|--|-------|----|----|----|----|

| | | | | | |
|---|----------|----|----|----|----|
| Criminal Division matters finalised within 6 months | per cent | nm | nm | nm | 95 |
|---|----------|----|----|----|----|

| | | | | | |
|---|----------|----|----|----|----|
| Matters finalised within target elapsed time benchmarks | per cent | na | 96 | na | na |
|---|----------|----|----|----|----|

Cost

| | | | | | |
|-------------------|------------|-----|-----|-----|-----|
| Total output cost | \$ million | 6.0 | 9.0 | 9.0 | 8.6 |
|-------------------|------------|-----|-----|-----|-----|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Matters in Coroner's Court

The Coroner's Court is responsible for investigating reportable deaths and fires. The Court ensures that all reportable deaths are investigated appropriately and efficiently and that inquest hearings are held in accordance with legislation and at the request of the State Coroner. Emphasis is placed on Coroner's recommendations relating to injury/death prevention and public health and safety.

Quantity

| | | | | | |
|------------------|--------|-------|-------|-------|-------|
| Matters disposed | number | 4 455 | 3 100 | 3 100 | 4 200 |
|------------------|--------|-------|-------|-------|-------|

Quality

| | | | | | |
|---|----------|----|------|------|----|
| Responsiveness to telephone enquiries within established timeframes | per cent | nm | nm | nm | 70 |
| Responsiveness to counter enquiries within established timeframes | per cent | nm | nm | nm | 75 |
| User survey rating of the registry service | level | na | high | high | na |

Timeliness

| | | | | | |
|---|----------|----|----|----|----|
| Matters finalised within target elapsed time benchmarks | per cent | 90 | 90 | 80 | 80 |
|---|----------|----|----|----|----|

Cost

| | | | | | |
|-------------------|------------|-----|-----|-----|-----|
| Total output cost | \$ million | 5.8 | 5.4 | 5.4 | 5.9 |
|-------------------|------------|-----|-----|-----|-----|

Matters in the Civil and Administrative Tribunal

The Tribunal provides dispute resolution services in civil matters (relating to equal opportunity, discrimination, guardianship, residential and retail tenancies, domestic buildings, credit and small claims), hears administrative appeals (in regard to planning, taxation, traffic accident compensation, land valuation, occupational and business regulation and other general matters) and provides advisory services through various boards.

Quantity

| | | | | | |
|-------------------|--------|--------|--------|--------|--------|
| Matters finalised | number | 88 387 | 92 500 | 88 300 | 88 500 |
|-------------------|--------|--------|--------|--------|--------|

Quality

| | | | | | |
|----------------------------|-------|------|------|------|------|
| Tribunal user satisfaction | level | high | high | high | high |
|----------------------------|-------|------|------|------|------|

Timeliness

| | | | | | |
|---|----------|----|----|----|----|
| Matters finalised within target elapsed time benchmarks | per cent | 90 | 90 | 90 | 90 |
|---|----------|----|----|----|----|

Cost

| | | | | | |
|-------------------|------------|------|------|------|------|
| Total output cost | \$ million | 30.4 | 23.3 | 23.3 | 24.1 |
|-------------------|------------|------|------|------|------|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Alternative Dispute Resolution

Provides a low cost, accessible and expeditious civil dispute resolution service for people referred to the Dispute Settlement Centre of Victoria by the courts, government prosecuting and registering agencies, local government and other community agencies.

Quantity

| | | | | | |
|--|--------|--------|--------|--------|--------|
| Public education activities conducted | number | 325 | 300 | 444 | 100 |
| Disputes received for resolution | number | 1 569 | 1 500 | 1 944 | 1 300 |
| Responses to general and dispute resolution advisory service inquiries | number | 12 491 | 12 000 | 16 000 | 12 500 |

Quality

| | | | | | |
|---|----------|----|----|----|----|
| Clients satisfied with the equity of the outcome of mediation processes | per cent | 95 | 82 | 94 | 95 |
| Resolution of mediation options that are activated/conducted | per cent | 30 | 32 | 32 | 32 |

Timeliness

| | | | | | |
|---|----------|----|----|----|----|
| Matters finalised within target elapsed time benchmarks | per cent | 80 | 82 | 82 | 82 |
|---|----------|----|----|----|----|

Cost

| | | | | | |
|-------------------|------------|-----|-----|-----|-----|
| Total output cost | \$ million | 2.1 | 2.2 | 1.9 | 1.7 |
|-------------------|------------|-----|-----|-----|-----|

Legal Aid

Supports Victoria Legal Aid to provide legal assistance and representation to members of the community in legal cases arising under State law.

Quantity

| | | | | | |
|--------------------------------|--------|---------|---------|---------|---------|
| Publications distributed | number | 180 112 | 155 000 | 173 000 | 160 000 |
| Telephone information services | number | 41 468 | 42 500 | 42 500 | 42 500 |
| Legal advice | number | 30 982 | 25 000 | 31 000 | 27 000 |
| Duty lawyer services | number | 46 032 | 37 500 | 45 000 | 39 500 |
| New applications approved | number | 26 988 | 25 000 | 26 000 | 26 450 |

Quality

| | | | | | |
|-------------------------|----------|----|----|----|----|
| Applications processed: | | | | | |
| • Within 15 days | per cent | 97 | 98 | 98 | 98 |
| • Within 1 day | per cent | 79 | 85 | 85 | 85 |

Cost

| | | | | | |
|-------------------|------------|------|------|------|------|
| Total output cost | \$ million | 31.5 | 32.7 | 32.7 | 33.9 |
|-------------------|------------|------|------|------|------|

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Victims Support | | | | | |
| Provides referral to appropriate support agencies for victims of crime, administers a Victims Counselling Scheme and community program funding to establish victim support networks and specialist state-wide victim support services. | | | | | |
| <i>Quantity</i> | | | | | |
| Public education activities conducted | number | 500 | 250 | 250 | 250 |
| Clients completing course of counselling | number | 6 272 | 8 000 | 8 000 | 8 000 |
| Calls for assistance received | number | 41 101 | 50 000 | 45 000 | 50 000 |
| <i>Quality</i> | | | | | |
| Client satisfaction rate | per cent | 85 | 85 | 85 | 85 |
| <i>Timeliness</i> | | | | | |
| Help-line calls responded to and follow up material provided within benchmarks | per cent | 95 | 95 | 95 | 95 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 7.2 | 9.7 | 8.1 | 10.5 |

Source: Department of Justice

Enforcing Court Orders

These outputs involve enforcing judicial fines, court orders and warrants and processing traffic infringement notices. Unpaid fines are also followed up on behalf of local government on a fee for service basis.

These outputs make a significant contribution to the achievement of the following Departmental objective:

- Improve Victorians' confidence in the legal and courts system.

This objective contributes to the key Government outcome:

- Promoting rights and respecting diversity.

| <i>Major Outputs/Deliverables</i> Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Traffic Fines Processing | | | | | |
| Administers the processing of traffic infringement notices, penalty payments and referral for enforcement action where required. | | | | | |
| <i>Quantity</i> | | | | | |
| City Link infringement notices processed | number | nm | 540 | 509 | 500 |
| Traffic infringement notices processed ^(a) | number ('000) | 929.7 | 1 700 | 1 720 | 2 250 |
| <i>Quality</i> | | | | | |
| Prosecutable images | per cent | 80.3 | 75 | 80 | 78 |
| <i>Timeliness</i> | | | | | |
| Clearance of infringements within 120 days ^(a) | per cent | nm | 82 | 74 | 78 |
| Clearance of infringements within 60 days | per cent | na | 72 | 72 | na |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 40.3 | 61.9 | 58.1 | 81.5 |

Enforcement of Court Orders and Warrants

Supports enforcement action by the Office of the Sheriff as and where necessary to ensure judicial fines, court orders and warrants are discharged and provides fines enforcement services to other state and local government agencies.

Quantity

| | | | | | |
|--|--------|----|---------|---------|---------|
| Total number of warrants actioned | number | nm | 405 000 | 405 000 | 452 000 |
| Total number of infringements processed by PERIN | number | nm | 875 000 | 900 000 | 975 000 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| Clearance of court orders and warrants within 12 months of issue of infringement, registration or lodgement | per cent | 41 | 41 | 40 | 38 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 17.9 | 30.1 | 30.1 | 34.0 |
| Asset Confiscation Order Processing | | | | | |
| Provides for the coordination of confiscations and the management or conversion of assets tainted through criminal activity. | | | | | |
| <i>Quantity</i> | | | | | |
| Enforcement of Confiscation Orders ^(a) | number | 2 334 | 3 000 | 2 700 | 3 938 |
| Forfeiture orders processed | number | na | 3 000 | 3 000 | na |
| Property management cases processed | number | na | 185 | 300 | na |
| <i>Quality</i> | | | | | |
| Pecuniary penalty orders collections within 2 years from the date of order | per cent | 24.69 | 25 | 25 | 25 |
| <i>Timeliness</i> | | | | | |
| Assets converted within 90 day conversion cycle ^(a) | per cent | 82.91 | 80 | 80 | 80 |
| Property conversion cycle time of 90 days | per cent | na | 80 | 80 | na |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 1.9 | 1.8 | 1.8 | 3.1 |

Source: Department of Justice

Note:

(a) 2001-02 and 2002-03 amounts have been reconstructed from historical data but have not previously been reported.

Enforcing Correctional Orders

These outputs 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.

These outputs make a significant contribution to the achievement of the Departmental objective:

- Reduce offending and re-offending rates and the number of prisoners returning to prison.

This objective contributes to the key Government outcome:

- Safe streets, homes and workplaces.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Correctional System Management | | | | | |
| Provides for the management of the State's system of correctional facilities and programs. Policy and program development advice and information is provided to the Minister for Corrections as well as policy implementation, service redevelopment and the monitoring of service providers to ensure compliance against agreed performance standards. | | | | | |
| <i>Quantity</i> | | | | | |
| Service capacity to provide advice, briefings and consultations | hours | 38 497 | 43 300 | 47 900 | 45 900 |
| <i>Quality</i> | | | | | |
| Advice meets internal quality and timeliness standards | per cent | 95 | 95 | 95 | 95 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 17.3 | 25.7 | 24.0 | 24.6 |
| Prisoner Supervision and Support | | | | | |
| Provides constructive containment of prisoners. | | | | | |
| <i>Quantity</i> | | | | | |
| Average daily prison utilisation rate of all permanent and temporary prison capacity | per cent | 93 | 92-97 | 90-95 | 90-95 |
| Average daily prison design capacity utilisation rate | per cent | 119.6 | 117 | 118-125 | 117-123 |
| Total annual daily average numbers of prisoners | number | 3 446 | 3 600-3 800 | 3 600-3 800 | 3 600-3 800 |
| <i>Quality</i> | | | | | |
| Proportion of benchmark measures in prison services agreement achieved | per cent | 83.9 | 90 | 90 | 90 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 223.7 | 251.9 | 251.9 | 268.8 |
| Budget Estimates 2003-04 | | Justice | | | 233 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Community Based Offender Supervision | | | | | |
| Provides for the supervision in the community of offenders on court orders. | | | | | |
| <i>Quantity</i> | | | | | |
| Average daily offenders under community based supervision | number | 6 545 | 6 650-7 150 | 7 200 | 7 300 |
| Community supervision orders registered | number | 16 268 | 17 850 | 18 000 | 18 250 |
| <i>Quality</i> | | | | | |
| Offenders with a treatment or personal development program condition who have been appropriately referred to a program | per cent | 87.2 | 85-90 | 85-90 | 85-90 |
| Community supervision orders successfully completed | per cent | 73 | 75 | 80 | 80 |
| <i>Timeliness</i> | | | | | |
| Offenders inducted within seven working days of the commencement of the order | per cent | 95 | 95 | 95 | 95 |
| Orders registered within five working days of the order's commencement | per cent | 95 | 95 | 95 | 95 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 29.4 | 35.1 | 35.1 | 35.2 |

Source: Department of Justice

Protecting Consumers

These outputs involve developing and administering consumer protection legislation, including legislation relating to trade measurement and the sale of liquor. It informs people of their rights and responsibilities in the market place, provides assistance to those seeking redress and promotes compliance of business with the law. Business registers and licences are maintained to ensure minimum standards of transparency and competence and where necessary to influence and regulate trading behaviour.

These outputs make a significant contribution to the achievement of the Departmental objective:

- Improve access to consumer protection services, particularly for vulnerable groups.

This objective contributes to the following key Government outcomes:

- Promoting rights and respecting diversity; and
- Building cohesive communities and reducing inequalities.

| <i>Major Outputs/Deliverables</i> Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Consumer Protection | | | | | |
| Provides consumers with information about their rights and responsibilities and access to assistance and redress services to help them to determine and assert their rights. Registers or licenses certain occupations or industries (including liquor sales), business names and community organisations, and manages the delivery of services under the <i>Trade Measurement Act 1995</i> and <i>Utility Meters (Metrological Controls) Act 2002</i> and services to promote responsible management of the sale of liquor. | | | | | |
| <i>Quantity</i> | | | | | |
| Traders' premises inspected for Trade Measurement purposes, servicing licensees assessed, and inspectorial and laboratory contracts managed and inspection and testing of utility meters conducted ^(a) | number | 6 043 | 5 125 | 5 125 | 7 500 |
| Determinations of liquor licence applications for the grant of new licences and for transfer, relocation or variation of existing licences | number | 14 376 | 14 500 | 14 500 | 14 500 |
| Liquor licensing enquiries handled, Proof of Age Cards issued and Responsible Service of Alcohol trainees | number | 92 222 | 85 000 | 85 000 | 85 000 |
| Business licensing and registration transactions and advices provided, excluding liquor licensing ^(b) | number | 345 731 | 355 000 | 355 000 | 331 000 |
| Consumer and tenancy compliance monitoring and enforcement matters | number | 3 647 | 3 400 | 3 400 | 3 400 |
| Budget Estimates 2003-04 | | Justice | | | 235 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Consumer and tenancy preventative and remedial advices provided and residential tenancy bond transactions completed | number | nm | 647 000 | 700 000 | 675 000 |
| <i>Quality</i> | | | | | |
| Business licensing and registration clients who are satisfied with the quality of service they receive, excluding liquor licensing clients | per cent | 95 | 75 | 80 | 80 |
| Consumer and tenancy clients who are satisfied with the quality of service they receive | per cent | 91 | 80 | 80 | 80 |
| Liquor licensing clients who are satisfied with service standards | per cent | 95 | 90 | 90 | 90 |
| Contractors complying with performance specifications in Trade Measurement contracts | per cent | 100 | 100 | 100 | 100 |
| <i>Timeliness</i> | | | | | |
| Trade Measurement correspondence, complaints, quality assurance and licence applications responded to within elapsed-time standards | per cent | 96 | 95 | 95 | 95 |
| Liquor licensing applications determined and complaints referred to responsible enforcement agency within elapsed-time standards | per cent | 93.5 | 90 | 90 | 90 |
| Business licensing and registration services delivered within elapsed-time standards | per cent | 89 | 90 | 85 | 85 |
| Consumer and tenancy services provided within elapsed-time standards | per cent | 86 | 85 | 85 | 85 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 53.0 | 53.3 | 53.2 | 55.3 |

Source: Department of Justice

Note:

- (a) Measure amended to incorporate new function of measurement and testing of utility measures.
- (b) Measure for 2003-04 excludes calls satisfied by interactive voice response unit and has no budgetary impact.

Regulating Gaming and Racing

These outputs involve the management and regulation of gaming and racing activities in Victoria.

These outputs make a significant contribution to the achievement of the Departmental objective:

- Ensure responsible management and regulation of gaming and racing activities.

This objective contributes to the following key Government outcomes:

- Promoting rights and respecting diversity; and
- Building cohesive communities and reducing inequalities.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Regulation of Gambling

Provides monitoring and regulation of gambling activities in Victoria.

Quantity

| | | | | | |
|--|--------|--------|--------|--------|--------|
| Compliance services (audits, inspections, investigation, revenue verification, operator procedures and rule approvals) | number | 10 975 | 7 649 | 8 161 | 8 241 |
| Licences | number | 16 194 | 17 505 | 16 743 | 16 777 |

Quality

| | | | | | |
|--|----------|------|------|------|------|
| Compliance services – accuracy of compliance activities | per cent | 100 | 100 | 100 | 100 |
| Licences – licences cancelled following disciplinary action as a proportion of active licences | per cent | <0.1 | <0.1 | <0.1 | <0.1 |

Timeliness

| | | | | | |
|--|----------|-----|----|------|----|
| Compliance services – performed within target time | per cent | 100 | 90 | 97.5 | 90 |
| Licences – processed within target time | per cent | 88 | 80 | 85 | 80 |

Cost

| | | | | | |
|----------------------------------|------------|------|-----|-----|------|
| Total output cost ^(a) | \$ million | 17.3 | 9.1 | 9.1 | 17.5 |
|----------------------------------|------------|------|-----|-----|------|

Gaming and Racing Industry Management

Provides leadership and strategic policy advice to the Minister for Gaming and the Minister for Racing on the responsible management and regulation of the gaming and racing industries.

Quantity

| | | | | | |
|--|--------|--------|--------|--------|--------|
| Service capacity ^(b) | hours | 11 856 | 11 856 | 11 856 | 11 856 |
| Racing and bookmakers licenses, permits, appeals and registrations processed | number | 550 | 450 | 450 | 450 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Living Country Racing Program grant applications processed ^(a) | number | 140 | 70 | 67 | 70 |
| <i>Quality</i> | | | | | |
| Government's gambling regulation reform program milestones achieved | per cent | nm | nm | nm | 100 |
| <i>Timeliness</i> | | | | | |
| Racing and bookmakers licenses, permits, appeals and registrations processed within benchmark times ^(a) | per cent | 100 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | nm | 1.1 | 0.9 | 6.2 |

Source: Department of Justice

Note:

(a) 2002-03 amounts only reflect the six months since this output was transferred to DOJ.

(b) 2001-02 and 2002-03 amounts have been reconstructed from historical data but have not previously been reported.

Achieving Equal Opportunity

These outputs support the administration of equal opportunity legislation and the provision of advocacy and guardianship services for adults with disabilities.

These outputs make a significant contribution to the achievement of the following Departmental objective:

- Improve access to human rights protection services in targeted areas.

This objective contributes to the following key Government outcomes:

- Promoting rights and respecting diversity; and
- Building cohesive communities and reducing inequalities.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Discrimination Prevention and Redress

Supports the Equal Opportunity Commission to provide an impartial complaint resolution service for complaints lodged by any member of the Victorian public under State legislation, inform people of their rights and responsibilities and educate the community to promote equality of opportunity and to prevent discrimination, undertake research on discrimination and advise the Government on discriminatory legislation.

Quantity

| | | | | | |
|---|--------|--------|--------|--------|--------|
| Persons who receive anti-discrimination training services | number | 10 261 | 10 000 | 10 500 | 11 000 |
| Public enquiries responded to | number | 69 576 | 60 000 | 80 000 | 80 000 |
| Complaint files finalised | number | 1 181 | 1 150 | 1 150 | 1 150 |

Quality

| | | | | | |
|------------------------------|-------|----|----|----|----|
| Customer satisfaction rating | level | 75 | 75 | 75 | 75 |
|------------------------------|-------|----|----|----|----|

Timeliness

| | | | | | |
|--|----------|-----|-----|-----|-----|
| Conciliations completed to internal standards | per cent | 90 | 90 | 90 | 90 |
| Complaints determined within statutory timelines | per cent | 100 | 100 | 100 | 100 |

Cost

| | | | | | |
|-------------------|------------|-----|-----|-----|-----|
| Total output cost | \$ million | 5.3 | 5.2 | 5.1 | 5.1 |
|-------------------|------------|-----|-----|-----|-----|

Advocacy and Guardianship

Supports the Public Advocate in role as the statutory guardian of last resort for adults with disabilities. Services include: advice and reports on independent investigations and enquiries to the Guardianship List of the Victorian Civil and Administrative Tribunal (VCAT); professional and administrative support and training for volunteer Community Visitors, community Guardians and Independent Third Persons; and monitoring of proposals to provide medical treatment in the absence or refusal of 'person responsible'.

Quantity

| | | | | | |
|---|--------|-----|------|-----|-------|
| Guardianship services – total case load | number | 792 | <870 | 950 | 1 105 |
|---|--------|-----|------|-----|-------|

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Advocacy interventions and investigations undertaken | number | 1 876 | 1 705 | 1 630 | 2 030 |
| Volunteers supported and trained | number | 746 | 710 | 880 | 810 |
| Public information services provided | number | 18 751 | 16 500 | 18 150 | 19 600 |
| Quality | | | | | |
| User satisfaction rating | per cent | 88 | 80 | 90 | 85 |
| Timeliness | | | | | |
| Enquiries resolved within internal standards | per cent | 96 | 95 | 96 | 95 |
| Cost | | | | | |
| Total output cost | \$ million | 5.0 | 5.3 | 5.3 | 5.4 |

Source: Department of Justice

PART 2: FINANCIAL INFORMATION

Part 2 provides the financial information that supports reporting on the Department's provision of outputs. The information provided includes the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows for the Department as well as authority for resources.

The total resources made available to a department are applied to three uses:

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

The financial statements are presented in the format consistent with the AAS29 accounting standard. However, for the purposes of this paper they have been divided into controlled and administered items.

Administered items refer to those resources over which the Department cannot exercise direct control. Authority is provided through an appropriation for payments made on behalf of the State. Under the AAS29 standard, these items would normally appear as notes to the financial statements.

Financial Statements

The following tables can be used to assess the Department's financial performance and use of resources.

- **Table 2.5.2 – Statement of Financial Performance** – provides details of the Department's controlled revenue and expenses on an accrual basis reflecting the cost of providing its outputs;
- **Table 2.5.3 – Statement of Financial Position** – shows all controlled assets and liabilities of the Department. The difference between these represents the net assets position, which is an indicator of the State's equity in the Department;
- **Table 2.5.4 – Statement of Cash Flows** – shows all movements of cash (cash received and paid). The cash impact of financing and investing activities on Departmental resources is highlighted in this statement; and
- **Table 2.5.5 – Administered Items Statement** – provides details of the Department's administered revenue and expenses, and its administered assets and liabilities.

Operating Performance

Total revenue from operating activities is estimated to increase by \$141.6 million in 2003-04. This is attributable largely to increased output appropriation funding of \$130.3 million for new and existing outputs. In addition, trust fund revenue is expected to increase by \$15.9 million. The transfer of several functions into the portfolio under machinery of government changes will increase revenue by \$21 million. These increases are partly offset by a decrease in special appropriation funding.

Functions transferring into Justice include Trade Measurement, Liquor Licensing, Gaming and Racing Industry Management, Regulation of Gambling, Bodies Corporate, and Retirement Villages. The Births, Deaths & Marriages function has transferred to the new Department for Victorian Communities.

Justice output related expenses are budgeted to increase by \$137 million or 6.7 per cent in 2003-04 to \$2 178 million. The increase is primarily due to new output initiative funding in the 2003-04 Budget, increases in output funding approved in prior budgets and machinery of government changes. The increase is partially offset by lower 2003-04 expenses for the Victorian Electoral Commission compared to the 2002-03 election year and the impact of whole-of-government savings initiatives. Major items include:

- recruitment of a further 600 police requiring additional funding of \$12.5 million in 2003. This is in addition to a \$25.8 million increase in 2003-04 arising from the 2001-02 Victoria Police Enterprise Bargain Agreement (EBA);
- \$6.6 million for fire services EBA and additional firefighters;
- \$21.2 million transferring in due to machinery of government changes;
- \$11.6 million toward the administration of new handgun legislation;
- counter terrorism - new initiative funding of \$8 million;
- an additional \$3.5 million to Victoria Legal Aid;
- establishment of the Major Crimes Reward Fund - \$2.8 million;
- contribution of \$3.8 million toward the Australian Racing Museum at Federation Square;
- \$13 million for a combination of other output initiatives such as the Sentencing Advisory Council, additional resources for Victoria's State Emergency Service, Community Safety Emergency Support Program and Volunteer Lifesaving; and
- funding including road traffic infringement processing and Victoria Police vehicle fleet costs.

Investment and Financing

Investing activities for the 2003-04 year are budgeted at \$198.6 million. This predominantly relates to the approved capital program. New asset investments for 2003-04 are highlighted in the following section. A net cash inflow from operations of \$72.2 million and a capital contribution from the State Government finance the investing activity.

Balance Sheet Performance

The statement of financial position estimates a net asset increase of \$134.8 million, of which \$14.1 million is attributable to the estimated 2003-04 operating surplus. The increased net asset position is reflected in an estimated increase in total assets of \$155.8 million, which is partly offset by the estimated increase in total liabilities of \$20.9 million.

Total assets are expected to increase by \$155.8 million from 2002-03 to \$1 573.4 million in 2003-04. This increase mainly reflects:

- an increase in receivables of approximately \$22 million. This reflects the funding for non-cash items such as employee benefits that have not been drawn down; and
- increases in property, plant and equipment of \$106.4 million, which includes \$19.6 million for newly approved asset investment initiatives and a further \$86.8 million for previously approved initiatives.

New initiatives for 2003-04 include:

- funding for new police stations in Bairnsdale, Bendigo, Brunswick, Caroline Springs, Pakenham (Emergency Services Complex) and Warragul;
- funding for Stage 6 of the rural police station replacement program involving 10 stations;
- funding of \$1.7 million for the Police forensic laboratories;
- the implementation of a new Police management information system of \$5.0 million;
- capital costs related to the new firearms regulatory framework of \$3.6 million; and
- a new Moorabbin Court complex to be constructed.

The increase in total liabilities mainly reflects increasing provision for employee benefits, primarily long-service leave provision.

Administered Items Statement

The major change in the Administered Items Statement for the Department of Justice is the inclusion of gaming and racing related taxes (\$1 420 million in 2003-04) which are paid into the Consolidated Fund. Other principal revenues collected on behalf of the State include:

- court, traffic camera and on-the-spot fines (\$477.6 million);
- sale of goods and services, fees received (\$83.2 million);
- occupational licence fees, registration of business names and other regulatory charges (\$58.2 million); and
- compensation from the Commonwealth in respect of the power to regulate corporations.

Table 2.5.2: Statement of Financial Performance

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Revenue from ordinary activities | | | | | |
| Output Appropriations | 1 770.3 | 1 901.7 | 1 903.7 | 1 953.2 | 2 032.0 |
| Special Appropriations | 58.3 | 87.8 | 98.0 | 98.0 | 83.4 |
| Resources received free of charge or for nominal consideration | 1.9 | .. | .. | .. | .. |
| Sale of goods and services | .. | .. | .. | .. | .. |
| Commonwealth Grants | 0.7 | .. | .. | 0.1 | .. |
| Taxes | .. | .. | .. | .. | .. |
| Fines and Fees | 5.7 | 5.4 | 5.4 | 9.5 | 10.2 |
| Other revenue and revenue from other parties | 60.6 | 55.2 | 55.2 | 65.0 | 66.1 |
| | 1 897.5 | 2 050.1 | 2 062.4 | 2 125.7 | 2 191.7 |
| Expenses from ordinary activities | | | | | |
| Employee benefits | 1 106.3 | 1 179.9 | 1 187.0 | 1 197.5 | 1 228.9 |
| Depreciation and amortisation | 39.3 | 51.2 | 51.8 | 52.0 | 56.1 |
| Resources provided free of charge or for nominal consideration | 0.1 | .. | .. | .. | .. |
| Grants and other payments | 105.7 | 110.2 | 110.2 | 132.1 | 214.5 |
| Capital asset charge | 60.4 | 80.2 | 80.3 | 76.7 | 92.6 |
| Supplies and services | 569.0 | 618.6 | 621.8 | 645.9 | 582.9 |
| Other expenses from ordinary activities | 1.4 | 0.2 | 0.2 | 0.2 | 0.3 |
| Borrowing costs | 1.8 | 0.4 | 0.4 | 2.4 | 2.4 |
| | 1 883.9 | 2 040.6 | 2 051.6 | 2 106.8 | 2 177.6 |
| Result from ordinary activities | 13.7 | 9.6 | 10.7 | 19.0 | 14.1 |
| Loss from extraordinary items | .. | .. | .. | .. | .. |
| Net result for the reporting period | 13.7 | 9.6 | 10.7 | 19.0 | 14.1 |
| Net increase in asset revaluation reserve | 10.1 | .. | .. | .. | .. |
| Total revenues, expenses and revaluation adjustments recognised directly in equity | 10.1 | .. | .. | .. | .. |
| Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner | 23.8 | 9.6 | 10.7 | 19.0 | 14.1 |

Source: Department of Treasury and Finance

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.5.3: Statement of Financial Position

(\$ million)

| | Estimated as at 30 June | | | | |
|--------------------------------------|-------------------------|----------------|---------------------------------|-----------------|----------------|
| | 2002 Actual | 2003 Budget | 2003 Adjusted ^(a) | 2003 Revised | 2004 Budget |
| Current Assets | | | | | |
| Cash Assets | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 |
| Other financial assets | 170.1 | 184.2 | 184.2 | 191.9 | 213.3 |
| Receivables | 25.6 | 25.6 | 25.6 | 25.7 | 25.7 |
| Inventories | 7.9 | 7.9 | 7.8 | 7.8 | 7.8 |
| Prepayments | 6.4 | 6.4 | 6.4 | 6.4 | 6.4 |
| Other | .. | .. | .. | .. | .. |
| Total current assets | 211.8 | 225.9 | 225.8 | 233.8 | 255.1 |
| Non-current assets | | | | | |
| Receivables | 192.5 | 208.0 | 209.4 | 210.5 | 230.1 |
| Inventories | .. | .. | .. | .. | .. |
| Other financial assets | .. | 3.4 | 3.4 | 3.4 | 3.8 |
| Property, plant and equipment | 835.2 | 970.8 | 970.9 | 959.6 | 1 077.2 |
| Intangible assets | 6.1 | 6.1 | 6.1 | 3.8 | 3.8 |
| Other | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 |
| Total non-current assets | 1 037.1 | 1 191.7 | 1 193.1 | 1 180.6 | 1 318.3 |
| Total assets | 1 249.0 | 1 417.6 | 1 418.9 | 1 414.4 | 1 573.4 |
| Current liabilities | | | | | |
| Payables | 110.2 | 110.2 | 110.2 | 110.2 | 110.2 |
| Interest bearing liabilities | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 |
| Provisions | 60.2 | 79.4 | 79.2 | 79.2 | 102.2 |
| Other | 5.4 | 5.4 | 5.4 | 5.4 | 5.4 |
| Total current liabilities | 177.6 | 196.8 | 196.6 | 196.6 | 219.5 |
| Non-current liabilities | | | | | |
| Interest bearing liabilities | 8.9 | 7.2 | 7.1 | 7.1 | 5.3 |
| Provisions | 273.0 | 273.1 | 273.0 | 273.0 | 273.0 |
| Other | .. | .. | .. | .. | .. |
| Amounts owing to other departments | .. | .. | .. | .. | .. |
| Total non-current liabilities | 281.9 | 280.2 | 280.1 | 280.1 | 278.4 |
| Total liabilities | 459.5 | 477.0 | 476.6 | 476.6 | 497.9 |
| Net assets | 789.5 | 940.7 | 942.3 | 937.8 | 1 075.5 |
| Equity | | | | | |
| Contributed capital | 491.9 | 633.5 | 634.0 | 620.7 | 744.3 |
| Reserves | 97.3 | 97.3 | 97.3 | 97.3 | 97.3 |
| Accumulated surplus | 200.2 | 209.8 | 210.9 | 219.7 | 233.8 |
| Total Equity | 789.5 | 940.7 | 942.3 | 937.8 | 1 075.5 |

Source: Department of Treasury and Finance

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.5.4: Statement of Cash Flows

| | (\$ million) | | | | |
|---|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Cash flows from operating activities | | | | | |
| Receipts from Government | 1 774.6 | 1 973.9 | 1 984.8 | 2 033.2 | 2 095.8 |
| Receipts from other entities | 15.6 | 12.4 | 12.4 | 17.2 | 19.8 |
| Payments for supplies, grants and employees | (1 723.7) | (1 891.4) | (1 902.0) | (1 958.5) | (2 005.2) |
| | 66.5 | 95.0 | 95.3 | 91.9 | 110.3 |
| Interest received | 43.9 | 39.9 | 39.9 | 47.3 | 49.1 |
| Other revenue | 7.9 | 8.5 | 8.5 | 10.2 | 7.7 |
| Capital asset charge | (60.4) | (80.2) | (80.3) | (76.7) | (92.6) |
| Borrowing costs expense | (1.8) | (0.4) | (0.4) | (2.4) | (2.4) |
| Net cash inflow from operating activities | 56.1 | 62.8 | 62.9 | 70.3 | 72.2 |
| Cash flows from investing activities | | | | | |
| Payments for property, plant and equipment | (141.2) | (190.5) | (191.1) | (177.8) | (177.3) |
| Proceeds from sale of property, plant and equipment | .. | 0.2 | 0.2 | .. | .. |
| Payments for investments | .. | .. | .. | .. | .. |
| Proceeds from sale of business assets | .. | .. | .. | .. | .. |
| (Repayment of) loans by other entities | (21.4) | (14.1) | (14.1) | (21.9) | (21.3) |
| Net cash (outflow) from investing activities | (162.6) | (204.4) | (205.0) | (199.7) | (198.6) |
| Cash flows from financing activities | | | | | |
| Net Proceeds from capital contribution by State Government | 107.3 | 141.6 | 142.1 | 129.3 | 126.4 |
| Net proceeds of borrowings | .. | .. | .. | .. | .. |
| Repayment of finance leases | .. | .. | .. | .. | .. |
| Net cash inflows (outflow) from financing activities | 107.3 | 141.6 | 142.1 | 129.3 | 126.4 |
| Net increase (decrease) in cash held | 0.9 | .. | .. | .. | .. |
| Cash at the beginning of the financial year | 1.0 | 1.9 | 1.9 | 1.9 | 1.9 |
| Cash at the end of the financial year | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 |

Source: Department of Treasury and Finance

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.5.5: Administered Items Statement

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Administered revenue | | | | | |
| Appropriations - Payments made on behalf of the State | .. | .. | 22.5 | 25.5 | 50.0 |
| Special Appropriations | 24.8 | 42.8 | 42.8 | 49.9 | 28.8 |
| Resources received free of charge or for nominal consideration | .. | .. | .. | .. | .. |
| Sale of goods and services | 82.5 | 76.8 | 76.6 | 76.6 | 83.2 |
| Commonwealth grants | 44.5 | 45.8 | 45.8 | 46.2 | 46.2 |
| Other grants | 2.7 | 1.5 | 1.5 | 1.5 | 1.5 |
| Taxes | .. | .. | 632.3 | 626.5 | 1 420.1 |
| Fines | 262.9 | 385.9 | 385.9 | 375.9 | 477.6 |
| Fees | 61.6 | 65.9 | 63.8 | 62.8 | 58.2 |
| Other | 47.2 | 49.6 | 49.6 | 49.5 | 50.0 |
| Total administered revenue | 526.3 | 668.2 | 1 320.7 | 1 314.4 | 2 215.5 |
| Administered expenses | | | | | |
| Expenses on behalf of the State | 179.7 | 150.9 | 150.9 | 131.5 | 147.2 |
| Grants and other payments | 2.9 | 1.7 | 5.7 | 49.9 | 28.8 |
| Payments into the Consolidated Fund | 332.9 | 449.5 | 1 098.0 | 1 084.3 | 2 004.8 |
| Total administered expenses | 515.4 | 602.1 | 1 254.6 | 1 265.8 | 2 180.7 |
| Revenue less expenses | 10.9 | 66.1 | 66.1 | 48.6 | 34.7 |
| Administered assets | | | | | |
| Cash assets | 61.2 | 61.2 | 61.2 | 61.2 | 61.2 |
| Receivables | 150.5 | 216.6 | 216.6 | 199.1 | 233.8 |
| Other financial assets | 1.1 | 1.1 | 1.1 | 1.3 | 1.4 |
| Inventories | .. | .. | .. | .. | .. |
| Prepayments | .. | .. | .. | .. | .. |
| Property, plant and equipment | 0.1 | 0.1 | 0.1 | .. | .. |
| Intangible assets | .. | .. | .. | .. | .. |
| Other | .. | .. | .. | .. | .. |
| Total administered assets | 212.9 | 279.0 | 279.0 | 261.7 | 296.3 |
| Administered liabilities | | | | | |
| Payables | 77.7 | 77.7 | 77.7 | 77.7 | 77.7 |
| Interest bearing liabilities | .. | .. | .. | .. | .. |
| Provisions | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Amounts owing to other departments | .. | .. | .. | .. | .. |
| Other | 48.7 | 48.7 | 48.7 | 48.7 | 48.7 |
| Total administered liabilities | 126.6 | 126.6 | 126.6 | 126.6 | 126.5 |

Source: Department of Treasury and Finance

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Authority for Resources

This section provides a summary of the sources of Parliamentary Authority available to the Department to fund the provision of outputs and additions to the net asset base.

Table 2.5.6: Parliamentary Authority for Resources

| | (\$ million) | | | |
|--|-------------------|------------------------------------|-----------------------------------|-------------------|
| | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised ^(b) | 2003-04 Budget |
| Annual appropriations | 1 961.4 | 1 986.3 | 2 044.7 | 2 099.5 |
| Receipts credited to appropriations | 76.5 | 76.3 | 77.0 | 83.7 |
| Unapplied previous years appropriation | 5.3 | 5.3 | (7.9) | 25.3 |
| Accumulated surplus - previously applied appropriation | .. | .. | .. | .. |
| Gross Annual appropriation | 2 043.3 | 2 068.0 | 2 113.8 | 2 208.5 |
| Special appropriations | 130.6 | 140.8 | 147.9 | 112.2 |
| Trust funds | 107.2 | 107.2 | 122.0 | 123.1 |
| Total Parliamentary Authority | 2 281.1 | 2 315.9 | 2 383.7 | 2 443.8 |

Source: Department of Treasury and Finance

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

(b) The 2002-03 revised estimates include the impact of approved Treasurer's Advances.

Payments on behalf of the State

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. They are usually on-passed or administered by the State.

Table 2.5.7: Payments made on behalf of the State

| | (\$ million) | | | |
|--|-------------------|------------------------------------|--------------------|-------------------|
| Accounts | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Health Benefit Levy transitional payment to Racing Clubs | .. | 4.0 | 4.0 | 4.0 |
| Tattersalls duty payments to other jurisdictions | .. | 18.5 | 21.5 | 46.0 |
| Total | .. | 22.5 | 25.5 | 50.0 |

Source: Department of Treasury and Finance

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

DEPARTMENT OF PREMIER AND CABINET

PART 1: OUTLOOK AND OUTPUTS

Overview

The Department of Premier and Cabinet (DPC) provides policy advice to the Premier, supports Cabinet and Cabinet committees, and coordinates government policy. DPC also plays a pivotal role in coordinating the implementation of whole-of-government policies and projects and managing Victoria's relationships with other governments.

DPC supports the ministerial portfolio of the Arts and the portfolio agencies of the Office of the Governor, the Office of Public Employment, the Office of the Ombudsman and the Office of the Chief Parliamentary Counsel.

The Department's primary functions include:

Supporting the Premier as head of Government and Cabinet

Assisting the Premier as Chair of Cabinet in leadership of the Government, management of the Cabinet agenda and coordination of Government policy development and implementation.

Providing strategic policy leadership

Providing policy analysis and advice to the Premier on all matters affecting his role as Head of Government and providing administrative support for the operation of the Cabinet, Cabinet Committees and Executive Council.

Developing whole-of-government initiatives

Providing assistance to the Premier in the overall administration of the State's operations, initiating, planning and implementing special projects and events.

Delivering services and programs in relation to Government Information and Communication, and Arts Victoria.

Implementing the Government's Arts policy and overseeing state-owned cultural agencies and providing assistance, advice and policy development in relation to the provision of Government communications.

Departmental objectives

The Department's objectives, which align with the Government's *Growing Victoria Together* outcomes, are:

- Provide high quality policy advice and services to the Premier and Government;
- Support governance within the Victorian Public Sector; and
- Deliver services and programs to enhance the contribution of creative industries within the Victorian community.

As DPC's role is to lead policy across government and provide quality advice to the Premier as head of Government, DPC's work underpins all of the *Growing Victoria Together* objectives particularly in relation to policy advice and coordination. The role of the Department is to support the Premier, as head of Government, in the achievement of the *Growing Victoria Together* objectives.

The following table shows the links between Departmental objectives and *Growing Victoria Together* outcomes:

| Departmental Objectives | Government Outcomes |
|---|--|
| Provide high quality policy advice and services to the Premier and Government | Valuing and investing in lifelong education High quality, accessible health and community services Sound financial management Safe streets, homes and workplaces Growing and linking all of Victoria Promoting sustainable development More jobs and thriving, innovative industries across Victoria Building cohesive communities and reducing inequalities Protecting the environment for future generations Promoting rights and respecting diversity Government that listens and leads |
| Support governance within the Victorian Public Sector | Government that listens and leads Sound financial management |

| Departmental Objectives | Government Outcomes |
|---|---|
| Deliver services and programs to enhance the contribution of creative industries within the Victorian community | Building cohesive communities and reducing inequalities More jobs and thriving, innovative industries across Victoria Valuing and investing in lifelong education Promoting rights and respecting diversity Growing and linking all of Victoria |

Review of 2002-03

The *Growing Victoria Together* framework was the key driver for Departmental activity in 2002-03. Key challenges included the need to establish a strategic plan in relation to the ongoing sustainability of cultural institutions and this work will continue in 2003-04. The election in November 2002 also had some impact on the timing of the delivery of some initiatives within DPC.

In line with the Department's four main roles, the following activities were undertaken:

Supporting the Premier as head of Government and Cabinet

A key priority of DPC was the development of policy capacity to continue to improve provision of advice to the Premier and Cabinet on all aspects of policy including the Government's medium term strategic directions. DPC also managed official visitor programs to increase Victoria's investment opportunities and enhance its reputation, and organised ceremonial and special events, and hospitality to support Government's strategic priorities.

A key achievement was the creation of an integrated set of communication guidelines that will be used by all government communication units to improve the quality and consistency of Government communication. The Department also reviewed legislative information processes and commenced redevelopment of the integrated legislative information database.

Providing strategic policy leadership

To assist with the achievement of *Growing Victoria Together* strategies, DPC conducted an analysis of the medium term structure of the Victorian population and its implications for future Victorian public services and further developed initiatives related to reducing inequalities and disadvantage, and creating cohesive communities.

Other achievements were management of industrial relations in the context of Commonwealth/State relations, implementation of *Our Forests Our Future* forest reform package and further development and implementation of the Government's *Innovation Economy* framework. DPC also facilitated Commonwealth and State/Territory agreements in health, disability and housing.

Developing whole-of-government initiatives

A key achievement was the implementation of a unit dedicated to security and counter-terrorism issues. DPC also established a strategic business visitor program to build international relationships and promote business within Victoria.

DPC was also responsible for the management of Cabinet reporting initiatives to improve the cost-effectiveness and efficiency of whole-of-government communications and the improvement of communication with culturally and linguistically diverse communities throughout regional and rural Victoria.

Delivering services and programs in relation to Arts Victoria

The Arts portfolio completed several key initiatives in 2002-03 including a new arts policy, opening of the Ian Potter Centre NGV Australia at Federation Square, opening of the Australian Centre for the Moving Image at Federation Square and opening of Ngargee contemporary arts centre at 111 Sturt Street, Southbank housing the Australian Centre for Contemporary Art, Chunky Move and technical support services for Playbox Theatre.

Significant progress was also made on the redevelopment of the State Library of Victoria and the NGV International at St Kilda Road and the Yarra Precinct Arts Integration project including the Dame Elisabeth Murdoch Recital Hall and a new theatre for the Melbourne Theatre Company on Southbank.

Machinery of government

As a result of machinery of government changes, several branches within DPC transferred to the recently established Department for Victorian Communities. These branches were:

- Office for Women's Policy;
- Victorian Office of Multicultural Affairs;
- Victorian Multicultural Commission;
- Community Support Fund and Office of Community Building;
- Public Record Office; and
- Information Victoria.

As a result of this the Department's objectives were reduced from four to three with a greater emphasis on provision of high quality policy advice and support to the Premier and Cabinet.

Outlook for 2003–04

There are a number of key priorities in relation to the Departmental objectives in 2003-04. These include:

Provide high quality policy advice and services to the Premier and Government

DPC will be further developing the Department's capacity in relation to policy and project advice and leadership and will continue to develop priority actions relating to the *Growing Victoria Together* framework. DPC will also continue to implement the State Crisis Centre and further develop a Security Unit within the Department to address issues of state security and counter-terrorism.

Support Governance within the Victorian Public Sector

DPC will continue to develop workforce strategies and programs. A priority will be to increase awareness of the Public Sector Conduct Principles and develop new services and tools to assist small and medium-sized organisations apply the Principles. It will also continue to develop initiatives to improve legislative drafting services.

Deliver services and programs to enhance the contribution of creative industries within the Victorian community

A key priority for DPC will be to implement 2003-04 Budget initiatives, including election commitments relating to arts initiatives. Further, additional funding has been provided to Museum Victoria, National Gallery of Victoria and Australian Centre for the Moving Image to assist with the expansion of services to the community. Arts Victoria will also continue to develop arts services and programs including first stage implementation of the Portfolio Agency Output Framework Review, completion and opening of the NGV International at St Kilda Road, continuation of key stages in the redevelopment of the State Library of Victoria including the La Trobe Reading Room (formerly the Domed Reading Room) and progression of the Yarra Precinct Arts Integration project.

In relation to Museum Victoria there will be delivery of a rolling program of new exhibitions and visitor orientation to the Melbourne Museum and the Immigration Museum. The Victorian Arts Centre Trust will be continuing to undertake its Backlog Renewal program.

Output Information

DPC's output structure has also been reviewed as a result of machinery of government changes and policy decisions, from 15 outputs to 13 outputs. The outputs transferred from DPC to the Department for Victorian Communities as a result of machinery of government changes are:

- Multicultural Affairs;
- Women's Policy; and
- Community Support Fund.

The Department has revised its 2002-03 output structure as follows:

| Existing Output (2002-03) | New Outputs (2003-04) |
|----------------------------|---|
| Policy Leadership Projects | Strategic Policy Projects Workforce Development ^(a) |

Note:

(a) *New output for 2003-04.*

The 2003-04 output statements reflect the 2003-04 output structure of the Department. The 2002-03 outputs and performance measures are integrated into this new structure.

DPC will establish a new output this year, Workforce Development, to emphasise the work being done by the Department in relation to developing innovative workforce strategies and programs. In addition the output 'Policy Leadership Projects' has been retitled 'Strategic Policy Projects' to reflect a greater emphasis on strategic policy.

The following section provides details of the outputs to be provided to Government, including performance measures and costs for each output. The table below summarises the total cost of outputs. The output costs shown in the table have been calculated on an accrual basis in accordance with generally accepted accounting principles.

In the output performance tables, a 2003-04 target showing 'na' indicates that the relevant measure will be discontinued after 30 June 2003.

Table 2.6.1: Output summary

(\$ million)

| | 2002-03 Budget | 2002-03 Revised | 2003-04 Budget |
|--|-------------------|--------------------|-------------------|
| Strategic Policy Advice and Projects | 70.6 | 55.2 | 67.5 |
| Public Sector Management, Governance and Support | 15.6 | 16.5 | 17.6 |
| Arts and Cultural Development | 310.9 | 328.1 | 307.6 |
| Total | 397.1 | 399.8 | 392.7 |

Source: Department of Treasury and Finance

Strategic Policy Advice and Projects

The Strategic Policy Advice and Projects outputs relate to the provision of advice to the Premier and Cabinet on all aspects of policy including the Government's medium term strategic directions. This involves advice on issues as they arise, policy co-ordination and analysis, consultation with key internal and external stakeholders and leadership in long-term policy development and research.

These outputs make a significant contribution to the achievement of the Departmental objective 'Provision of high quality policy advice and services to the Premier and Government'.

This objective contributes to *Growing Victoria Together* by providing quality policy advice that contributes to all *Growing Victoria Together* strategies and also acts as a conjoint to link policy initiatives that span more than one *Growing Victoria Together* strategy. The outputs therefore link to all *Growing Victoria Together* strategies.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Strategic Policy Advice | | | | | |
| Provides strategic policy analysis and advice to the Premier on all matters affecting his role as Head of Government and administrative support for the operation of the Cabinet, Cabinet Committees and Executive Council and for the Government's relationship with Parliament; and assists the Premier in identifying emerging issues, carrying out practical forward planning, reviewing policy and assessing the impact of Government decisions and actions. | | | | | |
| <i>Quantity</i> | | | | | |
| Number of briefs | number | 2 000 | 2 000 | 2 000 | 2 000 |
| <i>Quality</i> | | | | | |
| Ministerial Satisfaction with quality of brief provided | per cent | nm | nm | nm | 100 |
| Senior Executive satisfaction with quality of departmental briefings | per cent | nm | nm | nm | 95 |
| <i>Timeliness</i> | | | | | |
| Cabinet submission and briefing requests met by due-by date | per cent | 100 | 100 | 100 | 100 |
| Planned policy briefings completed within agreed timelines | per cent | nm | 95 | 95 | 95 |
| Unscheduled policy briefings completed within agreed timelines | per cent | nm | nm | nm | 95 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | 29 | 23.6 | 30.3 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Strategic Policy Projects

On behalf of the Premier, lead and participate in policy projects including development and coordination of new initiatives; and manage the implementation of the *Growing Victoria Together* strategy and other strategic policy initiatives.

Quantity

| | | | | | |
|--|--------|----|----|----|----|
| Number of policy projects | number | nm | 30 | 30 | 30 |
| Development of the <i>Growing Victoria Together</i> outcomes report for the public | number | nm | 1 | 1 | 1 |

Quality

| | | | | | |
|--|----------|----|----|----|-----|
| Percent of policy projects managed within departmental framework | per cent | nm | nm | nm | 100 |
| Satisfaction with policy project outcomes as expressed by the Premier and Minister | per cent | nm | nm | nm | 95 |

Timeliness

| | | | | | |
|---|----------|----|-----|-----|-----|
| Policy projects completed within required timelines | per cent | nm | 90 | 90 | 90 |
| Development of the <i>Growing Victoria Together (Growing Victoria Together)</i> outcomes report within required timeframe | per cent | nm | 100 | 100 | 100 |

Cost

| | | | | | |
|-------------------|------------|----|------|-----|-----|
| Total output cost | \$ million | na | 10.0 | 8.6 | 5.1 |
|-------------------|------------|----|------|-----|-----|

Government Information Services and Support

Continuously improve communications and information about government policies, programs and services with the Victorian public and across government.

Quantity

| | | | | | |
|--|----------|----|----|----|----|
| Number of briefs | number | 30 | 30 | 30 | 30 |
| Develop communications resource products, standards and guidelines in response to identified Government requirements | per cent | 85 | 85 | 85 | 85 |
| Number of strategic projects aimed at improving communication effectiveness and efficiency | number | nm | nm | nm | 6 |

Quality

| | | | | | |
|--|----------|----|----|----|----|
| Client satisfaction of advice provided | per cent | 90 | 90 | 90 | 90 |
| Departmental client/stakeholder satisfaction | per cent | 85 | 85 | 85 | 85 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Communications products as required | per cent | nm | 85 | 85 | 85 |
| <i>Timeliness</i> | | | | | |
| Products developed within identified timeframes | per cent | 85 | 85 | 85 | 85 |
| Cabinet submissions and briefs met by due date | per cent | nm | 90 | 90 | 90 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | na | na | 26.6 |

Workforce Development

Works closely with agencies to jointly develop innovative workforce strategies and programs, drawing on workforce data collected in the Victorian Public Service and provide a whole-of-government perspective on the development of the Victorian Public Service workforce.

Quantity

| | | | | | |
|--|--------|----|----|----|-----|
| Number of briefs | number | nm | 90 | 90 | 130 |
| Number of organisational reviews and similar significant projects undertaken | number | nm | nm | nm | 6 |

Quality

| | | | | | |
|--|----------|----|----|----|----|
| Client satisfaction - outputs delivered on time and high quality | per cent | nm | nm | nm | 90 |
| Departments satisfied with process and content | per cent | nm | nm | nm | 90 |
| Stakeholder satisfaction with integrity and approach of OWD | per cent | nm | nm | nm | 95 |

Timeliness

| | | | | | |
|----------------------------------|----------|----|----|----|----|
| Policy briefings met by due date | per cent | nm | nm | nm | 95 |
|----------------------------------|----------|----|----|----|----|

Cost

| | | | | | |
|--|------------|----|----|----|-----|
| Projects and agreements completed within agreed timeframes | per cent | nm | nm | nm | 90 |
| Total output cost | \$ million | nm | nm | nm | 3.7 |

Protocol and Special Events

Initiate, plan and implement diplomatic and business visits, hospitality events and special projects including government sponsored programs and activities and provision of advice in relation to these matters.

Quantity

| | | | | | |
|---|--------|----|----|----|----|
| Number of official visitors to Victoria | number | 20 | 35 | 35 | 35 |
| Number of annual special events | number | 4 | 4 | 4 | 4 |

| | | |
|--------------------------|---------------------|-----|
| Budget Estimates 2003-04 | Premier and Cabinet | 259 |
|--------------------------|---------------------|-----|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| High quality nominations to be available for the bi-annual meeting of the Public Service Medal Committee | number | 25 | 25 | 25 | 25 |
| Strategic Hospitality Functions and Events | number | nm | nm | nm | 110 |
| <i>Quality</i> | | | | | |
| Sensitive visitor dignity security achieved | per cent | 100 | 100 | 100 | 100 |
| Level of support from the public for all special events which are a departmental responsibility | per cent | 95 | 95 | 95 | 95 |
| Congratulatory messages and promotional material are relevant and accurate | per cent | 100 | 100 | 100 | 100 |
| <i>Timeliness</i> | | | | | |
| Timely delivery of events, functions and visit arrangements | per cent | 100 | 100 | 100 | 100 |
| Congratulatory messages and promotional material are delivered on time | per cent | 100 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 2.1 | 2.1 | 1.7 | 1.8 |

Source: Department of Premier and Cabinet

Public Sector Management, Governance and Support

These outputs relate to the provision of independent services that aim to ensure the effective management, governance and support of the public sector. The outputs make a significant contribution to the achievement of the Departmental objective 'Support governance within the Victorian Public Sector'.

This Departmental objective contributes to the *Growing Victoria Together* outcomes of 'Government that listens and leads', 'Promoting rights and respecting diversity' and 'Growing and linking all of Victoria'.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Advice and Support to the Governor

Provision of advice and support to the Governor, and maintenance of Government House and its collections as a heritage asset of national importance.

Quantity

| | | | | | |
|--|----------|-----|-----|-----|-----|
| Events and services arranged in response to requests by the Governor and the Premier | per cent | 100 | 100 | 100 | 100 |
|--|----------|-----|-----|-----|-----|

Quality

| | | | | | |
|---|----------|-----|-----|-----|-----|
| Maintenance of assets in accordance with asset management strategy | per cent | 100 | 100 | 100 | 100 |
| Management of the program of events and services meets the expectations of the Governor | per cent | 95 | 95 | 95 | 95 |
| Standard, physical appearance and security of Government House, the gardens and grounds meet appropriate standards as per the asset management strategy | per cent | 95 | 95 | 95 | 95 |

Timeliness

| | | | | | |
|---|----------|-----|-----|-----|-----|
| Timely arrangement of events and services | per cent | 100 | 100 | 100 | 100 |
| Contract milestones are met | per cent | 100 | 95 | 95 | 95 |

Cost

| | | | | | |
|-------------------|------------|-----|-----|-----|-----|
| Total output cost | \$ million | 6.4 | 6.6 | 7.5 | 7.8 |
|-------------------|------------|-----|-----|-----|-----|

Public Sector Employment and Conduct Services

Promotion of the principles of public sector employment and conduct, and monitoring and reporting to Parliament on their application.

Quantity

| | | | | | |
|--|--------|----|----|----|----|
| Site visits to organisations (validation of inspections and consultancies) | number | nm | 50 | 50 | 50 |
|--|--------|----|----|----|----|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Quality</i> | | | | | |
| Overall organisations' satisfaction with activities/programs | per cent | nm | 80 | 80 | 80 |
| Overall participant satisfaction with activities/programs | per cent | nm | 80 | 80 | 80 |
| Proportion of organisations complying with significant elements of executive remuneration policy | per cent | nm | 90 | 90 | 90 |
| <i>Timeliness</i> | | | | | |
| Parliamentary reporting date met | per cent | nm | 100 | 100 | 100 |
| Report and publication dates met | per cent | nm | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 3.5 | 2.7 | 2.0 | 2.3 |
| Ombudsman Services | | | | | |
| Independent investigation of complaints concerning administrative actions taken in government departments, statutory bodies, or by officer and employees of municipal councils; complaints against members of the Police Force, and overseeing the investigation by police of certain complaints. | | | | | |
| <i>Quantity</i> | | | | | |
| Finalise consideration of complaints | number | 4 600 | 4 600 | 4 600 | 4 600 |
| Issues monitored under legislative requirements | number | 700 | 700 | 700 | 700 |
| <i>Quality</i> | | | | | |
| Satisfaction of Ombudsman with complaints resolution process | per cent | 100 | 100 | 100 | 100 |
| Satisfaction of Ombudsman with the inspections and monitoring process | per cent | 100 | 100 | 100 | 100 |
| <i>Timeliness</i> | | | | | |
| Complaints resolved within required timelines | per cent | 93 | 93 | 93 | 93 |
| Inspections completed within legislated timelines | per cent | 100 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 2.7 | 2.8 | 3.6 | 3.5 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Chief Parliamentary Counsel Services | | | | | |
| Preparation of Bills for introduction in Parliament, provision of advice on proposed statutory rules and other subordinate legislation, publishing and reprinting of Acts and statutory rules and maintenance of a database of Victorian legislation. | | | | | |
| <i>Quantity</i> | | | | | |
| Statutory Rules made and bills prepared and introduced into Parliament | number | 255 | 255 | 245 | 250 |
| Advice given on legislation in response to written requests | number | 300 | 400 | 400 | 400 |
| Versions of Acts and Statutory Rules published electronically | number | 1 050 | 1 050 | 1 050 | 1 050 |
| <i>Quality</i> | | | | | |
| Bills drafted, Statutory Rules drafted or settled, and advice provided is to the required standard | per cent | 95 | 95 | 95 | 95 |
| Accuracy levels maintained in terms of document management, printing and publishing | per cent | 95 | 95 | 95 | 95 |
| <i>Timeliness</i> | | | | | |
| Bills drafted, Statutory Rules drafted or settled, and advice provided within required timelines | per cent | 95 | 95 | 95 | 95 |
| Electronic versions published within required timelines | per cent | 95 | 95 | 95 | 95 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 3.4 | 3.5 | 3.4 | 4.0 |

Source: Department of Premier and Cabinet

Arts and Cultural Development

These outputs contribute to the development of the Victorian arts and cultural sector through the provision of industry assistance programs, infrastructure development and policy advice. The outputs make a significant contribution to the achievement of the Departmental objective 'Deliver services and programs to enhance the contribution of creative industries within the Victorian community'.

This Departmental objective contributes to the following *Growing Victoria Together* outcomes:

- Building cohesive communities and reducing inequalities;
- Valuing and investing in lifelong education;
- More jobs and thriving, innovative industries across Victoria;
- Promoting rights and respecting diversity; and
- Growing and linking all of Victoria.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Arts Development and Access

Support for the creation and presentation of arts product and for the development of artists and arts organisations and for the expansion of access to a diverse range of arts experiences.

Quantity

Diverse range of product, producers and cultural venues supported:

| | | | | | |
|---|--------|----|-----|-----|-----|
| • Number of organisations recurrently funded | number | nm | 99 | 102 | 101 |
| • Number of regionally based organisations recurrently funded | number | nm | 38 | 38 | 38 |
| • Number of project companies and artists funded | number | nm | 320 | 320 | 320 |
| • Proportion of project companies and artists funded which are regionally based | number | nm | 20 | 20 | 20 |

Access to diverse range of supported projects:

| | | | | | |
|--|--------|----|----|----|----|
| • Number of local festivals funded | number | nm | 23 | 23 | 23 |
| • Number of regional Touring Victoria destinations | number | 53 | 55 | 47 | 50 |
| • Number of artist residencies in schools | number | nm | 28 | 28 | 40 |

| | | | | | |
|--|--------|---------|---------|---------|---------|
| Attendances at Major Performing Arts Organisations | number | 803 500 | 880 000 | 965 000 | 950 000 |
|--|--------|---------|---------|---------|---------|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Attendances at Major Festivals | number ('000) | nm | 1 950 | 1 538 | 1 428 |
| Number of international markets accessed | number | nm | 12 | 17 | 15 |
| <i>Quality</i> | | | | | |
| Grant recipients who met or exceeded agreed outcomes | per cent | nm | 85 | 85 | 85 |
| <i>Timeliness</i> | | | | | |
| Arts Development applications processed for Ministerial consideration | days | 63 | 60 | 70 | 60 |
| All other applications processed for Ministerial consideration | days | 36 | 40 | 40 | 40 |
| Performance and grant agreements acquitted within 90 days of project completion | per cent | 80 | 80 | 80 | 80 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | nm | 24.6 | 27.3 | 27.0 |
| Infrastructure and Cultural Facilities | | | | | |
| Support for Victorian cultural venues and state-owned facilities. | | | | | |
| <i>Quantity</i> | | | | | |
| Major projects managed | number | 5 | 5 | 5 | 4 |
| Risk Management Programs in place | number | 3 | 3 | 3 | 3 |
| Infrastructure Development Programs | number | 5 | 5 | 5 | 6 |
| Agency Building Asset Management Plans | number | 2 | 3 | 2 | 2 |
| Infrastructure and cultural facilities funding programs | number | 2 | 2 | 2 | 2 |
| <i>Quality</i> | | | | | |
| Success measures of projects achieved | per cent | 94 | 90 | 90 | 90 |
| <i>Timeliness</i> | | | | | |
| Performance and grant agreements completed within agreed timeframes | per cent | 83 | 90 | 90 | 90 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 92.6 | 80.8 | 89.8 | 75.7 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Arts Services and Policy

Provision of agencies governance, policy implementation and advice, research, planning and communications services across the portfolio.

Quantity

| | | | | | |
|--------------------------------|--------|-----|-----|-----|-----|
| Agencies governance projects | number | 0 | 5 | 4 | 4 |
| Planning and research projects | number | 13 | 11 | 10 | 13 |
| Ministerial briefs | number | 741 | 700 | 700 | 700 |

Quality

| | | | | | |
|--|----------|----|----|----|----|
| Level of satisfaction with policy advice | per cent | 97 | 95 | 97 | 95 |
| Public information rated Informative or Very Informative | per cent | 93 | 90 | 91 | 90 |

Timeliness

| | | | | | |
|--|---------|----------|----------|----------|----------|
| Annual Reports submitted to Parliament | by date | Oct 2001 | Oct 2002 | Oct 2002 | Oct 2003 |
|--|---------|----------|----------|----------|----------|

Cost

| | | | | | |
|-------------------|------------|-----|-----|-----|-----|
| Total output cost | \$ million | 2.4 | 2.5 | 2.8 | 2.9 |
|-------------------|------------|-----|-----|-----|-----|

Arts Portfolio Agencies

Promotion, presentation and preservation of our heritage and the arts through Victoria's cultural agencies: Australian Centre for the Moving Image, Film Victoria, Geelong Performing Arts Centre, Museum Victoria, National Gallery of Victoria, Public Record Office Victoria, State Library of Victoria and the Victorian Arts Centre.

Quantity

| | | | | | |
|---|---------------|-------|--------|--------|--------|
| Visitors/users to all Agencies | number ('000) | 7 655 | 8 545 | 7 815 | 9 210 |
| Visitors to Museum of Victoria | number ('000) | 1 788 | 1 135 | 945 | 1 160 |
| Visitors to the Australian Centre for the Moving Image at Federation Square | number ('000) | nm | 800 | 600 | 1 000 |
| Online access to Agency websites | number ('000) | nm | 4 210 | 5 242 | 5 410 |
| State Library of Victoria online access | number ('000) | 1 205 | 1 200 | 1 300 | 1 310 |
| Members, Friends and volunteers at all Agencies | number | nm | 22 000 | 22 500 | 27 000 |
| Education, Outreach or Regional Audience Development Programs | number | nm | 240 | 255 | 270 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Education, Outreach or Regional Audience Development programs at the Geelong Performing Arts Centre | number | nm | 14 | 14 | 15 |
| Performances at the Victorian Arts Centre | number | 1 315 | 1 450 | 1 450 | 1 450 |
| Value of film, television and new media production supported by Film Victoria programs | \$ million | nm | 70 | 70 | 78 |
| Additional employment from production supported by Film Victoria | number of FTEs | nm | 1 960 | 2 590 | 2 900 |
| <i>Quality</i> | | | | | |
| Museum Victoria - Customer satisfaction with public programs and services – satisfied or above | per cent | 96 | 95 | 95 | 95 |
| National Gallery of Victoria - Customer satisfaction with public programs and services | per cent | 95 | 95 | 95 | 95 |
| State Library of Victoria - Customer satisfaction with services and programs —good to excellent | per cent | 91 | 90 | 90 | 90 |
| <i>Timeliness</i> | | | | | |
| Agency service delivery time benchmarks met: Australian Centre for the Moving Image - Video bookings processed within 48 hours | per cent | 100 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 180.7 | 203.0 | 208.2 | 202.0 |

Source: Department of Premier and Cabinet

PART 2: FINANCIAL INFORMATION

Part 2 provides the financial information that supports reporting on the Department's provision of outputs. The information provided includes the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows for the Department as well as authority for resources.

The total resources made available to a department are applied to three uses:

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

The financial statements are presented in the format consistent with the AAS29 accounting standard. However, for the purposes of this paper they have been divided into controlled and administered items.

Administered items refer to those resources over which the Department cannot exercise direct control. Authority is provided through an appropriation for payments made on behalf of the State. Under the AAS29 standard, these items would normally appear as notes to the financial statements.

Financial Statements

The following tables can be used to assess the Department's financial performance and use of resources.

- **Table 2.6.2 – Statement of Financial Performance** – provides details of the Department's controlled revenue and expenses on an accrual basis reflecting the cost of providing its outputs;
- **Table 2.6.3 – Statement of Financial Position** – shows all controlled assets and liabilities of the Department. The difference between these represents the net assets position, which is an indicator of the State's equity in the Department;
- **Table 2.6.4 – Statement of Cash Flows** – shows all movements of cash (cash received and paid). The cash impact of financing and investing activities on Departmental resources is highlighted in this statement; and
- **Table 2.6.5 – Administered Items Statement** – provides details of the Department's administered revenue and expenses, and its administered assets and liabilities.

Operating Performance

Overall, the Department's revenue estimates for 2003-04 reflect a significant decline from the 2002-03 Published Budget and Revised numbers. This is mainly due to a transfer of certain activities to the newly created Department for Victorian Communities (DVC) and was effective from 1 January 2003.

The majority of the special appropriations revenue is received by the Community Support Fund (derived from gaming revenue), which is one of the activities transferred to DVC.

Within output appropriation revenue, the impact of the transfer of activities to DVC has been offset by the combined effect of the centralisation of certain activities within the Department and the increase in operational funding provided by Government to Arts Agencies, these being:

- additional operating funding provided to the National Gallery of Victoria for the redeveloped Gallery at South Melbourne (\$13.4 million);
- additional operating funding provided to the Australian Centre for Moving Image for its new facility at Federation Square (\$5 million); and
- additional funding provided to the Museum of Victoria (\$8.7 million).

The Federation Funding (Commonwealth Grant) for the National Gallery building redevelopment will be received in full by 30 June 2003.

Resources provided free of charge of \$143.6 million in 2002-03 represents the book value of certain trust fund assets (principally Community Support Fund deposits) transferred to DVC at 31 December 2002.

The reduction in Grants expenditure is associated with the transfer of the Community Support Fund to DVC (as referred to above).

Investment and Financing

The Statement of Cash Flows shows a decrease in capital expenditure within the Department between the 2002-03 and 2003-04 years. This reflects the completion of, or near completion of, the following major capital projects:

- National Gallery of Victoria – building redevelopment/upgrade at South Melbourne;
- Federation Square;
- The Australian Centre for the Moving Image – at Federation Square; and
- State Library of Victoria – redevelopment.

Balance Sheet Performance

The Department's asset and liability amounts differ significantly in certain areas, between the original budgeted amounts for 30 June 2003 and the now revised amounts. This is associated with the transfer of certain activities, effective 1 January 2003, to DVC. The major transfers involved term deposits held by the Community Support Fund (\$141 million) and the land, buildings and public records held by the Public Record Office (\$174 million).

Additional capital funding was provided by Government in this Budget for the following initiatives:

- additional funding to the National Gallery of Victoria Redevelopment/Upgrade project at South Melbourne (\$4.15 million);
- exhibition renewals at the Museum of Victoria (\$2.5 million); and
- asset renewal and maintenance funding provided to the Victorian Arts Centre Trust (\$2.5 million).

Table 2.6.2: Statement of Financial Performance

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Revenue from ordinary activities | | | | | |
| Output Appropriations | 317.1 | 335.0 | 321.3 | 347.2 | 352.9 |
| Special Appropriations | 120.6 | 131.0 | 61.8 | 61.8 | 4.6 |
| Resources received free of charge or for nominal consideration | 0.2 | .. | .. | .. | 1.3 |
| Sale of goods and services | 19.3 | 40.7 | 40.7 | 24.5 | 20.6 |
| Commonwealth Grants | 20.7 | 5.0 | 5.0 | 12.1 | 0.3 |
| Taxes | .. | .. | .. | .. | .. |
| Fines and Fees | .. | .. | .. | .. | .. |
| Other revenue and revenue from other parties | 42.9 | 25.3 | 24.8 | 29.7 | 24.8 |
| | 520.8 | 537.0 | 453.6 | 475.3 | 404.5 |
| Expenses from ordinary activities | | | | | |
| Employee benefits | 103.0 | 110.4 | 105.9 | 109.0 | 119.0 |
| Depreciation and amortisation | 33.2 | 39.7 | 38.0 | 41.0 | 41.1 |
| Resources provided free of charge or for nominal consideration | (0.1) | .. | 143.6 | 143.6 | .. |
| Grants and other payments | 192.9 | 162.1 | 108.0 | 123.3 | 32.2 |
| Capital asset charge | 65.6 | 78.9 | 77.2 | 77.4 | 79.2 |
| Supplies and services | 98.7 | 116.7 | 112.4 | 121.0 | 129.7 |
| Other expenses from ordinary activities | (0.4) | 0.9 | 0.9 | 0.9 | .. |
| Borrowing costs | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| | 493.1 | 508.9 | 586.0 | 616.3 | 401.2 |
| Result from ordinary activities | 27.7 | 28.1 | (132.4) | (140.9) | 3.3 |
| Loss from extraordinary items | .. | .. | .. | .. | .. |
| Net result for the reporting period | 27.7 | 28.1 | (132.4) | (140.9) | 3.3 |
| Net increase in asset revaluation reserve | 1 287.3 | .. | .. | 18.3 | .. |
| Total revenues, expenses and revaluation adjustments recognised directly in equity | 1 287.3 | .. | .. | 18.3 | .. |
| Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner | 1 315.0 | 28.1 | (132.4) | (122.7) | 3.3 |

Source: Department of Treasury and Finance

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.6.3: Statement of Financial Position

(\$ million)

| | <i>Estimated as at 30 June</i> | | | | |
|--------------------------------------|--------------------------------|------------------------|---|-------------------------|------------------------|
| | <i>2002 Actual</i> | <i>2003 Budget</i> | <i>2003 Adjusted ^(a)</i> | <i>2003 Revised</i> | <i>2004 Budget</i> |
| Current Assets | | | | | |
| Cash Assets | 41.7 | 62.9 | 36.5 | 51.6 | 51.1 |
| Other financial assets | 176.4 | 192.8 | 60.9 | 45.2 | 48.8 |
| Receivables | 10.6 | 10.6 | 9.7 | 9.4 | 9.4 |
| Inventories | 2.3 | 2.3 | 1.7 | 1.7 | 1.7 |
| Prepayments | 0.9 | 0.7 | 0.7 | 0.7 | 0.4 |
| Other | .. | .. | .. | .. | .. |
| Total current assets | 231.9 | 269.3 | 109.5 | 108.7 | 111.5 |
| Non-current assets | | | | | |
| Receivables | 32.3 | 60.9 | 55.5 | 50.2 | 78.9 |
| Inventories | .. | .. | .. | .. | .. |
| Other financial assets | 32.1 | 20.1 | 20.1 | 20.1 | 20.1 |
| Property, plant and equipment | 904.8 | 952.9 | 916.5 | 938.6 | 936.7 |
| Intangible assets | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 |
| Other | 2 511.7 | 2 516.7 | 2 376.5 | 2 367.3 | 2 369.3 |
| Total non-current assets | 3 481.2 | 3 550.9 | 3 368.7 | 3 376.3 | 3 405.1 |
| Total assets | 3 713.1 | 3 820.2 | 3 478.2 | 3 485.1 | 3 516.7 |
| Current liabilities | | | | | |
| Payables | 18.2 | 18.5 | 16.2 | 16.2 | 16.2 |
| Interest bearing liabilities | 0.2 | 0.4 | 0.4 | 0.4 | 0.4 |
| Provisions | 10.1 | 10.5 | 9.6 | 9.6 | 9.9 |
| Other | 12.4 | 10.4 | 10.4 | 10.4 | 9.9 |
| Total current liabilities | 41.0 | 39.8 | 36.6 | 36.6 | 36.5 |
| Non-current liabilities | | | | | |
| Interest bearing liabilities | .. | .. | .. | 8.8 | 7.0 |
| Provisions | 10.0 | 10.9 | 9.7 | 9.7 | 10.6 |
| Other | .. | .. | .. | .. | .. |
| Amounts owing to other departments | .. | .. | .. | .. | .. |
| Total non-current liabilities | 10.0 | 10.9 | 9.7 | 18.5 | 17.6 |
| Total liabilities | 51.0 | 50.7 | 46.3 | 55.1 | 54.1 |
| Net assets | 3 662.1 | 3 769.5 | 3 431.9 | 3 430.0 | 3 462.6 |
| Equity | | | | | |
| Contributed capital | 1 444.5 | 1 523.8 | 1 346.7 | 1 334.2 | 1 363.5 |
| Reserves | 2 019.8 | 2 019.8 | 2 019.8 | 2 038.1 | 2 038.1 |
| Accumulated surplus | 197.7 | 225.9 | 65.3 | 57.7 | 61.0 |
| Total Equity | 3 662.1 | 3 769.5 | 3 431.9 | 3 430.0 | 3 462.6 |

Source: Department of Treasury and Finance

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.6.4: Statement of Cash Flows

| | (\$ million) | | | | |
|---|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Cash flows from operating activities | | | | | |
| Receipts from Government | 460.9 | 442.5 | 303.3 | 341.6 | 329.1 |
| Receipts from other entities | 29.1 | 29.9 | 30.0 | 23.9 | 20.9 |
| Payments for supplies, grants and employees | (395.8) | (388.2) | (329.0) | (356.1) | (279.3) |
| | 94.2 | 84.1 | 4.3 | 9.4 | 70.7 |
| Interest received | 11.0 | 7.1 | 7.4 | 7.0 | 1.9 |
| Other revenue | 27.8 | 27.1 | 27.1 | 22.7 | 23.6 |
| Capital asset charge | (65.6) | (78.9) | (77.2) | (77.4) | (79.2) |
| Borrowing costs expense | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) |
| Net cash inflow from operating activities | 67.4 | 39.3 | (38.5) | (38.5) | 16.9 |
| Cash flows from investing activities | | | | | |
| Payments for property, plant and equipment | (96.8) | (92.9) | (57.9) | (54.7) | (41.2) |
| Proceeds from sale of property, plant and equipment | 1.2 | .. | .. | .. | .. |
| Payments for investments | .. | .. | 61.6 | 61.6 | .. |
| Proceeds from sale of business assets | | | | | |
| (Repayment of) loans by other entities | (3.5) | (4.5) | (15.7) | .. | (3.7) |
| Net cash (outflow) from investing activities | (99.1) | (97.3) | (12.0) | 6.9 | (44.9) |
| Cash flows from financing activities | | | | | |
| Net Proceeds from capital contribution by State Government | 50.3 | 79.3 | 45.3 | 32.8 | 29.3 |
| Net proceeds of borrowings | (0.6) | .. | .. | 8.8 | (1.8) |
| Repayment of finance leases | | | | | |
| Net cash inflows (outflow) from financing activities | 49.7 | 79.3 | 45.3 | 41.5 | 27.6 |
| Net increase (decrease) in cash held | 17.9 | 21.2 | (5.2) | 9.9 | (0.5) |
| Cash at the beginning of the financial year | 24.2 | 42.1 | 42.1 | 42.1 | 52.0 |
| Cash at the end of the financial year | 42.1 | 63.3 | 36.8 | 52.0 | 51.5 |

Source: Department of Treasury and Finance

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.6.5: Administered Items Statement

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Administered revenue | | | | | |
| Appropriations - Payments made on behalf of the State | .. | .. | .. | .. | 19.7 |
| Special Appropriations | .. | .. | .. | .. | .. |
| Resources received free of charge or for nominal consideration | .. | .. | .. | .. | .. |
| Sale of goods and services | 2.1 | 2.4 | 1.6 | 1.6 | 0.6 |
| Commonwealth grants | .. | .. | .. | .. | .. |
| Other grants | .. | .. | .. | .. | .. |
| Taxes | .. | .. | .. | .. | .. |
| Fines | .. | .. | .. | .. | .. |
| Fees | .. | .. | .. | .. | .. |
| Other | 0.3 | 0.3 | 0.3 | 0.3 | 2.1 |
| Total administered revenue | 2.4 | 2.7 | 1.9 | 1.9 | 22.4 |
| Administered expenses | | | | | |
| Expenses on behalf of the State | 3.4 | .. | .. | .. | .. |
| Grants and other payments | .. | .. | .. | .. | .. |
| Payments into the Consolidated Fund | 2.4 | 2.7 | 1.9 | 1.9 | 2.7 |
| Total administered expenses | 5.9 | 2.7 | 1.9 | 1.9 | 2.7 |
| Revenue less expenses | (3.4) | .. | .. | .. | 19.7 |
| Administered assets | | | | | |
| Cash assets | .. | .. | .. | .. | .. |
| Receivables | (19.8) | (19.8) | (19.8) | (19.8) | .. |
| Other financial assets | .. | .. | .. | .. | .. |
| Inventories | .. | .. | .. | .. | .. |
| Prepayments | .. | .. | .. | .. | .. |
| Property, plant and equipment | .. | .. | .. | .. | .. |
| Intangible assets | .. | .. | .. | .. | .. |
| Other | .. | .. | .. | .. | .. |
| Total administered assets | (19.8) | (19.8) | (19.8) | (19.8) | .. |
| Administered liabilities | | | | | |
| Payables | .. | .. | .. | .. | .. |
| Interest bearing liabilities | .. | .. | .. | .. | .. |
| Provisions | .. | .. | .. | .. | .. |
| Amounts owing to other departments | .. | .. | .. | .. | .. |
| Other | .. | .. | .. | .. | .. |
| Total administered liabilities | .. | .. | .. | .. | .. |

Source: Department of Treasury and Finance

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Authority for Resources

This section provides a summary of the sources of Parliamentary Authority available to the Department to fund the provision of outputs and additions to the net asset base.

Table 2.6.6: Parliamentary Authority for Resources

| | (\$ million) | | | |
|--|-------------------|------------------------------------|-----------------------------------|-------------------|
| | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised ^(b) | 2003-04 Budget |
| Annual appropriations | 408.1 | 392.0 | 394.1 | 399.8 |
| Receipts credited to appropriations | 0.7 | 0.6 | 0.6 | 0.6 |
| Unapplied previous years appropriation | 12.4 | 12.4 | 23.8 | 5.4 |
| Accumulated surplus - previously applied appropriation | .. | .. | 5.5 | .. |
| Gross Annual appropriation | 421.3 | 405.1 | 424.1 | 405.7 |
| Special appropriations | 131.0 | 61.8 | 61.8 | 4.6 |
| Trust funds | 5.3 | 4.8 | 7.5 | 5.7 |
| Total Parliamentary Authority | 557.6 | 471.7 | 493.4 | 416.1 |

Source: Department of Treasury and Finance

Notes:

- (a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.
- (b) The 2002-03 revised estimates include the impact of approved Treasurer's Advances.

Payments on behalf of the State

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. They are usually on-passed or administered by the State.

Table 2.6.7: Payments made on behalf of the State

| Accounts | (\$ million) | | | |
|----------------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Ambulance Royal Commission | .. | .. | .. | 19.7 |
| Total | .. | .. | .. | 19.7 |

Source: Department of Treasury and Finance

Notes:

- (a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

DEPARTMENT OF PRIMARY INDUSTRIES

PART 1: OUTLOOK AND OUTPUTS

Overview

The Department of Primary Industries (DPI) was established on 5 December 2002, following the transfer of the agriculture, fisheries and minerals and petroleum functions from the former Department of Natural Resources and Environment.

DPI advances the Government's agenda of sustainability and wealth creation for Victoria. It is committed to ensuring there is a strong emphasis on economic development through innovation and sound policy initiatives in primary industries. A key priority for the Department is to create sustainable and robust farming and fishing industries, particularly in farm diversification, product development through research, and innovative uses of water.

DPI's vision is: *Growing Victoria's Future*. The Department delivers services that drive the sustainable development of Victoria's agriculture, fishing, minerals and petroleum industries for the benefit of the Victorian community, both now and in the future. DPI supports the Ministerial portfolios of Agriculture and Resources.

The wealth and employment generated from primary industries is fundamental to the quality of life for current and future generations of Victorians. The growth and sustainable management of these industries underpins the economy generally and the vitality of rural and regional communities in particular impacts on the natural resource base.

The Department's role is to:

- significantly enhance the performance of primary industries in terms of wealth creation, sustainable use of natural resources and community acceptance;
- influence improvements in industry performance via our expertise in science and innovation; and
- provide excellent service delivery throughout the State.

Departmental objectives

DPI's objectives provide the direction and guiding focus for the Department. The objectives align with the Government's economic, social and environmental outcomes for the Victorian community, as outlined in *Growing Victoria Together*. DPI's objectives are:

- strong economic activity evidenced by jobs, investment and exports;
- high quality natural resource base for the long term; and
- resilient industries and communities.

These objectives will be achieved through:

- innovative policy, science and technology;
- efficient and equitable resource allocation;
- effective partnerships with industries and communities; and
- service delivery excellence throughout the State.

The following table shows the links between Departmental objectives and *Growing Victoria Together* outcomes:

| Departmental Objectives | Government Outcomes |
|--|---|
| Strong economic activity evidenced by jobs, investment and exports | Promoting sustainable development Protecting the environment for future generations More jobs and thriving, innovative industries across Victoria |
| High quality natural resource base for the long term | Promoting sustainable development Protecting the environment for future generations |
| Resilient industries and communities | More jobs and thriving, innovative industries across Victoria Building cohesive communities and reducing inequalities |

DPI plays a key role in driving sustainable development through industry growth and community partnerships. The Department has extensive expertise in science and is committed to investing its research and development capability in innovative technologies and practices that improve natural resource use. Improved economic activity in Victoria will be evidenced by more jobs, increased investment and exports, and thriving industries across the State.

The Department is mindful of the need to protect the environment for future generations. It actively seeks to enhance the performance of primary industries in terms of reducing their impact on the environment, while still promoting sustainable economic development.

DPI aims to build a strong, dynamic and effective relationship with communities and industry based on listening to local experience and sharing knowledge. The Department works closely with communities and industry to build their capacity and increase their level of involvement in decision making. DPI's strong regional presence enables the Department to provide more responsive services to communities and industry and effectively support growth and innovation.

Review of 2002-03

DPI was established on 5 December 2002, following the transfer of the agriculture, fisheries and minerals and petroleum functions from the former Department of Natural Resources and Environment (DNRE). In its first six months, the Department has worked to develop departmental objectives and is currently developing its performance measurement framework.

Growing Victoria Together provided the key driver behind Departmental activity and achievements. These achievements include:

Promoting sustainable development

- ongoing delivery of rural industry research and development strategies in consultation with industry groups;
- expansion of the National Livestock Identification Program to maintain and improve Victoria's access to global markets;
- continued success of the Naturally Victorian Initiative in demonstrating and promoting Victoria as a source of safe, quality food from environmentally responsible agriculture;
- declaration of aquaculture areas as fishery reserves, including the establishment of two new 500 hectare aquaculture zones at Pinnance Channel and implementation of management planning process for the new reserves;
- export accreditation for abalone by Environment Australia;
- hosting and supporting the National Australian Petroleum Production and Exploration Association conference in Melbourne with a successful release of 2003 Acreage, presentations and three publications; and
- commencement of gas supply from the Tasmanian Natural Gas pipeline and Patricia Baleen field.

Protecting the environment for future generations

- delivery of major emergency response and recovery programs relating to drought, fire and animal disease outbreaks;
- implementation of the Marine Parks initiative, including the rollout of the enhanced fisheries compliance package that involved the appointment of 27 new fisheries officers; and
- development of the Rock Lobster and Giant Crab Fishery Management Plans.

More jobs and thriving, innovative industries across Victoria

- significant progress towards the establishment of a regional network of Science, Innovation and Education Precincts as part of the Government's Growing Victoria initiative;
- successful implementation of the Science, Technology and Innovation and Ecologically Sustainable Agriculture Initiatives, resulting in the development of innovative technologies and practices which significantly improve the efficiency and effectiveness of natural resource use;
- management of the provision in farm business support grants for drought affected farmers; and
- outstanding results on the Victorian area offshore acreage tender with a large number of bidders and winning bids totalling in excess of \$150 million.

Building cohesive communities and reducing inequalities

- increased participation in FarmBis, a program to improve the skills of those involved in land and natural resource management;
- development of new safety regulations for the mining industry that came into force on 28 October 2002; and
- providing assistance to communities, small businesses and farmers to recover from the impacts of the 2002-03 bushfire emergency.

DPI is progressing towards the delivery of its outputs and the achievement of the 2002-03 published performance measures. However, the secondment of DPI staff from all functions to fire emergency and recovery activities during the summer fire season may significantly impact on the final result for 2002-03. Ongoing drought relief activities being undertaken by the Department may also affect the achievement of some targets.

Outlook for 2003-04

DPI's 2003-04 budget initiatives continue to build upon the achievements and substantial investment in sustainable economic growth for Victoria including progress towards the Government's outcomes as outlined in *Growing Victoria Together*.

Key initiatives for 2003-04 include:

Our Rural Landscape

As part of the Government's *Innovation Statement*, DPI will implement 'Our Rural Landscape'. This initiative will assist to develop an agri-food sector which drives dramatic improvements in natural resource use efficiency through technological innovation, utilises new technologies to reduce adverse environmental impacts and increase amenity value to the community, and stimulates rural economies and employment through new and efficient food production systems.

Enhanced Biosecurity (Defending Our Farms Against Disease)

Australia's relative freedom from many pests and diseases has underpinned the outstanding performance of our primary industries in securing premium export markets. The concept of biosecurity, however, is not just a matter for primary industries or the protection of human health. It is also relevant to biodiversity and the environment, with invasion by exotic species ranked second only to habitat reduction as a cause of loss of biodiversity.

DPI is committed to enhancing Victoria's capacity to respond to the increasing threat of exotic animal and plant pests and diseases and will implement a biosecurity package. The key elements of this package are to enhance monitoring and diagnostic capability, to develop and refine strategies for eradication and containment, to improve pre-emptive treatments including vaccines, and to upgrade communication and training to increase industry awareness and preparedness. To enhance plant biosecurity, a plant biosecurity strategy and a grower registration system will be developed. Concurrent liaison and cooperation with industry aims to encourage producer engagement in the development and delivery of improved biosecurity programs.

Aquaculture and other Fisheries Initiatives

The aquaculture initiative will promote the development of aquaculture in Victoria including promoting training and industry development assistance to integrated aquaculture and farming operations. A strategic policy and planning advisory group will be established to advise the Government, drawing on industry, scientific and community expertise to promote and assist the development of aquaculture in Victoria.

DPI will be tougher on fisheries offences by establishing a hotline for reporting suspected illegal fishing activities. The Department will also eliminate anomalies in the availability of the concession rate for the Recreational Fishing Licence so that it is consistent with other concessions provided by the State Government.

Naturally Victorian Initiative

This initiative encourages the development of practices and processes that demonstrate to domestic and international markets that the Victorian food sector is a supplier of safe, quality food from environmentally responsible agriculture.

Output information

The following outputs were transferred from the former Department of Natural Resources and Environment as a result of the machinery of government changes in December 2002:

- services to improve market access, market development and consumer confidence in food and agricultural products;
- development of next generation technologies for sustainable agriculture;
- community, farm and industry development services;
- sustainable fisheries utilisation services;
- industry and community compliance services;
- aquaculture and fishing industry development;
- minerals and petroleum regulation services; and
- minerals and petroleum industry development and information.

The Agriculture outputs have been redefined from the three existing outputs to two new outputs for 2003-04. The revised output structure is as follows:

| Existing Outputs (2002-03) | New Outputs (2003-04) |
|---|---|
| Services to improve market access, market development and consumer confidence in food and agricultural products | Biosecurity and Market Access |
| Development of next generation technologies for sustainable agriculture | Sustainable Agriculture and Food Sector Development |
| Community, farm and industry development services | |

The changes reflect the need to focus attention on biosecurity and market access as a separate output with its own performance measures. The Agribusiness components of the former output have been transferred to a new output titled 'Sustainable Agriculture and Food Sector Development'. This new output has combined the research, extension and industry development activities undertaken within Agriculture into one output recognising the clear links between these activities. In addition, existing measures were reviewed resulting in the creation of several new performance measures and the retention of some existing performance measures that have been refined.

The 2003-04 output statements reflect the 2003-04 output structure of the Department. The 2002-03 outputs and performance measures are integrated into this new structure.

The following section provides details of the outputs to be provided to Government, including performance measures and costs for each output. The table below summarises the total cost of outputs. The output costs shown in the table have been calculated on an accrual basis in accordance with generally accepted accounting principles.

In the output performance tables, a 2003-04 target showing 'na' indicates that the relevant measure will be discontinued after 30 June 2003. The 2002-03 Target and Expected Outcome are based on full year targets, while the corresponding output costs are for the 6 month period from 1 January 2003 to 30 June 2003.

Table 2.7.1: Output summary

(\$ million)

| | 2002-03 Adjusted ^(a) | 2002-03 Revised ^(b) | 2003-04 Budget |
|----------------------------|------------------------------------|-----------------------------------|-------------------|
| Agriculture ^(c) | 111.2 | 188.4 | 239.7 |
| Fisheries | 24.4 | 23.5 | 40.3 |
| Minerals and Petroleum | 9.7 | 9.5 | 17.3 |
| Total | 145.3 | 221.4 | 297.3 |

Source: Department of Treasury and Finance

Notes:

- (a) The 2002-03 Adjusted Budget reflects the six month impact of the machinery of government changes and is not directly comparable to the 2003-04 Budget
- (b) The 2002-03 Revised includes the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003 and the impact of approved Treasurer's Advances.
- (c) The 2002-03 Agriculture output Budget and Revised figures include \$8.8 million of 'Resources received free of charge' relating to the transfer of trust account liabilities upon establishment of DPI on 5 December 2002.

Agriculture

The Agriculture outputs deliver selected strategic services to the food and agriculture sector in order to benefit the wider community through continued ecologically sustainable economic growth and improved natural resource management. The services focus on areas where market failure exists and there is a strong policy imperative for government involvement (e.g. enhanced biosecurity).

These services address key growth, environmental and social challenges across the agriculture value-chain from natural resource management, farm production systems, food processing through to food safety for consumers. They are provided within the context of sound policy development and advice that addresses the needs of Government, the agricultural industries and the broader Victorian community. The output specifically addresses the Government's policy priority of Agriculture for a Sustainable Future.

These outputs make a significant contribution to the following Departmental objectives:

- Strong economic activity evidenced by jobs, investment and exports;
- High quality natural resource base for the long term; and
- Resilient industries and communities.

These objectives make a significant contribution to the achievement of the following key Government outcomes:

- Promoting sustainable development;
- Protecting the environment for future generations;
- More jobs and thriving, innovative industries across Victoria; and
- Building cohesive communities and reducing inequalities.

DPI works with the agricultural industry and the Victorian community to foster profitable farms that export to the world. The Department undertakes leading research and development to progress productive agriculture and sustainable farming systems. The use of new and innovative technologies and practices will assist to attract investment in, and increase exports from, Victoria's agricultural industry. Sustainable economic development can only be achieved by effectively engaging communities and industry and DPI aims to protect Victoria's farmers by building cohesive and innovative farming communities. This is achieved through the implementation of research and development, extension and information delivery services and enhanced biosecurity.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Biosecurity and Market Access

Building and maintaining Victoria's capacity to monitor, detect and respond to exotic and endemic animal and plant disease and pest threats; ensuring chemical use is safe for the consumer, the environment, users, crops and animals so as not to pose an unacceptable risk to consumers and trade (domestic and export); promoting domestic, farm and wild animal welfare objectives in accordance with community expectations and Government policy.

Quantity

| | | | | | |
|---|--------|----|----|----|------------------|
| Plant pest, disease and residue control plans maintained to assist industry to access markets | number | nm | nm | nm | 4 ^(a) |
|---|--------|----|----|----|------------------|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Animal pest, disease and residue control plans maintained to assist industry to access markets | number | nm | nm | nm | 5 ^(a) |
| International buyers of Victorian produce contacted in Victoria and Asia | number | nm | 110 | 113 | na ^(b) |
| Agribusiness export deals directly facilitated | number | 60 | 45 | 48 | na ^(b) |
| Major reforms that address Government policy objectives for internationally competitive industries, agri-food industry development, food safety and product integrity developed and implemented | number | 4 | 4 | 2 | na ^(b) |
| <i>Quality</i> | | | | | |
| Compliance with international and national quality assurance standards by meeting certification authorities' performance audits | number | 3 | 3 | 3 | 3 |
| Compliance with relevant industry standards for animal welfare | per cent | >95 | >95 | >95 | >95 |
| <i>Timeliness</i> | | | | | |
| National quality assurance and animal welfare programs implemented within required timelines | per cent | 100 | >95 | >95 | >95 |
| Response time to all plant pest, disease and disaster incidents | hours | <24 | <48 | <48 | <48 ^(a) |
| Response time to all animal pest, disease and disaster incidents | hours | <24 | <48 | <48 | <24 ^(a) |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | 39.8 | 44.3 | 52.5 |

Sustainable Agriculture and Food Sector Development

Development of new or improved technology and information that is systematically implemented by industry to increase the value of agricultural, food and fibre products in total and per unit of natural resource input. This is achieved through the integration of basic and applied research and development, extension and information delivery, and marketing services.

Quantity

| | | | | | |
|--|--------|----|----|----|--------------------|
| Research, development and extension projects in progress that promote productivity and sustainable farming systems | number | nm | nm | nm | 270 ^(c) |
|--|--------|----|----|----|--------------------|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Technical publications in international and peer review journals that promote productivity and sustainable farming systems ^(d) | number | 312 | 260 | 320 | 300 |
| Industry Development Committees in place to organise industries and regional producer groups to raise levies for funding Research Development and Education | number | nm | nm | nm | 6 |
| Extension groups used to promote sustainable farming systems | number | nm | nm | nm | 1 000 |
| Value of external investment by industry in research and development projects | \$ million | 14.9 | 14.5 | 14.1 | na ^(b) |
| Commercial technology research and development agreements finalised | number | 82 | 50 | 80 | na ^(b) |
| New/improved products or systems available for application | number | 5 | 5 | 5 | na ^(b) |
| Value of external investment by industry in delivery of best practice systems | \$ million | 2.6 | 2.5 | 2.5 | na ^(b) |
| Increase in the proportion of farmers involved in best practice | per cent | 7.7 | 6 | 4.7 | na ^(b) |
| <i>Quality</i> | | | | | |
| Proportion of technical papers submitted to international and peer review journals that are accepted for publication | per cent | nm | nm | nm | >90 |
| Proportion of national agriculture industry investment funds | per cent | 9 | 9 | 9 | na |
| Number of applications for publicly owned and protected Intellectual Property | number | 6 | 4 | 4 | na |
| Proportion of national agriculture industry investment funds | per cent | 4 | 5 | 5 | na |
| Proportion of strategic plans and priorities developed in consultation with industry/community stakeholders | per cent | 95 | >95 | >95 | na |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| Project milestone reports completed on-time | per cent | 93 | >90 | >90 | >90 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | 71.4 | 144.1 | 187.2 |

Source: Department of Primary Industries

Note:

- (a) Revised measure which now separately measures progress against the specific components of the former plant and animal disease measure.*
- (b) Discontinued as a result of the findings of the 2002 Market Access, Market Development and Consumer Confidence in Food and Agriculture Products output review.*
- (c) This is a consolidation of two previously existing measures.*
- (d) Revised measure which is more focused on promoting productivity and sustainability.*

Fisheries

The Fisheries outputs provide for the sustainable development of Victoria's regional, commercial, recreational and aquaculture fishing industries and management of Victoria's marine and freshwater fish resources.

These outputs make a significant contribution to the following Departmental objectives:

- Strong economic activity evidenced by jobs, investment and exports;
- High quality natural resource base for the long term; and
- Resilient industries and communities.

These objectives make a significant contribution to the achievement of the following key Government outcomes:

- Promoting sustainable development;
- Protecting the environment for future generations;
- More jobs and thriving, innovative industries across Victoria; and
- Building cohesive communities and reducing inequalities.

With the future in mind, DPI aims to ensure that Victoria's fishing industry is developed in a sustainable way to maximise the ecological, social and economic benefits to the community. The Department manages access to, and utilisation of, fish and aquatic resources to minimise impacts on the broader ecosystem. Through focussed research, the provision of technical advice, effective implementation of a regulatory framework, and active stakeholder consultation, DPI works to achieve the long-term sustainability of Victoria's fisheries. The Department supports the implementation of new and innovative ideas to build on the strengths of Victoria's fishing industries and generate high quality jobs across the State. It ensures comprehensive and effective community and industry consultation is carried out to increase the involvement of these groups in fisheries management issues.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Sustainable Fisheries Utilisation Services

Management of fisheries resources in partnership with stakeholders as the framework for sustainable utilisation of commercial and recreational fisheries.

Quantity

| | | | | | |
|--|---------------|-------|-------|-------|-------|
| Additional management plans completed | number | 2 | 1 | 2 | 3 |
| Assessment reports of the status of Victoria's key fisheries and fish habitats completed | number | 8 | 8 | 8 | 6 |
| Number of fisheries where ESD-based sustainability indicators have been developed | number | 2 | 2 | 2 | na |
| Number of fish produced for recreational stocking purposes | number ('000) | 1 559 | 1 500 | 1 330 | 1 300 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| The number of key commercial Fisheries assessed against approved ESD-based sustainability indicators and having appropriate management responses being developed and implemented | number | nm | nm | nm | 4 |
| <i>Quality</i> | | | | | |
| Presentations made and scientific publications in peer review journals | number | 25 | 20 | 20 | 20 |
| Proportion of research funding achieved from external sources | per cent | 52.5 | >40 | >50 | >40 |
| Proportion of commercial fishing catch and effort returns received by due date | per cent | 93 | >90 | >90 | >90 |
| Proportion of licence renewals and quota transfers completed within set period: Licence renewals | per cent | 97 | >90 | >90 | na |
| Proportion of RFL revenue used to administer the licensing system compared to total revenue raised | per cent | 9.5 | <10 | <10 | <10 |
| Survey of under-exploited areas for harvesting abalone | number | 0 | 1 | 1 | 1 |
| Proportion of quota transfers completed within set period | per cent | 95 | >90 | >90 | >90 |
| <i>Timeliness</i> | | | | | |
| Assessment reports, plans and indicators completed | date | Jun 2002 | Jun 2003 | Jun 2003 | Jun 2004 |
| Surveys of stakeholders completed | date | Jun 2002 | Jun 2003 | Jun 2003 | na |
| Establishment of the Compensation Assessment Panel and Compensation Appeals Tribunal | date | nm | Apr 2003 | Nov 2002 | na |
| Licence renewals completed by due date | date | nm | nm | nm | Apr 2004 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | 12.4 | 11.2 | 18.9 |
| Industry and Community Compliance Services | | | | | |
| Education, inspection and enforcement services to ensure industry and community compliance with legislation/regulations and management plans and the sustainable use of fisheries resources. | | | | | |
| <i>Quantity</i> | | | | | |
| Compliance with legislation and regulations | per cent | 91.4 | 90 | 90 | 90 |
| Budget Estimates 2003-04 | | Primary Industries | | | 289 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Inspections conducted in the commercial sector | number | 1 542 | 2 050 | 1 200 | na |
| Recreational sector contacts made | number | 26 757 | 28 000 | 20 000 | na |
| Aquaculture operations checked | number | 103 | 100 | 100 | 100 |
| Successful court prosecutions | per cent | 99 | 95 | 95 | 95 |
| Investigations and planned operations targeting illegal fishing | number | 22 | 22 | 38 | 30 |
| Number of extension contacts with stakeholder groups | number | 170 | 165 | 190 | 165 |
| Compliance with Marine Park legislation and regulations | per cent | 0 | >70 | >70 | >70 |
| Patrol Hours by fisheries officers in Marine Parks | number | 0 | 3 750 | 3 750 | 3 750 |
| Planned operations targeting illegal activity in Marine Parks | number | 0 | 3 | 3 | 3 |
| Commercial, recreational and unlicensed inspections and contacts | number | nm | nm | nm | 30 000 |
| <i>Quality</i> | | | | | |
| Customer satisfaction with fisheries in the recreational, commercial or aquaculture sectors | per cent | 77 | >65 | >65 | >65 |
| Proportion of fishing community that has seen fisheries educational material in the last six months | per cent | 56 | >65 | >65 | na |
| Level of stakeholder acceptance of relevant fisheries regulations | per cent | 58 | >60 | >60 | >60 |
| Proportion of fishing community that is aware of relevant fisheries regulations | per cent | nm | nm | nm | >80 |
| <i>Timeliness</i> | | | | | |
| Survey of stakeholders completed by | date | May 2002 | Jun 2003 | Jun 2003 | Jun 2004 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | 10.1 | 10.3 | 18.0 |

Aquaculture and Fishing Industry Development

Provision of information and advisory services to facilitate the development of profitable, diverse, ecologically sustainable and well-managed industries.

Quantity

| | | | | | |
|--|--------|---|---|---|---|
| Number of aquaculture scientific publications produced | number | 7 | 6 | 6 | 6 |
|--|--------|---|---|---|---|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Number of business and industry development and assistance contacts with commercial fishing and aquaculture sectors | number | 1 169 | 1 200 | 1 200 | 1 200 |
| Number of workshops held and technical publications produced | number | 10 | 10 | 35 | 10 |
| Fish Health Accreditation Surveillance Program – farmed and wild fish sector inspections | number | 0 | 25 | 1 | na |
| Development of aquaculture zone management plans and associated baseline environmental information | number | 0 | 1 | 1 | 1 |
| <i>Quality</i> | | | | | |
| Proportion of aquaculture licences approved within specified period | per cent | nm | >75 | >75 | >75 |
| <i>Timeliness</i> | | | | | |
| Plans and strategies and strategic advice delivered within agreed timelines | per cent | nm | 100 | 100 | 100 |
| Provision of strategic economic advice on commercial fisheries and aquaculture within agreed timelines | per cent | nm | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | 1.9 | 2.0 | 3.4 |

Source: Department of Primary Industries

Minerals and Petroleum

The Minerals and Petroleum outputs stimulate wealth generation through the sustainable development of Victoria's earth resources by regulating and promoting the exploration and development of Victoria's extractive, mineral and petroleum resources. This leads to the establishment of new producing operations, safe and environmentally responsible operations, secure and competitive sources of gas supply, extractive industry products.

These outputs make a significant contribution to the following Departmental objectives:

- Strong economic activity evidenced by jobs, investment and exports;
- High quality natural resource base for the long term; and
- Resilient industries and communities.

These objectives make a significant contribution to the achievement of the following key Government outcomes:

- Promoting sustainable development;
- Protecting the environment for future generations;
- More jobs and thriving, innovative industries across Victoria; and
- Building cohesive communities and reducing inequalities.

DPI seeks to promote and increase minerals and petroleum exploration and development expenditure in Victoria. The Department supports research and development focussed on decreasing the demand on Victoria's natural capital by increasing the efficiency of use and reducing off-site impacts. To ensure industry operations meet community expectations in terms of safe and environmentally responsible behaviour, DPI undertakes significant regulation services. The Department aims to build a strong relationship with stakeholders to support the sustainable development of Victoria's earth resources.

| <i>Major Outputs/Deliverables</i> | <i>Unit of Measure</i> | <i>2001-02 Actual</i> | <i>2002-03 Target</i> | <i>2002-03 Expected Outcome</i> | <i>2003-04 Target</i> |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Minerals and Petroleum Regulation Services

Provide a consistent and transparent tenement management regime together with health, safety and environmental standards, monitoring and enforcement that ensure industry operations meet community expectations.

Quantity

| | | | | | |
|--|--------|-------|-------|-------|-------|
| Licences, Permits and Authorities under administration | number | 1 694 | 1 650 | 1 900 | 1 900 |
| Audits of high or critical sites completed | number | 107 | 107 | 107 | 107 |

Quality

| | | | | | |
|--|----------|----|----|----|----|
| Exploration and mining licences which are not active | per cent | 24 | 20 | 22 | 20 |
|--|----------|----|----|----|----|

Timeliness

| | | | | | |
|---|----------|---|----|---|---|
| Mining industry work-plans not processed in one month | per cent | 0 | 10 | 5 | 5 |
|---|----------|---|----|---|---|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Mining licence applications not determined after four months | per cent | 25 | 10 | 5 | 5 |
| Exploration license applications not determined after three months | per cent | 0 | 10 | 5 | 5 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | 4.2 | 4.4 | 8.0 |
| Minerals and Petroleum Industry Development and Information | | | | | |
| Promote the development of extractive, mineral and petroleum industries in Victoria by facilitating significant projects and maintaining, updating, developing and distributing relevant information. | | | | | |
| <i>Quantity</i> | | | | | |
| Strategic areas of the State in which semi-regional gravity surveys have been completed | per cent | nm | 98 | 98 | na |
| Targeted industry information packages released | number | 15 | 15 | 18 | 18 |
| Strategic areas of the State in which planned new generation mapping has been completed | per cent | 70 | 74 | 74 | 76 |
| <i>Quality</i> | | | | | |
| Proportion of publications and packages requiring post-release correction or recall | per cent | 0 | 5 | 5 | 5 |
| <i>Timeliness</i> | | | | | |
| Input to Environment Effects Statements (EES) completed according to EES panel timelines | per cent | 100 | 100 | 100 | 100 |
| Victorian Initiatives for Minerals and Petroleum (VIMP) data releases meeting timetable | per cent | 100 | 90 | 90 | 90 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | 5.5 | 5.1 | 9.3 |

Source: Department of Primary Industries

PART 2: FINANCIAL INFORMATION

Part 2 provides the financial information that supports reporting on the Department's provision of outputs. The information provided includes the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows for the Department as well as authority for resources.

The total resources made available to a department are applied to three uses:

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

The financial statements are presented in the format consistent with the AAS29 accounting standard. However, for the purposes of this paper they have been divided into controlled and administered items.

Administered items refer to those resources over which the Department cannot exercise direct control. Authority is provided through an appropriation for payments made on behalf of the State. Under the AAS29 standard, these items would normally appear as notes to the financial statements.

Financial Statements

The following tables can be used to assess the Department's financial performance and use of resources.

- **Table 2.7.2 – Statement of Financial Performance** – provides details of the Department's controlled revenue and expenses on an accrual basis reflecting the cost of providing its outputs;
- **Table 2.7.3 – Statement of Financial Position** – shows all controlled assets and liabilities of the Department. The difference between these represents the net assets position, which is an indicator of the State's equity in the Department;
- **Table 2.7.4 – Statement of Cash Flows** – shows all movements of cash (cash received and paid). The cash impact of financing and investing activities on Departmental resources is highlighted in this statement; and
- **Table 2.7.5 – Administered Items Statement** – provides details of the Department's administered revenue and expenses, and its administered assets and liabilities.

Operating Performance

For the first six months of operation, DPI expects to record an operating surplus of \$63.4 million. This result is mainly due to resources transferred free of charge from the Department of Sustainability and Environment following the establishment of DPI as part of the machinery of government changes announced in December 2002.

The largest part of DPI's operating revenue is provided through State Government appropriations. This is supplemented by an increasing amount of external funding received for scientific projects across the Department's network of research institutes. Total expenses for 2002-03 are expected to increase by \$76 million from the adjusted 2002-03 Budget due to additional funding received from the State Government to manage the Drought Assistance Package, the State contribution to the national eradication program for Red Fire Ants and recovery assistance for the recent bushfires.

In its first full year of operation in 2003-04, DPI is projecting a small operating deficit of \$0.4 million. This represents the utilisation of a minor amount of external funding brought forward from 2002-03 to enable the completion of a small number of scientific research projects.

Both operating revenue and expenses are expected to increase in 2003-04 due to the Government's large investment in enhancing the State's biosecurity measures and its commitment to scientific innovation through the 'Our Rural Landscape' initiative. A large reduction in grants is expected, due to the conclusion of funding for the Drought Assistance Package.

Investment and Financing

The movements in property, plant and equipment during 2002-03 reflect the establishment of DPI following the machinery of government changes and the subsequent transfer of assets from the Department of Sustainability and Environment.

The investment in new property, plant and equipment during 2003-04 of \$97.8 million reflects ongoing initiatives such as the modernisation of the State's agricultural research institutes across regional Victoria, the redevelopment of the Marine and Freshwater Resources Institute at Queenscliff and the upgrade of the Royal Melbourne Showgrounds.

Balance Sheet Performance

The Statement of Financial Position estimates an increase in Net Assets of \$81.2 million from June 2003 to June 2004. This increase is mainly attributable to new asset purchases of \$97.8 million following major upgrades occurring across

the Department's network of scientific research facilities, and the substantial investment in the redevelopment of the Melbourne Showgrounds. This is offset by a \$16.2 million increase in accumulated depreciation.

Administered Items Statement

Transactions administered by DPI on behalf of the State mainly represent mining royalties and contributions towards agricultural research projects from Rural Industry Research Corporations. The Department also collects a small amount of revenue from various licences and regulatory fees and charges on behalf of Government.

While comparisons between 2002-03 and 2003-04 are difficult as 2002-03 figures represent only the first six months of Departmental operation, a gradual increase over time has been experienced in industry funding for agricultural research. This matches the additional funding received from the State Government through its Science, Technology and Innovation initiatives. This trend is expected to continue with increased external revenue anticipated in 2003-04.

Other revenue represents mining royalties and the increase is attributable to the Department assuming responsibility for the collection of brown coal royalties from the Department of Treasury and Finance commencing in 2003-04.

Table 2.7.2: Statement of Financial Performance^(a)

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(b) | 2002-03 Revised | 2003-04 Budget |
| Revenue from ordinary activities | | | | | |
| Output Appropriations | .. | .. | 118.7 | 190.7 | 260.2 |
| Special Appropriations | .. | .. | .. | .. | .. |
| Resources received free of charge or for nominal consideration | .. | .. | 72.6 | 72.6 | .. |
| Sale of goods and services | .. | .. | 12.2 | 15.6 | 27.9 |
| Taxes | .. | .. | 2.6 | 2.8 | 4.5 |
| Fines and Fees | .. | .. | 3.0 | 3.0 | 3.9 |
| Commonwealth Grants | .. | .. | .. | .. | .. |
| Other revenue and revenue from other parties | .. | .. | 0.1 | 0.1 | 0.3 |
| | .. | .. | 209.1 | 284.8 | 296.8 |
| Expenses from ordinary activities | | | | | |
| Employee benefits | .. | .. | 56.4 | 57.8 | 119.4 |
| Depreciation and amortisation | .. | .. | 8.9 | 8.9 | 16.2 |
| Resources provided free of charge or for nominal consideration | .. | .. | 8.8 | 8.8 | .. |
| Grants and other payments | .. | .. | 8.8 | 79.9 | 16.2 |
| Capital asset charge | .. | .. | 12.3 | 12.3 | 20.9 |
| Supplies and services | .. | .. | 50.2 | 53.7 | 124.5 |
| Other expenses from ordinary activities | .. | .. | .. | .. | .. |
| Borrowing costs | .. | .. | .. | .. | .. |
| | .. | .. | 145.3 | 221.4 | 297.3 |
| Result from ordinary activities | .. | .. | 63.7 | 63.4 | (0.4) |
| Loss from extraordinary items | .. | .. | .. | .. | .. |
| Net result for the reporting period | .. | .. | 63.7 | 63.4 | (0.4) |
| Net increase in asset revaluation reserve | .. | .. | .. | .. | .. |
| Total revenues, expenses and revaluation adjustments recognised directly in equity | .. | .. | .. | .. | .. |
| Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner | .. | .. | 63.7 | 63.4 | (0.4) |

Source: Department of Treasury and Finance

Note:

- (a) 2001-02 Actual and 2002-03 Budget data is not available, since this department was created through a machinery of government change announced by the Premier on 5 December 2002.
- (b) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.7.3: Statement of Financial Position^(a)

(\$ million)

| | <i>Estimated as at 30 June</i> | | | | |
|--------------------------------------|--------------------------------|---------------|-------------------------------|----------------|---------------|
| | <i>2002</i> | <i>2003</i> | <i>2003</i> | <i>2003</i> | <i>2004</i> |
| | <i>Actual</i> | <i>Budget</i> | <i>Adjusted^(b)</i> | <i>Revised</i> | <i>Budget</i> |
| Current Assets | | | | | |
| Cash Assets | .. | .. | 8.3 | 8.3 | 8.3 |
| Other financial assets | .. | .. | .. | .. | .. |
| Receivables | .. | .. | 5.2 | 5.2 | 5.2 |
| Inventories | .. | .. | 3.4 | 3.4 | 3.4 |
| Prepayments | .. | .. | 0.6 | 0.6 | 0.6 |
| Other | .. | .. | .. | .. | .. |
| Total current assets | .. | .. | 17.5 | 17.5 | 17.5 |
| Non-current assets | | | | | |
| Receivables | .. | .. | 39.5 | 31.0 | 30.6 |
| Inventories | .. | .. | .. | .. | .. |
| Other financial assets | .. | .. | 16.0 | 18.8 | 19.5 |
| Property, plant and equipment | .. | .. | 210.0 | 215.3 | 296.2 |
| Intangible assets | .. | .. | 9.8 | 9.8 | 9.8 |
| Other | .. | .. | .. | .. | .. |
| Total non-current assets | .. | .. | 275.2 | 274.9 | 356.1 |
| Total assets | .. | .. | 292.7 | 292.4 | 373.6 |
| Current liabilities | | | | | |
| Payables | .. | .. | 2.2 | 2.2 | 2.2 |
| Interest bearing liabilities | .. | .. | .. | .. | .. |
| Provisions | .. | .. | 13.2 | 13.2 | 13.2 |
| Other | .. | .. | 0.6 | 0.6 | 0.6 |
| Total current liabilities | .. | .. | 15.9 | 15.9 | 15.9 |
| Non-current liabilities | | | | | |
| Interest bearing liabilities | .. | .. | 1.9 | 1.9 | 1.9 |
| Provisions | .. | .. | 33.6 | 33.6 | 33.6 |
| Other | .. | .. | .. | .. | .. |
| Amounts owing to other departments | .. | .. | 8.2 | 8.2 | 8.2 |
| Total non-current liabilities | .. | .. | 43.7 | 43.7 | 43.7 |
| Total liabilities | .. | .. | 59.7 | 59.7 | 59.7 |
| Net assets | .. | .. | 233.0 | 232.7 | 313.9 |
| Equity | | | | | |
| Contributed capital | .. | .. | 169.3 | 169.3 | 250.9 |
| Reserves | .. | .. | .. | .. | .. |
| Accumulated surplus | .. | .. | 63.7 | 63.4 | 63.0 |
| Total Equity | .. | .. | 233.0 | 232.7 | 313.9 |

Source: Department of Treasury and Finance

Note:

- (a) 2001-02 Actual and 2002-03 Budget data is not available, since this department was created through a machinery of government change announced by the Premier on 5 December 2002.
- (b) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.7.4: Statement of Cash Flows^(a)

| | (\$ million) | | | | |
|---|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(b) | 2002-03 Revised | 2003-04 Budget |
| Cash flows from operating activities | | | | | |
| Receipts from Government | .. | .. | 79.2 | 157.6 | 261.3 |
| Receipts from other entities | .. | .. | 12.5 | 16.1 | 36.3 |
| Payments for supplies, grants and employees | .. | .. | (68.4) | (144.4) | (260.2) |
| | .. | .. | 23.4 | 29.4 | 37.4 |
| Interest received | .. | .. | 0.1 | 0.1 | 0.3 |
| Other revenue | .. | .. | 0.6 | 0.6 | .. |
| Capital asset charge | .. | .. | (12.3) | (12.3) | (20.9) |
| Borrowing costs expense | .. | .. | .. | .. | .. |
| Net cash inflow from operating activities | .. | .. | 11.8 | 17.8 | 16.9 |
| Cash flows from investing activities | | | | | |
| Payments for property, plant and equipment | .. | .. | (179.1) | (187.2) | (97.8) |
| Proceeds from sale of property, plant and equipment | .. | .. | .. | .. | .. |
| Payments for investments | .. | .. | .. | .. | .. |
| Proceeds from sale of business assets | .. | .. | .. | .. | .. |
| (Repayment of) loans by other entities | .. | .. | (1.8) | (1.8) | .. |
| Net cash (outflow) from investing activities | .. | .. | (180.9) | (189.0) | (97.8) |
| Cash flows from financing activities | | | | | |
| Net Proceeds from capital contribution by State Government | .. | .. | 169.3 | 171.4 | 81.0 |
| Net proceeds of borrowings | .. | .. | 8.2 | 8.2 | .. |
| Repayment of finance leases | .. | .. | .. | .. | .. |
| Net cash inflows (outflow) from financing activities | .. | .. | 177.5 | 179.6 | 81.0 |
| Net increase (decrease) in cash held | .. | .. | 8.3 | 8.3 | .. |
| Cash at the beginning of the financial year | .. | .. | .. | .. | 8.3 |
| Cash at the end of the financial year | .. | .. | 8.3 | 8.3 | 8.3 |

Source: Department of Treasury and Finance

Note:

- (a) 2001-02 Actual and 2002-03 Budget data is not available, since this department was created through a machinery of government change announced by the Premier on 5 December 2002.
- (b) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.7.5: Administered Items Statement^(a)

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(b) | 2002-03 Revised | 2003-04 Budget |
| Administered revenue | | | | | |
| Appropriations - Payments made on behalf of the State | .. | .. | .. | .. | .. |
| Special Appropriations | .. | .. | .. | .. | .. |
| Resources received free of charge or for nominal consideration | .. | .. | 5.2 | 5.2 | .. |
| Sale of goods and services | .. | .. | 19.2 | 20.0 | 33.1 |
| Commonwealth grants | .. | .. | 3.3 | 3.3 | 6.0 |
| Other grants | .. | .. | .. | .. | .. |
| Taxes | .. | .. | .. | .. | .. |
| Fines | .. | .. | .. | .. | .. |
| Fees | .. | .. | 5.5 | 6.7 | 7.3 |
| Other | .. | .. | 4.3 | 11.9 | 28.2 |
| Total administered revenue | .. | .. | 37.5 | 47.1 | 74.6 |
| Administered expenses | | | | | |
| Expenses on behalf of the State | .. | .. | 0.4 | 0.4 | 0.3 |
| Grants and other payments | .. | .. | .. | .. | .. |
| Payments into the Consolidated Fund | .. | .. | 32.2 | 41.8 | 74.3 |
| Total administered expenses | .. | .. | 32.6 | 42.2 | 74.6 |
| Revenue less expenses | .. | .. | 4.9 | 4.9 | .. |
| Administered assets | | | | | |
| Cash assets | .. | .. | 3.5 | 3.5 | 3.5 |
| Receivables | .. | .. | 18.4 | 18.4 | 18.4 |
| Other financial assets | .. | .. | .. | .. | .. |
| Inventories | .. | .. | .. | .. | .. |
| Prepayments | .. | .. | .. | .. | .. |
| Property, plant and equipment | .. | .. | .. | .. | .. |
| Intangible assets | .. | .. | .. | .. | .. |
| Other | .. | .. | .. | .. | .. |
| Total administered assets | .. | .. | 21.9 | 21.9 | 21.9 |
| Administered liabilities | | | | | |
| Payables | .. | .. | 0.1 | 0.1 | 0.1 |
| Interest bearing liabilities | .. | .. | 0.1 | 0.1 | 0.1 |
| Provisions | .. | .. | .. | .. | .. |
| Amounts owing to other departments | .. | .. | .. | .. | .. |
| Other | .. | .. | 3.2 | 3.2 | 3.2 |
| Total administered liabilities | .. | .. | 3.4 | 3.4 | 3.4 |

Source: Department of Treasury and Finance

Notes:

- (a) 2001-02 Actual and 2002-03 Budget data is not available, since this department was created through a machinery of government change announced by the Premier on 5 December 2002.
- (b) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Authority for Resources

This section provides a summary of the sources of Parliamentary Authority available to the Department to fund the provision of outputs and additions to the net asset base.

Table 2.7.6: Parliamentary Authority for Resources

| | (\$ million) | | | |
|--|-------------------|------------------------------------|-----------------------------------|-------------------|
| | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised ^(b) | 2003-04 Budget |
| Annual appropriations | .. | 122.7 | 193.8 | 273.8 |
| Receipts credited to appropriations | .. | 22.4 | 23.3 | 39.1 |
| Unapplied previous years appropriation | .. | .. | .. | 29.0 |
| Accumulated surplus - previously applied appropriation | .. | .. | 8.4 | .. |
| Gross Annual appropriation | .. | 145.1 | 225.6 | 341.9 |
| Special appropriations | .. | .. | .. | .. |
| Trust funds | .. | 18.0 | 21.6 | 36.9 |
| Total Parliamentary Authority | .. | 163.1 | 247.2 | 378.8 |

Source: Department of Treasury and Finance

Note:

- (a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.
- (b) The 2002-03 revised estimates include the impact of approved Treasurer's Advances.

DEPARTMENT OF SUSTAINABILITY AND ENVIRONMENT

PART 1: OUTLOOK AND OUTPUTS

Overview

The Department of Sustainability and Environment (DSE) brings into one organisation State government responsibilities for the management of Victoria's environment, both natural and built, and provides a strong policy focus on sustainable development. A key feature of the integration of functions is the capacity of the new Department to bring the regulatory skills and instruments of the planning and building systems to bear on the issue of sustainable development and land use.

The Department supports the ministerial portfolios of Environment, Water and Planning through a combination of specialised internal business units and external business partners, which include regional service teams, Forestry Victoria, research institutes and statutory bodies.

To deliver its vision of 'a sustainable future for urban, regional and rural communities and industries across Victoria', DSE aims to:

- apply a whole-of-government approach to ensure that sustainable development and environmental goals are achieved into the future;
- use State-wide planning and building regulatory systems to drive sustainable outcomes in urban and non-urban environments; and
- contribute to sustainable economic and social development and manage current and future impacts on the natural, built and industrial landscape.

The Department's primary functions include:

- nature and biodiversity conservation;
- facilitating effective and efficient water management;
- public land management of forests, coasts, alpine resorts, Crown land reserves and parks;

- identifying and promoting sustainable resource use and management practices amongst industries and the general community; and
- promoting sustainable development.

Departmental objectives

DSE's Departmental objectives are to:

- protect and enhance the environment for future generations;
- establish a systematic approach to water catchment and supply to sustain current and future generations;
- influence the development of vibrant, liveable, urban, rural and regional communities across Victoria; and
- protect and enhance air, land and water environments and the control of waste and unwanted noise.

The following table shows the links between Departmental objectives and *Growing Victoria Together* outcomes:

| Departmental Objectives | Government Outcomes |
|--|--|
| Protect and enhance the environment for future generations | Protecting the environment for future generations Promoting sustainable development |
| Establish a systematic approach to water catchment and supply to sustain current and future generations. | Promoting sustainable development Protecting the environment for future generations More jobs and thriving innovative industries |
| Influence the development of vibrant, liveable urban, rural and regional communities across Victoria. | Building cohesive communities and reducing inequalities Promoting sustainable development More jobs and thriving innovative industries |
| Protect and enhance air, land and water environments and the control of waste and unwanted noise | Protecting the environment for future generations Promoting sustainable development |

The linkages to the *Growing Victoria Together* outcomes for each objective are as follows:

- protect and enhance the environment for future generations: DSE aims to ensure that the environmental, conservation and recreational values of Victoria's land, marine and freshwater ecosystems are maintained and enhanced for the benefit and enjoyment of current and future generations;

- establish a systematic approach to water catchment and supply to sustain current and future generations: Victoria's future growth depends on our capacity to manage our water wisely now and in the future. This includes a focus on the use of 'new water', reducing urban demand through water conservation projects and the protection of our waterways and catchments. Major water projects will allow industries and communities to continue to grow and encourage jobs and prosperity across affected areas;
- influence the development of vibrant, liveable urban, rural and regional communities across Victoria: DSE is aiming to improve rural and regional Victoria's accessibility to services and markets as well as the sustainability of the metropolitan urban system. DSE's challenge is to manage and encourage changes in population size and composition that will lead to sustainable economic, environmental and social outcomes; and
- protect and enhance air, land and water environments and the control of waste and unwanted noise: The Environment Protection Authority (EPA) has a key role in working with the community, industry and government to protect Victoria's environment. The EPA also develops knowledge and benchmarks for measuring progress on issues such as pollution and rising groundwater.

Review of 2002-03

DSE was established on 5 December 2002. The water, forestry, greenhouse, land and environmental protection functions of the former Department of Natural Resources and Environment (DNRE) and the heritage, building, strategic and statutory planning functions from the Department of Infrastructure were brought together in the new Department.

Major accomplishments contributing to the achievement of DSE objectives include:

- thirteen marine national parks and eleven marine sanctuaries were established on 16 November 2002. They are located from Discovery Bay, west of Portland, to Cape Howe in the far east of the State. Together the parks and sanctuaries cover nearly 54 000 hectares or 5.3 per cent of Victoria's marine waters;
- the *Our Forests Our Future* policy, which seeks to achieve a responsible balance of competing uses between community, jobs and the environment, is progressing rapidly. There is a high and early take-up of the Voluntary Licence Reduction Program, which is sufficient to meet the Government's targeted reductions on logging;

- DSE is on schedule to introduce the *Land Exchange*, which will enable key land transactions to be completed online. This will provide a single point of access to State and Local Government land information and transactions through a comprehensive commercial on-line system; and
- the Metropolitan Strategy, *Melbourne 2030 – planning for sustainable growth*, was released in October 2002. Six implementation plans were released for consultation. The Transit Cities program was expanded to include 13 centres with the aim of ‘unlocking’ development potential and facilitating investment into these key areas. These programs deliver on the Government’s plan to manage growth sustainably, protect the suburbs and environmental values of the Melbourne region.

DSE is progressing towards the delivery of many of its outputs and the achievement of the 2002-03 published performance measures. However it is expected that there will be a significant impact in some areas as a result of the severe fire season. The bushfires have had a significant impact on the environment in the Gippsland and North East areas of Victoria. The Department, in partnership with other government organisations, worked extensively on fire fighting activities and diverted considerable human resources in an effort to minimise loss and damage to both public and private land and property in these areas.

Outlook for 2003-04

DSE’s 2003-04 Budget initiatives continue to build upon the previous effort and substantial investment in the Department’s vision to achieve a sustainable future for urban, regional and rural communities and industries across Victoria. This includes progress towards the Government’s outcomes in promoting sustainable development, protecting the environment for future generations, building cohesive communities and reducing inequalities.

The focus for the coming year will be on using water wisely and building a sustainability platform, both for Government and the community.

Victorian Water Trust

The creation of the Victorian Water Trust is central to the Department’s objective to establish a systematic approach to water catchment and supply to sustain current and future generations. The Trust will oversee initiatives to reduce the level of water consumed by Victorians. Initiatives include urban and rural based water conservation programs, the development of major capital works in Victoria’s water re-use, irrigation and sewerage systems and an extension of programs to protect and improve the health of our rivers and waterways.

Sustainability

The Department will articulate a sustainability framework to determine where Government efforts will deliver the greatest returns and enable effective allocation of Government funding. A number of sustainability initiatives will also be implemented to foster energy efficiency and alternative energy sources in Victoria's homes, education and community facilities and within Government. These initiatives aim to increase the use of alternative energy, reduce the level of greenhouse gas emissions and reduce energy costs to consumers.

The Built Environment

DSE will continue to implement *Melbourne 2030 – planning for sustainable growth* and the Transit Cities program. The Department will deliver high quality and efficient land use and built environment practices through the planning and building systems. Another round of grants for the successful Pride of Place program will also be released.

DSE will also continue to maintain Victoria's heritage through the Victorian Heritage Program, which provides grants for the repair and restoration of heritage assets.

Bushfires

The impact of the 2002-03 bushfires in Victoria may continue to have an impact on the achievement of DSE's objectives and performance targets. The Department will continue with recovery work, including the protection of topsoil and the rebuilding of essential infrastructure.

Output information

The machinery of government changes announced in December 2002 saw the creation of DSE as a new Department.

The following outputs were transferred from the former Department of Natural Resources and Environment as a result of the machinery of government changes:

- services to improve market access, market development and consumer confidence in food and agricultural products (to the Department of Primary Industries (DPI));
- development of next generation technologies for sustainable agriculture (to DPI);
- community, farm and industry development services (to DPI);
- sustainable fisheries utilisation services (to DPI);

- industry and community compliance services (to DPI);
- aquaculture and fishing industry development (to DPI);
- minerals and petroleum regulation services (to DPI);
- minerals and petroleum industry development and information (to DPI);
- energy policy services (to DOI);
- indigenous community building (to the Department for Victorian Communities (DVC);
- reconciliation through partnerships of government and aboriginal communities (to DVC); and
- address dispossession of Aboriginal land and culture (to DVC).

The following outputs were transferred into the new DSE as a result of the machinery of government changes:

- regional and rural strategies (from DOI);
- metropolitan development strategies (from DOI);
- planning system development (from DOI);
- planning operations and environmental assessment (from DOI);
- heritage conservation (from DOI);
- regional and urban amenity initiatives (from DOI); and
- environmental strategies and initiatives (from DOI).

As part of the continual improvement process to enhance output performance reporting the Catchment and Water and the Environmental Protection outputs were reviewed. Following the establishment of DSE, the output structure was reviewed and realigned to reflect the new Department's focus. Both these processes resulted in a number of output amendments.

| Existing output (2002-03) | New output (2003-04) |
|---|--|
| Catchment information services | Sustainable water management and supply |
| Community land and water management | Sustainable catchment management |
| Catchment and water resource allocation and access | |
| Policy frameworks, regulations and services to enhance air quality | |
| Policy frameworks, regulation and services to enhance water quality | |
| Policy frameworks, regulation and services to protect groundwater and the land environment from pollution | Policy frameworks, regulations and services to protect the environment |
| Services to control noise in the community | |
| Policies, regulations and services to reduce and manage noise | |
| Neighbourhood environment improvement | |
| Planning system development | Planning operations |
| Planning operations and environmental assessment | |
| Regional and urban amenity initiatives | Sustainable place management |
| Environmental strategies and initiatives | |
| Regional and rural strategies | Urban and regional strategies and programs |
| Metropolitan development strategies | |
| Greenhouse policy services | Sustainability and greenhouse policy |

The 2003-04 output statements reflect the 2003-04 output structure of the department. 2002-03 outputs and performance measures are integrated into this new structure.

The following section provides details of the outputs to be provided to Government, including performance measures and costs for each output. The table below summarises the total cost of outputs. The output costs shown in the table have been calculated on an accrual basis in accordance with generally accepted accounting principles.

In the output performance tables, a 2003-04 target showing 'na' indicates that the relevant measure will be discontinued after 30 June 2003.

Table 2.8.1: Output summary

(\$ million)

| | 2002-03 Budget ^(a) | 2002-03 Revised | 2003-04 Budget |
|--|----------------------------------|--------------------|-------------------|
| Catchment and water | 247.8 | 229.7 | 223.7 |
| Conservation, recreation and public land | 210.7 | 269.2 | 217.4 |
| Land information | 82.2 | 86.5 | 91.0 |
| Environment Protection | 54.3 | 64.3 | 58.0 |
| Forest and fire management | 208.2 | 297.1 | 227.3 |
| Sustainability policy and programs | .. ^(b) | .. ^(b) | 50.7 |
| Sustainable cities and regions | .. ^(b) | .. ^(b) | 32.9 |
| Total | 803.2 | 946.8 | 901.0 |

Source: Department of Treasury and Finance

Notes:

- (a) 2002-03 Output Budget incorporates changes to Output structure and organisational restructuring and therefore may differ from figures published in the 2002-03 Budget.
- (b) New outputs resulting from machinery of government changes.

Catchment and Water

These outputs will assist in restoring healthy rivers and catchments and providing secure water supplies for all Victorians. Activities undertaken to achieve these outcomes involve improving institutional arrangements for water and catchment management, developing state-wide policy frameworks, driving landscape change through integrated regional programs and using the best available science and innovative approaches. These will all be undertaken using a strong partnership approach with communities, statutory authorities and other key stakeholders. An increased emphasis will be placed on water re-use and efficiency.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- Protect and enhance the environment for future generations;
- Establish a systematic approach to water catchment and supply to sustain current and future generations; and
- Influence the development of vibrant, liveable, urban, rural and regional communities across Victoria.

These outputs contribute to ensuring a sustainable environment and a secure future for water, through the establishment of effective policy frameworks and programs, which facilitate sustainable land, water and biodiversity outcomes. These approaches are being undertaken through a partnership approach with communities and key stakeholders that helps to build community capacity for the implementation of outcomes and prosperous and sustainable communities.

These objectives make a significant contribution to the achievement of the following key Government outcomes:

- Promoting sustainable development;
- Protecting the environment for future generations; and
- More jobs and thriving innovative industries across Victoria.

Achieving sustainable development, more jobs and thriving innovative industries across Victoria is reliant on effective land and water management. A safe, reliable water supply and healthy catchments, are the basis of Victoria's primary industries and the wellbeing of the community. The outputs work to provide a balance between sustainable development for the present, and protecting the environment for future generations.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Sustainable Water Management and Supply

Develops policies, provides oversight of, and strategic advice on regulatory systems and institutional arrangements to drive the sustainable management and use of Victoria's water resources and deliver secure and affordable water services.

Quantity

| | | | | | |
|---|--------|-----|-----|-----|-----|
| Sites monitored for water quality | number | 131 | 131 | 131 | 131 |
| Community based catchment and water management plans – new plans drafted for approval this financial year | number | 18 | 9 | 9 | 10 |

| | | |
|--------------------------|--------------------------------|-----|
| Budget Estimates 2003-04 | Sustainability and Environment | 311 |
|--------------------------|--------------------------------|-----|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Volume of the State's water resources covered by tradeable Bulk Water Entitlement orders granted by the Minister | million megalitres | 4.6 | 4.8 | 4.8 | 4.9 |
| River Basins for which surface water allocations have been determined | number | 18 | 20 | 20 | 21 |
| Volume of water permanently traded on water markets | megalitres | 29 456 | 20 000 | 20 000 | 20 000 |
| New waste-water management improvement projects (New Town Sewerage Schemes) supported | number | 15 | 13 | 13 | 20 |
| Land and water management plans successfully reviewed and implemented. | number | nm | nm | nm | 5 |
| Additional area protected from salinity by surface drainage ^(a) | ha | nm | nm | nm | 8 380 |
| Additional area protected from salinity by sub-surface drainage ^(a) | ha | nm | nm | nm | 4 882.5 |
| Catchment Management Authorities implementing second generation Salinity Management Plans | number | nm | nm | nm | 7 |
| Volume of water savings under investigation | megalitres | nm | nm | nm | 168 000 |
| Volume of water savings implemented and/or under implementation | megalitres | 22 000 | 27 000 | 22 000 | 27 000 |
| Rebates approved to households for improved water efficiency in the house and garden | number | nm | nm | nm | 33 370 |
| Implementation of proposed regional irrigation efficiency targets | per cent | nm | nm | nm | 70 |
| Pensioner rebates approved | number | nm | nm | nm | 3 400 |
| Number of rivers with environmental flow improvement programs | number | nm | nm | nm | 3 |
| Additional length of river accessible to native fish | km | nm | nm | nm | 500 |
| Length of river where works have been undertaken to improve river health | km | nm | nm | nm | 540 |
| Number of river reaches assessed in the index of stream condition | number | nm | nm | nm | 877 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Number of water savings projects under implementation | number | 3 | 4 | 4 | na |
| Additional annual release of environment flow to Snowy River | megalitres | 0 | <38 000 | <38 000 | na |
| <i>Quality</i> | | | | | |
| Additional area of State area covered by flood maps incorporated into municipal planning schemes to reflect flood risk | per cent | nm | 30 | 30 | 30 |
| Bulk water entitlements being complied with to ensure security of supply and environmental flows | number | 100 | 99 | 99 | 99 |
| Water supplies meeting agreed water quality standards | per cent | 85 | 85 | 93 | 90 |
| Victorian water diversions complying with Murray Darling Basin Ministerial Compliance Cap | per cent | 100 | 100 | 100 | 100 |
| Water entitlements and allocations determined within agreed timeframes and in accordance with national competition policy | per cent | 85 | 85 | 85 | na |
| Water supply systems where environmental flows have been met or improved | per cent | 90 | 95 | 95 | na |
| New projects commenced incorporating water use efficiency, and key environmental outcomes | number | 25 | 25 | 25 | na |
| <i>Timeliness</i> | | | | | |
| Snowy Joint Government Enterprise operationalised to permit Victoria to make its annual funding contribution | date | nm | Dec 2002 | Jul 2003 | Jul 2003 |
| Transfer of responsibility for economic regulation of water to Essential Services Commission | date | nm | Jan 2003 | Jan 2004 | Jan 2004 |
| Corporate Plans of Water Authorities compliant within guidelines and submitted to the Minister within agreed timeframes | per cent | nm | nm | nm | 100 |
| Successful implementation of the Gippsland Lakes Future Directions Action Plan (Annual Workplan) | per cent | nm | nm | nm | 90 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Establishment of targets for nutrient reduction within the priority catchments | date | nm | nm | nm | Dec 2003 |
| Development of an implementation plan for the research in water recycling and conservation program | date | nm | nm | nm | Feb 2004 |
| Establishment of irrigation efficiency regional targets | date | nm | nm | nm | Sept 2003 |
| Water Sector Development Group established and resourced | timeline | nm | nm | nm | Sept 2003 |
| Implementation of new drinking water quality framework | date | na | Jun 2003 | Jun 2003 | na |
| Submission of Final Water Industry Regulatory Proposals for Cabinet endorsement | date | nm | Sept 2002 | Feb 2003 | na |
| Develop Water Resource Strategy recommendations for Melbourne area (in co-operation with Water Authorities) | date | nm | Sept 2002 | Oct 2002 | na |
| Develop Draft Victorian Water Recycling Strategy | date | nm | Nov 2002 | Oct 2002 | na |
| Develop Final Victorian Water Recycling Strategy | date | nm | Jun 2002 | Jun 2003 | na |
| Allocate Bulk Water Entitlement for Yarra River Basin | date | nm | Jun 2002 | Jun 2003 | na |
| Develop financial and performance framework for Rural and Non-Metropolitan Urban Water Authorities | date | nm | Dec 2002 | Dec 2002 | na |
| Develop infrastructure policy framework for Water Authorities | date | nm | Dec 2002 | Mar 2003 | na |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | 109.7 | 102.3 | 99.0 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Sustainable Catchment Management

Achieving sustainable, healthy catchments, focussing on improvements in salinity and soil condition, vegetation and pest management delivered through community-based integrated catchment management processes. Key elements include the development, implementation and evaluation of integrated catchment planning and investment frameworks, the ongoing improvement of institutional arrangements for integrated catchment management (ICM), building and enhancing key partnerships in ICM, the development of state-wide policy and investment in regional programs in salinity, vegetation, pest management, community engagement and other catchment management issues and increasing the fundamental knowledge base for ICM.

Quantity

| | | | | | |
|---|--------|--------|--------|--------|---------|
| Number of people accessing Government sponsored catchment and water related web sites | number | 45 650 | 12 000 | 90 000 | 100 000 |
| Investment Plans prepared by CMAs | number | nm | nm | nm | 10 |
| Regional Catchment Strategies prepared by the non National Action Plan region CMAs and assessed under the Natural Heritage Trust Program. | number | nm | nm | nm | 4 |
| 2004-05 to 2006-07 3 year Investment Plans prepared by CMAs and assessed under National Action Plan and National Heritage Trust | number | nm | nm | nm | 10 |
| Number of Shires participating in innovative partnerships projects | number | nm | nm | nm | 12 |
| Identify and treat serious new weed outbreaks | number | nm | nm | nm | 3 |
| Number of co-funded projects implemented on linear reserves | number | nm | nm | nm | 10 |
| Community-based Land and Water Management plans- new or revised plans prepared and endorsed | number | nm | nm | nm | 12 |
| Councils adopting on-line systems to record remnant native vegetation clearance permits | number | 0 | 5 | 5 | na |
| Customised, managed datasets provided to Catchment Management Authorities (CMAs) | number | 9 | 10 | 10 | na |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Community based catchment and water management plans - Total number of plans being implemented | number | 63 | 52 | 52 | na |
| CMA Regional Management Plans developed to implement Regional Catchment Strategies | number | 10 | 10 | 10 | na |
| Second Generation Salinity Management Plans for integrated land and water management completed and endorsed | per cent | nm | 100 | 100 | na |
| Identify the establishment of additional areas of private forestry | ha | nm | 20 000 | 17 000 | na |
| Additional riparian restoration | kms | nm | 50 | 50 | na |
| Number of regional landcare plans submitted to the Minister for endorsement | number | nm | 10 | 10 | na |
| Participation rate of land managers in integrated fox management within specified project areas | per cent | nm | 70 | 70 | na |
| <i>Quality</i> | | | | | |
| Landholders complying with pest plant and animal control requirements under the Catchment and Land Protection Act within agreed timeframes and in targeted areas | per cent | 94 | 93 | 95 | 85 |
| Victorian Landcare groups operating with an action plan | per cent | nm | 50 | 50 | 40 |
| Landholders complying with pest plant and animal control requirements under the Catchment and Land Protection Act within agreed timeframes and in targeted areas | per cent | 94 | 93 | 95 | na |
| Proportion of State: External investment in implementation of land and water management plans | ratio | 6.2:2 | >5:2 | >5:2 | na |
| Review and renewal of Regional Catchment Management Strategies for each CMA by September 2002 | number | nm | 10 | 10 | na |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| Corporate Plans of Catchment Management Authorities compliant with guidelines and submitted to the Minister within agreed timeframes | per cent | nm | nm | nm | 100 |
| 2004-05 to 2006-07 three year Investment Plans prepared by CMA's and assessed under National Action Plan and National Heritage Trust | timeline | nm | nm | nm | Mar 2004 |
| Catchment Condition Indicators available on-line with current trend data | number | 20 | 20 | 20 | na |
| Completion of on-line system to record native vegetation clearance permits | date | nm | Dec 2002 | Jun 2003 | na |
| Landcare census report completed | date | nm | Mar 2003 | Mar 2003 | na |
| Development and implementation of statewide landcare support training package | date | nm | Mar 2003 | Jun 2003 | na |
| Measurable increase in biodiversity at specific sites as a result of reduced fox predation | date | nm | Jun 2003 | na | na |
| Development of benchmark levels of foxes and biodiversity at specific monitoring sites | date | nm | Jun 2003 | na | na |
| Establish targets for nutrient reduction within the GLRP priority catchments | date | nm | Dec 2002 | Jul 2003 | na |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | 138.1 | 127.4 | 124.7 |

Source: Department of Sustainability and Environment

Notes:

(a) Consolidation of previously existing measures in relation to horticulture, dairy, remnant vegetation/wetlands.

Conservation, Recreation and Public Land

These outputs provide integrated services that deliver key aspects of the Government's conservation and recreation policy agenda to ensure Victoria's natural assets are enjoyed by both current and future generations. This includes, assisting land managers (both public and private) to maintain and improve biodiversity conservation, and to provide opportunities for recreation, tourism and environmental education and research. The outputs focus in particular on ensuring good management of the State's interest in Crown Land including the parks and reserves system, local ports, coastal reserves and the Alpine Resorts.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- Protect and enhance the environment for future generations;
- Establish a systematic approach to water catchment and supply to sustain current and future generations; and
- Influence the development of vibrant, liveable, urban, rural and regional communities across Victoria.

Stewardship of our parks and reserves and other public land is a cornerstone for the sustainable management of our natural environment and for providing recreational and tourism opportunities for the benefit and enjoyment of the community. Healthy biodiversity underpins the maintenance of land, marine and freshwater ecosystems to assist Victorians to live and work within the capacity of the environment. The ongoing protection of the biodiversity of the species, communities, habitats and ecological processes of these ecosystems will sustain current as well as future generations.

These objectives link to the achievement of the following key Government outcomes:

- Promoting sustainable development;
- Protecting the environment for future generations; and
- Government that listens and leads.

Victoria's natural environment underpins the quality of life of all Victorians. In consultation with industry and the community, a program of action will be implemented to address the unintended decline in ecosystems and in the economic, social and environmental value of these ecosystems and the services they deliver. This will contribute to and progress achievement of the government's outcome of sustainable development and a healthy environment for the benefit and enjoyment of current and future generations.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Services for Management and Governance of Victoria's Parks

This output provides for the management of Victoria's State-run parks, including both national and metropolitan parks, for their long-term protection, enjoyment and sustainable use.

Quantity

| | | | | | |
|--|----------------|------|------|----|-------|
| Visitor numbers: Parks Victoria estate | number million | 39.4 | 31.2 | 65 | 63-73 |
|--|----------------|------|------|----|-------|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Threatened native species and communities for which specifically targeted conservation measures are in place: | | | | | |
| • throughout Parks Victoria network of parks and reserves | number | nm | 20 | 20 | 30 |
| • at Royal Botanic Gardens | number | nm | 6 | 15 | 15 |
| • at Zoo | number | nm | 13 | 13 | 13 |
| Proportion of new park rangers appointed, trained and operational by 30 June 2004 | per cent | nm | nm | nm | 100 |
| <i>Quality</i> | | | | | |
| Visitor satisfaction with Parks Victoria services | 100 point index | 68 | 70-75 | 68 | 70 -75 |
| Community perception of Parks Victoria in providing adequate recreational opportunities in the metropolitan area and country Victoria | per cent | nm | 85-90 | 90 | 87-92 |
| Community perception of Parks Victoria in managing: the protected area estate | per cent | nm | 80-85 | 81 | 80-85 |
| Community perception of Parks Victoria in managing: Melbourne's major metropolitan parks | per cent | nm | 70-75 | 95 | 90-95 |
| Community perception of Parks Victoria in managing: cultural heritage assets | per cent | nm | 65-70 | 97 | 92-97 |
| Visitor facilities with greater than 5 years life expectancy | per cent | nm | nm | nm | 80 |
| Two wheel drive access roads in 'fair' to 'good' condition | per cent | nm | nm | nm | 85 |
| <i>Timeliness</i> | | | | | |
| Proportion of priority actions as defined in Parks Victoria Corporate Plan 2001-02 – 2003-04 delivered within agreed time frame | per cent | nm | 95 | 95 | 95 |
| Progress towards establishment of a continuous national park from Anglesea to Cape Otway | per cent | nm | nm | nm | 50 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 150.1 | 140.4 | 149.9 | 153.3 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Biodiversity Conservation, Utilisation and Ecosystem Services

This output produces the tools and information critical for the wise use and management of Victoria's natural resources by agencies, industries and individuals such that biodiversity is protected and conserved and ecosystem services are maintained and improved.

Quantity

| | | | | | |
|--|----------|----|-----|-----|-----|
| Regional Catchment Management Strategies incorporating bioregional biodiversity plans maintained | per cent | nm | 100 | 100 | 100 |
| Proportion of Victoria covered by Ecological Vegetation Class (EVC) mapping at a scale of at least 1:100 000 | per cent | nm | 90 | 90 | 100 |
| Land for Wildlife Properties which include habitat under-represented in the reserve system | per cent | nm | 45 | 45 | 40 |
| Items listed under the <i>Flora and Fauna Guarantee Act</i> with new or revised Action Statements prepared | number | 40 | 40 | 40 | 40 |

Quality

| | | | | | |
|---|--------|----|----|----|----|
| Major threats to biodiversity with management strategy and effectiveness monitoring program | number | nm | 2 | 2 | 2 |
| Presentations made and scientific publications in peer reviewed journals | number | nm | 50 | 50 | 50 |

Timeliness

| | | | | | |
|--|----------|-----|-----|-----|-------------------|
| Input to planning approvals process provided within statutory time frames | per cent | 100 | 100 | 100 | 100 |
| Game and Wildlife Licence renewals processed by 14 March and 31 October respectively | per cent | nm | 100 | 100 | 95 ^(a) |

Cost

| | | | | | |
|-------------------|------------|------|------|------|------|
| Total output cost | \$ million | 17.5 | 18.5 | 24.4 | 19.4 |
|-------------------|------------|------|------|------|------|

Nature and Heritage Recreation and Tourism Services

This output produces the information and tools critical for the sustainable use of public land, historic places and coastal waters for recreation and tourism while maximising public benefit and community enjoyment and minimising environmental and public risk.

Quantity

| | | | | | |
|--|---------------|----|-------|-------|------|
| Participants in Coast Action/ Coastcare activities | number ('000) | nm | 18-20 | 20-22 | 5-10 |
|--|---------------|----|-------|-------|------|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Corporate Plans for major Alpine Resort Management Boards and local ports Committees of Management endorsed | number | nm | nm | nm | 5 |
| Upgraded major tourism/recreation development proposals on public land | number | nm | 1 | 1 | na |
| <i>Quality</i> | | | | | |
| Statewide Risk Management Projects completed to DSE satisfaction | per cent | nm | 100 | 100 | 100 |
| Implementation of annually agreed actions of major strategies | per cent | nm | 100 | 100 | 100 |
| Community perception of Parks Victoria in managing bays, piers and selected waterways | per cent | nm | 55-60 | 81 | 80-85 |
| Piers and jetties with greater than five years life expectancy | per cent | nm | nm | nm | 88 |
| <i>Timeliness</i> | | | | | |
| <i>Coastal Management Act</i> consents completed within statutory timeframes | per cent | nm | 100 | 100 | 100 |
| Alpine leasing approvals signed within 8 weeks | per cent | nm | 80 | 80 | na |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | 27.4 | 69.6 | 24.0 ^(b) |

Public Land Management

This output optimises the active management of Crown land to ensure a balance between development and protection of natural, cultural and community assets for the sustainable use of Crown land. It incorporates direct and delegated management, the enabling of major land use project development, and recognising the value of the land to ensure its availability for future generations.

Quantity

| | | | | | |
|--|----------|----|----|----|----|
| Land within the Public Land Management (Crown Land outside parks and forests) portfolio actively managed | per cent | 73 | 60 | 60 | 60 |
|--|----------|----|----|----|----|

Quality

| | | | | | |
|--|----------|---|----|----|----|
| Parcels of Crown Land actively managed that had a formal complaint to the Minister | per cent | 1 | <1 | <1 | <1 |
|--|----------|---|----|----|----|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| Dealings regarding land management responded within Statute or Service Agreement timeframes | per cent | 70 | 85 | 85 | 83 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 21.9 | 24.4 | 25.3 | 20.7 |

Source: Department of Sustainability and Environment

Note:

- (a) *With the introduction of a common expiry date, the target has changed to reflect the dependency on licensees to submit licence applications in a timely and accurate manner.*
- (b) *The 2002-03 expected outcome includes payments in relation to Seal Rocks.*

Land Information

This output provides Victoria's authoritative, comprehensive and easily accessible land administration and land information systems to underpin the property market, effective decision-making and appropriate use of land.

This output makes a significant contribution to the achievement of the following Departmental objectives:

- Protect and enhance the environment for future generations; and
- Influence the development of vibrant, liveable, urban, rural and regional communities across Victoria.

An authoritative, comprehensive and easily accessible land registration system underpins a vibrant property market and property development industry to support prosperous and sustainable communities. Vicmap Digital and its associated datasets are a key support for this output. Vicmap provides accurate, reliable and authoritative spatial information that is fundamental to developing our understanding of what creates a sustainable environment and prosperous and sustainable communities, as well as enhancing our capacity to manage water wisely.

These objectives link to the achievement of the following key Government outcomes:

- Promoting sustainable development;
- Protecting the environment for future generations; and
- More jobs and thriving innovative industries across Victoria.

The output helps achieve these outcomes by providing the land administration and land information systems to underpin effective decision-making about sustainable development and the environment. It also provides effective support for a vibrant property market and property development industry to secure investment and help create more jobs across Victoria.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Land Information

The provision of accurate, reliable and authoritative information on boundaries, interests, valuations and other land-related data about public and privately owned land and transactions in the land market by monitoring, recording and updating records related to the definition of land. This output includes the number of land dealings registered, new titles created, proposed and approved plans of subdivision added to the cadastre, maintenance and improvement of the State's Spatial Information Infrastructure and Land Channel information requests.

Quantity

| | | | | | |
|---|----------------|----|-------|-------|-------|
| Key information requests, registrations and updates (over the counter and on-line) per year | average ('000) | nm | 6 570 | 6 570 | na |
| Title searches supplied | number ('000) | nm | nm | nm | 1 600 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Proportion of title searches supplied online | per cent | nm | nm | nm | 75 |
| Land dealings registered | number ('000) | nm | nm | nm | 800 |
| New lots input into the Vicmap Digital property map base | number ('000) | nm | nm | nm | 56 |
| Land Channel page impressions | number ('000) | nm | nm | nm | 850 |
| <i>Quality</i> | | | | | |
| Audited Vicmap Digital map base not requiring corrections | per cent | 98 | 95 | 95 | 95 |
| Accuracy of responses to requests for land information supplied | per cent | nm | >99 | >99 | >99 |
| Properties sold, bought or leased within 10 per cent of valuation | per cent | nm | nm | nm | 80 |
| <i>Timeliness</i> | | | | | |
| Titles and instruments search requests available immediately | per cent | nm | nm | nm | 93 |
| Land dealings registered within five days | per cent | nm | nm | nm | 70 |
| New titles (subdivisions) created within three weeks | per cent | nm | nm | nm | 70 |
| Update transactions for the Vicmap Digital map base processed within the required timeframes | per cent | 99 | 95 | 85 | 95 |
| Titles and instruments search requests available within 24 hours | per cent | 97 | 95 | 95 | na |
| Land dealings registered within three weeks | per cent | 78 | 70 | 70 | na |
| New titles (subdivisions) created within four weeks | per cent | 80 | 70 | 70 | na |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | 82.2 | 86.5 | 91.0 |

Source: Department of Sustainability and Environment

Environment Protection

This output provides 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; and
- Increasing public awareness of and access to the wide range of information generated by EPA.

This output makes a significant contribution to the achievement of the following Departmental objectives:

- Protect and enhance air, land and water environments and the control of waste and unwanted noise; and
- Protect and enhance the environment for future generations.

The EPA's fundamental role is environment protection and improvement and it contributes to these objectives through a variety of statutory and non statutory tools, working in partnership with our stakeholders and the broader community. Lasting environmental improvements can be achieved through community partnerships and information sharing, with education and community capacity building enabling the safe, clean and sustainable environment that all Victorians seek.

These objectives link to the achievement of the following key Government outcomes:

- Promoting sustainable development;
- Protecting the environment for future generations; and
- More jobs and thriving innovative industries.

A sophisticated environment protection system supports Victoria's sustainability efforts. This environment protection system ensures that the needs of the community are heard and responded to in the manner that will be most effective to drive Victoria forward in our sustainability efforts. Traditional regulatory tools, such as statutory policy, regulations, works approvals and licenses, enable the monitoring and enforcing of the environmental standards that the community demands. Facilitative and capacity building tools, such as business support programs, neighbourhood environment improvement plans and voluntary sustainability covenants, enable government to work alongside the community. This empowers individuals, communities and businesses to take on a shared responsibility for protection of the environment.

| Major Outputs/Deliverables Performance Measures ^(a) | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Policy Frameworks, Regulations and Services to Protect the Environment

To protect beneficial uses of the environment by developing statutory and non-statutory processes, setting and enforcing goals and standards, and undertaking monitoring and research which ensures that: beneficial uses of water are protected; waste reduction, recycling and improved management of residual waste occurs; noise in the community is managed; prevention of contamination of land and groundwater; promoting better management of air quality, addressing global air quality issues and through communication and information programs promoting greater community involvement and ownership of environmental issues.

Quantity

| | | | | | |
|--|------------|------|------|------|------|
| Funding EcoRecycle Victoria and Regional Waste Management Groups | \$ million | 11.9 | 13.2 | 13.2 | 16.8 |
| Environment condition research reports issued | number | nm | nm | nm | 20 |
| Improvement tools, guidelines, policies, systems and plans completed | number | nm | nm | nm | 27 |

Quality

| | | | | | |
|---|----------|-----|----|----|----|
| Land audits complying with statutory requirements and system guidelines | per cent | 100 | 90 | 90 | 90 |
| Compliance with air quality standards as a proportion of samples collected | per cent | nm | nm | nm | 99 |
| Compliance with statutory requirements, as a proportion of assessments | per cent | nm | nm | nm | 85 |
| Improvement tools, guidelines, policies, systems, strategies and plans adopted or accepted by government and stakeholders | per cent | nm | nm | nm | 80 |

Timeliness

| | | | | | |
|--|----------|----|----|----|-----|
| Improvement tools, guidelines, policies, systems, strategies and plans meet Corporate Plan targets | per cent | nm | nm | nm | 100 |
| Statutory actions completed within required timelines | per cent | nm | nm | nm | 95 |
| Pollution Incident Reports acted on within three days | per cent | nm | nm | nm | 85 |

Cost

| | | | | | |
|-------------------|------------|------|------|------|------|
| Total output cost | \$ million | 55.6 | 54.3 | 64.3 | 58.0 |
|-------------------|------------|------|------|------|------|

Source: Department of Sustainability and Environment

Note:

(a) Most of these new measures represent a major consolidation of previous performance measures which covered air quality, water quality and noise control.

Forest and Fire Management

These outputs involve sustainable management of State forests for a range of productive, conservation and recreation uses and to ensure integrated management of fire and fire-related activities on public land for the purpose of protecting human life, property, assets and environmental values, and for sustaining biological diversity.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- Protect and enhance the environment for future generations; and
- Influence the development of vibrant, liveable, urban, rural and regional communities across Victoria.

The sustainable management of State forests protects and enhances the environment for future generations and facilitates the development of vibrant and liveable communities across Victoria.

These objectives link to the achievement of the following key Government outcomes:

- Promoting sustainable development;
- Protecting the environment for future generations; and
- Government that listens and leads.

Victoria's natural environment underpins the quality of life of all Victorians. In consultation with the community, preventative action and emergency response programs will be undertaken to address events threatening the environment. Strategies and priorities will be determined in consultation with industry and the community to support Victorians to live and manage sustainably within the landscape through knowledge sharing and information provision and participation.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Fire Prevention and Planning Environment

Preparation of plans, codes, prescriptions and guidelines which establish the framework for effective fire management on public land; activities for the prevention of wildfire (community education, regulation); and non-seasonally variable activities that minimise the adverse impact of wildfire (training, fixed infrastructure, radio communications, information systems, and fire-fighting equipment).

Quantity

| | | | | | |
|--|--------|-------|-------|-------|-------|
| District Fire Operations Plans completed | number | nm | nm | nm | 25 |
| Personnel with accreditation in a fire role | number | 1 100 | 1 100 | 1 150 | 1 100 |
| Incident Channel sites maintained as part of DSE's radio communication network | number | 51 | 51 | 51 | 54 |
| Readiness and Response Plans completed | number | 5 | 5 | 5 | na |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Quality</i> | | | | | |
| Proportion of personnel accredited in a fire role who have level 2 or 3 accreditation | per cent | 14 | 10 | 12 | 12 |
| <i>Timeliness</i> | | | | | |
| Readiness and Response Plans completed prior to fire season | date | Dec 2001 | Dec 2002 | Nov 2002 | Dec 2003 |
| Assessments of Model of Fire Cover completed prior to fire season ^(a) | date | Nov 2001 | Nov 2002 | Oct 2002 | Nov 2003 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 16 | 23.3 | 17.6 | 19.9 |
| Fire Operations | | | | | |
| Seasonally variable activities that minimise the adverse impact of wildfire (hazard management, access, detection, stand-by, seasonal firefighters, aircraft, and equipment), response and recovery activities. | | | | | |
| <i>Quantity</i> | | | | | |
| Fuel reduction burning completed | ha (‘000) | 81.14 | 100 | 100 | 100 |
| <i>Quality</i> | | | | | |
| Fire controlled at less than five ha | per cent | 86 | 75 | 75 | 75 |
| <i>Timeliness</i> | | | | | |
| Fires controlled at First Attack | per cent | 79.6 | 75 | 75 | 75 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 48.5 | 32.9 | 132.2 | 41.7 |
| Sustainable Forest Management Services | | | | | |
| Sustainable and transparent management of Victoria’s State forests to strike a community supported balance between: the use of the forest estate by forest-based industries; meeting community needs; contributing to regional and State economic activity and protecting environmental, cultural and water values. | | | | | |
| <i>Quantity</i> | | | | | |
| Forest Management Areas subject to Code of Forest Practices audit | number | 4 | 4 | 4 | na |
| State forest with a sustainable forest management framework in place | per cent | nm | nm | nm | 50 |
| Reduction in logging in the Otways Region | per cent | nm | nm | nm | 25 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Quality</i> | | | | | |
| Gross area of State forest where forest resource inventory is complete | per cent | 55 | 68 | 68 | na |
| Improved opportunities for community involvement in forest planning, management and education | per cent | nm | 50 | 50 | 50 |
| Asset management maintenance program developed and implemented | per cent | nm | 60 | 60 | 60 |
| Improved Timber Resource estimates completed within harvestable areas of State forest | per cent | nm | 30 | 30 | na |
| Improved stewardship of the State forest estate | per cent | nm | nm | nm | 10 |
| <i>Timeliness</i> | | | | | |
| Regional Forest Agreement milestones due in the reporting year that are achieved | per cent | 80 | 80 | 80 | na |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 34.5 | 69.8 | 65.6 | 89.8 |

Sustainable Forest Production and Industry Development

Generating a fair return to the State for resources supplied to the timber industry wealth through a transparent and commercially efficient licensing and allocation system which also promotes a competitive, efficient and sustainable timber industry with enhanced efficiency in the utilisation of forest produce.

Quantity

| | | | | | |
|---|--------------------------|-------|-------|-------|-------|
| Sale of higher quality grade sawlogs (D+) | m ³ (‘000) | nm | 735 | 740 | 552 |
| Sale of lower quality and small sawlogs (below D grade) | m ³ (‘000) | nm | 120 | 120 | 120 |
| Sale of pulpwood – Legislative supply agreements | m ³ (‘000) | nm | 1 122 | 1 010 | 980 |
| Sale of thinnings | m ³ (‘000) | nm | 200 | 170 | 170 |
| Area of regrowth forest thinned | ha | 4 800 | 5 500 | 3 800 | 1 800 |
| Area regenerated successfully at first attempt | per cent | 88 | 90 | 90 | 90 |
| Industry restructure targets achieved | per cent | nm | 75 | 75 | 100 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|--------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Timber licence volume bought back | m ³ (‘000) | nm | nm | nm | 265 |
| <i>Timeliness</i> | | | | | |
| Wood Utilisation Plans provided to customers | date | Mar 2002 | Mar 2003 | Mar 2003 | Mar 2004 |
| Plantation Incentive Strategy document completed | date | nm | nm | nm | Jun 2004 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 96.4 | 82.2 | 81.7 | 75.9 |

Source: Department of Sustainability and Environment

Note:

(a) *The name of the assessment has changed from ‘Standard of Cover’ to ‘Model of Fire Cover’.*

Sustainability Policy and Programs

These outputs involve the development and implementation of land use, infrastructure and urban management policies, strategies and programs with the aim of improving environmental, economic and social outcomes for Victoria. Key elements include the development of a Sustainability Strategy, development and implementation of policy in relation to the Government's Greenhouse response, implementation of the metropolitan strategy (*Melbourne 2030 – planning for sustainable growth*) and the development and implementation of strategies for rural and regional areas of Victoria.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- Protect and enhance the environment for future generations; and
- Influence the development of vibrant, liveable, urban, rural and regional communities across Victoria.

These outputs will achieve the Department's objectives through the development and implementation of broad based policies, strategies and programs across Victoria which will support and provide solutions to complex land use, greenhouse and sustainability issues.

These objectives make a significant contribution to the achievement of the following key Government outcomes:

- Promoting sustainable development;
- Protecting the environment for future generations;
- Growing and linking all of Victoria; and
- Building cohesive communities and reducing inequalities.

These outputs have a key role in working with the community, industry and across government to protect our environment, through the development and implementation of policies, strategies and programs aimed at educating and influencing the behaviour of the Victorian community around sustainability issues. These outputs encourage sustainable development while capitalising on opportunities associated with fast rail and road improvements in key corridors to link Victoria's towns and cities, and encouraging the building of cohesive communities for future generations.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Urban and Regional Strategies and Programs

Produce integrated land use and transport development strategies for urban and rural areas of Victoria by working collaboratively across government with other development agencies and consultatively with the community to develop planning frameworks, infrastructure priorities and implementation processes.

Quantity

| | | | | | |
|--|--------|----|---|---|----|
| Long term metropolitan land use and transport strategy | number | nm | 1 | 1 | na |
| Regional land use and transport strategies | number | 1 | 3 | 3 | na |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Melbourne 2030 – Smart Growth Committees established | number | nm | nm | nm | 2 |
| Melbourne 2030 – Urban Development Program | number | nm | nm | nm | 1 |
| Sustainable Neighbourhood Code | number | nm | nm | nm | 1 |
| TravelSmart Pilot Program | number | 0.9 | 1 | 1 | na |
| <i>Quality</i> | | | | | |
| Projects completed against agreed plans and timeframes | per cent | 97.5 | 100 | 100 | 100 |
| <i>Timeliness</i> | | | | | |
| Melbourne 2030 – Smart Growth Committees established | date | nm | nm | nm | Dec 2003 |
| Melbourne 2030 – Urban Development Program prepared | date | nm | nm | nm | Sept 2003 |
| Sustainable neighbourhoods code commenced | date | nm | nm | nm | Jun 2003 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | na | na | 14.2 |

Sustainability and Greenhouse Policy

Leading the development and implementation of strategic, whole-of-government responses to issues around sustainability and greenhouse.

Quantity

| | | | | | |
|--|--------|-----|-----|-----|-----|
| Sustainability Strategy | number | nm | nm | nm | 1 |
| Greenhouse response actions managed and administered | number | nm | nm | nm | 58 |
| Major policy papers, strategy reviews or research papers completed | number | 6 | 5 | 5 | 5 |
| Ministerial correspondence and general or specific Ministerial briefings | number | 108 | 220 | 220 | 220 |
| Response to public enquiries | number | 435 | 180 | 180 | 180 |

Quality

| | | | | | |
|---|----------|-----|----|----|----|
| Ministerial endorsement and support of key stages for the ongoing development, review and implementation of Victorian Greenhouse Strategy | per cent | 100 | 95 | 95 | 95 |
|---|----------|-----|----|----|----|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| Responses to Ministerial correspondence delivered within agreed timelines | per cent | 80 | 80 | 80 | 80 |
| Ad hoc policy advice delivered as required with initial advice and estimated date of completion within two working days | per cent | 100 | 95 | 95 | 95 |
| Other key deliverables and projects managed on time - in line with planned and agreed project timetables | per cent | 90 | 90 | 90 | 90 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | na | na | 36.5 |

Source: Department of Sustainability and Environment

Sustainable Cities and Regions

These outputs deliver planning strategies that embrace the diversity of urban, rural and regional areas and facilitate responses to environmental social and economic change.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- Protect and enhance the environment for future generations; and
- Influence the development of vibrant, liveable, urban, rural and regional communities across Victoria.

These outputs help to manage sustainable land use and development to meet present and future needs through planning and heritage policy frameworks, improved development approval processes and professional development and training. In addition they assist the community to manage private land sustainably through the regulatory skills and instruments of the planning and building systems and through more electronic delivery of useful and relevant land information.

These outputs make a contribution to the achievement of the following key Government outcomes:

- Promoting sustainable development;
- Protecting the environment for future generations; and
- Building cohesive communities and reducing inequalities.

These outputs involve the provision of a world class planning system that support development across the State in accordance with triple bottom line principles, and which is fair, transparent, accountable, cost effective and provides certainty to users. The system has strong partnerships between community and local government. The outputs also involve facilitation of residential, commercial and industrial developments, and the provision of urban design, heritage, environmental assessment services and programs.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Planning Operations

Enhance Victoria's land use, through the development of the planning system, including appropriate legislative, policy and statutory instruments. Provide reliable and authoritative advisory and support services to the Minister and users of the land use planning system. Provision of policy and strategic advice on the planning system. Administrative services to the Minister in his role as the responsible authority under the *Planning and Environment Act 1987*. Support services to State and Local Government for statutory planning functions.

Quantity

| | | | | | |
|-----------------------------------|--------|--------|--------|--------|--------|
| Planning practice notes prepared | number | 9 | 4 | 4 | 4 |
| Planning Permits issued | number | 130 | 100 | 100 | 100 |
| Amendments determined | number | 435 | 350 | 350 | 320 |
| Property transactions assessed | number | 726 | 700 | 750 | 700 |
| Planning certificates issued | number | 58 768 | 60 000 | 60 000 | 60 000 |
| Briefings, assessments and issues | number | 1 034 | 1 200 | 1 200 | 1 100 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Environment Effects assessments | number | 6 | 6 | 12 | 6 |
| Major development approvals facilitated | number | 6 | 5 | 5 | na |
| Quality | | | | | |
| User satisfaction with training and development under the PLANET program | per cent | 95 | 75 | 80 | 90 |
| Property transactions comply with government policy guidelines | per cent | 100 | 100 | 100 | 100 |
| Accuracy of planning certificates | per cent | 100 | 100 | 100 | 100 |
| Timeliness | | | | | |
| Approved amendments gazetted within eight working days of approval | per cent | 100 | 100 | 100 | 100 |
| Permits issued within statutory timelines | per cent | 98 | 98 | 98 | 98 |
| Planning certificates issued within three days | per cent | 98 | 98 | 98 | 98 |
| Review of Rural Zones completed | date | nm | Dec 2002 | Dec 2002 | na |
| Cost | | | | | |
| Total output cost | \$ million | na | na | na | 16.3 |

Heritage Conservation

Provision of heritage policy advice to Government and its agencies and delivery of statutory obligations as defined in the *Heritage Act 1995*, including collection and management of heritage data and its efficient delivery to the community. Establishment of strategic partnerships with local government to assist them to meet statutory heritage obligations, and promotion of good heritage asset management.

Quantity

| | | | | | |
|--|--------|-------|-------|-------|-----|
| Heritage places assessed for Heritage Register | number | 200 | 200 | 200 | 100 |
| Heritage Certificates issued | number | 5 131 | 4 500 | 4 500 | na |
| Heritage permits and consents issued | number | 549 | 575 | 575 | 500 |

Quality

| | | | | | |
|--|----------|----|----|----|----|
| Non-contested heritage place listings | per cent | 90 | 90 | 90 | 85 |
| Appeals against permits and consents | per cent | 3 | <5 | <5 | <5 |
| Heritage Certificates issued accurately and satisfactorily | per cent | nm | nm | nm | 95 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| <i>Timeliness</i> | | | | | |
| Public owned heritage restoration projects completed against agreed budgets and timeframes | per cent | 100 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | na | na | 9.1 |
| Sustainable Place Management | | | | | |
| Facilitate transit orientated developments, Pride of Place and major civic projects. Provide urban design support for planning policy implementation. Provide advice and support services on environmental assessment policies and processes and review related legislation and regulations. Provides a state-wide information service for local government, State agencies, industry and private sector users of the environmental and land use planning system. Delivery of policy solutions to land-use issues which facilitate sustainable development. | | | | | |
| <i>Quantity</i> | | | | | |
| Area improvement projects | number | 2 | 3 | 3 | na |
| Transit orientated development projects facilitated | number | 8 | 5 | 5 | 13 |
| Pride of Place projects funded | number | nm | nm | nm | 30 |
| Pride of Place projects facilitated | number | 47 | 25 | 25 | na |
| Establishment of a sustainability benchmark pilot for Transit Cities | number | nm | nm | nm | 1 |
| Ecologically Sustainable Development (ESD) Guidelines for local government | number | nm | nm | nm | 1 |
| Review of environment assessment procedures under the <i>Environment Effects Act 1978</i> | number | nm | nm | nm | 1 |
| Pilot Neighbourhood Environment Improvement Plans (NEIP) developed | number | 3 | 5 | 5 | na |
| <i>Quality</i> | | | | | |
| Stakeholder satisfaction with Pride of Place projects | per cent | 80 | na | 80 | 80 |
| Environment assessment review agreed by Government | date | nm | nm | nm | Oct 2003 |
| Councils Using ESD guidelines | per cent | nm | nm | nm | 80 |
| <i>Timeliness</i> | | | | | |
| Area improvement (five) projects proposed | date | Dec 2001 | Jun 2003 | Jun 2003 | na |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Pride of Place projects completed against agreed budgets and timeframes | per cent | 95 | 95 | 95 | 95 |
| Transit Cities benchmark pilot completed against agreed budgets and timeframes | per cent | nm | nm | nm | 100 |
| Environment Assessment review completed | date | nm | nm | nm | Dec 2003 |
| ESD guidelines for local government completed | date | nm | nm | nm | Dec 2003 |
| Cost | | | | | |
| Total output cost | \$ million | na | na | na | 7.5 |

Source: Department of Sustainability and Environment

PART 2: FINANCIAL INFORMATION

Part 2 provides the financial information that supports reporting on the Department's provision of outputs. The information provided includes the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows for the Department as well as authority for resources.

The total resources made available to a department are applied to three uses:

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

The financial statements are presented in the format consistent with the AAS29 accounting standard. However, for the purposes of this paper they have been divided into controlled and administered items.

Administered items refer to those resources over which the Department cannot exercise direct control. Authority is provided through an appropriation for payments made on behalf of the State. Under the AAS29 standard, these items would normally appear as notes to the financial statements.

Financial Statements

The following tables can be used to assess the Department's financial performance and use of resources.

- **Table 2.8.2 – Statement of Financial Performance** – provides details of the Department's controlled revenue and expenses on an accrual basis reflecting the cost of providing its outputs;
- **Table 2.8.3 – Statement of Financial Position** – shows all controlled assets and liabilities of the Department. The difference between these represents the net assets position, which is an indicator of the State's equity in the Department;
- **Table 2.8.4 – Statement of Cash Flows** – shows all movements of cash (cash received and paid). The cash impact of financing and investing activities on Departmental resources is highlighted in this statement; and
- **Table 2.8.5 – Administered Items Statement** – provides details of the Department's administered revenue and expenses, and its administered assets and liabilities.

The 2003-04 DSE financial statements reflect the establishment of the department following the extensive machinery of government changes and are not comparable to those for 2002-03. On 5 December 2002, the water, forestry, greenhouse, land and environment protection functions of the former Department of Natural Resources and Environment and the heritage, building strategic and statutory planning functions from the Department of Infrastructure (DOI) were brought together into the new Department of Department of Primary Industries (DPI), the Aboriginal Affairs function transferred to the new Department for Victorian Communities and the Energy Policy function transferred to the DOI.

Operating Performance

The largest part (\$726.4 million) of DSE's 2003-04 projected operating revenue is provided through State Government appropriations. An additional \$41.7 million is sourced from Commonwealth Specific Purpose Payments (SPPs) relating to projects under the *National Action Plan for Salinity and Water Quality* (NAP), *Natural Heritage Trust* (NHT) and *Forest Industry Structural Adjustment Program* (FISAP). A further \$106.9 million is sourced from the Metropolitan Parks Charge (MPC) and the Landfill Levy. Both revenue streams are hypothecated (legislatively dedicated) to expenses relating to parks and waste management activities.

The projected \$79.9 million 2002-03 loss is mainly the result of resources transferred free of charge to the Department of Primary Industries as part of the machinery of government changes announced in December 2002.

In its first full year of operation in 2003-04 following the split of the former DNRE into DPI and DSE and the transfer of other functions, DSE is projecting an operating deficit of \$10.4 million.

Although not evident from the financial statements due to the incomparability caused by machinery of government changes, MPC and Landfill revenue is trending upwards while Commonwealth SPPs are trending downwards due to a projected reduction in NHT funding and the FISAP nearing completion.

DSE's non-SPP and hypothecated operating revenue and expenses are expected to increase in 2003-04 due to the Government's investment in sustainability, environment and water initiatives announced as part of *Labor's Financial Statement 2002 – The second term of a Bracks Labor Government*.

Investment and Financing

The cash flows from investing activities reflect DSE's \$107 million investment in property, plant and equipment during 2003-04. This investment primarily relates to initiatives such as establishing the Land Exchange system, the Wimmera Mallee Pipeline project, CBD accommodation consolidation project, Victorian Water Trust initiatives and various Bushfire Recovery actions.

Balance Sheet Performance

The Statement of Financial Position estimates an increase in total Non-Current Assets of \$71.3 million from June 2003 to June 2004. This increase is mainly attributable to new asset purchases of \$107 million, including the Land Exchange, Wimmera Mallee Pipeline project, CBD accommodation consolidation project, the Victorian Water Trust initiatives and various Bushfire Recovery actions. This is partially offset by a \$35.7 million increase in accumulated depreciation.

Administered Items Statement

Transactions administered by DSE on behalf of the State are the Murray-Darling Basin Commission (MDBC) contribution and the Timber Promotion Council (TPC). These payments represent Victoria's share of agreed cost-sharing arrangements between the States and the Commonwealth for the MDBC for the management of water flows, quality and operating contribution to the TPC.

Total administered revenue for the 2003-04 Budget represents the collection of fees and charges for Land Titles transactions, crown land leases and licenses and forest royalties. DSE also collects Commonwealth grants of \$41.7 million for SPPs such as the NHT, NAP and FISAP.

Table 2.8.2: Statement of Financial Performance

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Revenue from ordinary activities | | | | | |
| Output Appropriations | 841.0 | 978.4 | 876.1 | 999.9 | 768.2 |
| Special Appropriations | .. | .. | .. | .. | .. |
| Resources received free of charge or for nominal consideration | 6.0 | .. | 8.8 | 8.8 | .. |
| Sale of goods and services | 42.3 | 35.9 | 23.7 | 22.1 | 8.4 |
| Commonwealth Grants | .. | .. | .. | .. | .. |
| Taxes | 90.7 | 90.8 | 88.2 | 103.4 | 106.9 |
| Fees and Fines | 12.7 | 8.2 | 5.2 | 3.2 | 4.3 |
| Other revenue and revenue from other parties | 4.9 | 1.1 | 3.9 | 8.0 | 2.8 |
| | 997.6 | 1 114.4 | 1 006.0 | 1 145.5 | 890.6 |
| Expenses from ordinary activities | | | | | |
| Employee benefits | 310.9 | 299.7 | 251.5 | 293.6 | 198.9 |
| Depreciation and amortisation | 30.9 | 41.9 | 33.5 | 33.5 | 30.8 |
| Resources provided free of charge or for nominal consideration | 1.7 | .. | 73.5 | 73.5 | .. |
| Grants and other payments | 268.9 | 358.6 | 353.0 | 364.9 | 358.4 |
| Capital asset charge | 68.8 | 82.3 | 70.1 | 70.1 | 62.1 |
| Supplies and services | 296.3 | 336.9 | 294.1 | 389.6 | 250.7 |
| Other expenses from ordinary activities | 39.6 | .. | .. | .. | .. |
| Borrowing costs | 0.4 | .. | .. | .. | .. |
| | 1 017.5 | 1 119.4 | 1 075.7 | 1 225.2 | 901.0 |
| Result from ordinary activities | (19.9) | (5.1) | (69.7) | (79.7) | (10.4) |
| Loss from extraordinary items | .. | .. | .. | .. | .. |
| Net result for the reporting period | (19.9) | (5.1) | (69.7) | (79.7) | (10.4) |
| Net increase in asset revaluation reserve | (84.1) | .. | .. | .. | .. |
| Total revenues, expenses and revaluation adjustments recognised directly in equity | (84.1) | .. | .. | .. | .. |
| Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner | (104.0) | (5.1) | (69.7) | (79.7) | (10.4) |

Source: Department of Treasury and Finance

Note:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.8.3: Statement of Financial Position

(\$ million)

| | Estimated as at 30 June | | | | |
|--------------------------------------|-------------------------|----------------|---------------------------------|-----------------|----------------|
| | 2002 Actual | 2003 Budget | 2003 Adjusted ^(a) | 2003 Revised | 2004 Budget |
| Current Assets | | | | | |
| Cash Assets | (8.6) | (11.6) | (19.9) | (19.9) | (22.9) |
| Other financial assets | 19.6 | 16.6 | 16.6 | 18.0 | 15.5 |
| Receivables | 36.5 | 36.3 | 31.1 | 31.1 | 30.9 |
| Inventories | 11.0 | 11.0 | 7.6 | 7.6 | 7.6 |
| Prepayments | 0.6 | 0.6 | .. | .. | .. |
| Other | .. | .. | .. | .. | .. |
| Total current assets | 59.2 | 52.9 | 35.4 | 36.8 | 31.1 |
| Non-current assets | | | | | |
| Receivables | 144.5 | 143.0 | 102.1 | 96.3 | 92.9 |
| Inventories | 5.8 | 5.8 | 5.8 | 5.8 | 5.8 |
| Other financial assets | 233.2 | 244.5 | 231.8 | 243.9 | 292.0 |
| Property, plant and equipment | 2 860.6 | 2 920.3 | 2 710.0 | 2 664.8 | 2 678.4 |
| Intangible assets | 48.5 | 58.3 | 48.4 | 40.8 | 53.7 |
| Other | 281.9 | 281.9 | 281.9 | 281.9 | 281.9 |
| Total non-current assets | 3 574.5 | 3 653.8 | 3 379.8 | 3 333.4 | 3 404.7 |
| Total assets | 3 633.6 | 3 706.7 | 3 415.3 | 3 370.3 | 3 435.8 |
| Current liabilities | | | | | |
| Payables | 33.3 | 33.3 | 31.1 | 31.1 | 31.1 |
| Interest bearing liabilities | .. | .. | .. | .. | .. |
| Provisions | 28.2 | 29.2 | 15.7 | 15.7 | 16.6 |
| Other | 5.6 | 5.6 | 5.1 | 5.1 | 5.1 |
| Total current liabilities | 67.1 | 68.1 | 51.8 | 51.8 | 52.8 |
| Non-current liabilities | | | | | |
| Interest bearing liabilities | 1.9 | 1.9 | (0.1) | .. | .. |
| Provisions | 73.8 | 76.7 | 42.8 | 42.8 | 45.7 |
| Other | .. | .. | (0.3) | (0.3) | (0.3) |
| Amounts owing to other departments | 8.2 | 8.2 | .. | .. | .. |
| Total non-current liabilities | 83.9 | 86.7 | 42.4 | 42.4 | 45.4 |
| Total liabilities | 151.1 | 154.8 | 94.2 | 94.3 | 98.2 |
| Net assets | 3 482.5 | 3 551.9 | 3 321.1 | 3 276.0 | 3 337.6 |
| Equity | | | | | |
| Contributed capital | 2 371.2 | 2 445.6 | 2 279.4 | 2 244.4 | 2 316.4 |
| Reserves | 859.3 | 859.3 | 859.3 | 859.3 | 859.3 |
| Accumulated surplus | 252.0 | 247.0 | 182.3 | 172.3 | 161.9 |
| Total Equity | 3 482.5 | 3 551.9 | 3 321.1 | 3 276.0 | 3 337.6 |

Source: Department of Treasury and Finance

Note:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.8.4: Statement of Cash Flows

| | (\$ million) | | | | |
|---|-----------------|-----------------|--------------------------------|-----------------|-----------------|
| | 2001-02 | 2002-03 | 2002-03 | 2002-03 | 2003-04 |
| | <i>Actual</i> | <i>Budget</i> | <i>Adjusted</i> ^(a) | <i>Revised</i> | <i>Budget</i> |
| Cash flows from operating activities | | | | | |
| Receipts from Government | 817.0 | 979.9 | 918.5 | 1 048.1 | 771.6 |
| Receipts from other entities | 141.8 | 134.9 | 125.4 | 137.0 | 120.6 |
| Payments for supplies, grants and employees | (861.7) | (991.4) | (942.4) | (1 091.9) | (804.1) |
| | 97.1 | 123.4 | 101.5 | 93.2 | 88.1 |
| Interest received | 2.0 | 0.7 | 0.6 | 0.6 | 0.6 |
| Other revenue | 6.0 | 4.6 | 3.7 | 7.8 | 5.4 |
| Capital asset charge | (68.8) | (82.3) | (70.1) | (70.1) | (62.1) |
| Borrowing costs expense | (0.4) | .. | .. | .. | .. |
| Net cash inflow from operating activities | 36.0 | 46.3 | 35.6 | 31.4 | 32.0 |
| Cash flows from investing activities | | | | | |
| Payments for property, plant and equipment | (718.8) | (126.7) | 48.2 | 88.9 | (109.5) |
| Proceeds from sale of property, plant and equipment | 0.6 | .. | .. | .. | .. |
| Payments for investments | .. | .. | .. | .. | .. |
| Proceeds from sale of business assets | 7.5 | 3.0 | 4.8 | 3.4 | 2.5 |
| (Repayment of) loans by other entities | .. | .. | .. | .. | .. |
| Net cash (outflow) from investing activities | (710.7) | (123.7) | 53.0 | 92.3 | (107.0) |
| Cash flows from financing activities | | | | | |
| Net Proceeds from capital contribution by State Government | 669.2 | 74.4 | (91.8) | (126.8) | 72.0 |
| Net proceeds of borrowings | .. | .. | (8.2) | (8.2) | .. |
| Repayment of finance leases | .. | .. | .. | .. | .. |
| Net cash inflows (outflow) from financing activities | 669.2 | 74.4 | (100.0) | (135.0) | 72.0 |
| Net increase (decrease) in cash held | (5.5) | (3.0) | (11.3) | (11.3) | (3.0) |
| Cash at the beginning of the financial year | (3.1) | (8.6) | (8.6) | (8.6) | (19.9) |
| Cash at the end of the financial year | (8.6) | (11.6) | (19.9) | (19.9) | (22.9) |

Source: Department of Treasury and Finance

Note:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.8.5: Administered Items Statement

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Administered revenue | | | | | |
| Appropriations - Payments made on behalf of the State | 137.1 | 22.8 | 22.8 | 22.9 | 23.0 |
| Special Appropriations | .. | .. | .. | .. | .. |
| Resources received free of charge or for nominal consideration | .. | .. | 0.3 | 0.3 | .. |
| Sale of goods and services | 240.6 | 200.2 | 180.7 | 230.1 | 184.4 |
| Commonwealth grants | 59.0 | 52.9 | 49.1 | 47.6 | 41.7 |
| Other grants | .. | .. | .. | .. | .. |
| Taxes | .. | .. | .. | .. | .. |
| Fines | 1.0 | 0.5 | .. | 0.5 | .. |
| Fees | 23.1 | 22.7 | 6.6 | 18.8 | 20.2 |
| Other | 72.1 | 57.6 | 53.3 | 55.9 | 46.7 |
| Total administered revenue | 533.0 | 356.7 | 312.7 | 376.0 | 316.1 |
| Administered expenses | | | | | |
| Expenses on behalf of the State | 2.3 | 1.5 | 6.5 | 6.5 | 1.2 |
| Grants and other payments | 136.6 | 21.5 | 21.5 | 21.5 | 21.8 |
| Payments into the Consolidated Fund | 390.4 | 340.8 | 296.6 | 352.9 | 293.1 |
| Total administered expenses | 529.3 | 363.8 | 324.6 | 380.9 | 316.1 |
| Revenue less expenses | 3.6 | (7.1) | (11.9) | (4.9) | (0.1) |
| Administered assets | | | | | |
| Cash assets | 0.4 | 0.4 | (3.2) | (3.2) | (3.2) |
| Receivables | 57.1 | 50.0 | 31.7 | 38.7 | 38.6 |
| Other financial assets | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 |
| Inventories | .. | .. | .. | .. | .. |
| Prepayments | .. | .. | .. | .. | .. |
| Property, plant and equipment | .. | .. | .. | .. | .. |
| Intangible assets | .. | .. | .. | .. | .. |
| Other | .. | .. | .. | .. | .. |
| Total administered assets | 60.7 | 53.6 | 31.8 | 38.8 | 38.8 |
| Administered liabilities | | | | | |
| Payables | 0.4 | 0.4 | 0.2 | 0.2 | 0.2 |
| Interest bearing liabilities | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 |
| Provisions | .. | .. | .. | .. | .. |
| Amounts owing to other departments | .. | .. | .. | .. | .. |
| Other | 28.8 | 28.8 | 25.7 | 25.7 | 25.7 |
| Total administered liabilities | 29.5 | 29.5 | 26.1 | 26.1 | 26.1 |

Source: Department of Treasury and Finance

Note:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Authority for Resources

This section provides a summary of the sources of Parliamentary Authority available to the Department to fund the provision of outputs and additions to the net asset base.

Table 2.8.6: Parliamentary Authority for Resources

| | (\$ million) | | | |
|--|-------------------|------------------------------------|-----------------------------------|-------------------|
| | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised ^(b) | 2003-04 Budget |
| Annual appropriations | 964.0 | 853.1 | 918.6 | 754.9 |
| Receipts credited to appropriations | 105.8 | 91.1 | 68.8 | 47.8 |
| Unapplied previous years appropriation | 5.8 | 5.8 | 74.0 | 72.5 |
| Accumulated surplus - previously applied appropriation | 3.5 | 3.5 | 9.9 | .. |
| Gross Annual appropriation | 1 079.1 | 953.5 | 1 071.2 | 875.2 |
| Special appropriations | .. | .. | .. | .. |
| Trust funds | 140.2 | 117.8 | 129.5 | 125.4 |
| Total Parliamentary Authority | 1 219.4 | 1 071.3 | 1 200.7 | 1 000.6 |

Source: Department of Treasury and Finance

Note:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

(b) The 2002-03 revised estimates include the impact of approved Treasurer's Advances.

Payments on behalf of the State

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. They are usually on-passed or administered by the State.

Table 2.8.7: Payments made on behalf of the State

| | (\$ million) | | | |
|-------------------------------------|-------------------|------------------------------------|--------------------|-------------------|
| Accounts | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Murray Darling Basin Contribution | 21.5 | 21.5 | 21.5 | 21.8 |
| Timber Promotion Council Trust Fund | 1.3 | 1.3 | 1.4 | 1.2 |
| Total | 22.8 | 22.8 | 22.9 | 23.0 |

Source: Department of Treasury and Finance

Note:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

DEPARTMENT OF TREASURY AND FINANCE

PART 1: OUTLOOK AND OUTPUTS

Overview

The Department of Treasury and Finance (DTF) provides the Government with advice and information on the economic, financial and resource management of the State. DTF supports the Ministerial portfolios of the Treasurer, Minister for Finance and the Minister for WorkCover.

For the purposes of budget appropriations and consolidated financial information, the DTF portfolio comprises the Department of Treasury and Finance, its service agency, the State Revenue Office, and the Essential Services Commission.

In addition there are a number of statutory authorities and Government Business Enterprises, which, while not directly budget funded and therefore not included in the following financial information, are nevertheless accountable to the Department's Portfolio Ministers.

Departmental objectives

In 2003-04 the Department will continue to pursue its mission of providing leadership in economic, financial and resource management. This leadership focus is reflected in the Department's long term operational objectives, which are:

- sound financial management of the State's fiscal resources with an emphasis on maintenance of a substantial budget surplus;
- guide Government actions to best increase living standards for all Victorians through the provision of innovative policy advice; and
- champion an integrated whole-of-government approach to ensure optimal service delivery and provision of world class infrastructure to benefit all Victorians.

The following table shows the links between Departmental objectives and *Growing Victoria Together* outcomes:

| Departmental Objectives | Government Outcomes |
|--|----------------------------|
| Sound financial management of the State's fiscal resources with an emphasis on maintenance of a substantial budget surplus | Sound financial management |
| Guide Government actions to best increase living standards for all Victorians through the provision of innovative policy advice | Sound financial management |
| Champion an integrated whole-of-government approach to ensure optimal service delivery and provision of world class infrastructure to benefit all Victorians | Sound financial management |

The cost to Government of outputs provided by DTF is budgeted to fall from \$220.8 million in 2002-03 to \$178.4 million in 2003-04. The explanation for the reduction is contained in Part Two: Financial Information.

Review of 2002-03

In 2002-03, the Department's focus was on the implementation of the Government's *Growing Victoria Together* policies, and in particular, the outcome of sound financial management. This was achieved through the development of innovative policy directions with a focus on socially and financially sustainable economic development.

Key achievements for the year included:

- taking a lead role in reviewing Commonwealth-State financial arrangements;
- supporting Government in budget and financial management;
- continuing to deliver innovative and accurate advice on a range of economic, social and environmental issues including regulatory, financial and economic policy;
- responding to the changing insurance environment within Victoria;
- continued regular production of financial reports, including Victoria's first Pre-election Budget Update;
- leading major infrastructure project development across Victoria under the Government's public private partnerships policy, *Partnerships Victoria*, including upgrading Spencer St Station and the new Berwick Hospital;
- implementing full retail contestability in the Victorian Gas Market;
- relocation of the Head Office of the Rural Finance Corporation to Bendigo;

- finalisation of arrangements to lease office accommodation to be provided on the former Southern Cross Hotel site; and
- the first year of operation of the State Revenue Office facility in Ballarat.

Outlook for 2003-04

In 2003-04, DTF will undertake a range of new initiatives and build on key projects already underway. In order to achieve its operational objectives, DTF will focus effort on:

- sound financial management of the State's fiscal resources;
- implementing improved infrastructure project management and governance frameworks to more effectively manage project costs and delivery risks across the Victorian Public Sector;
- driving national issues such as Commonwealth-State relations, utilities regulation, insurance policy and regulatory review and refinement;
- delivering innovative policy options to Government on a range of economic, financial, environmental and social issues;
- establishment of the Essential Services Commission as the economic regulator of the water industry;
- improving financial management practices and compliance across the public sector; and
- ensuring taxation compliance for duty on high-value land transfers.

The Department will also continue to deliver its core outputs, which focus on delivering strategic policy advice, financial management, risk management, reform and regulatory services, and resource and revenue management.

Output information

The following outputs were transferred to the Department of Justice as a result of machinery of government changes announced in December 2002:

- Regulation of Gambling; and
- Gaming Policy Advice.

The Department has made two other changes to the output structure for the 2003-04 Budget. To achieve a more efficient and effective output mix, four existing outputs have been merged to form two new outputs. *Financial Assets and Liabilities Management Services* and *Prudential Supervision* have been merged to form *Prudential Supervision and Asset Liability Management*. *Commercial*

Project and Risk Management and Infrastructure Project Management have been merged to form *Commercial and Infrastructure Project Management* (see table below).

| Existing Output (2002-03) | New Output (2003-04) |
|--|---|
| Financial Assets and Liabilities Management Services | Prudential Supervision and Financial Asset/Liability Management |
| Prudential Supervision | |
| Commercial Project and Risk Management | Commercial and Infrastructure Project Management |
| Infrastructure Project Management | |

In 2003-04 the Department has refined its performance measures, both as a result of these changes to the output structure and as part of the Department's commitment to ensuring appropriate, targeted measures of its outputs. The Department's 2003-04 performance measures now provide a stable base with which to go forward over the coming years. This refinement is also consistent with the recommendations of the Department's internal auditors, PricewaterhouseCoopers.

In summary, DTF has reduced its total number of performance measures from 220 in 2002-03 to 143 in 2003-04. This reduction is due to the transfer of two Gaming related outputs to the Department of Justice (13 measures); the merging of four outputs into two (22 measures); and the discontinuation of measures no longer appropriate, replacement of existing measures with more meaningful performance measures and the introduction of new measures.

These changes are reflected in the Department's 2003-04 output statements.

Where possible, historical data has been provided for new performance measures, in order to support the ongoing comparison of actual performance.

The following section provides details of the outputs to be provided to Government, including performance measures and costs for each output. The table below summarises the total cost of outputs. The output costs shown in the table have been calculated on an accrual basis in accordance with generally accepted accounting principles.

In the output performance tables, a 2003-04 target showing 'na' indicates that the

relevant measure will be discontinued after 30 June 2003.

Table 2.9.1: Output summary

(\$ million)

| | 2002-03 Budget ^(a) | 2002-03 Revised | 2003-04 Budget |
|-------------------------------|----------------------------------|--------------------|-------------------|
| Strategic Policy Advice | 26.9 | 25.1 | 27.1 |
| Financial Management Services | 18.8 | 20.5 | 19.9 |
| Risk Management Services | 9.7 | 11.0 | 11.1 |
| Reform Services | 2.2 | 1.6 | 1.4 |
| Resource Management Services | 64.2 | 57.9 | 44.5 |
| Regulatory Services | 36.1 | 13.2 | 13.0 |
| Revenue Management Services | 62.8 | 60.4 | 61.4 |
| Total | 220.8 | 189.7 | 178.4 |

Source: Department of Treasury and Finance

Notes:

(a) 2002-03 Output Budget incorporates changes to Output structure and organisational restructuring and therefore may differ from figures published in the 2002-03 Budget.

Strategic Policy Advice

These outputs provide strategic policy advice to Ministers on all aspects of Government activity.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- Sound financial management of the State's fiscal resources with an emphasis on maintenance of a substantial Budget surplus;
- Guide government actions to best increase living standards for all Victorians through the provision of innovative policy advice; and
- Champion an integrated whole-of-government approach to ensure optimal service delivery and provision of world class infrastructure to benefit all Victorians.

These objectives contribute to the key Government outcome, sound financial management, by informing Government's strategic policy decisions.

| <i>Major Outputs/Deliverables</i> Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Financial Management Regulation and Compliance

Encourage, promote and enhance sound financial management practices and compliance with legislative and authoritative requirements in the Victorian Public Sector through the maintenance of a cohesive financial management and compliance framework. Provision of advice on whole-of-government financial policy, reporting and Federal taxation issues.

Quantity

| | | | | | |
|---|--------|-----------------|-----|-----|----|
| Annual review of whole-of-government compliance framework | number | 1-tax framework | 1 | 1 | 1 |
| Conduct compliance assurance reviews of portfolios and agencies | number | nm | 30 | 30 | na |
| Preparation of quarterly compliance assurance reports | number | 4 | 4 | 4 | 4 |
| Conducting awareness programs (e.g. Training, briefings) | number | nm | 10 | 30 | na |
| Review and update of knowledge management facility | number | nm | 250 | 250 | na |
| Delivery of updates, guides and newsletters ^(a) | number | 20 | 13 | 23 | 12 |
| Coordinating external reporting requirements | number | 6 | 5 | 5 | 5 |
| Updates to financial management package | number | nm | 8 | 8 | na |
| Provision of advice on whole-of-government financial policy and reporting and Federal taxation issues | number | nm | 180 | 350 | na |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Quality</i> | | | | | |
| Service Provision Rating (Ministerial survey data) | per cent | 90 | 80 | 80 | 80 |
| Monitor and influence the timeliness of departments' statutory lodgement obligations | yes/no | nm | yes | yes | na |
| Material and adverse whole-of-government issues identified by VAGO and ATO requiring rectification are addressed | yes/no | yes | yes | yes | yes |
| <i>Timeliness</i> | | | | | |
| Quarterly compliance assurance report delivered | dates | 31/10/01 | 30/09/02 | 31/08/02 | 30/09/03 |
| | | 27/02/02 | 31/12/02 | 30/11/02 | 31/12/03 |
| | | 30/04/02 | 31/03/03 | 28/02/03 | 31/03/04 |
| | | 30/06/02 | 30/06/03 | 31/05/03 | 30/06/04 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 3.7 | 3.1 | 3.3 | 3.5 |

Strategic Policy and Research

Manage and coordinate economic, social and environmental research focusing on developing greater understanding of factors affecting the living standards of all Victorians.

Quantity

| | | | | | |
|---|--------|---|---|---|---|
| Development and implementation of a program of long-term strategic research and policy projects | number | 7 | 4 | 4 | 6 |
|---|--------|---|---|---|---|

Quality

| | | | | | |
|--|----------|----|----|----|----|
| Service Provision Rating (Ministerial survey data) | per cent | 80 | 80 | 80 | 80 |
|--|----------|----|----|----|----|

Timeliness

| | | | | | |
|--|----------|-----|-----|-----|-----|
| Key deliverables and projects managed on time – in line with planned and project timetables agreed by Minister | per cent | 100 | 100 | 100 | 100 |
|--|----------|-----|-----|-----|-----|

Cost

| | | | | | |
|-------------------|------------|-----|-----|-----|-----|
| Total output cost | \$ million | 1.7 | 2.5 | 2.4 | 2.8 |
|-------------------|------------|-----|-----|-----|-----|

Financial and Risk Management Policy Advice

Provide financial and risk management advice to Government to ensure responsible management of public sector superannuation and investments.

Quantity

| | | | | | |
|------------------------------------|--------|----|----|----|----|
| Letters of correspondence prepared | number | nm | 40 | 12 | na |
|------------------------------------|--------|----|----|----|----|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| For superannuation schemes impacted by family law changes: Enact state laws to ensure consistency with Commonwealth laws; and Ensure operational compliance | number | nm | 4 | nil | na |
| Review of funds in accordance with new Prudential statement for Public Sector Investments ^(b) | number | 0 | 8 | 3 | 4 |
| Ministerial correspondence | number of letters | 80 | 40 | 40 | 40 |
| Superannuation liability/expense revisions | number | nm | 5 | 12 | na |
| <i>Quality</i> | | | | | |
| Service Provision Rating (Ministerial survey data) | per cent | 85 | 80 | 80 | 80 |
| <i>Timeliness</i> | | | | | |
| Delivery of: | | | | | |
| • Prudential Statement operational changes | date | nm | Sept 2002 | Jun 2003 | na |
| • Family law operational changes | date | nm | Oct 2002 | Nov 2003 | Nov 2003 |
| • Review of Family Law effectiveness | date | nm | Mar 2003 | Nov 2003 | Nov 2003 |
| Draft Ministerial correspondence responses provided within requested deadlines | per cent | 70 | nm | 70 | 90 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 1.3 | 1.6 | 1.1 | 1.0 |

Economic, Regulatory, Environmental and Social Policy Advice

Provide economic, social and environmental monitoring, analysis and policy advice.

Quantity

| | | | | | |
|---|--------|-----|-----|-----|-----|
| Ministerial briefs on economic, regulatory, social and environmental issues | number | 284 | 180 | 240 | 240 |
| Victorian Economic News | number | 4 | 4 | 4 | 4 |
| Macroeconomic forecast updates | number | 4 | 4 | 4 | na |
| Economic policy briefings on Cabinet submissions | number | 160 | 160 | 210 | 160 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Ministerial correspondence on economic, regulatory, environmental and social policy issues | number | 56 | 60 | 25 | na |
| Quarterly Investment Cabinet Submission | number | nm | 4 | 3 | na |
| NCP Third Tranche Assessment | number | nm | 1 | 1 | na |
| <i>Quality</i> | | | | | |
| Service Provision Rating (Ministerial survey data) | per cent | 83 | 80 | 80 | 80 |
| <i>Timeliness</i> | | | | | |
| Briefings on key ABS economic data on day of release | per cent | 99 | 98 | 100 | 100 |
| Publication of Victorian Economic News according to timetable | number | 4 | 4 | 3 | 4 |
| Briefing on Cabinet submissions before meetings | per cent | 98 | 95 | 98 | 95 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 3.6 | 4.3 | 4.3 | 4.6 |

Inter-Government Financial Relations Policy Advice

Provide inter-government financial analysis and advice in relation to the sharing of Commonwealth funding with Australian States and Territories.

Quantity

| | | | | | |
|--|--------|----|----|----|----|
| Completion of government response to three State HFE Review Report | number | nm | 1 | 1 | na |
| Support Ministerial Council Meetings | number | 1 | 1 | 1 | na |
| Support Heads of Treasuries meetings | number | 4 | 3 | 3 | na |
| Input to Commonwealth Grants Commission (CGC) 2004 Review (papers and CGC visit to Victoria) | number | 1 | 1 | 1 | na |
| SPP and other intergovernmental issues briefs | number | 15 | 16 | 55 | na |
| Briefs for Ministerial Council and Heads of Treasuries Meetings, SPP negotiations and other intergovernmental issues | number | 55 | nm | 55 | 55 |

Quality

| | | | | | |
|--|----------|----|----|----|----|
| Service Provision Rating (Ministerial survey data) | per cent | 86 | 80 | 80 | 80 |
|--|----------|----|----|----|----|

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Informed dialogue with CGC - acceptance of arguments put forward by Victoria | yes/no | nm | yes | nm | na |
| Victorian input for the 2004 Review reported to be persuasive in the CGC Report | yes/no | nm | nm | yes | yes |
| <i>Timeliness</i> | | | | | |
| Briefings for interstate meetings completed in time and CGC submissions provided according to CGC schedule | yes/no | yes | yes | yes | yes |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 2.0 | 1.5 | 1.8 | 1.5 |
| Taxation (State Revenue) Policy Advice | | | | | |
| Taxation policy advice to Ministers on the composition and performance of State taxes and on opportunities to improve the State's tax mix. | | | | | |
| <i>Quantity</i> | | | | | |
| Provision of Ministerial Briefs on taxation policy | number | 46 | 30 | 30 | 30 |
| Compilation of revenue initiatives proposal for budget consideration (ERC Stage 1 and ERC Stage 2 submissions) | number | 2 | 2 | 2 | 2 |
| <i>Quality</i> | | | | | |
| Service Provision Rating (Ministerial survey data) | per cent | 80 | 80 | 80 | 80 |
| Brief recommendations accepted by Treasurer | per cent | 90 | 80 | 80 | 80 |
| Comment provided on SRO Ministerial briefs | per cent | 95 | 95 | 95 | 95 |
| <i>Timeliness</i> | | | | | |
| Budget submissions meet ERC deadlines | yes/no | yes | yes | yes | yes |
| Possible Parliamentary Questions on taxation issues provided according to schedule | per cent | nm | 95 | 95 | na |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 1.3 | 1.0 | 1.2 | 1.3 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Budget Formulation Advice

Provide advice regarding the allocation of resources in the annual State budget, including the alignment of outputs purchases, investment decisions, payments on behalf of the State, and other strategic issues considered in the broader resource context.

Quantity

| | | | | | |
|---|--------|-----|-----|-----|-----|
| Expenditure Review Committee briefs | number | 139 | 100 | 127 | 120 |
| Delivery of budget formulation advice through Cabinet and Sub-committee briefs | number | 552 | 600 | 640 | 600 |
| Delivery of budget formulation advice through Ministerial briefs (related to Budget issues) | number | 196 | 200 | 246 | 200 |

Quality

| | | | | | |
|--|----------|----|----|----|----|
| Service Provision Rating (Ministerial survey data) | per cent | 90 | 80 | 80 | 80 |
| Portfolio Ministers' satisfaction with Expenditure Review Committee briefs | per cent | 90 | 80 | 80 | na |

Timeliness

| | | | | | |
|---|----------|-----|-----|-----|-----|
| Delivery of briefs in accordance to agreed project plan timelines | per cent | 100 | 100 | 100 | 100 |
|---|----------|-----|-----|-----|-----|

Cost

| | | | | | |
|-------------------|------------|-----|-----|-----|-----|
| Total output cost | \$ million | 3.5 | 3.2 | 3.7 | 4.0 |
|-------------------|------------|-----|-----|-----|-----|

Statutory Insurance Advice

Provide strategic advice to government on the State's insurance schemes and current general insurance issues. Develop and monitor prudential and reporting frameworks within State owned insurance, compensation, trustee companies and cooperative societies.

Quantity

| | | | | | |
|---|--------|----|----|----|----|
| Quarterly reviews of financial and performance reports of the Victorian WorkCover Authority (VWA), the Transport Accident Commission and the Victorian Managed Insurance Authority (agencies) | number | 12 | 12 | 12 | 12 |
| Annual review of returns and prudential framework for trustee companies and cooperative housing societies | number | 1 | 1 | 1 | 1 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| DTF participation in working groups with agencies affecting each of the statutory insurance schemes' viability and product delivery | number | 4 | 5 | 5 | 8 |
| Briefings on insurance policy matters | number | 31 | 48 | 110 | 60 |
| Funding agreement established for VWA's public safety inspection and prevention activities | number | 1 | 1 | 1 | na |
| Quality | | | | | |
| Service Provision Rating (Ministerial survey data) | per cent | 90 | 80 | 90 | 80 |
| Service Provision Rating (agency (VWA, TAC, VMIA) survey data) | per cent | nm | 75 | 75 | na |
| Timeliness | | | | | |
| Delivery of quarterly reviews to Ministers within 6 weeks of end quarter | per cent | 100 | 100 | 100 | 100 |
| Response to briefing requests and correspondence within 10 days of request | per cent | 90 | 80 | 80 | 80 |
| Cost | | | | | |
| Total output cost | \$ million | 7.8 | 8.2 | 7.3 | 8.3 |

Source: Department of Treasury and Finance

Notes:

- (a) *The 2002-03 expected outcome reflects additional financial compliance requirements introduced during the year.*
- (b) *Due to a delay with the Prudential Statement only three entities are expected to produce revised statements this financial year.*

Financial Management Services

These outputs provide financial management services to government departments, agencies and Government Business Enterprises. These services include: managing various State-based taxes; financial accounting and reporting; managing and forecasting cash balances and central Government cash transactions; assessing and processing unclaimed moneys applications; and reviewing and analysing performance of departments with a focus on delivering value for money services to the community.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- Sound financial management of the State's fiscal resources with an emphasis on maintenance of a substantial Budget surplus; and
- Champion an integrated whole-of-government approach to ensure optimal service delivery and provision of world class infrastructure to benefit all Victorians.

These objectives contribute to the key Government outcome, sound financial management, by assisting Government to make sound and informed financial management decisions.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Financial Reporting and Control

Monitor and report financial performance in the Victorian Public Sector, management of the daily cash requirements including investments and borrowings of Public Account and administration of the *Unclaimed Moneys Act 1962*.

Quantity

| | | | | | |
|--|------------|-------|-------|-------|-------|
| Weekly monitoring of the daily and monthly Public Account cash forecasts from departments against actual revenue and expenditure flows. Reporting the accuracy of those forecasts back to departments on a monthly basis | weeks | 52 | 52 | 52 | na |
| Annual Financial Report (AFR) | number | 1 | 1 | 1 | 1 |
| Unclaimed Moneys claims: ensuring projected number of processed per year is met | number | 4 730 | 5 800 | 5 800 | 6 200 |
| Mid Year Financial and Quarterly Financial Reports | number | 5 | 5 | 5 | 5 |
| Manage the Public Account set-off pool average daily balances to be <\$7 million a year | \$ million | <8 | <8 | <8 | <7 |

Quality

| | | | | | |
|---|----------|----|----|----|----|
| Unclaimed Moneys: Customer satisfaction with service delivery | per cent | 95 | 95 | 95 | na |
|---|----------|----|----|----|----|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Acceptable (no material weaknesses in financial systems and reporting) Annual Financial Report audit opinion by the Auditor-General | number yes/no | yes | yes | yes | yes |
| Unclaimed Moneys: Compliance with procedures for processing and assessing unclaimed money claims | per cent | 100 | 100 | 100 | 100 |
| <i>Timeliness</i> | | | | | |
| Mid Year Financial Report | date | 15/03/02 | 15/03/03 | 15/03/03 | 15/03/04 |
| Quarterly Financial Reports | date | 27/10/01 | 27/10/02 | 27/10/02 | 27/10/03 |
| | | 15/11/01 | 15/11/02 | 15/11/02 | 15/11/03 |
| | | 15/03/02 | 15/03/03 | 15/03/03 | 15/03/04 |
| | | 15/05/02 | 15/05/03 | 15/05/03 | 15/05/04 |
| Daily management of the Public Account bank account and set-off pool balances | daily | daily | daily | daily | na |
| Annual Financial Report | date | 27/10/01 | 27/10/02 | 27/10/02 | 27/10/03 |
| Unclaimed Moneys: Verified claims processed within a target period | working days | 3-5 | 3-5 | 3-5 | 3-5 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 7.6 | 7.5 | 8.0 | 7.7 |

Taxation (State Revenue) Monitoring and Forecasting Services

Monitor and forecast revenue from state based taxes.

Quantity

| | | | | | |
|--|--------|----|----|----|----|
| State taxes monitored and forecast | number | 26 | 26 | 26 | 26 |
| State Treasuries Tax Forecasting Group meeting | number | nm | 1 | 1 | na |
| Ministerial briefings | number | nm | 4 | 5 | na |

Quality

| | | | | | |
|--|----------|-----|-----------|-----|----------|
| Service Provision Rating (Ministerial survey data) | per cent | 80 | 80 | 80 | 80 |
| Significant weaknesses in tax monitoring and forecasting reported by Auditor-General and Internal Auditors | number | nil | nil | nil | na |
| Accuracy of estimating quarterly taxation revenue | per cent | 11 | within 10 | 2.6 | within 5 |
| Accuracy of estimating state taxation revenue (Budget to AFR) | per cent | 11 | within 5 | 6.1 | na |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| Meet forward estimates update deadlines | per cent | nm | nm | 100 | na |
| Coordinate State Treasuries Tax Forecasting Group Meeting according to timetable | date | nm | Oct 2002 | Oct 2002 | na |
| Meet Budget deadlines for revenue forecasting | per cent | 100 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 0.7 | 0.6 | 0.6 | 0.6 |

Budget Development and Production

Provide advice on the State's financial strategy, including development and coordination of the Budget decision-making framework and production and publication of the State Budget and budget related documents.

Quantity

| | | | | | |
|---------------|--------|---|---|---|---|
| Budget | number | 1 | 1 | 1 | 1 |
| Budget Update | number | 1 | 1 | 1 | 1 |

Quality

| | | | | | |
|---|----------|-----|-----|-----|-----|
| Service Provision Rating (Ministerial survey data) | per cent | 85 | 80 | 80 | 80 |
| Positive review by Auditor-General under s16 (b) of Audit Act | yes/no | yes | yes | yes | yes |

Timeliness

| | | | | | |
|---|--------|--------|--------|--------|--------|
| Annual Budget published by date agreed by Treasurer | yes/no | yes | yes | yes | yes |
| Budget Update published | date | 15 Jan | 15 Jan | 15 Jan | 15 Jan |

Cost

| | | | | | |
|-------------------|------------|-----|-----|-----|-----|
| Total output cost | \$ million | 4.7 | 4.5 | 5.5 | 5.6 |
|-------------------|------------|-----|-----|-----|-----|

Portfolio Performance Review

Provide advice on Departmental service delivery, financial, output performance and strategic issues.

Quantity

| | | | | | |
|--|--------|----|----|----|----|
| Quarterly Output Performance and Certification report per department | number | 36 | 40 | 40 | 40 |
| Output Evaluation and Price Reviews | number | 11 | 11 | 11 | 11 |

Quality

| | | | | | |
|--|----------|----|----|----|----|
| Service Provision Rating (Ministerial survey data) | per cent | 85 | 80 | 80 | 80 |
|--|----------|----|----|----|----|

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Portfolio Ministers' satisfaction with Expenditure Review Committee briefs and reports | per cent | 90 | 80 | 80 | na |
| <i>Timeliness</i> | | | | | |
| Quarterly certifications provided to the Minister 20 working days after the quarter | per cent | 100 | 100 | 100 | 100 |
| Output Evaluation and Price Reviews completed by agreed dates | per cent | 100 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 4.2 | 4.0 | 4.8 | 4.5 |

GBE Performance Monitoring Services

Monitor and provide advice on the financial and operational performance and general governance issues of Government Business Enterprises (GBE).

Quantity

| | | | | | |
|--|--------|----|----|----|----|
| GBE corporate plans reviewed and assessed | number | 16 | 19 | 19 | 18 |
| Analysis of GBE quarterly performance reports | number | 16 | 72 | 72 | 66 |
| Board appointments to relevant GBEs ^(a) | number | 31 | 10 | 15 | 23 |
| GBE policy advice (including Cabinet Submissions) provided as required | number | nm | 30 | 51 | na |
| GBE dividends negotiated | number | 26 | 26 | 26 | 24 |
| Monitoring and Assessing Public Authority Income | number | 10 | 10 | 10 | 10 |
| Monthly cash flow and receivables forecasting | number | 12 | 12 | 12 | 12 |
| GBE Annual Reports reviewed and tabling documentation prepared | number | 9 | 9 | 9 | 7 |

Quality

| | | | | | |
|--|----------|----|----|----|----|
| Service Provision Rating (Ministerial survey data) | per cent | 80 | 80 | 80 | 80 |
|--|----------|----|----|----|----|

Timeliness

| | | | | | |
|--|----------|-----|-----|-----|-----|
| Target dates met for GBE dividend payments | per cent | 100 | 100 | 100 | 100 |
|--|----------|-----|-----|-----|-----|

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Analysis and review of corporate plans, quarterly performance reports and Annual Report tabling documentation provided to agreed schedule | per cent | 99 | 90 | 90 | 90 |
| Cost | | | | | |
| Total output cost | \$ million | 1.4 | 1.3 | 1.6 | 1.5 |

Source: Department of Treasury and Finance

Notes:

(a) *Actual and target performance reflects the cyclic timing of board appointments combined with unexpected requirements.*

Risk Management Services

These outputs provide risk management advice, frameworks and information to Ministers, departments, public financial institutions and private infrastructure partners to manage Government's exposure to commercial, infrastructure project and financial market risks.

These outputs make a significant contribution to the achievement of the following Departmental objectives:

- Sound financial management of the State's fiscal resources with an emphasis on maintenance of a substantial Budget surplus; and
- Champion an integrated whole-of-government approach to ensure optimal service delivery and provision of world class infrastructure to benefit all Victorians.

These objectives contribute to the key Government outcome, sound financial management, by providing advice and frameworks to manage financial, commercial and infrastructure project risks.

| <i>Major Outputs/Deliverables</i> | <i>Unit of Measure</i> | <i>2001-02 Actual</i> | <i>2002-03 Target</i> | <i>2002-03 Expected Outcome</i> | <i>2003-04 Target</i> |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Commercial and Infrastructure Project Management

Continued development of policy, procedures, training and risk management advice on proposed and existing infrastructure projects and the evaluation and review of financial accommodation and investment proposals.

Quantity

| | | | | | |
|---|----------------------|----|-----|-----|-----|
| Policy, procedures and training therein relating to projects which facilitate new infrastructure | number | 16 | 10 | 10 | 16 |
| Commercial and risk management advice on projects which facilitate new infrastructure | number | 72 | 178 | 160 | 228 |
| Evaluation and review of financial accommodation and investment requests received from departments and agencies ^(a) | number | nm | 15 | 15 | 60 |
| Develop new and revise existing Partnerships Victoria guidelines | number | nm | 6 | 6 | na |
| Provision of commercial and risk management advice on public private partnership (and other) projects to facilitate new infrastructure and minimise government's exposure to risk | number of milestones | 72 | 150 | 145 | na |
| Education of officers responsible for infrastructure projects through delivery of training forums | number | nm | 8 | 13 | na |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|-----------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Regular review of existing public private partnership (and other) contracts for both service performance and fiscal management | number | nm | 20 | 1 | na |
| Provision of commercial risk management advice on privately initiated projects or business strategies | number of milestones | nm | 8 | 9 | na |
| Undertake additional unforeseen projects as requested by Ministers during the year | number | nm | 2 | 2 | na |
| Resolution of residual gas interests | number | nm | 1 | 1 | na |
| Deliver on DTF responsibilities in wind-up of Public Transport Corporation | number | nm | 1 | 1 | na |
| Termination of Structured Finance transactions, removing or minimising contingent liabilities of the State in a cost effective manner | number completed | nm | 1 | 1 | na |
| Processing of financial accommodation requests | number | nm | 12 | 12 | na |
| Advice on, and promulgation of, commercial and financial principles and expertise | number of reviews completed | nm | 1 | 3 | na |
| Advice to Treasurer and DSE to assist with the implementation of the Government Forest strategy | strategy completed | nm | 1 | 1 | na |
| <i>Quality</i> | | | | | |
| Service Provision Rating (Ministerial survey data) | per cent | 80 | 80 | 80 | 80 |
| Department and Agency satisfaction | per cent | nm | 85 | 85 | 85 |
| <i>Timeliness</i> | | | | | |
| Timely completion of quarterly targets | per cent | nm | nm | 90 | 90 |
| Provision of initial advice within two working days | per cent | 85 | 90 | 90 | na |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 8.2 | 8.5 | 8.6 | 9.2 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Prudential Supervision and Financial Asset/Liability Management

Develop and implement financial risk management policies and asset/liability management strategies to manage the State's financial risks.

Quantity

| | | | | | |
|---|--------|----|----|----|----|
| Manage the review process for the State's credit rating | number | 2 | 2 | 2 | 2 |
| Review of Cash and Banking contract performance | number | 8 | 16 | 16 | 16 |
| Key meetings held with the Prudential Auditor and Prudential Supervisor | number | 8 | 8 | 9 | na |
| Reports on the prudential compliance and performance of Public Financial Institutions to the Balance Sheet Management Committee | number | 16 | 16 | 16 | 16 |
| Review of corporate plans of the Public Financial Institutions (PFI's) | number | 3 | 3 | 3 | 3 |
| Table annual reports of the PFI's | number | 3 | 3 | 3 | 3 |
| PFI dividends negotiated | number | 3 | 3 | 3 | 3 |
| Monitor and review the Budget Sector Debt Portfolio | number | nm | 11 | 11 | na |
| Monitor and review the investment performance of the Budget Sector Long Term Fund (BSLTF) | number | nm | 22 | 22 | na |
| Review investment mandate for the BSLTF | number | nm | 2 | 2 | na |
| Loan Council reporting requirements | number | 4 | 4 | 4 | na |
| Review of prudential supervision frameworks | number | nm | 1 | 1 | na |

Quality

| | | | | | |
|---|----------|----|----|----|----|
| Service Provision Rating (Ministerial survey data) | per cent | 83 | 80 | 80 | 80 |
| Stakeholder satisfaction with the whole-of-government Cash and Banking Contract | per cent | nm | 70 | 70 | na |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| Preparation and delivery of required information to rating agencies to meet their timelines | yes/no | nm | yes | yes | na |
| Review of BSLTF investment mandate within eight weeks of release of Budget and Mid Year Budget Update | yes/no | nm | yes | yes | na |
| Prepare Treasurer's response to the Public Financial Institutions on their corporate plans | date | 31 Jul | 31 Jul | 30 Jun | 30 Jun |
| Key meetings held with Prudential Auditor and Prudential Supervisor within 45 days of the end of the quarter | yes/no | nm | yes | yes | na |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 2.1 | 2.1 | 2.4 | 1.9 |

Source: Department of Treasury and Finance

Note:

(a) *The 2003-04 target reflects that this is the first year that annual reviews of existing arrangements will take place in addition to the evaluation and approval of new requests.*

Reform Services

This output provides strategic reform advice with a view to ensuring optimal resource management.

This output makes a significant contribution to the achievement of the following Departmental objectives:

- Sound financial management of the State's fiscal resources with an emphasis on maintenance of a substantial Budget surplus; and
- Champion an integrated whole-of-government approach to ensure optimal service delivery and provision of world class infrastructure to benefit all Victorians.

These objectives contribute to the key Government outcome, sound financial management, by guiding improvements to resource management frameworks and conducting awareness and training activities to promote sound management practice throughout the Victorian Public Sector.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Resource Management Reform

Provide advice, training and implementation guidance on ongoing resource management improvements within the Victorian Public Sector.

Quantity

| | | | | | |
|---|--------|---|---|---|----|
| Major policy reviews and refinements | number | 4 | 3 | 4 | 2 |
| ERC reports on progress against departmental and whole-of-government Management Reform Program (MRP) improvement strategies | number | 4 | 4 | 4 | na |
| Documented case studies on MRP principles/practices applied | number | 2 | 4 | 8 | 6 |
| Updates of Budget and Financial Management Guide | number | 4 | 4 | 4 | 4 |

Quality

| | | | | | |
|---|----------|----|-----|-----|----|
| Stakeholder satisfaction with Guidance material (intranet site) as per evaluation rating | per cent | na | >75 | >75 | 85 |
| Measurable improvements in knowledge/understanding of the reform framework by all stakeholders (over June 2000 benchmark) | per cent | nm | >55 | >55 | na |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|--------------------------|--------------------------|---|----------------------------------|
| <i>Timeliness</i> | | | | | |
| Delivery of policy advice in accordance with agreed timelines | per cent | na | >70 | 75 | 95 |
| ERC reports on progress against departmental and whole-of-government improvement strategies | date | end of mth after quarter | end of mth after quarter | end of mth after quarter | na |
| Documented case studies on MRP principles/practices completed and launched | date | Apr 2002 Jun 2002 | Jun 2003 | July 2002 Dec 2002 Apr 2003 Jun 2003 | Dec 2003 Apr 2004 Jun 2004 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 2.2 | 2.2 | 1.6 | 1.4 |

Source: Department of Treasury and Finance

Resource Management Services

These outputs assist the Government to administer and coordinate its: land and property portfolio; accommodation for government departments; procurement and purchasing procedures; and motor vehicles for government departments.

These outputs make a significant contribution to the achievement of the following Departmental objective:

- Sound financial management of the State's fiscal resources with an emphasis on maintenance of a substantial Budget surplus.

This objective contributes to the key Government outcome, sound financial management, by maximising value in purchasing decisions and accommodation needs; and managing government land, property and motor vehicle needs.

| <i>Major Outputs/Deliverables</i> | <i>Unit of Measure</i> | <i>2001-02 Actual</i> | <i>2002-03 Target</i> | <i>2002-03 Expected Outcome</i> | <i>2003-04 Target</i> |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Procurement Services

Management, development and coordination of Victorian procurement and contracting procedures, in collaboration with the Victorian Government Purchasing Board (VGPB), departments and agencies.

Quantity

| | | | | | |
|--|--------|---------|---------|---------|---------|
| Establishment or renewal of whole-of-government contracts | number | 7 | 3 | 5 | 3 |
| Analysis of purchasing recommendations for VGPB ^(a) | number | 179 | 100 | 120 | 80 |
| VGPB meetings supported | number | nm | 11 | 9 | na |
| Hits on Procurement websites (e.g. VGPB, contracts publishing and tenders) | number | 578 181 | 500 000 | 550 000 | 500 000 |
| Completion of coordination of EC4P project | number | 2 | 1 | 1 | na |
| Ministerial briefings on emerging issues | number | nm | 5 | 5 | na |
| Participants attending procurement and contracting training | number | 576 | 650 | 650 | 600 |

Quality

| | | | | | |
|--|----------|----|----|----|----|
| Service Provision Rating (Ministerial survey data) | per cent | 80 | 80 | 80 | 80 |
| VGPB satisfaction with secretariat, process analysis and policy support services | per cent | nm | 80 | 80 | 80 |
| Accredited Purchasing Unit satisfaction with services provided | per cent | nm | 75 | 75 | na |
| Participants' satisfaction with training programs | per cent | 80 | 80 | 80 | 80 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|----------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| Completion of coordination of EC4P project | date | nm | Sept 2002 | Sept 2002 | na |
| VGPB papers distributed 4 business days prior to meeting | per cent | nm | 100 | 100 | na |
| Key projects delivered according to agreed timelines | per cent | 80 | na | 80 | 80 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 4.9 | 4.4 | 4.7 | 4.2 |
| Government Accommodation Services | | | | | |
| Policy, planning and management of office accommodation for government departments. | | | | | |
| <i>Quantity</i> | | | | | |
| Total office area managed | square metres | 449 000 | 449 000 | 449 000 | na |
| Workspace ratio | square metre per FTE | 16.8 | 15 | 16.1 | 16 |
| Total accommodation cost | \$ per square metre a year | 270 | 280 | 280 | 290 |
| <i>Quality</i> | | | | | |
| Client department's satisfaction with office accommodation services | per cent | nm | 80 | 80 | na |
| Service Provision Rating (Ministerial survey data) | per cent | nm | 80 | 80 | 80 |
| Office accommodation occupancy | per cent | 98 | 95 | 97 | 92-97 |
| <i>Timeliness</i> | | | | | |
| Delivery of office approved Government accommodation projects to agreed timeframes | per cent | 90 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost ^(b) | \$ million | 33.4 | 35.2 | 42.8 | 32.5 |
| Government Land and Property Services | | | | | |
| Whole-of-government Crown land and real estate strategic advisory, acquisition and sale services. | | | | | |
| <i>Quantity</i> | | | | | |
| Implementation of Government policy on land and property management | per cent | 90 | 90 | 100 | na |
| Budget Estimates 2003-04 | | Treasury and Finance | | | 371 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Revenue from sale of surplus Government land including Crown land (DTF Portfolio) | \$ million | 41 | 50 | 30 | 30 |
| Properties estimated to be acquired on behalf of Government | number | nm | 12 | 12 | na |
| <i>Quality</i> | | | | | |
| Service Provision Rating (Ministerial survey data) | per cent | 85 | 80 | 90 | 80 |
| Completing the property acquisition program | per cent | 100 | nm | 100 | 100 |
| <i>Timeliness</i> | | | | | |
| The delivery of property facilitation and acquisition projects on time | per cent | 80 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 5.5 | 6.0 | 6.6 | 5.6 |

Management of Motor Vehicle Leases

Coordination and management of government motor vehicle requirements.

Quantity

| | | | | | |
|---|--------|-------|-------|-------|-------|
| Environmental initiatives implemented in the Government motor vehicle fleet | number | 3 | 2 | 2 | na |
| Number of government motor vehicles under finance via central management | number | 7 951 | 8 000 | 8 200 | 8 000 |
| New vehicles financed | number | 5 578 | nm | 5 500 | 5 500 |
| Reports to the Minister | number | 3 | nm | 4 | 4 |

Quality

| | | | | | |
|---|----------|----|----|----|----|
| Departmental clients satisfied with fleet financing arrangements | per cent | 70 | 75 | 75 | 75 |
| Service Provision Rating (Ministerial survey data) | per cent | nm | 80 | 80 | 80 |
| Benchmarks in fleet financing and management met or exceeded | per cent | nm | 70 | 70 | na |
| Performance in fleet financing and management equals or exceeds benchmark standards | per cent | nm | 70 | 70 | 70 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Performance Measures</i> | | | | | |
| <i>Timeliness</i> | | | | | |
| Fleet invoicing completed within three days of the due date each month | per cent | 90 | 90 | 90 | 90 |
| <i>Cost</i> | | | | | |
| Total output cost ^(c) | \$ million | 73.7 | 18.6 | 3.8 | 2.2 |

Source: Department of Treasury and Finance

Notes:

- (a) The 2003-04 target reflects reduced volume of purchasing recommendation reports requiring VGPB approval.*
- (b) The 2002-03 expected outcome reflects the transfer of lease obligations for Transport House to DTF. From 2003-04, this increase is largely offset by whole-of-government accommodation service expenses being reflected in the financial statements of relevant departments.*
- (c) The 2003-04 target reflects the exemption of the whole-of-government leasing arrangement from the Capital Asset Charge.*

Regulatory Services

This output regulates utilities and other regulated markets in Victoria.

This output makes a significant contribution to the achievement of the following Departmental objectives:

- Guide government actions to best increase living standards for all Victorians through the provision of innovative policy advice; and
- Champion an integrated whole-of-government approach to ensure optimal service delivery and provision of world class infrastructure to benefit all Victorians.

These objectives contribute to the key Government outcome, sound financial management, by efficiently regulating utilities and other specified markets to protect the long-term interests of Victorian consumers with regard to price, quality and reliability of essential services.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Economic Regulatory Services

Economic regulation of utilities and other specified markets in Victoria to protect the long-term interests of Victorian consumers with regard to price, quality and reliability of essential services.

Quantity

| | | | | | |
|--|--------|----|----|----|----|
| Preparation for a contestable gas market | number | 0 | 1 | 1 | na |
| Company performance reviews and audits | number | 27 | 28 | 28 | 22 |
| New or revised Regulatory Guidelines | number | 7 | 4 | 4 | 10 |
| Industry Performance Reports | number | 3 | 6 | 5 | 8 |
| Ministerial and regulatory responses | number | nm | 3 | 5 | na |
| Price Approvals/Reviews | number | 15 | 19 | 14 | 8 |
| Water Information Campaign | number | 0 | nm | 0 | 1 |
| Grain Education Campaign | number | 0 | nm | 0 | 1 |
| New/Amended Licences ^(a) | number | 43 | 5 | 45 | na |

Quality

| | | | | | |
|-----------------------------|----------|-----|----|----|----|
| Regulatory decisions upheld | per cent | 100 | 80 | 95 | 90 |
|-----------------------------|----------|-----|----|----|----|

Timelines

| | | | | | |
|------------------------------------|----------|----|----|----|----|
| Deadlines met for major milestones | per cent | 86 | 95 | 95 | 95 |
|------------------------------------|----------|----|----|----|----|

Cost

| | | | | | |
|----------------------------------|------------|------|------|------|------|
| Total output cost ^(b) | \$ million | 14.4 | 18.4 | 13.2 | 13.0 |
|----------------------------------|------------|------|------|------|------|

Source: Department of Treasury and Finance

Notes:

- (a) The 2002-03 expected outcome reflects required amendments to all electricity retailers' licences.*
- (b) The 2002-03 target reflects the inclusion of \$4.1 million carried over from the previous financial year to conduct a number of one-off initiatives including 'finalisation of the gas full retail competition'.*

Revenue Management Services

This output administers taxation policy on behalf of the Government.

This output makes a significant contribution to the achievement of the following Departmental objective:

- Sound financial management of the State's fiscal resources with an emphasis on maintenance of a substantial Budget surplus.

This objective contributes to the key Government outcome, sound financial management, by efficiently delivering revenue management services in Victoria.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Revenue Management Services to Government

The provision of revenue management services across the various State based taxes in a fair and efficient manner for the benefit of all Victorians.

Quantity

| | | | | | |
|--|----------|------|-------|------|-----|
| Revenue collected between agreed budget target | per cent | 13.4 | +/- 5 | 6.48 | ≥95 |
| Revenue banked on day of receipt | per cent | 99 | ≥99 | 99 | ≥99 |
| Investigation completed of identified high risks according to plan | per cent | 66 | ≥90 | 90 | ≥90 |
| Grants and Rebates issued within KPI | per cent | -0.3 | ≥95 | >95 | ≥95 |

Quality

| | | | | | |
|--|----------|-------|-----|-----|-----|
| Risk moderation strategy implemented against identified risk | per cent | nm | ≥90 | ≥90 | na |
| Maintain ISO 9001 Certification | yes/no | yes | yes | yes | yes |
| Ratio of outstanding debt to total revenue | per cent | 1.87 | <2 | <2 | <2 |
| Customer satisfaction level | per cent | 98.75 | ≥75 | >95 | ≥75 |

Timeliness

| | | | | | |
|---|----------|-------|-----|-----|-----|
| Revenue received within three business days of due date | per cent | 97.86 | ≥90 | ≥90 | ≥90 |
| Court time lines met | per cent | 100 | 100 | 100 | 100 |
| Meet Cabinet and Parliamentary time lines | per cent | 100 | 100 | 100 | 100 |
| Timely handling of objections (within 90 days) | per cent | 80 | ≥80 | 70 | ≥80 |

Cost

| | | | | | |
|-------------------|------------|------|------|------|------|
| Total output cost | \$ million | 69.9 | 62.8 | 60.4 | 61.4 |
|-------------------|------------|------|------|------|------|

Source: Department of Treasury and Finance

PART 2: FINANCIAL INFORMATION

Part 2 provides the financial information that supports reporting on the Department's provision of outputs. The information provided includes the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows for the Department as well as authority for resources.

The total resources made available to a department are applied to three uses:

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

The financial statements are presented in the format consistent with the AAS29 accounting standard. However, for the purposes of this paper they have been divided into controlled and administered items.

Administered items refer to those resources over which the Department cannot exercise direct control. Authority is provided through an appropriation for payments made on behalf of the State. Under the AAS29 standard, these items would normally appear as notes to the financial statements.

Financial Statements

The following tables can be used to assess the Department's financial performance and use of resources.

- **Table 2.9.2 – Statement of Financial Performance** – provides details of the Department's controlled revenue and expenses on an accrual basis reflecting the cost of providing its outputs;
- **Table 2.9.3 – Statement of Financial Position** – shows all controlled assets and liabilities of the Department. The difference between these represents the net assets position, which is an indicator of the State's equity in the Department;
- **Table 2.9.4 – Statement of Cash Flows** – shows all movements of cash (cash received and paid). The cash impact of financing and investing activities on Departmental resources is highlighted in this statement; and
- **Table 2.9.5 – Administered Items Statement** – provides details of the Department's administered revenue and expenses, and its administered assets and liabilities.

Operating Performance

The Department's revenue for output delivery, and corresponding expenses, is budgeted to fall from \$212.6 million in 2002-03 to \$178.4 million in 2003-04. This reduction can be primarily attributed to:

- the transfer of two Gaming related outputs (\$18.3 million) to the Department of Justice following machinery of government changes;
- a reduction of \$15.7 million in the cost of the Management of Motor Vehicle Leases output, resulting from a change in accounting policy which exempts the centrally managed whole-of-government motor vehicle lease facility from capital asset charges;
- the exclusion of \$9 million in whole-of-government accommodation services expenses from DTF's 2003-04 output costs, as these expenses are already built into other departments' financial statements; and
- required savings totalling \$1.6 million in 2003-04.

These reductions in revenue are marginally offset by additional funding of \$1.8 million to the State Revenue Office to assist with maintaining the integrity of the system to collect duties arising from high-value conveyancing transactions.

The Department traditionally runs an operating deficit as sales of Crown land are recorded as an expense, with the offsetting revenue recorded as Administered Revenue. The deficit is expected to increase to \$26.5 million in 2003-04 due to the requirement to record as an expense the net proceeds from the management of whole-of-government accommodation services.

Investment and Financing

The Department's 2003-04 budgeted cash flow is particularly impacted by the requirement to recognise net proceeds and costs of vehicle sales as part of the centrally managed motor vehicle lease facility. Recognition of these items has more than offset the decline in the Department's asset investment program, resulting in the Department's cash flows from investing activities increasing by \$11.6 million.

The current decline in the Department's asset investment program reflects the winding down of recent significant investment projects including replacement and upgrade of the State Revenue Office's information technology systems and upgrade and refurbishment of government accommodation located within the Treasury Reserve.

Balance Sheet Performance

Controlled net assets of the Department are budgeted to fall by \$53 million between 2002-03 and 2003-04, largely reflecting the payment to reduce the Government's motor vehicle lease liability. This liability arose as a result of the GST related decline in used car markets.

Administered Items Statement

Transactions administered by DTF on behalf of the State and not within the Department's direct control relate mainly to the collection of State taxation revenue and administration of the State's superannuation schemes.

Total administered revenue is estimated to decrease between the 2002-03 and 2003-04 Budgets. The majority of the decrease results from the transfer to the Department of Justice of \$1.4 billion in taxation revenue collected by the Office of Gambling Regulation, following the machinery of government changes announced in December 2002. This reduction in revenue has been partially offset by increased revenue in other areas of State taxation.

Administered operating expenses are expected to decrease, mainly reflecting the reduction in revenue transferred to Consolidated Fund following the transfer of gambling taxation revenue to the Department of Justice.

Administered net assets are estimated to fall between 2002-03 and 2003-04, due to the transfer of the superannuation liabilities associated with provisions for former employees of VicRoads and an increase in the unfunded superannuation liability. The vast majority of this increase is attributable to lower than expected returns on superannuation fund assets during 2002-03 due to weakness in global equity markets.

Table 2.9.2: Statement of Financial Performance

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Revenue from ordinary activities | | | | | |
| Output Appropriations | 201.2 | 194.4 | 193.9 | 182.3 | 178.1 |
| Special Appropriations | 16.7 | 18.2 | 8.1 | 8.1 | .. |
| Resources received free of charge or for nominal consideration | .. | .. | .. | .. | .. |
| Sale of goods and services | .. | .. | .. | 0.3 | 0.3 |
| Commonwealth Grants | .. | .. | .. | .. | .. |
| Taxes | .. | .. | .. | .. | .. |
| Fines | .. | .. | .. | .. | .. |
| Fees | .. | .. | .. | .. | .. |
| Other revenue and revenue from other parties | 69.7 | 53.2 | 53.2 | 31.3 | 50.5 |
| | 287.7 | 265.8 | 255.2 | 222.0 | 228.9 |
| Expenses from ordinary activities | | | | | |
| Employee benefits | 80.4 | 80.0 | 74.1 | 76.3 | 69.7 |
| Depreciation and amortisation | 64.0 | 75.1 | 74.6 | 62.2 | 70.2 |
| Resources provided free of charge or for nominal consideration | 5.0 | .. | .. | .. | .. |
| Grants and other payments | 5.7 | 7.5 | 7.6 | 5.8 | 6.4 |
| Capital asset charge | 34.4 | 34.1 | 34.0 | 17.3 | 18.1 |
| Supplies and services | 76.5 | 71.9 | 68.9 | 77.3 | 66.5 |
| Other expenses from ordinary activities | 12.3 | .. | .. | 12.2 | 12.1 |
| Borrowing costs | 16.6 | 13.4 | 13.4 | 15.8 | 12.3 |
| | 294.8 | 282.0 | 272.6 | 266.8 | 255.4 |
| Result from ordinary activities | (7.2) | (16.2) | (17.3) | (44.8) | (26.5) |
| Loss from extraordinary items | .. | .. | .. | .. | .. |
| Net result for the reporting period | (7.2) | (16.2) | (17.3) | (44.8) | (26.5) |
| Net increase in asset revaluation reserve | .. | .. | .. | .. | .. |
| Total revenues, expenses and revaluation adjustments recognised directly in equity | .. | .. | .. | .. | .. |
| Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner | (7.2) | (16.2) | (17.3) | (44.8) | (26.5) |

Source: Department of Treasury and Finance

Note:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.9.3: Statement of Financial Position

(\$ million)

| | <i>Estimated as at 30 June</i> | | | | |
|--------------------------------------|--------------------------------|-----------------------|---------------------------------------|------------------------|-----------------------|
| | 2002 <i>Actual</i> | 2003 <i>Budget</i> | 2003 <i>Adjusted^(a)</i> | 2003 <i>Revised</i> | 2004 <i>Budget</i> |
| Current Assets | | | | | |
| Cash Assets | (264.4) | (264.4) | (264.4) | (14.4) | (15.0) |
| Other financial assets | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Receivables | 4.9 | 4.9 | 4.9 | 4.9 | 4.9 |
| Inventories | 24.1 | 24.1 | 24.1 | 24.1 | 24.1 |
| Prepayments | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Other | .. | .. | .. | .. | .. |
| Total current assets | (234.1) | (234.1) | (234.1) | 15.9 | 15.3 |
| Non-current assets | | | | | |
| Receivables | 406.0 | 413.0 | 411.6 | 118.5 | 122.1 |
| Inventories | 27.6 | 27.6 | 27.6 | 27.6 | 27.6 |
| Other financial assets | .. | .. | .. | .. | .. |
| Property, plant and equipment | 408.8 | 361.9 | 361.7 | 369.8 | 345.8 |
| Intangible assets | .. | 5.1 | 5.1 | 8.0 | .. |
| Other | 19.9 | 18.9 | 18.9 | 18.7 | 17.7 |
| Total non-current assets | 862.3 | 826.4 | 824.9 | 542.5 | 513.2 |
| Total assets | 628.2 | 592.3 | 590.8 | 558.4 | 528.5 |
| Current liabilities | | | | | |
| Payables | 18.3 | 18.3 | 18.3 | 18.3 | 18.3 |
| Interest bearing liabilities | 102.4 | 102.4 | 102.4 | 78.2 | 61.5 |
| Provisions | 9.8 | 8.2 | 8.2 | 8.3 | 7.0 |
| Other | 15.7 | 15.7 | 15.7 | 15.7 | 15.7 |
| Total current liabilities | 146.3 | 144.6 | 144.6 | 120.5 | 102.5 |
| Non-current liabilities | | | | | |
| Interest bearing liabilities | 127.3 | 104.6 | 104.6 | 123.7 | 135.2 |
| Provisions | 11.9 | 13.5 | 13.4 | 13.2 | 14.5 |
| Other | .. | .. | .. | .. | .. |
| Amounts owing to other departments | .. | .. | .. | .. | .. |
| Total non-current liabilities | 139.1 | 118.2 | 118.0 | 136.9 | 149.7 |
| Total liabilities | 285.4 | 262.8 | 262.6 | 257.4 | 252.2 |
| Net assets | 342.8 | 329.5 | 328.2 | 301.1 | 276.3 |
| Equity | | | | | |
| Contributed capital | 109.5 | 112.4 | 112.2 | 112.6 | 114.3 |
| Reserves | 54.1 | 54.1 | 54.1 | 54.1 | 54.1 |
| Accumulated surplus | 179.1 | 163.0 | 161.8 | 134.3 | 107.9 |
| Total Equity | 342.8 | 329.5 | 328.2 | 301.1 | 276.3 |

Source: Department of Treasury and Finance

Note:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.9.4: Statement of Cash Flows

| | (\$ million) | | | | |
|---|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Cash flows from operating activities | | | | | |
| Receipts from Government | (109.0) | 205.6 | 196.3 | 477.9 | 174.5 |
| Receipts from other entities | 0.5 | .. | .. | 0.3 | 0.3 |
| Payments for supplies, grants and employees | (187.5) | (182.0) | (173.3) | (175.4) | (143.3) |
| | (296.0) | 23.6 | 23.1 | 302.8 | 31.5 |
| Interest received | 0.1 | .. | .. | .. | .. |
| Other revenue | 76.2 | 83.2 | 83.2 | 87.3 | 87.3 |
| Capital asset charge | (34.4) | (34.1) | (34.0) | (17.3) | (18.1) |
| Borrowing costs expense | (21.8) | (13.4) | (13.4) | (40.0) | (28.9) |
| Net cash inflow from operating activities | (275.8) | 59.3 | 58.9 | 332.8 | 71.7 |
| Cash flows from investing activities | | | | | |
| Payments for property, plant and equipment | (83.8) | (62.2) | (61.6) | (85.9) | (74.3) |
| Proceeds from sale of property, plant and equipment | .. | .. | .. | .. | .. |
| Payments for investments | .. | .. | .. | .. | .. |
| Proceeds from sale of business assets | .. | .. | .. | .. | .. |
| (Repayment of) loans by other entities | 0.1 | .. | .. | .. | .. |
| Net cash (outflow) from investing activities | (83.8) | (62.2) | (61.6) | (85.9) | (74.3) |
| Cash flows from financing activities | | | | | |
| Net Proceeds from capital contribution by State Government | 106.7 | 2.9 | 2.8 | 3.1 | 2.0 |
| Net proceeds of borrowings | .. | .. | .. | .. | .. |
| Repayment of finance leases | .. | .. | .. | .. | .. |
| Net cash inflows (outflow) from financing activities | 106.7 | 2.9 | 2.8 | 3.1 | 2.0 |
| Net increase (decrease) in cash held | (252.9) | .. | .. | 250.0 | (0.6) |
| Cash at the beginning of the financial year | (11.4) | (264.4) | (264.4) | (264.4) | (14.4) |
| Cash at the end of the financial year | (264.4) | (264.4) | (264.4) | (14.4) | (15.0) |

Source: Department of Treasury and Finance

Note:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.9.5: Administered Items Statement

| | (\$ million) | | | | |
|--|--------------------------|--------------------------|---|---------------------------|--------------------------|
| | 2001-02 <i>Actual</i> | 2002-03 <i>Budget</i> | 2002-03 <i>Adjusted</i> ^(a) | 2002-03 <i>Revised</i> | 2003-04 <i>Budget</i> |
| Administered revenue | | | | | |
| Appropriations - Payments made on behalf of the State | 967.4 | 1 541.8 | 1 523.3 | 910.0 | 1 491.6 |
| Special Appropriations | 500.1 | 926.2 | 926.2 | 1 678.3 | 549.0 |
| Resources received free of charge or for nominal consideration | .. | .. | .. | .. | .. |
| Sale of goods and services | 5.3 | 5.6 | 5.6 | 5.6 | 5.8 |
| Commonwealth grants | 6 844.2 | 6 778.1 | 6 778.1 | 6 765.2 | 7 022.6 |
| Other grants | 74.3 | 0.5 | 0.5 | 0.5 | .. |
| Taxes | 7 844.3 | 7 704.1 | 7 071.8 | 7 553.4 | 6 861.1 |
| Fines | .. | .. | .. | .. | .. |
| Fees | 19.0 | 15.3 | 15.3 | 15.3 | 15.6 |
| Other | 2 592.2 | 2 650.8 | 2 650.8 | 2 822.9 | 2 645.3 |
| Total administered revenue | 18 846.7 | 19 622.4 | 18 971.6 | 19 751.2 | 18 591.1 |
| Administered expenses | | | | | |
| Expenses on behalf of the State | 2 605.9 | 2 041.9 | 2 041.9 | 2 537.0 | 2 113.3 |
| Grants and other payments | 514.8 | 316.9 | 316.9 | 318.9 | 420.0 |
| Payments into the Consolidated Fund | 17 309.4 | 17 185.6 | 16 534.9 | 17 108.4 | 16 509.0 |
| Total administered expenses | 20 430.1 | 19 544.5 | 18 893.7 | 19 964.2 | 19 042.3 |
| Revenue less expenses | (1 583.4) | 77.9 | 77.9 | (212.9) | (451.2) |
| Administered assets | | | | | |
| Cash assets | 804.1 | 804.5 | 804.5 | 804.1 | 804.1 |
| Receivables | (2 498.2) | (1 935.5) | (1 935.5) | (1 587.2) | (816.5) |
| Other financial assets | 2 438.0 | 1 901.1 | 1 901.1 | 1 595.5 | 925.3 |
| Inventories | .. | .. | .. | .. | .. |
| Prepayments | .. | .. | .. | .. | .. |
| Property, plant and equipment | 390.0 | 420.6 | 420.6 | .. | .. |
| Intangible assets | .. | .. | .. | .. | .. |
| Other | .. | .. | .. | .. | .. |
| Total administered assets | 1 133.9 | 1 190.6 | 1 190.6 | 812.4 | 912.9 |
| Administered liabilities | | | | | |
| Payables | 49.2 | 50.2 | 50.2 | 49.2 | 49.2 |
| Interest bearing liabilities | 5 819.5 | 5 833.7 | 5 833.7 | 5 849.1 | 5 860.1 |
| Provisions | 12 954.7 | 12 941.4 | 12 941.4 | 13 673.1 | 14 233.4 |
| Amounts owing to other departments | 0.8 | (0.2) | (0.2) | (0.2) | (1.2) |
| Other | 185.0 | 162.9 | 162.9 | 176.3 | 157.4 |
| Total administered liabilities | 19 009.1 | 18 987.9 | 18 987.9 | 19 747.5 | 20 298.8 |

Source: Department of Treasury and Finance

Note:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Authority for Resources

This section provides a summary of the sources of Parliamentary Authority available to the Department to fund the provision of outputs and additions to the net asset base.

Table 2.9.6: Parliamentary Authority for Resources

| | (\$ million) | | | |
|--|-------------------|------------------------------------|-----------------------------------|-------------------|
| | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised ^(b) | 2003-04 Budget |
| Annual appropriations | 1 721.2 | 1 702.2 | 1 130.3 | 1 642.1 |
| Receipts credited to appropriations | 2.5 | 2.4 | 2.5 | 2.6 |
| Unapplied previous years appropriation | 15.5 | 15.5 | 6.9 | 2.1 |
| Accumulated surplus - previously applied appropriation | .. | .. | 9.4 | .. |
| Gross Annual appropriation | 1 739.2 | 1 720.1 | 1 149.1 | 1 646.7 |
| Special appropriations | 944.4 | 934.2 | 1 686.4 | 573.9 |
| Trust funds | 21.5 | 21.5 | 22.9 | 72.7 |
| Total Parliamentary Authority | 2 705.0 | 2 675.8 | 2 858.4 | 2 293.3 |

Source: Department of Treasury and Finance

Note:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

(b) The 2002-03 revised estimates include the impact of approved Treasurer's Advances.

Payments on behalf of the State

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. They are usually on-passed or administered by the State.

Table 2.9.7: Payments made on behalf of the State

| | (\$ million) | | | |
|--|-------------------|------------------------------------|--------------------|-------------------|
| Accounts | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Tattersalls duty payments to other jurisdictions | 40.1 | 21.6 | 22.4 | .. |
| Superannuation and pension payments | 29.9 | 29.9 | 16.3 | 39.9 |
| Interest | 431.0 | 431.0 | 416.4 | 424.5 |
| Current and capital grants | 250.5 | 250.5 | 246.1 | 351.1 |
| Operating supplies and consumables | 470.8 | 470.8 | 155.3 | 470.7 |
| Buildings | 20.6 | 20.6 | 20.6 | .. |
| Other | 298.9 | 298.9 | 32.8 | 180.5 |
| Total | 1 541.8 | 1 523.3 | 910.0 | 1 466.7 |

Source: Department of Treasury and Finance

Note:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

DEPARTMENT FOR VICTORIAN COMMUNITIES

PART 1: OUTLOOK AND OUTPUTS

Overview

The Department for Victorian Communities' (DVC) aim is to build active, confident and resilient communities across Victoria through practical community strengthening strategies and joining up services at the local level.

These strategies will be in partnership with local government, community organisations and business.

There is now extensive evidence that strong communities with positive networks are healthier, safer and more prosperous.

DVC supports the Ministerial portfolios of Victorian Communities, Employment and Youth Affairs, Multicultural Affairs, Women's Affairs, Aboriginal Affairs, Local Government, Sport and Recreation and Commonwealth Games.

The Department has responsibility for advising the Government in the related key delivery areas of: Sport and Recreation Victoria, the Office of Commonwealth Games Coordination, the Community Support Fund, the Office of Community Building, Social Programs, Employment Programs, Local Government and Regional Services, Aboriginal Affairs Victoria, the Office for Youth, the Office of Women's Policy, the Victorian Office of Multicultural Affairs, the Government Information Service, Public Record Office of Victoria and the Registry of Births, Deaths and Marriages.

Functions provided through the Department fall broadly into three categories: the provision of policy and advice at a whole-of-government level; support to local government and community organisations through a partnership approach, and direct service provision. However, it is important to note that whilst the portfolio areas have distinctive functions, the focus for the Department is to improve internal coordination which will in turn drive further reform to achieve joined up government.

Whole-of-government advice

The Victorian Office of Multicultural Affairs, the Office of Women's Policy, the Office for Youth, Aboriginal Affairs Victoria, and the Office of Community Building primarily provide policy advice and leadership on whole-of-government approaches to policies and programs. The primary focus of these units is the provision of advice that impacts upon various sectors of the Victorian community and demonstrates a leadership role in the implementation of policies relevant to them.

The Victorian Multicultural Commission (VMC) performs a valuable advisory role in providing whole-of-government advice on multicultural affairs by acting as an independent conduit for communication between the community and Government. VMC also directly contributes to better community outcomes through the administration of strategic grants targeted to priority-need community organisations.

Support to local government and community organisations through a partnership approach

Sport and Recreation Victoria (SRV), the Office of Commonwealth Games Coordination (OCGC), Employment Programs, the Office of Community Building, the Community Support Fund, the Rural Women's Network and Local Government and Regional Services Division of the Department provide support functions for DVC primarily through strategic and targeted funding and advice, in partnership with local government and community organisations, to build community capacity.

SRV facilitates sport and recreation opportunities across all communities and seeks to maintain quality sport and recreation infrastructure to support participation and events at all levels. To achieve these outcomes, SRV works in partnership with local government and community and sporting organisations to provide targeted funding for peak sporting bodies, regional sports assemblies and organisations promoting sport and recreation access and opportunities for people under-represented in sport and recreation.

The OCGC, working with the Melbourne 2006 Organising Committee, is responsible for the development of a comprehensive whole-of-Games plan articulating each agency's activities leading up to and during the Melbourne 2006 Commonwealth Games. The ongoing planning and coordination for the successful staging of the Games involves the administration of targeted operating grants. In addition, OCGC is accountable for ensuring the ongoing positive legacies of the Games are maximised for the community.

The Local Government and Regional Services Division provides strategic advice within Government and to local government organisations on local governance and local service delivery issues, to ensure that Victoria has an effective system of local government and constructive partnerships to deliver on common outcomes. The Division is also responsible for the allocation and distribution of grants to local and community organisations to improve outcomes for local communities.

The Employment Programs Division designs specialist employment policy and programs and manages their delivery through service agreements. The unit works in partnership with local government, community organisations, unions, industry organisations and other Departments to ensure the best outcomes for targeted communities.

The Office of Community Building provides strategic support to local communities and local government in implementing community building projects and also provides advice to Government on ways to improve the responsiveness of programs in meeting community needs. The Rural Women's Network provides leadership and other support to an extensive range of rural women and also provides opportunities for the views of rural women to be considered by Government. The Community Support Fund provides financial support to a wide range of local government and community projects.

Direct service provision

The Government Information Service, the Public Record Office and the Registry of Births, Deaths and Marriages provide information and records directly to the community through publicly accessible facilities and services.

Departmental objectives

The Departmental objectives centre on strengthening communities and better service delivery. To this end, all objectives give direct practical effect to the Government *Growing Victoria Together* outcome of 'Building cohesive communities and reducing inequalities'.

Specifically, the Department's objectives are to:

- bring together a variety of special interest 'people' and 'place based' funding programs across Government and develop innovative incentives for Departments to pool effort in planning and delivering at regional and community level;
- create partnerships with local government and community agencies around shared policy and service delivery objectives;
- showcase the Commonwealth Games as an event with lasting benefits;

- be a listening post in the community in relation to opportunities for improved service delivery and emerging needs, improve ways for communities to engage with Government and improve the range and quality of information from Government available to communities; and
- generate social capital by promoting volunteer, cooperative and community involvement including a greater role for corporates in community development.

The following table shows the links between Departmental objectives and *Growing Victoria Together* outcomes:

| Departmental Objectives | Government Outcomes |
|--|--|
| Bring together a variety of special interests 'people' and 'place based' funding programs across Government and develop innovative incentives for departments to pool effort in planning and delivering at regional and community level | Building cohesive communities and reducing inequalities Promoting rights and respecting diversity |
| Create partnerships with local government and community agencies around shared policy and service delivery objectives | Building cohesive communities and reducing inequalities Government that listens and leads |
| Showcase the Commonwealth Games as an event with lasting benefits | Building cohesive communities and reducing inequalities |
| Be a listening post in the community in relation to opportunities for improved service delivery and emerging needs, improve ways for communities to engage with Government and improve the range and quality of information from Government available to communities | Government that listens and leads |
| Generate social capital by promoting volunteer, cooperative and community involvement including a greater role for corporates in community development | Building cohesive communities and reducing inequalities Promoting rights and respecting diversity |

The integration of funding programs, pooled efforts in planning and delivery at a local level will enable communities to be more involved in decisions that affect them and will enhance local confidence. Partnerships with local government and local communities will be further advanced through a more streamlined grants application process and simplified reporting processes.

Individual and community involvement in recreation and cultural activities also enhances community participation and engagement. To this end, the Department will collaborate with volunteer organisations and business to modernise and promote volunteerism, which is especially important in maximising the legacies of the 2006 Commonwealth Games. Programs such as the Advance Youth Development Program and the Commonwealth Games Volunteer program will highlight the value of volunteering and community involvement.

The Department will work to promote rights and respect diversity by improving the quality of, and access to, information and by collaborating with partners both within and between Government, business and the community. This collaboration will also lead to greater diversity of, and increased representation, on boards and committees. Public records and documents will be more secure and readily available through the continuation of technological improvements in the Public Record Office and the Registry of Births, Deaths and Marriages. The Department will provide leadership in the development, management and delivery of government information and the establishment of knowledge sharing models across government.

Program initiatives will seek to reduce inequalities between and within communities and enhance outcomes for all Victorians, including indigenous communities, culturally and linguistically diverse communities, women and youth. The Department will continue to assist targeted groups to reduce inequality of opportunity.

DVC seeks to become a listening post in the community in relation to opportunities for service delivery improvement and emerging needs. This will improve access to Government decision making processes and service delivery and strengthen the capacity of the public sector to deliver high quality, responsive, accessible and efficient services. Information available to the community will be more comprehensive through the enhancement of whole-of-government advice and reporting on issues relating to particular communities, including women, indigenous communities, youth and culturally and linguistically diverse Victorians.

Review of 2002-03

DVC was created through machinery of government changes announced in December 2002. A key achievement for DVC for 2002-03 has been the development and communication of the Department's aims, objectives and outlook for the future, and the advancement of a consolidated and joined up approach to planning key initiatives across the new Department.

Major achievements for the year include:

Employment Programs (from the Department of Innovation, Industry and Regional Development)

In 2002-03, the Community Jobs Programs achieved its three-year target of creating 6 900 new jobs. The Youth Employment Scheme will achieve its annual target of 650 apprenticeships and traineeships in the Victorian Public Sector.

The Community Business Employment Program is also expected to meet the target and place 10 000 jobseekers during 2002-03.

Sport and Recreation Victoria (from the Department of Tourism, Sport and the Commonwealth Games)

During 2002-03 a number of major sport and infrastructure developments achieved significant milestones. The most significant of these was the commencement of the redevelopment of the Melbourne Cricket Ground in October 2002.

Two event related pieces of legislation have passed through Parliament. The *Event Ticketing (Fair Access) Act 2002* aims to ensure that the general public in Victoria gain fair access to sell-out major events. The *Major Events (Crowd Management) Bill* will aim to ensure that the unruly behaviour of a few at major events does not mar the occasion for the large number of community members that attend such events.

Victoria continued to be Australia's leading 'event' state with an emphasis on events that are accessible to all Victorians. The World Masters Games, held in October 2002, were an outstanding success. The event attracted 24 899 competitors from 97 countries to Melbourne and regional Victoria, providing an estimated economic impact of \$55 million. Other highlights for the year included the securing of the 2004 Deaflympics and increasing the presence of major events in regional Victoria.

Two major grant programs funded by the proceeds of the National Footy Tipping Competition were introduced. The Women's Leadership grants aim to assist women take up leadership positions within sport and recreation organisations. Sport Injury Research grants have supported action-based research specifically aimed at reducing the incidence of sports injuries at the grassroots level.

Commonwealth Games (from the Department of Tourism, Sport and the Commonwealth Games)

The Office of Commonwealth Games Coordination in conjunction with Melbourne 2006 Organising Committee, other government agencies and the Commonwealth and local government authorities have continued planning for the 2006 Games including the development of strategies to maximise the economic, social and environmental benefits of the Games.

The Government announced a whole-of-Games budget for the 2006 Melbourne Commonwealth Games which includes the Government contribution towards the sporting and urban infrastructure required to host the Games.

After an extensive evaluation process, the Government announced the site of the Commonwealth Games Athletes Village at Parkville. The Commonwealth Games Planning Advisory Committee (Games Village) was established in February 2003 to consider environment, planning, traffic and transport, contribution to the community, and heritage issues in relation to the Athletes Village.

Local Government (from the Department of Infrastructure)

Promotion of the partnerships between the local government unit, councils and the Victorian community was enhanced in 2002-03 with the publication of *Local Government in Victoria*, a *Rates and Charges Impact Statement for Victorian Councils*, and through the organisation of the *Annual Constituent Satisfaction Survey* and the *3rd Annual Local Government Rural and Regional Summit*. The unit also implemented the de-amalgamation of Delatite Shire.

Aboriginal Affairs (from the Department of Natural Resources and Environment)

A key achievement for Aboriginal Affairs for 2002-03 was the implementation of the *Indigenous Family Violence Strategy*; a national best practice model for reducing the disproportionately high levels of indigenous family violence. The Indigenous Community Infrastructure Program was implemented to provide grant funding and community capacity building for locally based Aboriginal community organisations, and partnerships with Victoria's Aboriginal communities led to improved management and protection of Victoria's Aboriginal heritage.

Office of Women's Policy (from the Department of Premier and Cabinet)

The Government's commitment to a reduction in family violence, sexual assault and other forms of violence against women including sexual harassment in the workplace, was demonstrated in 2002-03 with the release of the *Women's Safety Strategy* which demonstrated a whole-of-government approach to addressing these issues. Other key achievements for the Office of Women's Policy were the introduction of the Women's Community Leadership Grants Program and the commencement of the strategic revitalisation of the Queen Victoria Women's Centre to develop it as a capacity builder and information hub for women.

Victorian Office of Multicultural Affairs (VOMA) (from the Department of Premier and Cabinet)

VOMA developed and implemented several new strategies in 2002-03 aimed at improving outcomes for culturally and linguistically diverse Victorians. These included the whole-of-government *Multicultural Affairs Reporting Framework*, the *Language Services Strategy* and an ethnic and religious community leaders' accord aimed at reducing racism.

The quality and availability of information was also enhanced by VOMA in 2002-03 with the redevelopment of the VOMA website, including the availability of Census diversity data and the production of the 2002-03 *Victorian Multicultural Resources Directory* and the *Valuing Cultural Diversity* publication.

The Community Support Fund CSF (from the Department of Premier and Cabinet)

In 2002-03 the CSF has provided funding for many high priority projects while continuing to provide the funding for research and interventions designed to reduce the level of problem gambling in the community. Other significant projects funded by the CSF include:

- *Reach for the Clouds* – a project designed to increase employment and community involvement in the Atherton Gardens Housing Estate in Fitzroy;
- Several projects focussing on supporting a range of Victoria's multicultural communities; and
- Renovations of the Shrine of Remembrance.

Office of Community Building (from the Department of Premier and Cabinet)

The Office of Community Building supported the establishment of 10 whole-of-government demonstration projects designed to develop the Government's approach to community building. These projects provide a basis to the ongoing development of the community strengthening work of the Department for Victorian Communities.

Social Programs (from the Department of Natural Resources and Environment)

In 2002-03 the Social Programs Branch continued to provide active leadership of the Rural Women's Networks and the Community Capacity Building Program, which is jointly administered with the Department of Innovation, Industry and Regional Development.

Office for Youth (from the Department of Education and Training)

The Government demonstrated its commitment to a holistic approach to youth issues with the release, in August 2002, of the framework document *Respect: The Government's Vision for Young People*. This framework outlines a clear, strategic direction for the Government's future program and policy development in relation to young people. A commitment to listening to the views of young people, encouraging youth participation and providing opportunities for young people's involvement in their local communities was further demonstrated during the successful National Youth Week (April 2003).

Registry of Births, Deaths and Marriages (from the Department of Justice)

Key achievements for the Registry for 2002-03 centre on enduring improvements to the security and privacy of public documents. Expanding on previous improvements, the Registry has introduced Proof of Identity requirements for statutory certificates, a Certificate Validation Service, and policies to ensure compliance with the requirements of the *Information Privacy Act 2000*.

Public Record Office of Victoria (from the Department of Premier and Cabinet)

In 2002-03 the Public Record Office of Victoria further developed the world leading *Victorian Electronic Records Strategy (VERS)*, marketing this overall records management strategy successfully to both the Brisbane City Council and the Malaysian National Archives. The VERS Centre of Excellence was established to provide consultancy services to government agencies on electronic records management. The provision of a web enabled browsing and ordering system for records was also finalised in 2002-03 through *Archives@Victoria*.

Outlook for 2003-04

DVC's 2003-04 Budget initiatives give greater strength to the two Government objectives of building cohesive communities and promoting rights and respecting diversity.

A range of Departmental initiatives for 2003-04 give practical effect to strengthening communities by bringing together people and place, enabling them to get involved in their communities (through sport, employment or other social and community activities), feel connected, and make a valuable contribution to society. Initiatives include:

- implementation of a range of sporting initiatives which seeks to increase participation in sport by increasing access, building the capacity of sporting organisations and facilitating the upgrade or establishment of state, regional and suburban sporting facilities. These initiatives will build on, and bring a new dimension to, the role sport plays in bringing together people and place and building stronger, more active communities;

- following announcement of the whole-of-Games budget, facilitating more detailed planning for the 2006 Commonwealth Games with other agencies, leading to the development and execution of Memoranda of Understanding, and commencement of a range of sporting and urban infrastructure projects to support the Games' sporting and cultural programs. A key element of maximising the legacy of the Games is the volunteering strategy, which aims to increase the scope and diversity of volunteering in Victoria;
- expanded and new investment to encourage participation and engagement in cultural and social activities through extending the Victorian Multicultural Commission's dedicated community grants program and investing in Community Centres. The delivery of these initiatives will improve community access to a range of services and information and encourage local participation in a range of community activities;
- continued and new investment in a range of employment programs that aim to assist designated groups in the community to secure and retain employment. Employment encourages and supports people to get involved in their communities, feel connected and make a valuable contribution to society. The delivery of these programs will also create and enhance partnerships with local government and community organisations around shared policy and service delivery objectives;
- new incentives and support for a range of programs designed to increase Victoria's share of skilled and business immigrants. Delivery of these programs will reduce targeted regional economic disadvantage and skill shortages through direct assistance to employers and migrants, additional English language training and housing assistance. Regional rejuvenation resulting from these programs will enhance the opportunity for communities to create resilient and confident environments. Delivery of these programs will also enhance partnerships with local government and community organisations; and
- the successful FReeZA youth cultural program will be extended by strengthening the development of young people's skills in organising and participating in music entertainment events. Access to the youth development program will also be extended to all government secondary schools over the next four years. This program will encourage young people to volunteer with leading community organisations and participate in leadership programs that encourage community service. Both of these programs encourage young people to become more involved in, and connected to, their community.

Output information

The following outputs were transferred from the Department of Tourism, Sport and the Commonwealth Games (DTSCG) as a result of the machinery of government changes announced in December 2002:

- Racing component of Sport and Recreation Industry Development to Department of Justice (DOJ);
- Tourism Marketing and Event Facilitation to Department of Innovation, Industry and Regional Development (DIIRD); and
- Tourism Industry and Infrastructure Development to DIIRD.

The following outputs were transferred to the Department for Victorian Communities as a result of the machinery of government changes:

- Sport and Major Event Facilitation from DTSCG;
- Sport and Recreation Industry Development from DTSCG;
- Sport and Recreation Facility Development from DTSCG;
- Melbourne 2006 Commonwealth Games from DTSCG;
- Commonwealth Games Coordination from DTSCG;
- Youth Policy Coordination from Department of Education and Training (DE&T) ;
- Services to Youth from DE&T;
- Local Government Sector Development from Department of Infrastructure (DOI);
- Governance Support from DOI;
- Grants Funding for Public Libraries and Other Local Government Services from DOI;
- Policy and Labour Market Advice from DIIRD;
- Community Employment Programs from DIIRD;
- Business Employment Programs from DIIRD;
- Migrant Employment Services from DIIRD;
- Registration of Births, Deaths and Marriages from DOJ;
- Indigenous Community Building from Department of Natural Resources and Environment (DNRE) ;
- Reconciliation Through Partnerships of Government and Aboriginal Communities from DNRE;
- Address Dispossession of Aboriginal Land and Culture from DNRE;
- Multicultural Affairs from Department of Premier and Cabinet (DPC) ;

- Women's Policy from DPC;
- Community Support Fund from DPC; and
- Public Record component of the Arts Portfolio Agencies from DPC.

The Department has revised its 2002-03 output structure as follows:

| Existing Output (2002-03) | New Output (2003-04) |
|--|---|
| Local Government Sector Development | Local Government Sector Development |
| Governance Support | |
| Grants Funding for Public Libraries and other Local Government Services | |
| Sport and Major Event Facilitation | Sport and Recreation Sector Development |
| Sport and Recreation Industry Development | |
| Sport and Recreation Facility Development | |
| Melbourne 2006 Commonwealth Games | Commonwealth Games |
| Commonwealth Games Coordination | |
| Policy and Labour Market Advice | Employment Programs |
| Community Employment Programs | |
| Business Employment Programs | |
| Migrant Employment Services | |
| Indigenous Community Building | Indigenous Community and Cultural Development |
| Reconciliation through partnerships of Government and Aboriginal Communities | |
| Address Dispossession of Aboriginal Land and Culture | |
| Youth Policy Coordination | Youth Programs |
| Youth Programs | |
| Multicultural Affairs | Multicultural Affairs |
| Women's Policy | Women's Policy |
| Community Support Fund | Community Building |
| Registration of Births, Deaths and Marriages | Information Services |
| Government Information Services and Support | |
| Arts Portfolio Agencies (partial) | |

The 2003-04 output statements reflect the 2003-04 output structure of the department. 2002-03 outputs and performance measures are integrated into this new structure.

The following section provides details of the outputs to be provided to Government, including performance measures and costs for each output. The table below summarises the total cost of outputs. The output costs shown in the table have been calculated on an accrual basis in accordance with generally accepted accounting principles.

In the output performance tables, a 2003-04 target showing 'na' indicates that the relevant measure will be discontinued after 30 June 2003. The 2002-03 target and expected outcome are based on full year targets, while the corresponding output costs are for the six month period from 1 January 2003 to 30 June 2003. The 2002-03 Target and Expected Outcome are based on full year targets, while the corresponding output costs are for the 6 month period from 1 January 2003 to 30 June 2003.

Table 2.10.1: Output summary

(\$ million)

| | 2002-03 Adjusted ^(a) | 2002-03 Revised ^(b) | 2003-04 Budget ^(c) |
|---|------------------------------------|-----------------------------------|----------------------------------|
| Supporting Local Government | 9.3 | 9.3 | 33.0 |
| Sport, Recreation and the Commonwealth Games | 96.3 | 96.3 | 158.2 |
| People, Community Building and Information Services | 87.5 | 87.5 | 166.6 |
| Total | 193.1 | 193.1 | 357.8 |

Source: Department of Treasury and Finance

Notes:

- (a) The 2002-03 Adjusted Budget reflects the six month impact of the machinery of government changes and is not directly comparable to the 2003-04 Budget
- (b) DVC expects to fully expend its revised budget for the 2002-03 financial year.
- (c) The total estimated output cost for 2003-04 is lower than the total in the statement of financial performance because the output costs include appropriation plus the net movement in trust fund balances while the statement of financial performance reflects all revenue and expense transactions.

Supporting Local Government

This output ensures that the system of local government is based on quality services to communities, collaborative partnerships, effective infrastructure and good governance through the principles of efficiency, effectiveness and accountability.

This output makes a significant contribution to the achievement of the following objective:

- create partnerships with local government and community agencies around shared policy and service delivery objectives within *Growing Victoria Together* including an enhanced role for local government as both a deliverer of services and as an auspice for delivery of services by community agencies.

The development of collaborative partnerships and quality local service delivery directly links to the *Growing Victoria Together* outcome of building cohesive communities and reducing inequalities.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Local Government Sector Development

Provide support for enhancing the performance of local government by building and sustaining effective partnerships and developing initiatives aimed at ensuring best value and continuous improvement in service delivery, sustainability of infrastructure support, community accountability and compliance with National Competition Policy requirements. Administer the grants for specialist programs delivering public library services, interpreting and translation services.

Quantity

| | | | | | |
|--|----------|----|-----|-----|-----|
| Review Councils' compliance with National Competition Policy | number | 78 | 78 | 78 | 79 |
| Best Value principles implementation: Councils meet established requirements | per cent | 85 | 100 | 100 | 100 |
| Funding administered for library construction or refurbishment: Projects funding completed | number | 10 | 10 | 10 | 10 |
| Councils with properly structured and functioning audit committees | per cent | 98 | 100 | 100 | 100 |
| Funding and service agreements for public library services reviewed and updated | number | 44 | 44 | 44 | 44 |

Quality

| | | | | | |
|--|----------|-----|-----|-----|-----|
| Councils meet Performance Measurement and Management Reporting System requirements | per cent | 100 | 100 | 100 | 100 |
| Councils complying with National Competition Policy requirements | per cent | 100 | 100 | 100 | 100 |
| Meetings held by Best Value Commission with Councils | number | 6 | 4 | 4 | 4 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Legislative framework for the Local Government Act 1989 to agreed standards. | per cent | 100 | 100 | 100 | 100 |
| Stakeholder satisfaction with grants administration | per cent | 85 | 85 | 85 | 85 |
| <i>Timeliness</i> | | | | | |
| Projects delivered in accordance with agreed scope and timelines | per cent | 100 | 100 | 100 | 100 |
| Council annual reports lodged within statutory timeframes | per cent | 86 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | 9.3 | 9.3 | 33.0 |

Source: Department for Victorian Communities

Sport, Recreation and the Commonwealth Games

These outputs seek to enhance community participation and engagement in sport and recreation activities through both the provision of opportunities for physical activity and the maximisation of benefits arising from hosting the 2006 Commonwealth Games.

These outputs also seek to support the development of elite sport participation in Victoria and the conduct and attraction of major sporting events.

These outputs make a significant contribution to the achievement of the following objectives:

- showcase the 2006 Commonwealth Games as an event with lasting community benefits;
- bring together a variety of special interests 'people' and 'place based' funding programs across Government; and
- generate social capital by promoting volunteer, cooperative and community involvement.

The promotion of physical activity and community participation and engagement directly links to the *Growing Victoria Together* outcome of building cohesive communities and reducing inequalities.

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Sport and Recreation Sector Development

Provide strategic leadership for the sport and recreation sector. Provide funding, coordination and facilitation services that generate investment in developing, improving and extending sport and recreation facilities throughout Victoria at all levels.

Quantity

| | | | | | |
|---|----------|-----|--------|--------|------|
| International teams/sports: Sports Visitations facilitated | number | 430 | 200 | 250 | 250 |
| World Masters Games 2002 – participants: Event participants | number | nm | 16 000 | 24 805 | na |
| Key industry organisations providing strategic advice to Government | number | 5 | 4 | 4 | 4 |
| Combat sports licences and permits issued | number | na | 250 | 300 | 250 |
| Athletes on Victorian Institute of Sport scholarships | number | 466 | >450 | 480 | >450 |
| Percentage of Victorian Institute of Sport scholarship holders on national teams/squads | per cent | 40 | >55 | 55 | >55 |
| State level facilities: Investigated | number | 4 | 2 | 3 | 2 |
| State level facilities: Being designed or constructed | number | 4 | 3 | 5 | 7 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Minor works facilities funded (CSF) | number | 173 | 160 | 160 | 160 |
| Major capital work projects funded | number | 16 | >5 | 5 | >5 |
| Aquatic facility projects funded (CSF) | number | 16 | 10 | 10 | 10 |
| Major Events facilitated | number | 11 | 8-10 | 15 | 8-10 |
| Community Sport and Recreation organisations undertaking projects/activities | number | 74 | 60 | 54 | 80 |
| Community Facility Projects | number | 46 | 20-40 | 28 | 20-40 |
| <i>Quality</i> | | | | | |
| Delivery of an approved business plan for each event incorporating appropriate operational, marketing plan and financial information | per cent | nm | 100 | 100 | 100 |
| Completion of ongoing operational and budget reports for each event | per cent | nm | 100 | 100 | 100 |
| Government branding and promotion requirements undertaken at each event | per cent | nm | 100 | 100 | 100 |
| Outdoor Recreation Camps contract management KPIs met | per cent | 75 | >75 | 75 | >75 |
| <i>Timeliness</i> | | | | | |
| Completion of appropriate post event reports and formal economic impact assessment (where required) at the completion of each event | per cent | nm | 100 | 100 | 100 |
| Awards conducted | date | Aug 2001 | Sept 2002 | Sept 2002 | Sept 2003 |
| Melbourne and Olympic Park: First phase completed | date | na | May 2003 | May 2003 | na |
| Melbourne and Olympic Park: Second phase completed | date | nm | nm | nm | qtr 4 |
| Melbourne and Olympic Park: Training velodrome construction completed | date | na | Jun 2003 | qtr 3 2003-04 | qtr 3 |
| International Lawn Bowls Centre: Under construction | date | na | Jun 2003 | Jun 2003 | na |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Expansion of Melbourne Sports and Aquatic Centre/ Sports House (MSAC): Construction commenced | date | na | Feb 2003 | qtr 1 2003-04 | qtr 1 |
| Kardinia Park - Skilled Stadium: Design completed | date | nm | nm | nm | qtr 1 |
| Melbourne Cricket Ground: Stage 3 and 4 Works commence | date | nm | nm | nm | qtr 3 |
| State Volleyball Centre: Design completed | date | nm | nm | nm | qtr 4 |
| Cost | | | | | |
| Total output cost | \$ million | na | 72.3 | 72.3 | 82.4 |
| Commonwealth Games | | | | | |
| Provision of planning, development, coordination and management services by the Office of Commonwealth Games Coordination with Melbourne 2006 Commonwealth Games Pty Ltd to ensure the successful preparation and staging of the 2006 Commonwealth Games in Melbourne. | | | | | |
| Quantity | | | | | |
| M2006 Progress reports submitted | number | na | 4 | 4 | 6 |
| Whole of Games Progress Reports submitted | number | nm | nm | nm | 4 |
| Timeliness | | | | | |
| Manchester Commonwealth Games observed | date | nm | Aug 2002 | Aug 2002 | na |
| Athlete Village contract negotiated | date | nm | Oct 2002 | Oct 2002 | na |
| Commonwealth Games budget developed | date | nm | Dec 2002 | Dec 2002 | na |
| International tourism promotion commenced | date | nm | Jan 2003 | Jul 2002 | na |
| Athletes' Village construction commenced | date | nm | Feb 2003 | qtr 2 2003-04 | qtr 2 |
| Legislative amendment drafted | date | nm | May 2003 | Mar 2003 | na |
| Memoranda of Understanding agreed with relevant agencies | date | nm | nm | nm | qtr 4 |
| Cost | | | | | |
| Total output cost | \$ million | na | 24.0 | 24.0 | 75.7 |

Source: Department for Victorian Communities

People, Community Building and Information Services

These outputs involve the provision of policies, services and information to the community that emphasise a joined up approach to government service provision. They provide specialist research, advice and information on employment opportunities and whole-of-government approaches to ensure effective economic, social, environmental and cultural outcomes for all Victorian communities.

These outputs make a significant contribution to the achievement of the following objectives:

- to be a listening post in the community in relation to opportunities for improved service delivery and emerging needs and improve the range and quality of information from Government available to communities;
- to generate social capital by promoting volunteer, cooperative and community involvement including a greater role for corporates in community development; and
- to bring together a variety of special interests 'people' and 'place based' funding programs across Government and develop innovative incentives for Departments to pool effort in planning and delivering at a local level.

Individual outputs directly link to the *Growing Victoria Together* outcomes of building cohesive communities and reducing inequalities, promoting rights and respecting diversity and Government that listens and leads.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Employment Programs

Work in partnerships with the community and industry to assist individuals in designated groups to secure and retain employment, increase the skills of the Victorian workforce in line with industry requirements, increase regional skills development and strengthen communities. State employment programs aim to identify skill needs and opportunities in Victoria's labour market and develop and deliver initiatives to meet these needs. State employment programs target marginalised jobseekers who suffer multiple disadvantage in securing employment. Marginalised jobseekers include long-term unemployed; young people not in education and training; low skilled people; people from cultural and linguistic diverse backgrounds; mature age people; and indigenous people.

Quantity

| | | | | | |
|---|--------|----|--------|--------|-------|
| Community Jobs Program – commencements | number | na | 2 300 | 1 905 | 875 |
| Community Business Employment Program – placements made | number | na | 10 000 | 10 000 | na |
| Government Youth Employment Scheme – apprenticeships and traineeship commenced | number | na | 650 | 650 | 650 |
| Go for IT – apprenticeship and traineeship commencements | number | na | 370 | 370 | na |
| Overseas Qualifications Unit – client services provided (by phone, in person or in writing) | number | na | 4 200 | 4 200 | 4 200 |

| | | | | | |
|--------------------------|--|--|-----------------------|--|-----|
| Budget Estimates 2003-04 | | | Victorian Communities | | 403 |
|--------------------------|--|--|-----------------------|--|-----|

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Skilled Migration Unit – services provided to migrants and employers | number | na | 5 000 | 11 000 | 5 950 |
| Youth Employment Link (YEL) – number of website hits and telephone enquiries | number | na | 150 000 | 350 000 | 250 000 |
| CRISP - Number of projects that address skill shortages and gaps in labour supply | number | nm | nm | nm | 20 |
| Jobs for Young People - apprenticeships and traineeships commenced | number | nm | nm | nm | 275 |
| <i>Quality</i> | | | | | |
| Community Jobs Program – participants who are in employment, education or training three months after leaving program | per cent | na | 60 | 60 | 60 |
| Community Business Employment Program – participants retained for 13 weeks | per cent | na | 80 | 80 | na |
| Government Youth Employment Scheme – participants who complete and are in employment, education or training three months after completion | per cent | na | 80 | 80 | 80 |
| Private Sector Skills Development Program and Go for IT – participants who complete and are in employment, education or training three months after completion | per cent | na | 80 | 80 | 80 |
| Overseas Qualifications Unit – client satisfaction with services provided | per cent | na | 90 | 90 | 90 |
| Skilled Migration Unit – client satisfaction with services provided | per cent | na | 80 | 80 | 80 |
| Stakeholder satisfaction on policy and labour market advice | per cent | nm | >90 | >90 | >90 |
| <i>Timeliness</i> | | | | | |
| Labour market information reports (monthly) produced and distributed within three working days | per cent | 100 | >90 | >90 | >90 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Labour market information requests responded to within specified timeframes | per cent | nm | >90 | >90 | >90 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | 32.4 | 32.4 | 36.2 |

Indigenous Community and Cultural Development

Work in partnership with Victorian Aboriginal communities and their organisations to increase participation in partnerships with Government and build their capacity to deliver programs and services which meet the needs of indigenous Victorians. Develop whole-of-government policies promoting community-led partnerships of Aboriginal communities and Government agencies. Increase understanding and respect for Aboriginal culture within the broader community and promote Aboriginal community control of the protection and management of Aboriginal heritage and cultural property.

Quantity

| | | | | | |
|---|--------|----|-----|-------|-----|
| Koori community fund grants approved | number | nm | 10 | 10 | 10 |
| Heritage training activities addressing community identified priority issues | number | nm | 8 | 18 | 8 |
| Annual Aboriginal Affairs report tabled in Parliament | number | nm | 1 | 1 | 1 |
| Meetings of the Premier's Aboriginal Advisory Council and the Victorian Aboriginal Affairs Coordinating Committee supported | number | nm | 10 | 10 | 10 |
| Formal consultations with Aboriginal communities on whole-of-government issues | number | nm | 4 | 4 | na |
| Heritage projects jointly developed and carried out with Aboriginal communities | number | nm | 10 | 10 | 5 |
| Verified records added to heritage data base | number | nm | 600 | 1 200 | 600 |
| Community managed organisations funded to provide cultural heritage services | number | nm | 6 | 6 | 6 |
| Formal consultations with Aboriginal communities on Aboriginal land and cultural heritage management issues | number | nm | 10 | 10 | na |
| Aboriginal community organisations receiving grant funding for community building | number | nm | 28 | 24 | 28 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Formal consultations with Aboriginal communities concerning community building and cultural heritage management activities and government issues | number | nm | 65 | 65 | 80 |
| Whole-of-government related policies developed | number | nm | 3 | 3 | 2 |
| <i>Quality</i> | | | | | |
| Maximum proportion of Ministerial briefs returned for clarification | per cent | nm | 5 | 5 | na |
| Proportion of Indigenous Family Violence Community Initiatives Fund grants endorsed by Indigenous Family Violence Task Force | per cent | nm | 90 | 90 | 90 |
| <i>Timeliness</i> | | | | | |
| Ministerial briefs provided within specified timelines | per cent | nm | 95 | 95 | na |
| High priority cyclical building maintenance works completed within stipulated time frames | per cent | nm | 100 | 100 | 100 |
| Proportion of Community Infrastructure feasibility studies completed within agreed time | per cent | nm | 75 | 75 | 75 |
| Ministerial briefs completed within stipulated time frames | per cent | nm | 95 | 95 | na |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | 9.3 | 9.3 | 14.6 |

Youth Programs

Develop and coordinate whole-of-government information and advice on issues of youth policy. Develop and manage targeted programs and services for young people aged between 12 and 25 years.

Quantity

| | | | | | |
|--|----------|-----|-----|-----|-----|
| Regional Youth Committees | number | 15 | 15 | 15 | 15 |
| Ministerial Youth Round Tables | number | 4 | 4 | 4 | na |
| Youth Services Program grants allocated | per cent | nm | 100 | 100 | 100 |
| Schools participating in the Advance Youth Development Program (previously known as Victorian Youth Development Program) | number | 176 | 176 | 176 | 176 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Youth websites total page impressions | number | 155 335 | 330 000 | 228 000 | 230 000 |
| FReeZA: Funded agencies rural and regional | number | 34 | 33 | 37 | 37 |
| FReeZA: Funded agencies metropolitan | number | 26 | 27 | 32 | 32 |
| FReeZA: Event attendance | number | 97 549 | 130 000 | 100 000 | 130 000 |
| Number of young people attending FreeZA Central intensive workshops | number | nm | nm | nm | 500 |
| Young people participating in the Advance Youth Development Program (previously known as Victorian Youth Development Program) | number | 5 775 | 5 775 | 5 900 | 5 900 |
| <i>Quality</i> | | | | | |
| Executive satisfaction that services received meet relevant quality standards | per cent | nm | 90 | 90 | 90 |
| Use of Youth Services Program grants monitored | per cent | nm | 100 | 100 | 100 |
| Young people completing the Advance Youth Development Program (previously known as Victorian Youth Development Program) | per cent | nm | nm | nm | 75 |
| <i>Timeliness</i> | | | | | |
| Youth Services Program grants allocated by target date | per cent | nm | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | 5.8 | 5.8 | 12.0 |

Multicultural Affairs

Through the Victorian Office of Multicultural Affairs, coordinate the provision of policy advice and the whole-of-government approach to Multicultural Affairs, and coordinate the monitoring of Government departments' responsiveness to Victorians from non-English speaking backgrounds. Through the Victorian Multicultural Commission, provide independent advice to Government on multicultural affairs and strategic grants to community organisations.

Quantity

| | | | | | |
|--|--------|-----|-----|-----|-----|
| Number of briefs | number | 599 | 600 | 600 | 600 |
| Number of language services projects implemented | number | nm | 4 | 10 | 10 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| VMC grants funds allocated | per cent | 100 | 100 | 100 | 100 |
| Consultations and forums with community groups | number | 54 | 45 | 55 | 55 |
| <i>Quality</i> | | | | | |
| Client satisfaction with briefs provided | per cent | 100 | 100 | 100 | 100 |
| ECCV funds allocated according to agreed priorities | per cent | 100 | 100 | 100 | 100 |
| Use of grants monitored | per cent | 100 | 100 | 100 | 100 |
| Commitments for community engagement processes, grants and project funds fully met | per cent | nm | nm | nm | 100 |
| <i>Timeliness</i> | | | | | |
| Cabinet submissions and briefing requests met by due-by date | per cent | 95 | 95 | 95 | 95 |
| Grants allocated by target date | per cent | 100 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | 3.5 | 3.5 | 6.7 |
| Women's Policy | | | | | |
| Provide strategic whole-of-government policy advice on key issues of concern to women by working across government to inform policies, programs and services available to women. | | | | | |
| <i>Quantity</i> | | | | | |
| Number of briefs and responses to correspondence | number | 499 | 250 | 725 | 700 |
| Women attending consultation forums/summit | number | 400 | 400 | 400 | 400 |
| <i>Quality</i> | | | | | |
| Client satisfaction with advice provided | per cent | 100 | 100 | 100 | 100 |
| Participant satisfaction with consultation forums | per cent | 85 | 85 | 85 | 85 |
| <i>Timeliness</i> | | | | | |
| Cabinet submissions and briefing requests met by due date | per cent | 100 | 100 | 100 | 100 |
| Finalisation of the charter for better balance of work and family | date | nm | nm | nm | Nov 2003 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | 1.0 | 1.0 | 2.3 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Information Services

Improve the range, quality and availability of information from Government to Victorians, foster active dialogue between the Government and communities and facilitate information sharing between communities.

Quantity

| | | | | | |
|---|----------|---------|---------|---------|---------|
| Discretionary revenue | \$'000 | 2 790 | 2 400 | 3 280 | 2 400 |
| Develop Information resource products, standards and guidelines in response to identified Government requirements | per cent | 85 | 85 | 85 | 90 |
| Information Victoria public contact per contact officer per day | number | nm | 30 | 34 | 34 |
| Visitors/users (PROV) | number | 302 353 | 390 000 | 315 000 | 320 000 |

Quality

| | | | | | |
|---|----------|-----|-----|-----|-----|
| Registration transaction error rate | per cent | 0.8 | 0.9 | 0.7 | 0.9 |
| Electronic records maintained in accordance with PROV standards | per cent | nm | 13 | 13 | 13 |
| Client/stakeholder satisfaction | per cent | 85 | 85 | 85 | 90 |

Timeliness

| | | | | | |
|--|----------|----|----|-----|-----|
| Timely provision of public information | per cent | 90 | 90 | 90 | 95 |
| Timely provision of certificates - BDM | per cent | 90 | 80 | >85 | >85 |
| Agency service delivery time benchmarks met: Public Record Office Victoria – Information requests serviced within published timeframes | per cent | 95 | 95 | 95 | 95 |

Cost

| | | | | | |
|-------------------|------------|----|------|------|---------------------|
| Total output cost | \$ million | na | 11.5 | 11.5 | 29.5 ^(a) |
|-------------------|------------|----|------|------|---------------------|

Community Building

Implement whole-of-government strategies which strengthen the capacity of communities and generate shared educational, social, economic, cultural, and environmental benefits. Manage the Community Support Fund and Office of Community Building through the provision of advice to the Government.

Quantity

| | | | | | |
|---|----------|-----|-----|-----|-----|
| Number of applications received | number | 203 | 210 | 220 | 90 |
| Proportion of applications approved | per cent | 46 | 35 | 35 | 35 |
| Projects monitored and evaluated against performance agreements | per cent | 100 | 100 | 100 | 100 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Quality</i> | | | | | |
| Projects delivered against performance benchmarks | per cent | 100 | 100 | 100 | 100 |
| <i>Timeliness</i> | | | | | |
| Satisfactory acquittals obtained for all projects | per cent | 100 | 100 | 100 | 100 |
| Grant reimbursement requests processed within seven working days | per cent | 100 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | na | 24.1 | 24.0 | 65.2 ^(b) |

Source: Department for Victorian Communities

Notes:

- (a) Increase between 2002-03 and 2003-04 reflects machinery of government transfer of Information Victoria and Public Record Office from the Department of Premier and Cabinet.*
- (b) Increase between 2002-03 and 2003-04 is due to the higher level of funding of initiatives from the Community Support Fund.*

PART 2: FINANCIAL INFORMATION

Part 2 provides the financial information that supports reporting on the Department's provision of outputs. The information provided includes the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows for the Department as well as authority for resources.

The total resources made available to a department are applied to three uses:

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

The financial statements are presented in the format consistent with the AAS29 accounting standard. However, for the purposes of this paper they have been divided into controlled and administered items.

Administered items refer to those resources over which the Department cannot exercise direct control. Authority is provided through an appropriation for payments made on behalf of the State. Under the AAS29 standard, these items would normally appear as notes to the financial statements.

Financial Statements

The following tables can be used to assess the Department's financial performance and use of resources.

- **Table 2.10.2 – Statement of Financial Performance** – provides details of the Department's controlled revenue and expenses on an accrual basis reflecting the cost of providing its outputs;
- **Table 2.10.3 – Statement of Financial Position** – shows all controlled assets and liabilities of the Department. The difference between these represents the net assets position, which is an indicator of the State's equity in the Department;
- **Table 2.10.4 – Statement of Cash Flows** – shows all movements of cash (cash received and paid). The cash impact of financing and investing activities on Departmental resources is highlighted in this statement; and
- **Table 2.10.5 – Administered Items Statement** – provides details of the Department's administered revenue and expenses, and its administered assets and liabilities.

For the purposes of the Budget, the financial information for the Department includes consolidated financial information for the following portfolio entities:

- Community Support Fund;
- Victorian Multicultural Commission; and
- Victorian Institute of Sport.

Operating Performance

The Statement of Financial Performance for the Department for Victorian Communities reflects significant machinery of government changes announced by the Government in December 2002, details of which are provided on page 11.

The Department's Statement of Financial Performance indicates an estimated deficit position for 2003-04 of \$63.4 million. This deficit results from the draw down of funds previously accumulated in the Community Support Fund for community projects in the 2003-04 financial year. The Community Support Fund itself is not in deficit as a result.

The largest component of DVC's revenue is output appropriation provided by the State Government. Most of this will be applied in the provision of a range of grants to external organisations.

The projected increase in operating revenues and expenses from 2002-03 is due to programs transferred to DVC in machinery of government changes announced in December 2002. These programs include the Community Support Fund, Aboriginal Affairs, Multicultural Affairs, Youth Affairs, Women's Affairs, Office of Community Building and Local Government Divisions.

Balance Sheet Performance

The Department's net asset position has increased due to the transfer of assets and liabilities associated with machinery of government changes announced in December 2002.

Non-current assets will also increase as a result of additional asset investment. New investment for 2003-04 includes:

- Commonwealth Games Village: \$9 million;
- MCG Athletics Track: \$2 million;
- Sport and Recreation Residential Camps: \$3.6 million; and
- Completion of the Victorian Electronic Records Strategy: \$3 million.

Statement of Cash Flows

DVC's cash position shows an increase from 2002-03. This is due to the draw down of accumulated funds in the Community Support Fund and a capital injection of \$22 million for the Melbourne Sports and Aquatic Centre, partly offset by a decline in receipts from other entities.

Administered Items Statement

Transactions administered by DVC on behalf of the State include:

- National Competition Policy payments to Local Government;
- Local Government Assistance and Road Grants;
- Anzac Day racing proceeds;
- Grants to disabled sporting groups; and
- Births Deaths and Marriages regulatory fees.

With the exception of ANZAC Day proceeds and grants to disabled sporting groups, all other administered items were transferred to the Department following the December 2002 machinery of government changes.

Table 2.10.2: Statement of Financial Performance^(a)

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(b) | 2002-03 Revised | 2003-04 Budget |
| Revenue from ordinary activities | | | | | |
| Output Appropriations | .. | .. | 138.3 | 180.7 | 294.4 |
| Special Appropriations | .. | .. | .. | .. | .. |
| Resources received free of charge or for nominal consideration | .. | .. | 144.5 | 145.2 | .. |
| Sale of goods and services | .. | .. | 1.7 | 1.7 | .. |
| Commonwealth Grants | .. | .. | .. | .. | .. |
| Taxes | .. | .. | .. | .. | .. |
| Fines and Fees | .. | .. | .. | .. | .. |
| Other revenue and revenue from other parties | .. | .. | 71.9 | 63.1 | 121.9 |
| | .. | .. | 356.4 | 390.7 | 416.3 |
| Expenses from ordinary activities | | | | | |
| Employee benefits | .. | .. | 26.7 | 29.3 | 45.0 |
| Depreciation and amortisation | .. | .. | 2.8 | 2.8 | 6.5 |
| Resources provided free of charge or for nominal consideration | .. | .. | .. | 0.7 | .. |
| Grants and other payments | .. | .. | 130.8 | 190.2 | 384.1 |
| Capital asset charge | .. | .. | 3.1 | 3.1 | 5.6 |
| Supplies and services | .. | .. | 31.6 | 43.7 | 38.4 |
| Other expenses from ordinary activities | .. | .. | .. | .. | .. |
| Borrowing costs | .. | .. | .. | .. | .. |
| | .. | .. | 194.9 | 269.8 | 479.7 |
| Result from ordinary activities | .. | .. | 161.5 | 121.0 | (63.4) |
| Loss from extraordinary items | .. | .. | .. | .. | .. |
| Net result for the reporting period | .. | .. | 161.5 | 121.0 | (63.4) |
| Net increase in asset revaluation reserve | .. | .. | .. | .. | .. |
| Total revenues, expenses and revaluation adjustments recognised directly in equity | .. | .. | .. | .. | .. |
| Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner | .. | .. | 161.5 | 121.0 | (63.4) |

Source: Department of Treasury and Finance

Note:

- (a) 2001-02 Actual and 2002-03 Budget data is not available, since this department was created through a machinery of government change announced by the Premier on 5 December 2002.
- (b) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.10.3: Statement of Financial Position^(a)

(\$ million)

| | Estimated as at 30 June | | | | |
|--------------------------------------|-------------------------|----------------|---------------------------------|-----------------|----------------|
| | 2002 Actual | 2003 Budget | 2003 Adjusted ^(b) | 2003 Revised | 2004 Budget |
| Current Assets | | | | | |
| Cash Assets | .. | .. | 26.1 | 26.1 | 48.2 |
| Other financial assets | .. | .. | 131.9 | 91.4 | 6.0 |
| Receivables | .. | .. | 5.0 | 5.0 | 5.0 |
| Inventories | .. | .. | 0.6 | 0.6 | 0.6 |
| Prepayments | .. | .. | 1.5 | 1.5 | 1.5 |
| Other | .. | .. | .. | .. | .. |
| Total current assets | .. | .. | 165.1 | 124.6 | 61.2 |
| Non-current assets | | | | | |
| Receivables | .. | .. | 14.1 | 14.1 | 12.4 |
| Inventories | .. | .. | .. | .. | .. |
| Other financial assets | .. | .. | .. | .. | 2.6 |
| Property, plant and equipment | .. | .. | 52.1 | 64.7 | 79.5 |
| Intangible assets | .. | .. | 0.3 | 0.3 | 0.3 |
| Other | .. | .. | 139.3 | 139.3 | 137.7 |
| Total non-current assets | .. | .. | 205.9 | 218.5 | 232.5 |
| Total assets | .. | .. | 371.0 | 343.1 | 293.7 |
| Current liabilities | | | | | |
| Payables | .. | .. | 4.0 | 4.0 | 4.0 |
| Interest bearing liabilities | .. | .. | .. | .. | .. |
| Provisions | .. | .. | 2.1 | 2.1 | 2.1 |
| Other | .. | .. | .. | .. | .. |
| Total current liabilities | .. | .. | 6.1 | 6.1 | 6.1 |
| Non-current liabilities | | | | | |
| Interest bearing liabilities | .. | .. | 0.1 | 0.1 | 0.1 |
| Provisions | .. | .. | 3.6 | 3.6 | 3.6 |
| Other | .. | .. | 0.3 | 0.3 | 0.3 |
| Amounts owing to other departments | .. | .. | .. | .. | .. |
| Total non-current liabilities | .. | .. | 4.0 | 4.0 | 4.0 |
| Total liabilities | .. | .. | 10.1 | 10.1 | 10.1 |
| Net assets | .. | .. | 360.8 | 332.9 | 283.6 |
| Equity | | | | | |
| Contributed capital | .. | .. | 176.1 | 188.7 | 202.7 |
| Reserves | .. | .. | .. | .. | .. |
| Accumulated surplus | .. | .. | 184.8 | 144.3 | 80.9 |
| Total Equity | .. | .. | 360.8 | 332.9 | 283.6 |

Source: Department of Treasury and Finance

Note:

- (a) 2001-02 Actual and 2002-03 Budget data is not available, since this department was created through a machinery of government change announced by the Premier on 5 December 2002.
- (b) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.10.4: Statement of Cash Flows^(a)

| | (\$ million) | | | | |
|---|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(b) | 2002-03 Revised | 2003-04 Budget |
| Cash flows from operating activities | | | | | |
| Receipts from Government | .. | .. | 191.5 | 274.4 | 381.6 |
| Receipts from other entities | .. | .. | 4.0 | 17.6 | 2.3 |
| Payments for supplies, grants and employees | .. | .. | (116.6) | (213.1) | (352.0) |
| | .. | .. | 78.9 | 78.9 | 31.8 |
| Interest received | .. | .. | (0.3) | (0.3) | 4.1 |
| Other revenue | .. | .. | 0.5 | 0.5 | .. |
| Capital asset charge | .. | .. | (3.1) | (3.1) | (5.6) |
| Borrowing costs expense | .. | .. | .. | .. | .. |
| Net cash inflow from operating activities | .. | .. | 76.1 | 76.1 | 30.3 |
| Cash flows from investing activities | | | | | |
| Payments for property, plant and equipment | .. | .. | (36.8) | (49.4) | (22.3) |
| Proceeds from sale of property, plant and equipment | .. | .. | .. | .. | .. |
| Payments for investments | .. | .. | (61.6) | (61.6) | .. |
| Proceeds from sale of business assets | .. | .. | .. | .. | .. |
| (Repayment of) loans by other entities | .. | .. | (131.8) | (131.8) | .. |
| Net cash (outflow) from investing activities | .. | .. | (230.2) | (242.8) | (22.3) |
| Cash flows from financing activities | | | | | |
| Net Proceeds from capital contribution by State Government | .. | .. | 180.2 | 192.8 | 14.0 |
| Net proceeds of borrowings | .. | .. | .. | .. | .. |
| Repayment of finance leases | .. | .. | .. | .. | .. |
| Net cash inflows (outflow) from financing activities | .. | .. | 180.2 | 192.8 | 14.0 |
| Net increase (decrease) in cash held | .. | .. | 26.1 | 26.1 | 22.1 |
| Cash at the beginning of the financial year | .. | .. | .. | .. | 26.1 |
| Cash at the end of the financial year | .. | .. | 26.1 | 26.1 | 48.2 |

Source: Department of Treasury and Finance

Note:

- (a) 2001-02 Actual and 2002-03 Budget data is not available, since this department was created through a machinery of government change announced by the Premier on 5 December 2002.
- (b) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.10.5: Administered Items Statement^(a)

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(b) | 2002-03 Revised | 2003-04 Budget |
| Administered revenue | | | | | |
| Appropriations - Payments made on behalf of the State | .. | .. | 3.3 | 3.3 | 17.2 |
| Special Appropriations | .. | .. | 69.2 | 46.8 | 115.5 |
| Resources received free of charge or for nominal consideration | .. | .. | .. | .. | .. |
| Sale of goods and services | .. | .. | 1.4 | 1.4 | 4.4 |
| Commonwealth grants | .. | .. | 163.8 | 163.8 | 351.1 |
| Other grants | .. | .. | 2.8 | 2.9 | 2.8 |
| Taxes | .. | .. | .. | .. | .. |
| Fines | .. | .. | .. | .. | .. |
| Fees | .. | .. | 2.1 | 2.1 | 2.2 |
| Other | .. | .. | .. | .. | .. |
| Total administered revenue | .. | .. | 242.7 | 220.3 | 493.2 |
| Administered expenses | | | | | |
| Expenses on behalf of the State | .. | .. | .. | 46.8 | 115.5 |
| Grants and other payments | .. | .. | 166.8 | 166.8 | 368.1 |
| Payments into the Consolidated Fund | .. | .. | 75.8 | 6.7 | 9.7 |
| Total administered expenses | .. | .. | 242.7 | 220.3 | 493.2 |
| Revenue less expenses | .. | .. | .. | .. | .. |
| Administered assets | | | | | |
| Cash assets | .. | .. | .. | .. | .. |
| Receivables | .. | .. | .. | .. | .. |
| Other financial assets | .. | .. | .. | .. | .. |
| Inventories | .. | .. | .. | .. | .. |
| Prepayments | .. | .. | .. | .. | .. |
| Property, plant and equipment | .. | .. | .. | .. | .. |
| Intangible assets | .. | .. | .. | .. | .. |
| Other | .. | .. | .. | .. | .. |
| Total administered assets | .. | .. | .. | .. | .. |
| Administered liabilities | | | | | |
| Payables | .. | .. | .. | .. | .. |
| Interest bearing liabilities | .. | .. | .. | .. | .. |
| Provisions | .. | .. | .. | .. | .. |
| Amounts owing to other departments | .. | .. | .. | .. | .. |
| Other | .. | .. | .. | .. | .. |
| Total administered liabilities | .. | .. | .. | .. | .. |

Source: Department of Treasury and Finance

Note:

- (a) 2001-02 Actual and 2002-03 Budget data is not available, since this department was created through a machinery of government change announced by the Premier on 5 December 2002.
- (b) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Authority for Resources

This section provides a summary of the sources of Parliamentary Authority available to the Department to fund the provision of outputs and additions to the net asset base.

Table 2.10.6: Parliamentary Authority for Resources

| | (\$ million) | | | |
|--|-------------------|------------------------------------|-----------------------------------|-------------------|
| | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised ^(b) | 2003-04 Budget |
| Annual appropriations | 108.6 | 152.0 | 207.0 | 345.3 |
| Receipts credited to appropriations | .. | 0.3 | 0.3 | 2.3 |
| Unapplied previous years appropriation | .. | .. | .. | .. |
| Accumulated surplus - previously applied appropriation | .. | .. | .. | .. |
| Gross Annual appropriation | 108.6 | 152.3 | 207.3 | 347.6 |
| Special appropriations | .. | 69.2 | 46.8 | 115.5 |
| Trust funds | .. | 164.3 | 164.3 | 355.0 |
| Total Parliamentary Authority | 108.6 | 385.8 | 418.4 | 818.1 |

Source: Department of Treasury and Finance

Notes:

- (a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.
- (b) The 2002-03 revised estimates include the impact of approved Treasurer's Advances.

Payments on behalf of the State

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. They are usually on-passed or administered by the State.

Table 2.10.7: Payments made on behalf of the State

| | (\$ million) | | | |
|--|-------------------|------------------------------------|--------------------|-------------------|
| Accounts | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Current grants | .. | 2.9 | 2.9 | 16.8 |
| Health Benefit Levy Transitional Payment to Racing Clubs | 4.0 | .. | .. | .. |
| Anzac Day administered trust | 0.4 | 0.4 | 0.4 | 0.4 |
| Total | 4.4 | 3.3 | 3.3 | 17.2 |

Source: Department of Treasury and Finance

Note:

- (a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

PARLIAMENT

PART 1: OUTLOOK AND OUTPUTS

Overview

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

The Legislative Council 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 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 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.

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 *Joint Services Department*. Their primary function is to service the two Houses and the Parliamentary Committees, as well as to provide administrative support for Members and electorate offices. The Departments endeavour to continually improve their services by reviewing and implementing improved practices.

The scrutiny and deliberative roles of the Parliament are enhanced by the system of 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 Departments of the Parliament endeavour to provide the optimal parliamentary environment for the conduct of representative government in Victoria. They do this by delivering apolitical, professional, and innovative services to Parliament in the interests of Victorians.

The Parliament's primary function is to act as the custodian of the processes that support the efficient, effective and equitable conduct of representative government in Victoria. To fulfil this function the Parliament aims to:

- ensure high levels of client service, particularly for Members of Parliament;
- develop and support its staff to produce highly skilled and motivated teams at all levels;
- be innovative in its operations, consistent with the aspirations of its clients;
- protect and enhance the heritage value of the Parliament's assets;
- review its performance rigorously; and
- operate according to its values.

Departmental objectives

The objectives of the Parliamentary Departments are:

- to provide quality advice, support and information services to Members and other clients;
- to develop and retain highly skilled and motivated people;
- to improve information management and parliamentary operations through innovative and practical technology based solutions;
- to ensure the optimal use of its physical resources; and
- to manage its departments effectively and efficiently.

Review of 2002-03

During 2002-03, Parliament conducted one regional sitting for the Legislative Council at Benalla.

In November 2002, the 54th Parliament closed and the 55th Parliament was elected.

Throughout 2002-03, the focus of the Parliament was on improving the security and facilities of the Parliament and electorate offices in order to assist the Parliamentary Departments and Members of Parliament to efficiently carry out their duties. The Parliament also implemented an upgrade to its information technology network, Parlynet 2002. The Parliamentary Library continued to improve its Electronic News Service.

The Legislative Council successfully completed its construction of additional office space and the Legislative Assembly successfully refurbished its chamber. The shopfront, parliament@157, on the ground floor of 157 Spring Street was opened and the Parliament now has a visible presence on both sides of Spring Street.

Outlook for 2003-04

During 2003-04, Parliament will continue to focus on improving the security and facilities of its buildings. A strategic facilities management development Plan for the Parliament will be produced.

The air conditioning project will continue. In 2003-04 Parliament will air condition the Opposition rooms, Hansard rooms and the Speaker's office.

Three additional committees that were established at the end of 2002-03 will be supported. These committees are:

- Education and Training Committee;
- Outer Suburban/Interface Services and Development Committee; and
- Rural and Regional Services and Development Committee.

With the redistribution of electoral boundaries some electorates no longer contain their Member's electorate office. Parliament will relocate these offices to ensure the relevant Member is located within their electorate.

Parliament will commence planning for the 150th anniversary of the introduction of democratic government in Victoria.

Parliament will also review the operation of the Catering Unit.

The Auditor-General's Office

The Auditor-General has complete discretion over the management and contracting of all external audits of public bodies and is independent from the Executive.

The Auditor-General's Office provides assurance to Parliament on the performance of public sector operations.

The higher level strategic drivers of the Auditor-General's Office include:

- attesting to financial and non-financial information;
- early examination of issues;
- provision of guidance and advice;
- focusing on value for money; and
- advancing good government.

Departmental objectives

The objectives of the Auditor-General's office are to:

- deliver value-adding reports and services to Parliament;
- undertake high quality independent audit activities; and
- meet the needs and expectations of our stakeholders.

Key strategic directions

As governments continually reassess their role in society, new and innovative approaches to policy making and service delivery methods are increasingly likely to involve the establishment of partnership arrangements. This evolving environment is also drawing agencies, non-government bodies, local government and the private sector into co-operative arrangements as a means of generating better outcomes. Such arrangements are directed towards service delivery that is seamless to the community, and as a result, require a robust governance framework that clearly defines responsibilities and accountabilities.

Associated with the above, government continues to emphasise the importance of maximising the benefits of 'eGovernment' with its focus on coordination and collaboration and development of shared databases and greater integration leading to a seamless service delivery environment. Information technology has improved the ability of public agencies to communicate, to share information and to enhance productivity and potentially to deliver improved quality services.

In the output performance tables, a 2003-04 target showing 'na' indicates that the relevant measure will be discontinued after 30 June 2003.

Output information

Table 2.11.1: Output summary

(\$ million)

| | 2002-03 Budget ^(a) | 2002-03 Revised | 2003-04 Budget |
|--|----------------------------------|--------------------|-------------------|
| Legislative Council | 9.6 | 13.6 | 13.1 |
| Legislative Assembly | 20.2 | 27.0 | 26.6 |
| Parliamentary Library | 2.0 | 2.4 | 2.4 |
| Parliamentary Debates | 2.4 | 2.5 | 2.5 |
| Parliamentary Investigatory Committees | 3.9 | 4.1 | 5.3 |
| Joint Services Department | 40.6 | 41.1 | 42.8 |
| Auditor General's Office | 24.0 | 24.0 | 23.3 |
| Total | 102.7 | 114.7 | 116.0 |

Source: Department of Treasury and Finance

Notes:

(a) 2002-03 output budget incorporates changes to output structure and organisational restructuring and therefore may differ from figures published in the 2002-03 Budget.

Legislative Council

This output involves the 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, provision of information relating to the proceedings of the Council and enhancement of public awareness of Parliament.

The output makes a significant contribution to the achievement of the following objectives of the Parliament:

- to provide quality advice, support and information services to Members and other clients;
- to improve information management and parliamentary operations through innovative and practical technology based solutions; and
- to ensure optimal use of our physical resources.

| <i>Major Outputs/Deliverables</i> Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|--------------------|-------------------|-------------------|--------------------------------|-------------------|
| Procedural Support, Documentation Preparation and Provision of Information | | | | | |
| <i>Quantity</i> | | | | | |
| House related documents produced | number | 137 | na | na | na |
| Papers tabled | number | 940 | na | na | na |
| Questions processed | number | 1 496 | na | na | na |
| Bills and amendments processed | number | 112 | na | na | na |
| Visitors received | number | 85 000 | na | na | na |
| Committee meetings serviced | number | 125 | na | na | na |
| Security audit requirements met a year | number | nm | 2 | 2 | 2 |
| Procedural References updated biannually | number | nm | 2 | 2 | 2 |
| <i>Quality</i> | | | | | |
| Constitutional, parliamentary and statutory requirements met | per cent | 100 | 100 | 100 | 100 |
| Accuracy of records of the Council prepared | per cent | 100 | na | na | na |
| Accuracy of procedural advice provided | per cent | 100 | na | na | na |
| Members' satisfaction with the quality of services provided in relation to the provision of information and documentation | level | high | na | na | na |
| Committee inquiries completed within budget | per cent | 100 | na | na | na |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Bills and amendments processed accurately through all relevant stages | per cent | nm | 100 | 100 | 100 |
| Member satisfaction with accuracy and timeliness of advice | per cent | nm | 80 | 80 | 80 |
| Visitors satisfaction with service quality in relation to tours of Parliament | per cent | nm | 80 | 80 | 80 |
| Timeliness | | | | | |
| Statutory and parliamentary deadlines met | per cent | 100 | na | na | na |
| Minutes and Notice Papers produced and made available within deadlines | per cent | 98 | na | na | na |
| Clients requests responded to within acceptable deadlines | per cent | 98 | na | na | na |
| Committee inquiries completed within deadlines | per cent | 100 | na | na | na |
| Parliamentary documents available one day after sitting day | per cent | nm | 98 | 98 | 98 |
| House documents tabled within time guidelines | per cent | nm | 90 | 90 | 90 |
| Cost | | | | | |
| Total output cost | \$ million | 11.8 | 9.6 | 13.6 | 13.1 |

Source: Parliament

Legislative Assembly

This output involves the provision of procedural advice to Members of the Legislative Assembly, processing of legislation, preparation of the records of the proceedings and documentation required for the sittings of the Assembly, provision of assistance to parliamentary committees, provision of information relating to the proceedings of the Assembly and enhancement of public awareness of Parliament.

The output makes a significant contribution to the achievement of the following objectives of the Parliament:

- to provide quality advice, support and information services to Members and other clients;
- to improve information management and parliamentary operations through innovative and practical technology based solutions; and
- to ensure optimal use of our physical resources.

| <i>Major Outputs/Deliverables</i> Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|--------------------|-------------------|-------------------|--------------------------------|-------------------|
| Procedural Support, Documentation Preparation and Provision of Information | | | | | |
| <i>Quantity</i> | | | | | |
| House related documents produced | number | 224 | na | na | na |
| Papers tabled | number | 1 487 | na | na | na |
| Questions processed | number | 646 | na | na | na |
| Bills and amendments processed | number | 117 | na | na | na |
| Visitors received | number | 85 000 | na | na | na |
| Committee meetings serviced | number | 242 | na | na | na |
| Security audit requirements met a year | number | nm | 2 | 2 | 2 |
| Procedural References updated biannually | number | nm | 2 | 2 | 2 |
| <i>Quality</i> | | | | | |
| Constitutional, parliamentary and statutory requirements met | per cent | 100 | 100 | 100 | 100 |
| Accuracy of records of the Assembly prepared | per cent | 100 | na | na | na |
| Accuracy of procedural advice provided | per cent | 100 | na | na | na |
| Members' satisfaction with the quality of services provided in relation to the provision of information and documentation | level | nm | na | na | na |
| Committee inquiries completed within budget | per cent | 100 | na | na | na |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Bills and amendments processed accurately through all relevant stages | per cent | nm | 100 | 100 | 100 |
| Member satisfaction with accuracy and timeliness of advice | per cent | nm | 80 | 80 | 80 |
| Visitors satisfaction with service quality in relation to tours of Parliament | per cent | nm | 80 | 80 | 80 |
| <i>Timeliness</i> | | | | | |
| Statutory and parliamentary deadlines met | per cent | 100 | na | na | na |
| Votes and Notice Papers produced and made available within deadlines | per cent | 100 | na | na | na |
| Clients requests responded to within acceptable deadlines | per cent | 100 | na | na | na |
| Committee inquiries completed within deadlines | per cent | 100 | na | na | na |
| Parliamentary documents available one day after sitting day | per cent | nm | 98 | 98 | 98 |
| House documents tabled within time guidelines | per cent | nm | 90 | 90 | 90 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 21.1 | 20.2 | 27.0 | 26.6 |

Source: Parliament

Parliamentary Library

These outputs involve the 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.

The outputs make significant contribution to the achievement of the following objectives of Parliament:

- to provide quality advice, support and information services to Members and other clients;
- to improve information management and parliamentary operations through innovative and practical technology based solutions; and
- to ensure optimal use of our physical resources.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|-----------------------------------|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Information Provision

Delivery of services whereby information is collated for a client in response to a specific request.

Quantity

| | | | | | |
|--------------------------------|--------|---------|-------|-------|-------|
| Service requests satisfied | number | 10 100 | 9 800 | 9 800 | 9 800 |
| Pages of information delivered | number | 118 000 | na | na | na |

Quality

| | | | | | |
|---|----------|----|----|----|----|
| Clients rating service as expected level or above | per cent | 82 | na | na | na |
| Questions successfully answered | per cent | 95 | 90 | 90 | 90 |
| MP users of library service as proportion of all MP's | per cent | nm | 80 | 80 | 80 |

Timeliness

| | | | | | |
|--|----------|----|----|----|----|
| Jobs completed within agreed client timeframes | per cent | 92 | 90 | 90 | 90 |
|--|----------|----|----|----|----|

Cost

| | | | | | |
|-------------------|------------|-----|-----|-----|-----|
| Total output cost | \$ million | 0.3 | 0.3 | 0.4 | 0.4 |
|-------------------|------------|-----|-----|-----|-----|

Information Access

Creation of services to enable clients to access information themselves.

Quantity

| | | | | | |
|-------------------------------|--------|--------|--------|--------|--------|
| Items processed for retrieval | number | 42 500 | 27 000 | 27 000 | 27 000 |
| In person Library visits | number | 92 100 | 73 000 | 73 000 | 73 000 |
| Searches on databases | number | 24 800 | na | na | na |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Electronic Hansard records processed | number | 48 000 | na | na | na |
| Visitor sessions on library intranet site | number | nm | 28 000 | 28 000 | 28 000 |
| <i>Quality</i> | | | | | |
| Availability of databases | per cent | 90 | na | na | na |
| Intranet clients who are repeat customers | per cent | nm | 80 | 80 | 80 |
| <i>Timeliness</i> | | | | | |
| Availability of Daily Hansard by 10am following day of sitting | per cent | 85 | na | na | na |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 1.2 | 1.2 | 1.3 | 1.3 |
| Research | | | | | |
| Provision of statistical, analytical and research briefings and publications in support or anticipation of Members' parliamentary responsibilities. | | | | | |
| <i>Quantity</i> | | | | | |
| Briefings provided | number | 80 | 140 | 140 | 140 |
| <i>Quality</i> | | | | | |
| Clients rating service at expected level or above | per cent | 82 | 80 | 80 | 80 |
| <i>Timeliness</i> | | | | | |
| Requests completed within agreed timeframe | per cent | 90 | 90 | 90 | 90 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 0.2 | 0.2 | 0.3 | 0.3 |
| Public Relations and Education | | | | | |
| Enabling citizen access to parliamentary processes through publishing key information online; involving young people in democratic system. | | | | | |
| <i>Quantity</i> | | | | | |
| PR brochures distributed | number | 43 700 | na | na | na |
| Student visitors to Parliament | number | 23 000 | na | na | na |
| Teachers provided with in-service training | number | 145 | 220 | 220 | 220 |
| Teacher consultancies provided | number | 251 | 600 | 600 | 600 |
| Eligible interns placed with Members | per cent | 100 | na | na | na |
| PR events hosted/facilitated | number | 17 | na | na | na |
| Budget Estimates 2003-04 | | Parliament | | | 429 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Members' guest visitors received | number | 456 | na | na | na |
| Visitor sessions on Parliament website | number | nm | 475 000 | 475 000 | 475 000 |
| Uptake of Student visitors places | per cent | nm | 80 | 80 | 80 |
| <i>Quality</i> | | | | | |
| Clients rating education service as satisfactory | per cent | 90 | 80 | 80 | 80 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 0.1 | 0.3 | 0.4 | 0.4 |

Source: Parliament

Parliamentary Debates (Hansard)

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; sessional 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.

The output makes significant contribution to the achievement of the following objectives of Parliament:

- to provide quality advice, support and information services to Members and other clients;
- to improve information management and parliamentary operations through innovative and practical technology based solutions; and
- to ensure optimal use of our physical resources.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Hansard, Sessional Indexes and Committee Transcripts | | | | | |
| <i>Quantity</i> | | | | | |
| Total number of printed pages | number | 17 373 | na | na | na |
| Parliamentary audio transmission up time | per cent | nm | 98 | 98 | 98 |
| <i>Quality</i> | | | | | |
| Accuracy and legibility of printed pages and appropriately edited transcript. | per cent | 100 | na | na | na |
| Accuracy of Hansard record | per cent | nm | 99 | 99 | 99 |
| Accuracy of Committee transcripts | per cent | nm | 99 | 99 | 99 |
| Accuracy of indexes to records of proceedings | per cent | nm | 99 | 99 | 99 |
| Audibility of parliamentary audio transmission | per cent | nm | 98 | 98 | 98 |
| Accuracy of extracts of speeches | per cent | nm | 99 | 99 | 99 |
| <i>Timeliness</i> | | | | | |
| Pages produced within agreed timeframe | per cent | 100 | na | na | na |
| PDF version of daily and weekly Hansard available on intranet and internet within agreed timeframe | per cent | 100 | na | na | na |
| Hansard record produced within specified time frame in hard, soft, internet and intranet formats | per cent | nm | 98 | 98 | 98 |

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Performance Measures | | | | | |
| Committee transcripts produced within specified timeframe | per cent | nm | 98 | 98 | 98 |
| Indexes to records of proceedings produced within specified timeframe | per cent | nm | 98 | 98 | 98 |
| Extracts of speeches produced within specified timeframe | per cent | nm | 98 | 98 | 98 |
| Cost | | | | | |
| Total output cost | \$ million | 2.3 | 2.4 | 2.5 | 2.5 |

Source: Parliament

Parliamentary Investigative Committees

Committees are appointed pursuant to the *Parliamentary Committees Act 1968* to inquire into matters either referred by the Governor-in-Council or the Parliament, or which may be self-generated by a Committee. Committees can be joint investigatory, specific purpose or select.

The output makes significant contribution to the achievement of the following objective of Parliament:

- to provide quality advice, support and information services to Members and other clients.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Reports Tabled and Papers Published | | | | | |
| <i>Quantity</i> | | | | | |
| Inquiry reports tabled per annum | number | nm | 8 | 8 | 10 |
| Discussion/Issues Papers published per annum | number | nm | 4 | 4 | 5 |
| <i>Quality</i> | | | | | |
| Committee Members satisfied with accuracy and timeliness of procedural and administrative advice | per cent | nm | 80 | 80 | 80 |
| Inquiry and Statutory Reports produced in compliance with statutory and legislative requirements | per cent | nm | 100 | 100 | 100 |
| <i>Timeliness</i> | | | | | |
| Statutory Reports tabled within statutory deadlines | per cent | nm | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | nm | 3.9 | 4.1 | 5.3 |

Source: Parliament

Joint Services

These outputs involve the provision of ancillary services, including human resource management, training services, information technology services, financial management, accounting services and property and facilities management to the Parliament of Victoria and electorate offices.

These outputs make significant contribution to the achievement of the following objectives of Parliament:

- to provide quality advice, support and information services to Members and other clients;
- to improve information management and parliamentary operations through innovative and practical technology based solutions; and
- to ensure optimal use of our physical resources.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Financial Management | | | | | |
| Provision of financial management and accounting services. | | | | | |
| <i>Quantity</i> | | | | | |
| Accounts processed | number | >30 000 | na | na | na |
| Financial reports produced | number | >2 600 | na | na | na |
| <i>Quality</i> | | | | | |
| Accounts paid within credit terms | per cent | 98 | na | na | na |
| <i>Timeliness</i> | | | | | |
| Reports prepared within required timelines | per cent | 98 | na | na | na |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 16.4 | na | na | na |
| Property Management | | | | | |
| Management of the property and service related issues of the State Electorate Offices. | | | | | |
| <i>Quantity</i> | | | | | |
| Leases current | number | 100 | na | na | na |
| <i>Quality</i> | | | | | |
| Electorate Offices property and infrastructure requests satisfactorily resolved | per cent | 88 | na | na | na |
| <i>Timeliness</i> | | | | | |
| Electorate Office fit-outs completed on time and within budget | per cent | 90 | na | na | na |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 11.7 | na | na | na |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|

Grounds and Facilities Maintenance

Maintenance of the grounds and facilities of Parliament of Victoria.

Quantity

| | | | | | |
|--|----------|----|----|----|----|
| Users rating grounds and facilities as excellent | per cent | 85 | na | na | na |
|--|----------|----|----|----|----|

Timeliness

| | | | | | |
|----------------------------------|----------|----|----|----|----|
| Users requests satisfied on time | per cent | 85 | na | na | na |
|----------------------------------|----------|----|----|----|----|

Cost

| | | | | | |
|-------------------|------------|-----|----|----|----|
| Total output cost | \$ million | 5.4 | na | na | na |
|-------------------|------------|-----|----|----|----|

Personnel Services

Provision of personnel services to the Parliament of Victoria and State Electorate Offices.

Quantity

| | | | | | |
|-------------------------------|--------|-------|----|----|----|
| Payroll adjustments processed | number | >7000 | na | na | na |
|-------------------------------|--------|-------|----|----|----|

Quality

| | | | | | |
|---|--------|----|----|----|----|
| Corrections required to salaries payments | number | 52 | na | na | na |
|---|--------|----|----|----|----|

Timeliness

| | | | | | |
|--|----------|----|----|----|----|
| Information requests satisfied within agreed timeframe | per cent | 95 | na | na | na |
|--|----------|----|----|----|----|

Cost

| | | | | | |
|-------------------|------------|-----|----|----|----|
| Total output cost | \$ million | 5.1 | na | na | na |
|-------------------|------------|-----|----|----|----|

Joint Services Department

Provision of Human Resources, Finance, Information Technology, Maintenance, Ground and Facility, consultancy, advisory and support service.

Quantity

| | | | | | |
|---|----------|----|-----|-----|-----|
| IT system up time | per cent | nm | 99 | 99 | 99 |
| Provision of fully resourced electorate offices outside of the parliamentary precinct | number | nm | 132 | 132 | 132 |

Quality

| | | | | | |
|---|----------|----|-----|-----|-----|
| Members, staff and officers satisfied or better with the services provide | per cent | nm | 70 | 70 | 70 |
| Payroll entries processed without error | per cent | nm | 95 | 95 | 95 |
| Requirements of conservation and heritage plans met | per cent | nm | 100 | 100 | 100 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|---|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| Reports prepared within required timelines | per cent | nm | 94 | 94 | 94 |
| Financial accounts paid within credit terms | per cent | nm | 98 | 98 | 98 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | nm | 40.6 | 41.1 | 42.8 |

Source: Parliament

Auditor-General's Office

The outputs of the Auditor-General's Office can be categorised under the following headings:

- *Parliamentary reports and services*

These outputs comprise reports to Parliament arising from the conduct of audits, providing advice to a range of parties on accounting and public accountability matters, responding to enquiries by members of Parliament and the public, and assistance to Parliament and international bodies; and

- *Audit reports on financial statements*

These outputs relate to the Auditor-General's statutory responsibility to undertake, on behalf of Parliament, an annual examination of the financial statements of departments and public bodies, and to express an audit opinion of the fair presentation of these financial statements.

The outputs make significant contribution to the achievement of the following objectives of the Auditor-General's Office:

- deliver value-adding reports and services to Parliament;
- undertake high quality independent audit activities; and
- meet the needs and expectations of our stakeholders.

| Major Outputs/Deliverables | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| Output Reports to be Tabled in Parliament | | | | | |
| <i>Quantity</i> | | | | | |
| Major audit reports | number | 12 | 14 | 15 | 15 |
| <i>Quality</i> | | | | | |
| Overall level of external satisfaction with audits | per cent | 80 | 80 | 80 | 80 |
| <i>Timeliness</i> | | | | | |
| Reports completed on time | per cent | 92 | 100 | 100 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 8.6 | 10.1 | 10.1 | 9.9 |
| Audit Reports on Financial Statements | | | | | |
| <i>Quantity</i> | | | | | |
| Audit opinions issued | number | 562 | 562 | 594 | 590 |
| <i>Quality</i> | | | | | |
| Overall level of external satisfaction with audits | per cent | 70 | 75 | 75 | 75 |

| Major Outputs/Deliverables Performance Measures | Unit of Measure | 2001-02 Actual | 2002-03 Target | 2002-03 Expected Outcome | 2003-04 Target |
|--|------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|
| <i>Timeliness</i> | | | | | |
| Audit opinions issued within statutory deadlines | per cent | 90 | 100 | 98 | 100 |
| Management letters and reports to Ministers issued within established timeframes | per cent | 89 | 100 | 75 | 100 |
| <i>Cost</i> | | | | | |
| Total output cost | \$ million | 13.5 | 13.9 | 13.9 | 13.4 |

Source: Parliament

PART 2: FINANCIAL INFORMATION

Part 2 provides the financial information that supports provision of outputs by the Parliamentary Departments and the Auditor-General's Office. The information provided includes the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows, as well as authority for resources.

The total resources made available to a department are applied to three uses:

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

The financial statements are presented in the format consistent with the AAS29 accounting standard. However, for the purposes of this paper they have been divided into controlled and administered items.

Administered items refer to those resources over which the Department cannot exercise direct control. Authority is provided through an appropriation for payments made on behalf of the State. Under the AAS29 standard, these items would normally appear as notes to the financial statements.

Financial Statements

The following tables can be used to assess the Department's financial performance and use of resources.

- **Table 2.11.2 – Statement of Financial Performance** – provides details of the Department's controlled revenue and expenses on an accrual basis reflecting the cost of providing its outputs;
- **Table 2.11.3 – Statement of Financial Position** – shows all controlled assets and liabilities of the Department. The difference between these represents the net assets position, which is an indicator of the State's equity in the Department;
- **Table 2.11.4 – Statement of Cash Flows** – shows all movements of cash (cash received and paid). The cash impact of financing and investing activities on Departmental resources is highlighted in this statement; and
- **Table 2.11.5 – Administered Items Statement** – provides details of the Department's administered revenue and expenses, and its administered assets and liabilities.

Operating performance

For the 2003-04 Budget, the Parliament of Victoria will maintain a balanced operating result.

As part of the *Parliamentary Salaries and Superannuation Act 1968*, a triennial actuarial investigation has resulted in the provision of funding to enable the superannuation fund to meet its liabilities. Supplementation has also been provided for salary agreements in regards to Members of Parliament, parliamentary officers and electorate officers.

Additional revenue has been received by the Parliament for the costs of the following initiatives announced as part of this Budget:

- the establishment of three new Joint Investigatory committees;
- the relocation of electorate offices as a result of a redistribution of seats at the last state election; and
- provision of increased security at the Parliament.

The Victorian Auditor-General's Office, the budget for which is incorporated into the statement on Table 2.11.2, does not reflect an anticipated increase in the cost of services provided. The growth in the cost of services is due to an increase in number of audits performed by the Office and a general increase in the audit service provider's costs. The latter is as a result of chartered accounting firms reassessing the level of work required on certain audits in light of the recent adverse publicity surrounding the financial collapse of high profile Australian and overseas corporations.

The Victorian Auditor-General's Office will have the ability to access a receipts retention agreement under section 29 of the *Financial Management Act 1994* to meet these cost pressures for the output *Audit Reports on Financial Statements*.

Investment and Financing

The main movements in the Statement of Cash Flows relate to supplementation to Parliament's superannuation amounts and additional Budget initiatives.

Balance Sheet Performance

Parliament's net asset position has remained stable from the 2002-03 Budget to the 2003-04 Budget. There has been a minor increase in fixed assets as a result of funding being received to fund the Parliament's asset investment program.

In relation to the Victorian Auditor-General's Office, it is expected that the payables position reported under the current liabilities will be considerably less in the next financial year, due to a new billing arrangement the Victorian Auditor-General's Office has with the audit service providers.

Table 2.11.2: Statement of Financial Performance

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Revenue from ordinary activities | | | | | |
| Output Appropriations | 69.7 | 78.8 | 78.8 | 80.9 | 82.2 |
| Special Appropriations | 25.7 | 23.8 | 23.8 | 33.8 | 33.8 |
| Resources received free of charge or for nominal consideration | .. | .. | .. | .. | .. |
| Sale of goods and services | 1.4 | .. | .. | .. | .. |
| Commonwealth Grants | .. | .. | .. | .. | .. |
| Taxes | .. | .. | .. | .. | .. |
| Fines and Fees | .. | .. | .. | .. | .. |
| Other revenue and revenue from other parties | 0.2 | .. | .. | .. | .. |
| | 97.1 | 102.6 | 102.6 | 114.7 | 116.0 |
| Expenses from ordinary activities | | | | | |
| Employee benefits | 57.5 | 56.7 | 56.7 | 69.7 | 69.7 |
| Depreciation and amortisation | 3.6 | 6.1 | 6.1 | 4.5 | 4.8 |
| Resources provided free of charge or for nominal consideration | .. | .. | .. | .. | .. |
| Grants and other payments | 0.5 | 0.5 | 0.5 | 1.0 | 0.5 |
| Capital asset charge | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| Supplies and services | 33.6 | 38.5 | 38.5 | 38.6 | 40.2 |
| Other expenses from ordinary activities | .. | .. | .. | .. | .. |
| Borrowing costs | .. | .. | .. | .. | .. |
| | 96.0 | 102.6 | 102.6 | 114.7 | 116.0 |
| Result from ordinary activities | 1.1 | .. | .. | .. | .. |
| Loss from extraordinary items | .. | .. | .. | .. | .. |
| Net result for the reporting period | 1.1 | .. | .. | .. | .. |
| Net increase in asset revaluation reserve | .. | .. | .. | .. | .. |
| Total revenues, expenses and revaluation adjustments recognised directly in equity | .. | .. | .. | .. | .. |
| Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner | 1.1 | .. | .. | .. | .. |

Source: Department of Treasury and Finance

Note:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.11.3: Statement of Financial Position

(\$ million)

| | <i>Estimated as at 30 June</i> | | | | <i>2004 Budget</i> |
|--------------------------------------|--------------------------------|------------------------|---|-------------------------|------------------------|
| | <i>2002 Actual</i> | <i>2003 Budget</i> | <i>2003 Adjusted ^(a)</i> | <i>2003 Revised</i> | |
| Current Assets | | | | | |
| Cash Assets | (0.4) | (0.4) | (0.4) | (0.4) | (0.4) |
| Other financial assets | .. | .. | .. | .. | .. |
| Receivables | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 |
| Inventories | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Prepayments | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Other | .. | .. | .. | .. | .. |
| Total current assets | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 |
| Non-current assets | | | | | |
| Receivables | 14.9 | 15.5 | 15.5 | 14.2 | 17.5 |
| Inventories | .. | .. | .. | .. | .. |
| Other financial assets | .. | .. | .. | .. | .. |
| Property, plant and equipment | 175.8 | 176.7 | 176.7 | 178.3 | 175.0 |
| Intangible assets | .. | .. | .. | .. | .. |
| Other | 8.9 | 8.9 | 8.9 | 8.9 | 8.9 |
| Total non-current assets | 199.6 | 201.1 | 201.1 | 201.3 | 201.4 |
| Total assets | 200.5 | 202.0 | 202.0 | 202.3 | 202.3 |
| Current liabilities | | | | | |
| Payables | 2.3 | 2.3 | 2.3 | 1.2 | 1.2 |
| Interest bearing liabilities | .. | .. | .. | .. | .. |
| Provisions | 3.0 | 3.1 | 3.1 | 3.1 | 3.1 |
| Other | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Total current liabilities | 5.7 | 5.8 | 5.8 | 4.7 | 4.7 |
| Non-current liabilities | | | | | |
| Interest bearing liabilities | .. | .. | .. | .. | .. |
| Provisions | 4.1 | 4.2 | 4.2 | 4.3 | 4.4 |
| Other | .. | .. | .. | .. | .. |
| Amounts owing to other departments | .. | .. | .. | .. | .. |
| Total non-current liabilities | 4.1 | 4.2 | 4.2 | 4.3 | 4.4 |
| Total liabilities | 9.8 | 10.0 | 10.0 | 8.9 | 9.0 |
| Net assets | 190.7 | 192.0 | 192.0 | 193.3 | 193.3 |
| Equity | | | | | |
| Contributed capital | 146.8 | 152.9 | 152.9 | 149.3 | 149.3 |
| Reserves | 38.1 | 38.1 | 38.1 | 38.1 | 38.1 |
| Accumulated surplus | 5.9 | 1.0 | 1.0 | 5.9 | 5.9 |
| Total Equity | 190.7 | 192.0 | 192.0 | 193.3 | 193.3 |

Source: Department of Treasury and Finance

Note:

(a) The 2002-03 adjusted estimates includes the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.11.4: Statement of Cash Flows

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Cash flows from operating activities | | | | | |
| Receipts from Government | 91.4 | 102.1 | 102.1 | 115.5 | 112.6 |
| Receipts from other entities | 1.6 | .. | .. | .. | .. |
| Payments for supplies, grants and employees | (90.2) | (95.5) | (95.5) | (110.2) | (110.3) |
| | 2.8 | 6.6 | 6.6 | 5.3 | 2.3 |
| Interest received | .. | .. | .. | .. | .. |
| Other revenue | (0.1) | .. | .. | .. | .. |
| Capital asset charge | (0.8) | (0.8) | (0.8) | (0.8) | (0.8) |
| Borrowing costs expense | .. | .. | .. | .. | .. |
| Net cash inflow from operating activities | 2.0 | 5.7 | 5.7 | 4.4 | 1.5 |
| Cash flows from investing activities | | | | | |
| Payments for property, plant and equipment | (6.7) | (7.0) | (7.0) | (7.0) | (1.5) |
| Proceeds from sale of property, plant and equipment | .. | .. | .. | .. | .. |
| Payments for investments | .. | .. | .. | .. | .. |
| Proceeds from sale of business assets (Repayment of) loans by other entities | .. | .. | .. | .. | .. |
| Net cash (outflow) from investing activities | (6.7) | (7.0) | (7.0) | (7.0) | (1.5) |
| Cash flows from financing activities | | | | | |
| Net Proceeds from capital contribution by State Government | 4.9 | 1.3 | 1.3 | 2.6 | .. |
| Net proceeds of borrowings | .. | .. | .. | .. | .. |
| Repayment of finance leases | .. | .. | .. | .. | .. |
| Net cash inflows (outflow) from financing activities | 4.9 | 1.3 | 1.3 | 2.6 | .. |
| Net increase (decrease) in cash held | 0.1 | .. | .. | .. | .. |
| Cash at the beginning of the financial year | (0.5) | (0.4) | (0.4) | (0.4) | (0.4) |
| Cash at the end of the financial year | (0.4) | (0.4) | (0.4) | (0.4) | (0.4) |

Source: Department of Treasury and Finance

Note:

(a) The 2002-03 adjusted estimates includes the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Table 2.11.5: Administered Items Statement

| | (\$ million) | | | | |
|--|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2001-02 Actual | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Administered revenue | | | | | |
| Appropriations - Payments made on behalf of the State | .. | .. | .. | .. | .. |
| Special Appropriations | .. | .. | .. | .. | .. |
| Resources received free of charge or for nominal consideration | .. | .. | .. | .. | .. |
| Sale of goods and services | 13.1 | 9.5 | 9.5 | 9.4 | 9.9 |
| Commonwealth grants | .. | .. | .. | .. | .. |
| Other grants | .. | .. | .. | .. | .. |
| Taxes | .. | .. | .. | .. | .. |
| Fines | .. | .. | .. | .. | .. |
| Fees | .. | .. | .. | .. | .. |
| Other | .. | .. | .. | .. | .. |
| Total administered revenue | 13.2 | 9.5 | 9.5 | 9.4 | 9.9 |
| Administered expenses | | | | | |
| Expenses on behalf of the State | .. | .. | .. | .. | .. |
| Grants and other payments | .. | .. | .. | .. | .. |
| Payments into the Consolidated Fund | 13.2 | 6.5 | 6.5 | 6.4 | 6.9 |
| Total administered expenses | 13.3 | 6.5 | 6.5 | 6.4 | 6.9 |
| Revenue less expenses | (0.1) | 3.0 | 3.0 | 3.0 | 3.0 |
| Administered assets | | | | | |
| Cash assets | .. | .. | .. | .. | .. |
| Receivables | 3.1 | 6.1 | 6.1 | 6.1 | 9.1 |
| Other financial assets | .. | .. | .. | .. | .. |
| Inventories | .. | .. | .. | .. | .. |
| Prepayments | .. | .. | .. | .. | .. |
| Property, plant and equipment | .. | .. | .. | .. | .. |
| Intangible assets | .. | .. | .. | .. | .. |
| Other | .. | .. | .. | .. | .. |
| Total administered assets | 3.1 | 6.1 | 6.1 | 6.1 | 9.1 |
| Administered liabilities | | | | | |
| Payables | .. | .. | .. | .. | .. |
| Interest bearing liabilities | .. | .. | .. | .. | .. |
| Provisions | .. | .. | .. | .. | .. |
| Amounts owing to other departments | .. | .. | .. | .. | .. |
| Other | .. | .. | .. | .. | .. |
| Total administered liabilities | .. | .. | .. | .. | .. |

Source: Department of Treasury and Finance

Note:

(a) The 2002-03 adjusted estimates includes the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Authority for Resources

This section provides a summary of the sources of Parliamentary Authority available to the Department to fund the provision of outputs and additions to the net asset base.

Table 2.11.6: Parliamentary Authority for Resources

| | (\$ million) | | | |
|--|-------------------|------------------------------------|-----------------------------------|-------------------|
| | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised ^(b) | 2003-04 Budget |
| Annual appropriations | 77.4 | 77.4 | 80.0 | 82.2 |
| Receipts credited to appropriations | .. | .. | .. | .. |
| Unapplied previous years appropriation | 2.7 | 2.7 | 3.5 | .. |
| Accumulated surplus - previously applied appropriation | .. | .. | .. | .. |
| Gross Annual appropriation | 80.2 | 80.2 | 83.5 | 82.2 |
| Special appropriations | 23.8 | 23.8 | 33.8 | 33.8 |
| Trust funds | .. | .. | .. | .. |
| Total Parliamentary Authority | 104.0 | 104.0 | 117.3 | 116.0 |

Source: Department of Treasury and Finance

Notes:

(a) The 2002-03 adjusted estimates includes the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

(b) 2002-03 Revised includes the impact of approved Treasurer's Advances.

STATEMENT 3

STATE REVENUE

STATE REVENUE

SUMMARY OF GENERAL GOVERNMENT SECTOR STATE REVENUE

In this Statement, state revenue includes both state-sourced revenue and Commonwealth grants. The point of comparison adopted in this statement is the 2003-04 budget estimate against the revised estimate for 2002-03.

As shown in Table 3.1, general government sector revenue and grants received are expected to increase by 0.5 per cent to \$26 598 million in 2003-04.

Table 3.1: General government sector revenue and grants received

| | (\$ million) | | | Change ^(a) | |
|----------------------------|-------------------|--------------------|-------------------|-----------------------|------------|
| | 2002-03 Budget | 2002-03 Revised | 2003-04 Budget | | % |
| Taxation | 8 802.7 | 9 345.6 | 9 593.2 | | 2.6 |
| Fines and regulatory fees | 554.0 | 550.9 | 637.2 | | 15.7 |
| Sale of goods and services | 2 049.9 | 2 021.8 | 2 047.2 | | 1.3 |
| Investment income | 1 061.6 | 1 231.0 | 895.9 | | - 27.2 |
| Other revenue | 1 060.0 | 1 356.0 | 1 176.9 | | - 13.2 |
| Grants received | 11 740.0 | 11 958.5 | 12 248.0 | | 2.4 |
| Total | 25 268.2 | 26 463.8 | 26 598.4 | | 0.5 |

Source: Department of Treasury and Finance

Note:

(a) Change between 2002-03 Revised and 2003-04 Budget.

Taxation revenue is projected to increase by 2.6 per cent in 2003-04 relative to the revised estimate for 2002-03. The growth in 2003-04 is lower than the expected growth in nominal gross state product (GSP). The low growth in taxation revenue in 2003-04 is due mainly to the expected moderation in property market activity, combined with the effects of the taxation changes announced in the 2003-04 Budget.

Fines and regulatory fees revenue is expected to increase by 15.7 per cent in 2003-04 compared to 2002-03. The increase largely reflects the next stage of road safety initiatives coming on-line.

Proceeds from the sale of goods and services are expected to increase by 1.3 per cent in 2003-04 compared to 2002-03.

Investment income is expected to decrease by 27.2 per cent to \$896 million in 2003-04, largely reflecting lower dividend distributions from the gas industry, water industry and public financial corporations.

Other revenue is expected to decrease by 13.2 per cent to \$1 177 million in 2003-04 where the decrease reflects a number of non-recurring revenues in 2002-03 including the forfeiture of the performance bond by National Express and commercial development agreements entered into by the Spencer Street Station Authority.

Commonwealth grants are expected to increase by 2.4 per cent in 2003-04 compared to 2002-03. General purpose grants are forecast to increase by 3.4 per cent, largely reflecting an increase in Victoria's share of the pool.

STATE SOURCED REVENUE

Taxation

This section describes the structure of the most significant items of taxation. Details of taxation estimates are shown in Table 3.2.

Payroll tax

Payroll tax is levied on taxable wages, which are defined to include salaries and wages, commissions, bonuses, allowances, remunerations, employer superannuation contributions, fringe benefits, payments to some contractors and payments to employment agencies for on-hired workers.

At present, payroll tax of 5.35 per cent is applicable to the payments of taxable wages in excess of the annual tax-free threshold of \$550 000. As part of the Government's *Building Tomorrow's Businesses Today* package the payroll tax rate will be reduced further to 5.25 per cent from 1 July 2003.

The Government introduced a payroll tax exemption for employers in respect of wages paid to workers taking maternity or adoption leave, with effect from 1 January 2003. The payroll tax exemption applies to all employed women taking maternity leave of up to 14 weeks. The exemption also includes adoption leave for a period of up to 14 weeks for both men and women. It applies to leave taken either before or after the birth or adoption and there is no specified minimum period of prior employment and no maximum wage restriction. Fringe benefits are excluded from the exemption to eliminate added complexity.

The payroll tax exemption for apprentices and trainees will be abolished for wages paid or payable on or after 1 July 2003 and the exemption will no longer apply for new apprenticeship and training courses commencing on or after 6 May 2003. The wages of apprentices and trainees currently enrolled in approved courses and group apprenticeship and traineeship schemes will continue to be exempt from payroll tax until 31 December 2003.

The projected 3.9 per cent increase in payroll tax revenue between 2002-03 and 2003-04 reflects expectations of continued strength in wages and employment growth with the underlying growth partly offset by the combined effect of the taxation policy changes.

Table 3.2: Taxation estimates

| (\$ million) | | | | |
|--|-------------------|--------------------|-------------------|----------------------------|
| | 2002-03 Budget | 2002-03 Revised | 2003-04 Budget | Change ^(a) % |
| Payroll tax | 2 710.1 | 2 628.0 | 2 730.0 | 3.9 |
| Taxes on property | | | | |
| Land tax | 611.4 | 653.9 | 767.8 | 17.4 |
| Land transfer duty | 1 590.0 | 2 102.2 | 1 855.1 | - 11.8 |
| Other property duty | 209.8 | 268.8 | 237.9 | - 11.5 |
| Debits tax | 249.3 | 250.7 | 249.5 | - 0.5 |
| Metropolitan improvement levy | 74.8 | 78.1 | 80.4 | 2.9 |
| Property owners contributions to fire brigades | 23.7 | 25.1 | 27.9 | 11.2 |
| Financial accommodation levy | 5.2 | 4.7 | 5.7 | 20.9 |
| Gambling taxes | | | | |
| Private lotteries | 270.8 | 292.2 | 314.0 | 7.5 |
| Electronic gaming machines | 972.7 | 826.4 | 895.6 | 8.4 |
| Casino | 111.0 | 96.1 | 103.9 | 8.1 |
| Racing | 97.5 | 100.1 | 103.3 | 3.2 |
| Other | 3.0 | 3.2 | 3.3 | 2.1 |
| Taxes on insurance | | | | |
| Non-life insurance | 433.5 | 486.8 | 540.9 | 11.1 |
| Life insurance | 14.0 | 17.4 | 18.4 | 5.5 |
| Compulsory third party | 95.0 | 100.4 | 109.2 | 8.8 |
| Insurance contributions to fire brigades | 247.3 | 252.1 | 282.1 | 11.9 |
| Motor vehicle taxes | | | | |
| Vehicle registration fees | 483.7 | 503.0 | 573.5 | 14.0 |
| Stamp duty on vehicle transfers | 465.6 | 496.9 | 517.3 | 4.1 |
| Other motor vehicle taxes | 101.5 | 100.7 | 113.3 | 12.5 |
| Other taxes, licences and levies | 32.8 | 59.0 | 64.1 | 8.6 |
| Total | 8 802.7 | 9 345.6 | 9 593.2 | 2.6 |

Source: Department of Treasury and Finance.

Note:

(a) Change between 2002-03 Revised and 2003-04 Budget.

Taxes on property

Land tax

Land tax is an annual tax assessed on the aggregated unimproved site value of taxable land owned by a landowner. There are several land tax exemptions including land that is used for primary production and land that is used as the landowner's principal place of residence.

From the 2003 land tax year, the Government extended the payment period for land tax liabilities from 8 to 15 weeks for lump sum payments, and from 12 to 26 weeks for instalment payments. The payment period extension provides relief to all land taxpayers and potentially benefits tenants who are paying land tax passed on to them by landlords.

The 2003 land tax assessments were based on the January 2000 general valuations adjusted by an indexation factor. The indexation factor, which was determined by the Valuer-General, reflected half of the aggregate movement in the site value of residential, commercial and industrial land between the general valuations of January 2000 and January 2002. In calculating the indexation factors, the Valuer-General disregards the value of land exempt as a principal place of residence.

The 2004 land tax assessments will be based on the January 2002 general valuation (that is, the site value as shown on 2002 council rate notices).

Table 3.3 shows the rates that apply to the year 2004 land tax assessments. Land tax revenue is expected to rise by 17.4 per cent to \$768 million in 2003-04. Revenue growth is being driven by strong increases in taxable unimproved site values, between January 2000 and January 2002, especially in the investor-owned residential sector. These increases largely reflect the buoyant property market.

Table 3.3: Land tax rates

| <i>Unimproved value (\$)</i> | <i>2004 Land tax payable</i> |
|----------------------------------|---|
| Up to \$149 999 | Nil |
| \$150 000 – \$199 999 | \$150 plus 0.1% for each dollar over \$150 000 |
| \$200 000 – \$539 999 | \$200 plus 0.2% for each dollar over \$200 000 |
| \$540 000 – \$674 999 | \$880 plus 0.5% for each dollar over \$540 000 |
| \$675 000 – \$809 999 | \$1 555 plus 1.0% for each dollar over \$675 000 |
| \$810 000 – \$1 079 999 | \$2 905 plus 1.75% for each dollar over \$810 000 |
| \$1 080 000 – \$1 619 999 | \$7 630 plus 2.75% for each dollar over \$1 080 000 |
| \$1 620 000 – \$2 699 999 | \$22 480 plus 3.0% for each dollar over \$1 620 000 |
| \$2 700 000 and over | \$54 880 plus 5.0% for each dollar over \$2 700 000 |

Source: Land Tax Act 1958.

Duty on financial transactions

Duty on land transfers

Duty is payable on instruments of transfer involved in the change of ownership of land. The rates of duty are shown in Table 3.4.

Table 3.4: Duty on land transfers

| <i>Value of property transferred</i> | <i>Duty payable</i> |
|--------------------------------------|---|
| Up to \$20 000 | 1.4% of the value of the property |
| \$20 001 – \$115 000 | \$280 plus 2.4% of the value in excess of \$20 000 |
| \$115 001 – \$870 000 | \$2 560 plus 6.0% of the value in excess of \$115 000 |
| \$870 001 and over | 5.5% of the value of the property |

Source: Duties Act 2000.

A full concession is available to families purchasing their first home and concession card holders for the purchase of homes valued up to \$150 000 and a partial concession on homes valued between \$150 000 and \$200 000.

For purchases ‘off-the-plan’, duty is based on the value of work completed at the time of entering into the contract, as opposed to the total value of the project at the time of occupation. This concession is unique to Victoria.

Revenue is forecast to decrease by 11.8 per cent to \$1 855 million in 2003-04 as transaction volumes moderate to more sustainable levels.

The Government has provided additional funding to the State Revenue Office for compliance staff to reduce the avoidance of land transfer duty on high value conveyances (defined as those where the dutiable value is \$1 million or more).

Other property duty

Duty on other property is detailed in Table 3.5.

Table 3.5: Other property duty

| | <i>(\$ million)</i> | | | |
|-----------------------|---------------------------|----------------------------|---------------------------|-----------------------------------|
| | <i>2002-03 Budget</i> | <i>2002-03 Revised</i> | <i>2003-04 Budget</i> | <i>Change^(a) %</i> |
| Marketable securities | .. | 10.0 | .. | - 100.0 |
| Mortgages/debentures | 152.0 | 199.6 | 175.7 | - 12.0 |
| Rental business | 51.4 | 51.0 | 53.7 | 5.5 |
| Other miscellaneous | 6.4 | 8.2 | 8.5 | 3.7 |
| Total | 209.8 | 268.8 | 237.9 | - 11.5 |

Source: Department of Treasury and Finance.

Note:

(a) *Change between 2002-03 Revised and 2003-04 Budget.*

Duty on marketable securities

The remaining duty on unlisted marketable securities was abolished from 1 July 2002. Revenue in 2002-03 reflected a carryover from 2001-02.

Duty on mortgages/debentures

Duty is payable on the issue of all mortgages, which are secured against real or personal property in Victoria. There is an exemption for loan refinancing.

The duty payable depends on the amount secured by the document. A flat \$4 is paid when the amount secured does not exceed \$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.

Mortgage duty revenue is expected to decline by 12.0 per cent in 2003-04 relative to the revised estimate for 2002-03 reflecting moderation in property market activity in 2003-04.

As part of the Government's *Better Business Taxes* package, duty on mortgages will be abolished from 1 July 2004.

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. The rate of duty is 0.75 per cent of gross rental income. Hire purchase agreements are also subject to rental business duty with exemptions for some categories of commercial vehicles and farm machinery.

Other miscellaneous duties

This category includes receipts from minor duties such as duty on declarations of trust over property other than land, which is currently set at \$200, and duty on the sale of certain livestock with revenue directed to a trust fund relating to disease control.

Debits tax

Debits tax is levied on debits to accounts with a cheque facility. The duty is imposed on all debits of \$1 or more to such accounts, not simply debits made by way of a cheque. Table 3.6 below outlines the rate structure.

Table 3.6: Debits tax rates

| <i>Debit Range</i> \$ | <i>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.

Under the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations*, debits tax will cease to apply by 1 July 2005, subject to review by the Ministerial Council on Commonwealth-State Financial Relations.

Metropolitan improvement levy

The rate of the levy is set each year with regard to expected disbursements from the Parks and Reserves Trust Account and also with regard to the inflation rate, hence revenue growth is lower than underlying growth in the value of land. The revenue is earmarked for expenditure on metropolitan parks and gardens by the Department of Sustainability and Environment.

Property owners contribution to fire brigades

Municipal councils whose districts are within or partly within the metropolitan area serviced by the metropolitan fire brigade are required, pursuant to section 37 of the *Metropolitan Fire Brigades Act 1958*, to contribute 12.5 per cent of the Metropolitan Fire Brigade's statutory contribution budget allocation.

Revenue is expected to increase by 11.2 per cent in 2003-04 reflecting an anticipated increase in costs. Additional expenditure includes necessary investment in communications infrastructure and counter-terrorism response capacity.

Financial accommodation levy

The financial accommodation levy applies to government owned entities declared by the Governor-in-Council to be leviable authorities for the purposes of the *Financial Management Act 1994*. Financial accommodation is defined in the *Borrowing and Investment Powers Act 1987*, and typically includes debt instruments such as loans, promissory notes, bills of exchange and finance leases. As a result of government ownership or a government guarantee, an entity may be able to borrow at a lower interest rate than it would if it were to borrow without the benefit of government ownership and/or guarantee. The purpose of the financial accommodation levy is to remove the competitive advantage that

government entities may experience in borrowing. The levy is determined using a credit rating approach to assess the competitive advantage a government business enterprise receives in interest cost savings due to government ownership. The levy is consistent with the competitive neutrality principles as prescribed by the National Competition Policy framework.

Gambling taxes

Gambling taxes are imposed on private lotteries, electronic gaming machines, the casino, the racing industry, and some other minor forms of gambling.

More than 85 per cent of the Government's tax revenues from these forms of gambling are transferred by standing appropriation to the Hospitals and Charities Fund and the Community Support Fund.

Gambling taxes are expected to grow by 7.7 per cent (\$102 million) in 2003-04. The main contributor to the growth will be an increase in revenue from electronic gaming machines. Following the substantial decline in activity after the smoking bans were introduced in September 2002, it is estimated that a modest recovery will occur as the behaviour of gamblers adjusts to the impact of the smoking bans.

Casino revenue is expected to also recover from the more limited impact of the smoking ban on its operations.

Private lottery revenue is expected to increase in line with the full-year effect of the game price increase that occurred in December 2002.

Private lotteries

Lotteries in Victoria are conducted by Tattersalls, a private sector organisation, operating under a licence issued pursuant to the *Public Lotteries Act 2000*.

Under the Act the tax rates that apply include 58.41 per cent of player loss in respect of the Tipstar AFL footy tipping competition, 57.52 per cent of player loss on soccer pools and 79.40 per cent of player loss on all other public 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 collects and remits taxes on behalf of these jurisdictions.

Electronic gaming machines (EGMs)

Tattersalls and TABCORP are licensed to operate up to 27 500 EGMs in hotels and clubs throughout Victoria. This excludes the 2 500 gaming machines located in Crown Casino.

Under the *Gaming Machine Control Act 1991*, not less than 87 per cent of turnover must be returned to players as prizes. Tax is assessed on the net cash balance of the operators, the difference between the amounts bet and the amounts paid out in prizes. The net cash balance is split between the venue operator, the gaming operator and the Government. In the case of clubs, the gaming operators and the venues each receive 33.33 per cent. Of the balance, the GST accounts for 9.09 per cent with the State Government receiving the remaining 24.24 per cent. In the case of hotels, the net cash balance is similarly divided up except that the venue operator's share is 25 per cent, with 8.33 per cent being directed to the Community Support Fund.

Under a licence fee agreement, Tattersalls pays an additional 7 per cent of its net cash balance to the Government.

A levy of \$1 533 applies to each of the 30 000 electronic gambling machines operating in Victoria. The levy is payable by the three gaming operators and raises \$46 million per year which is directed to the Hospitals and Charities Fund.

Casino

The total tax rate on ordinary players in Crown Casino is 22.25 per cent and on commission-based players it is 10 per cent. This includes a levy of 1 per cent of gross gaming revenue payable by the casino operator. This levy, known as the Community Benefits Levy, is used to finance public health services through a 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 required to be paid out as winnings to players. Amounts paid out as winnings on casino table games are determined by the rules of the individual games.

From 1 July 2000 the Government varied its agreement with the casino operator in order to provide the casino with a credit for GST payable to the Commonwealth against casino taxes payable to the Victorian Government. It was not feasible to reduce casino tax rates to accommodate the GST as was done with other gambling taxes because the revenue base for GST purposes is not identical to the revenue base used for calculating state taxation.

Racing taxes

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.

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 payout from investments in all totalisators in any financial year cannot be less than 84 per cent. The tax rate is 19.11 per cent of the amount of commission deducted. The Government also receives 19.11 per cent of fractions, whereby fractions of 10 cents in a dividend calculation are rounded down to the nearest five cents.

Other gambling

Other gambling taxes consist principally of:

- club keno, where gross gaming revenue is split equally between the Government (with the GST accounting for 9.09 per cent and the State Government receiving 24.24 per cent), the venues and the operators. The payout rate to players is 75 per cent;
- permit fees for raffles, bingo and trade promotions; and
- a tax payable on approved betting competitions (sports betting) at a rate of 10.91 per cent of net investments.

Taxes on insurance

Non-life insurance

Duty is payable on the value of premiums including GST at a rate of 10 per cent on general insurance business conducted in or outside Victoria which relates to any property, risk, contingency or event in the State. Exemptions from 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.

Revenue from non-life insurance is expected to increase by 11.1 per cent to \$541 million in 2003-04. Insurance premiums for some risk categories (for example, public liability and professional indemnity) have risen substantially over the past two years while household and motor vehicle insurance premiums have shown more moderate growth.

The reasons for the strong growth in premiums between 2002-03 and 2003-04 include the fact that the current market cycle of the insurance industry is approaching its peak. Premiums are very cyclical with recent hardening occurring due to the collapse of HIH and have increased in response to both economic and commercial factors.

Life insurance

Duty is payable on life insurance policies for the sum insured. Revenue is expected to increase by 5.5 per cent to \$18 million in 2003-04.

Duty on compulsory third party premiums

Duty is also payable on the value of compulsory third party premiums at a rate of 10 per cent. Revenue grows in line with growth in vehicle numbers, the normal CPI increase, and an increase in premium arising from expected changes to GST legislation by the Commonwealth that take effect from 1 July 2003. Revenue is expected to increase by 8.8 per cent to \$109 million in 2003-04.

Insurance contributions to fire brigades

Insurance companies are required to make contributions towards the availability of the two fire services in Victoria. Currently Victoria, like New South Wales, funds fire services through an insurance based funding model. However insurance companies generally recover their contributions through an insurance industry fire services levy imposed on premiums from policyholders.

The level of required contributions by insurance companies to the operating expenses of the Victorian fire services is prescribed under section 37 of the *Metropolitan Fire Brigades Act 1958* (75.0 per cent) and section 76 of the *Country Fire Authority Act 1958* (77.5 per cent). The remainder of the operating expenses is met through state government and municipal council contributions and direct charges by the brigades for attending fires on behalf of property owners who elect to not insure their properties and also from other services.

Revenue is expected to increase by 11.9 per cent in 2003-04 reflecting an anticipated increase in costs. Additional expenditure includes necessary investment in communications infrastructure and counter-terrorism response capacity.

Motor vehicle taxes

Motor vehicle tax revenue is expected to rise by 9.4 per cent in 2003-04. Growth primarily reflects the one-off increase in motor vehicle registration fees, enhanced monitoring by VicRoads of the use of concession cards when registering vehicles, and an increase in the number of vehicles registered.

Motor vehicle registration fees

From 1 July 2003, the base motor vehicle registration fee will increase from \$140 to \$157.

Ongoing annual indexation will be applied to the base motor vehicle registration fee.

The increase in the base motor vehicle registration fee will carry through to the fee level of most vehicle categories such as motor cycles, primary producer vehicles and trailers. The new fees relevant to all vehicle categories will be announced by VicRoads.

The indexation from 1 July 2003 of fees set by regulation means that motor vehicle transfer fees will also increase from that date.

VicRoads will enhance its efforts in monitoring the appropriate application of the motor vehicle registration concession. The Government waives the motor vehicle registration fee for holders of a pensioner card, a health care card or a gold repatriation health card. The concession is limited to one vehicle per concession card.

Motor vehicle duty

Duty is levied on the transfer and registration of motor vehicles, motorcycles and trailers in Victoria. The duty is levied on the market value or purchase price (whichever is greater) of the vehicle, at a progressive rate on new passenger vehicles, and at a flat rate for other vehicles. The rate scale is shown in Table 3.7.

Table 3.7: Duty on motor vehicles

| <i>Market value of vehicle</i> | <i>Duty payable</i> |
|---|---|
| For a passenger car not previously registered: | |
| \$ | |
| 0 - 35 000 | \$5.00 per \$200 or part thereof on entire price |
| 35 001 - 45 000 | \$8.00 per \$200 or part thereof on entire price |
| 45 001 or more | \$10.00 per \$200 or part thereof on entire price |
| Non-passenger vehicles and motor cycles, not previously registered | \$5.00 per \$200 or part thereof on entire price |
| For a vehicle which has been previously registered, regardless of where | \$8.00 per \$200 or part thereof on entire price |

Source: Duties Act 2000.

The exemption for incapacitated persons is being expanded from 1 July 2003 to include vehicles that are specially converted, constructed or modified to allow transportation of at least one occupied wheelchair. The new category will cover vehicles registered by incapacitated persons, their guardians, government bodies, municipalities or charitable organisations.

The Government is also reducing the duty payable on the registration of a vehicle by a disabled person where the vehicle is modified or converted to enable the disabled person to drive the vehicle. For vehicles acquired on or after 1 July 2003, the duty normally payable will be reduced by the cost of the modification or conversion and the benefit of the concession cannot exceed the duty otherwise payable.

Other motor vehicle taxes

Other motor vehicle taxes are expected to increase by \$13 million (12.5 per cent) to \$113 million in 2003-04. The increase principally reflects the bunched pattern of renewal of ten-year licences.

Drivers' licence fees

From 1 July 2003, ten-year and three-year drivers' licence fees will be indexed annually. Ongoing indexation reduces the need for large one-off increases in the future. VicRoads will announce the new driver licence fees.

The indexation of fees set by regulation from 1 July 2003 means that police and learner fees will also increase from that date.

Road transport and maintenance taxes

This item consists of miscellaneous fees and charges administered by VicRoads, including 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.

Other taxes on the use of goods and services

The items in this category are the landfill levy, which is aimed at reducing the volume of non-recyclable waste disposed of at Victorian landfills, concession fees payable by Transurban in respect of Melbourne City Link, and minor liquor licence fees.

Fines and regulatory fees

Revenue from fines and regulatory fees is expected to rise by \$86 million (15.7 per cent) to \$637 million in 2003-04.

Table 3.8: Fines and regulatory fees

| | (\$ million) | | | |
|------------------------|-------------------|--------------------|-------------------|----------------------------|
| | 2002-03 Budget | 2002-03 Revised | 2003-04 Budget | Change ^(a) % |
| Fines | | | | |
| Police fines | 336.6 | 326.6 | 427.5 | 30.9 |
| Court and other fines | 55.6 | 55.6 | 55.9 | 0.5 |
| Total fines | 392.3 | 382.3 | 483.4 | 26.5 |
| Regulatory fees | 161.8 | 168.7 | 153.8 | - 8.8 |
| Total | 554.0 | 550.9 | 637.2 | 15.7 |

Source: Department of Treasury and Finance.

Note:

(a) Change between 2002-03 Revised and 2003-04 Budget.

Fines

Revenue from fines, which is expected to increase by \$101 million (26.5 per cent) in 2003-04, is mainly derived from revenue related to traffic offences. This includes revenue from traffic infringement notices, the operations of the Traffic Camera Office and from payment of penalties imposed by the courts.

Fines revenue is expected to increase due to the next stage of road safety initiatives coming on-line. These initiatives include flash-less, fixed site and point-to-point camera technology that will be installed at identified danger areas.

Fines revenue will also increase as a result of the indexation of some fines set by regulation from 1 July 2003.

Regulatory fees

Fees from regulatory services are levies that are associated with the granting of a permit to engage in a particular activity or to regulate that activity. Regulatory fees in aggregate are forecast to decline by \$15 million (8.8 per cent) in 2003-04, reflecting minor changes in a number of regulatory fee items.

The overall decline in regulatory fees is partially offset by the indexation of some fees set by regulation from 1 July 2003.

Sale of goods and services

Revenue from this source reflects those activities of departments where goods and services are sold to other parties. Examples of these activities include fees paid to TAFE institutes for courses that they provide, car parking fees received by hospitals, visitor fees at national parks and fees collected by courts and tribunals for processing legal documents.

As reported in Table 3.1, revenue from the sale of goods and services is estimated to increase by \$25 million (1.3 per cent) in 2003-04 compared to the revised estimate of \$2 022 million for 2002-03. The growth partly reflects the indexation of fees set by regulation from 1 July 2003.

Investment revenue

Investment revenue includes interest, royalties, dividends and other investment income. Dividends and other investment income consists primarily of the dividends and income tax and rate equivalent payments made to the State by government business enterprises.

Table 3.9 contains information on the estimates of investment revenue in 2003-04 and the change in revenue compared to the 2002-03 revised estimate. Investment revenue is expected to decrease by \$335 million (27.2 per cent) compared to the 2002-03 revised estimate.

Table 3.9: Investment revenue

| | (\$ million) | | | Change ^(a) | |
|--|-------------------|--------------------|-------------------|-----------------------|---------------|
| | 2002-03 Budget | 2002-03 Revised | 2003-04 Budget | | % |
| Dividends | 406.5 | 577.7 | 273.1 | - | 52.7 |
| Income tax and rate equivalent revenue | 106.4 | 139.6 | 148.7 | | 6.5 |
| Interest | 338.1 | 318.0 | 287.7 | | - 9.5 |
| Royalties | 41.4 | 53.7 | 44.9 | | - 16.3 |
| Rents | 16.6 | 15.0 | 15.3 | | 2.5 |
| Other | 152.7 | 127.1 | 126.1 | | - 0.8 |
| Total | 1 061.6 | 1 231.0 | 895.9 | | - 27.2 |

Source: Department of Treasury and Finance.

Note:

(a) Change between 2002-03 Revised and 2003-04 Budget.

Dividends

The payment of dividends by government business enterprises recognises that equity capital has alternative uses and therefore an appropriate return should be paid to the State for its investment in these enterprises. Because of the absence of contestable capital and equity market disciplines for government business enterprises compared with those faced by private sector firms, a commercial dividend policy with two broad benchmarks is applied. For enterprises under the tax equivalent regime, the relevant benchmark dividend payout rate is 50 per cent

of after-tax profit (where the effective rate of tax payable is not significantly different from the prima facie corporate tax rate). For other government business enterprises, including those not under the tax equivalent regime, a secondary benchmark payout rate of total distributions to the Government of 65 per cent of pre-tax profit is applicable.

Dividends are set each year with reference to the relevant benchmark and to other commercial considerations, including retained earnings, gearing, interest cover and cash flow projections. The views of the relevant boards and the budgetary requirements of the State are also taken into account. Prior to formal determination by the Treasurer, or resolution by shareholders in the case of *Corporations Act* companies, all dividend estimates are provisional.

For 2003-04, dividend payments are expected to be \$273 million, a decrease of \$305 million (or 52.7 per cent) on the 2002-03 revised estimate. Factors contributing to this decline include:

- the expectation that no further distributions will be received from the gas sector following the introduction of full retail contestability in October 2002;
- lower distributions from the water sector in 2003-04 following the payment of additional dividends in 2002-03 to reinforce the commercial focus of some water companies and to ensure that appropriate financial ratios are maintained, and the expected return to long-term average climatic conditions and more subdued land development activity in 2003-04; and
- the completion in 2002-03 of the payment of a series of special dividends by the Transport Accident Commission to fund the Accident Blackspot Program

Income tax and rate equivalents

Income tax equivalent regimes, currently covering 35 government business enterprises, ensure competitive neutrality with competing private sector firms and strengthen the financial discipline of the enterprises by factoring income tax equivalent payments into their business decisions. In 2003-04, income tax equivalent payments are expected to be \$149 million, an increase of \$9 million (or 6.5 per cent) on the 2002-03 revised estimate.

Significant land-holding government business enterprises (including the Melbourne Water Corporation and Urban and Regional Land Corporation) are also subject to a local government rate equivalent system.

The national tax equivalent regime for income tax for State and Territory government business enterprises commenced operation on 1 July 2001. The regime, administered by the Australian Taxation Office, will over time replace the existing Victorian income tax equivalent regime. From 1 July 2002, 35 Victorian government business enterprises were operating under the national regime.

Interest revenue

Interest revenue is forecast to decrease by \$30 million (9.5 per cent) to \$288 million in 2003-04. The main reason for the decrease between 2002-03 and 2003-04 relates to forecast lower surplus funds available for investment.

Other revenue

Other revenue is expected to decrease by \$179 million (13.2 per cent) compared to the 2002-03 revised estimate (Table 3.10).

Table 3.10: Other revenue

| | (\$ million) | | | Change ^(a) | |
|-----------------------------|-------------------|--------------------|-------------------|-----------------------|---------------|
| | 2002-03 Budget | 2002-03 Revised | 2003-04 Budget | | % |
| Disposal of physical assets | 19.6 | - 5.3 | - 7.3 | | 38.1 |
| Assets free of charge | 1.1 | 62.8 | .. | | - 100.0 |
| Capital asset charge | 501.0 | 501.0 | 514.0 | | 2.6 |
| Other | 538.3 | 797.5 | 670.1 | | - 16.0 |
| Total | 1 060.0 | 1 356.0 | 1 176.9 | | - 13.2 |

Source: Department of Treasury and Finance.

Note:

(a) Change between 2002-03 Revised and 2003-04 Budget.

The major factors contributing to the decrease in 2003-04 compared to 2002-03 are:

- non-recurring forfeiture of performance bond by National Express in 2002-03 when it withdrew from Victorian rail and tram operations;
- non-recurring 2002-03 revenue arising from the Spencer Street Station Authority entering into four commercial development agreements that granted construction licences to the developers; and
- non-recurring assets received free of charge in 2002-03 as a result of the transfer of the Latrobe Regional Hospital associated with the wind-up of the Latrobe Regional Hospital project structure.

The effect of these decreases is partially offset by increases due to:

- the anticipated property sale revenue associated with the Tri-Continental debt recovery which did not eventuate in 2002-03 and the carry forward of the estimated proceeds of sale into 2003-04; and
- the accommodation of new asset acquisitions in the capital assets charge.

GRANTS

Summary information on the amounts budgeted to be received under these categories in 2002-03 and 2003-04 is shown in Table 3.11.

Table 3.11: Grants

| | (\$ million) | | | |
|--------------------------------|-------------------|--------------------|-------------------|----------------------------|
| | 2002-03 Budget | 2002-03 Revised | 2003-04 Budget | Change ^(a) % |
| Current grants | | | | |
| GST grants | 6 154.2 | 6 126.6 | 6 481.2 | 5.8 |
| GST transitional grants | 436.2 | 420.6 | 288.0 | - 31.5 |
| National competition policy | 182.0 | 182.4 | 188.0 | 3.1 |
| General purpose grants | 6 772.4 | 6 729.6 | 6 957.2 | 3.4 |
| Commonwealth specific purpose | 3 134.0 | 3 296.0 | 3 389.6 | 2.8 |
| Specific purpose for onpassing | 1 179.4 | 1 314.9 | 1 387.5 | 5.5 |
| Other current | - 1.4 | 32.7 | 54.0 | 65.1 |
| Total current grants | 11 084.4 | 11 373.1 | 11 788.2 | 3.6 |
| Capital grants | | | | |
| Commonwealth specific purpose | 529.1 | 457.8 | 328.3 | - 28.3 |
| Specific purpose for onpassing | 116.9 | 118.0 | 121.6 | 3.1 |
| Other capital | 9.6 | 9.6 | 9.9 | 4.0 |
| Total capital grants | 655.6 | 585.3 | 459.8 | - 21.5 |
| Total grants | 11 740.0 | 11 958.5 | 12 248.0 | 2.4 |

Source: Department of Treasury and Finance.

Note:

(a) Change between 2002-03 Revised and 2003-04 Budget.

General purpose grants

General purpose grants are made up of GST grants, GST transitional grants and national competition policy payments. In 2003-04, Victorian general purpose grants will increase by 3.4 per cent to \$6 957 million, largely reflecting an increase in Victoria's share of the pool for 2003-04. This increase was partly offset by lower payments for the first home owner grant scheme and a \$20 million adjustment to the 2002-03 GST transitional grants resulting from an overpayment of the 2001-02 GST transitional grant in relation to reimbursement for the first home owner scheme payments by Victoria.

GST grants

In accordance with the Intergovernmental Agreement, which was signed by the previous Government in mid-1999, the States and Territories receive all GST revenue.

The GST revenue, which is distributed to the States in the form of GST grants, is centrally pooled and distributed on the basis of horizontal fiscal equalisation principles. These principles applied to the distribution of financial assistance grants prior to 1 July 2000. The GST grant distributions between the States and Territories are determined by the GST relativities that are recommended by the Commonwealth Grants Commission (CGC) to the Commonwealth Government.

The CGC recommends two sets of relativities to the Commonwealth each year: one relating to GST revenue, and one relating to forgone financial assistance grants.

Forgone financial assistance grants are the most significant component of the guaranteed minimum amount and are distributed based on their relativities. It is estimated that the relativities recommended by the CGC in its February 2003 Update report will result in the following differences in GST revenues between States, compared with an equal per capita distribution in 2003-04:

- New South Wales: -\$1 452 million;
- Victoria: -\$1 090 million;
- Queensland: \$271 million;
- Western Australia: -\$211 million;
- South Australia: \$665 million;
- Tasmania: \$525 million;
- Australian Capital Territory: \$91 million; and
- Northern Territory: \$1 202 million.

Transitional assistance

Following the introduction of the GST, the States and Territories no longer receive financial assistance grants and revenue replacement payments from the Commonwealth. The States and Territories have also been required to adjust their gambling taxes to take into account the impact of the GST and to remove subsidies for the use of diesel by off-road vehicles. In addition, the States and Territories are required to compensate the Commonwealth for the cost of the GST administration by the Australian Taxation Office, and to pay for the first home owner grant scheme.

In the Intergovernmental Agreement, the Commonwealth has guaranteed that the States and Territories will receive a guaranteed minimum amount to ensure that they are not worse off under the GST. To achieve this, the Commonwealth will make transitional assistance payments to each State and Territory to ensure that each receives a guaranteed minimum amount during the transitional period.

The revenues and payments forgone by the States and Territories and the net impact of the new expenditures on the States and Territories from the introduction of the GST determine this amount.

Victoria does not expect to benefit from the GST until at least 2008-09. The amount of budget balancing assistance expected in 2003-04 is around \$288 million, compared with around \$421 million in 2002-03.

The budget balancing assistance estimates for 2002-03 and 2003-04 reflect the 2001-02 population estimates released by the Australian Bureau of Statistics on 20 March 2003. Although the Commonwealth did not take into account the latest 2001-02 population estimates, in its March 2003 Statement of Estimated Payments it has indicated that these estimates will be used to recalculate States' budget balancing assistance at the end of 2002-03 and the States will receive their full entitlement.

National Competition Policy payments

The Agreement to Implement National Competition Policy and Related Reforms 1995 provides for a series of competition payments to States and Territories from the Commonwealth. The competition payments are in exchange for implementation of reform commitments contained in this and other agreements that are collectively known as the National Competition Policy (NCP) Agreements. The criteria for receipt of the full amount of competition payments by the States and Territories relate to satisfactory progress in implementing these commitments.

The competition payments are designed to return to States and Territories the benefits of their reforms that are disproportionately realised by the Commonwealth through revenue effects on the Commonwealth Budget.

In December 2002, the Commonwealth agreed to make the full allocation of competition payments to Victoria. Victoria's 2003-04 competition payments are estimated at \$188 million with this figure to be updated for changes in both CPI and population growth estimates. Competition payments in later years will be contingent on Victoria meeting all of its commitments. Since the commencement of competition payments in July 1996, Victoria has received the full amount of competition payments.

The Commonwealth Treasurer allocates competition payments on the basis of advice from the National Competition Council (NCC) following an assessment of progress made by the States and Territories. The NCC may recommend that the Treasurer reduce the competition payments where a State or Territory has not met the criteria contained in the Agreement.

On 3 November 2000, the Council of Australian Governments provided guidance to the NCC on the assessment of State and Territory entitlements. In making a recommendation that a reduction or suspension be applied to a particular State or Territory, the NCC must take into account:

- the extent of overall commitment to the implementation of National Competition Policy by the relevant jurisdiction;
- the effect of one jurisdiction's reform efforts on other jurisdictions; and
- the impact of failure to undertake a particular reform.

The *National Competition Policy – Third Tranche Assessment Framework*, 5 February 2001, sets out the NCC's intended approach to the third tranche assessment. The NCC has indicated that it will recommend reductions in competition payments only as a last resort, that is, where no satisfactory path to dealing with implementation issues can be agreed.

Specific purpose grants

The Commonwealth gives grants to the States for a large number of specific purposes (such as programs or projects) under Section 96 of the Commonwealth Constitution. Such grants are usually 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.

Table 3.12 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 2002-03 Adjusted estimates in the tables represent the 2002-03 Budget estimates that have been adjusted for machinery of government changes during 2002-03. As expected, in aggregate there is no variation between the original 2002-03 Budget estimates and the 2002-03 Adjusted estimates.

Commonwealth specific purpose grants are also 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 in 2003-04 (\$27.8 million) is paid directly to Victoria Legal Aid. Funds for Community Legal Centres are paid as a separate grant for distribution to the relevant centres.

Table 3.12: Commonwealth specific purpose grants by department

| | (\$ million) | | | |
|---|-------------------|------------------------------------|--------------------|-------------------|
| | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Current grants | | | | |
| Education and Training | 593.3 | 593.3 | 635.1 | 639.8 |
| Human Services | 2 401.1 | 2 401.1 | 2 486.5 | 2 560.4 |
| Infrastructure | 2.8 | 2.8 | 2.8 | 2.8 |
| Innovation, Industry and Regional Development | 0.4 | 0.2 | 0.2 | .. |
| Justice | 45.3 | 45.3 | 45.1 | 45.1 |
| Premier and Cabinet | 5.0 | 5.0 | 12.1 | 0.3 |
| Primary Industries | .. | 3.3 | 3.3 | 6.0 |
| Sustainability and Environment | 52.4 | 49.1 | 47.1 | 41.7 |
| Treasury and Finance | 5.7 | 5.7 | 35.6 | 65.4 |
| Victorian Communities | | 0.3 | 0.3 | 0.3 |
| Legal Aid | 28.0 | 28.0 | 27.9 | 27.8 |
| Total current grants | 3 134.0 | 3 134.0 | 3 296.0 | 3 389.6 |
| Capital grants | | | | |
| Education and Training | 96.7 | 96.7 | 96.7 | 99.7 |
| Human Services | 168.1 | 168.1 | 143.5 | 88.4 |
| Infrastructure | 264.3 | 264.3 | 217.7 | 140.2 |
| Total capital grants | 529.1 | 529.1 | 457.8 | 328.3 |
| Total specific purpose grants | 3 663.1 | 3 663.1 | 3 753.8 | 3 717.9 |

Source: Department of Treasury and Finance.

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

The detailed estimates included in the following tables represent the latest information available to state government departments. However, the Commonwealth budget is not due to be brought down until 13 May 2003 and, as a result, there may be variations to some of the information published in this Statement.

Education and Training

Commonwealth funding is provided for a range of Commonwealth and state programs for government and non-government schools and also vocational education and training. Funds are also provided to support Victoria's participation in national priority programs.

Table 3.13: Department of Education and Training – Commonwealth specific purpose grants

| | (\$ million) | | | |
|---|-------------------|------------------------------------|--------------------|-------------------|
| | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Current grants | | | | |
| General recurrent - assistance to government schools | 319.6 | 319.6 | 347.9 | 349.7 |
| Commonwealth TAFE | 207.1 | 207.1 | 210.6 | 217.7 |
| English as a second language - new arrivals (ESL - NA) | 8.9 | 8.9 | 8.9 | 6.5 |
| Strategic assistance for improving student outcomes (SAISO) | 49.8 | 49.8 | 49.8 | 50.2 |
| Special Commonwealth projects | 5.8 | 5.8 | 15.8 | 13.6 |
| Indigenous education strategic initiatives | 2.1 | 2.1 | 2.1 | 2.1 |
| Total current grants | 593.3 | 593.3 | 635.1 | 639.8 |
| Capital grants | | | | |
| Government schools | 54.2 | 54.2 | 54.2 | 57.2 |
| Commonwealth TAFE | 42.5 | 42.5 | 42.5 | 42.5 |
| Total capital grants | 96.7 | 96.7 | 96.7 | 99.7 |
| Total specific purpose grants | 690.0 | 690.0 | 731.8 | 739.5 |

Source: Department of Treasury and Finance.

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

For school programs, the Commonwealth legislates funding allocations quadrennially without predicting likely cost movements over time. Supplementary funding is then provided retrospectively by amending legislation 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 (known as the Average Government School Recurrent Cost Index). Capital funding is supplemented in accordance with movements in the Building Price Index.

Commonwealth funds aimed at improving the delivery of national priority programs for Australian schools, including the *States Grants (Primary and Secondary Education Assistance) Act 2000*, flow to government and non-government schools via a number of programs including the Strategic Assistance for Improving Student Outcomes (SAISO) program, which addresses literacy and numeracy and special learning needs.

General recurrent – Assistance to government schools

This program provides funds under the *State Grants (Primary and Secondary Education Assistance) Act 2000* to help government schools with the recurrent costs of school education.

Since 1997 (calendar year), this program has been 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. The formula underlying this adjustment will 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.

In 2001, the Commonwealth offered to return the EBA funding to jurisdictions on the condition that they use it to foster literacy and numeracy in science, mathematics and technology in government schools. Victoria has used the returned EBA funds for a Koori Middle Years Literacy Project.

The Quadrennial Agreement for 2001 to 2004, which relates to the funding allocations for Commonwealth programs for government and non-government schools, was renegotiated in 2001 by the Victorian and Commonwealth Governments. Negotiations around the 2005 to 2008 Quadrennial Agreement will take place during 2003.

Commonwealth TAFE – Vocational education and training - recurrent and capital

Commonwealth funding for vocational education and training is appropriated and distributed under the *Australian National Training Authority Act 1992 (Commonwealth)*. How the funds are utilised is subject to an annual agreement with the Australian National Training Authority (ANTA) Ministerial Council, of which Victoria is a member along with the other States and Territories and the Commonwealth.

Under the ANTA arrangements, Commonwealth funding (recurrent and capital) for vocational education and training is provided directly to the Victorian Learning and Employment Skills Commission. The current ANTA Agreement 2001-03 expires at the end of this year. A new ANTA agreement is expected to be negotiated during 2003.

Strategic Assistance for Improving Student Outcomes

This Commonwealth program, which commenced in 2001, combines funding provided under the former Literacy and Numeracy Program – Grants to Schools and the Special Learning Needs – Special Education grants. The Victorian Government uses the resources provided through the program to improve learning outcomes of educationally disadvantaged students, particularly in literacy and numeracy and the educational participation and outcomes of students with disabilities. The program is available for school students from prep to year 12 who are educationally disadvantaged due to a range of factors including disability, a language background other than English, Aboriginal and Torres Strait Islander background, low socio-economic background and learning difficulties.

English as a Second Language – New Arrivals

Victoria receives per capita funding from the Commonwealth to improve the educational opportunities and outcomes of newly arrived students of non-English speaking backgrounds by developing their English language competence and facilitating their participation in mainstream education activities. The program is targeted to students whose first language is not English or whose language commonly spoken in the home is not English, and whose proficiency in the English language is determined to require intensive assistance to enable those students to participate fully in mainstream classroom activities.

Special Commonwealth projects

The program area includes the languages other than English (LOTE) element that involves the provision of Commonwealth resources to provide assistance for prep to year 12 students studying a language other than English and the Country Areas Program. The LOTE program brings together the former Commonwealth Priority Languages and Community Languages programs. The Commonwealth resources the educational participation, learning outcomes and personal development of rural and isolated students through the Country Areas Program. Victoria uses these resources to improve the educational opportunities and outcomes for students who are educationally disadvantaged by geographic isolation.

Indigenous Education Strategic Initiatives for Government Schools

The Department of Education and Training receives Indigenous Education Strategic Initiatives Program (IESIP) funding from the Commonwealth Government to achieve improved educational outcomes for Koori people. The funding is provided through two separate Indigenous Education Agreements for the Department to implement IESIP consistent with the goals of the National Aboriginal and Torres Strait Islander Education Policy. Current Indigenous Education Agreements are for the 2001-04 period.

Capital grants program – government schools

This program is funded under the *State Grants (Primary and Secondary Education Assistance) Act 2000*. It 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.

Human Services

The Department receives a large number of specific purpose payments from the Commonwealth for various programs (see Table 3.14).

Health Care Grant

The Australian Health Care Agreement (AHCA) commenced in 1998-99 and runs for five years. Renegotiations for the next five-year agreement commenced during 2002-03.

The Commonwealth payments under the AHCA assist Victoria to meet the cost of providing public hospital services to eligible persons including inpatients, outpatients and emergency care.

Table 3.14: Department of Human Services – Commonwealth specific purpose grants

| | (\$ million) | | | |
|--|-------------------|------------------------------------|--------------------|-------------------|
| | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Current grants | | | | |
| Health care grant | 1 719.7 | 1 719.7 | 1 719.8 | 1 840.4 |
| Home and community care | 177.4 | 177.4 | 178.7 | 189.4 |
| Disability services | 115.6 | 115.6 | 120.2 | 124.1 |
| Highly specialised drugs program | 80.0 | 80.0 | 82.6 | 90.9 |
| Public health outcomes funding agreement | 44.2 | 44.2 | 78.5 | 67.5 |
| Housing grant - other public housing (untied) | 57.5 | 57.5 | 70.1 | 106.3 |
| Compensation for extension of pensioner benefits | 43.8 | 43.8 | 44.2 | 45.6 |
| Supported accommodation assistance | 34.7 | 34.7 | 35.3 | 36.0 |
| COAG drug diversion initiative | 13.5 | 13.5 | 14.6 | 13.5 |
| National health development fund | 19.3 | 19.3 | 38.6 | 12.6 |
| Aged care assessment services | 11.3 | 11.3 | 11.1 | 11.4 |
| Housing - crisis accommodation | .. | .. | 9.8 | 9.8 |
| Special education program | 6.0 | 6.0 | 6.2 | 6.3 |
| FBT doctors transitional allowance | 40.5 | 40.5 | 40.5 | .. |
| Blood transfusion services | 18.6 | 18.6 | 19.0 | .. |
| Factor VIII | 3.7 | 3.7 | 6.1 | .. |
| All other current grants | 15.6 | 15.6 | 11.2 | 6.7 |
| Total current grants | 2 401.1 | 2 401.1 | 2 486.5 | 2 560.4 |
| Capital grants | | | | |
| Housing - untied grants | 152.2 | 152.2 | 138.8 | 85.3 |
| Housing - crisis accommodation | 9.9 | 9.9 | .. | .. |
| All other capital grants | 6.1 | 6.1 | 4.6 | 3.0 |
| Total capital grants | 168.1 | 168.1 | 143.5 | 88.4 |
| Total specific purpose grants | 2 569.2 | 2 569.2 | 2 630.0 | 2 648.8 |

Source: Department of Treasury and Finance.

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Home and Community Care

The Agreement commenced in 1985 and has been revised from time to time. Victoria entered into the most recent agreement in 1998. There is no end date for the Agreement.

The aim of this program is to develop and deliver a range of integrated home and community care services to frail older people, people with disabilities and their carers. Services funded by the program include home care, respite, nursing, allied health, personal care, social support and meals. Local governments, district nursing services, community health centres and non-government organisations deliver these services either in the home or in community centres.

Under the Commonwealth-State Home and Community Care (HACC) Agreement, the availability of additional Commonwealth funding requires the State to maintain existing levels of expenditure. Funds for expansion are provided by the Commonwealth on the basis that the State will provide matching funds based on an agreed ratio of approximately 60 per cent from the Commonwealth and 40 per cent from the State.

Disability Services

The Commonwealth State/Territory Disability Agreement (CSTDA) is the main agreement to fund specialist disability services and for measuring and reporting progress on the national framework for people with a disability. The objective of the national framework is to enhance the quality of life experienced by people with a disability through assisting them to live as valued and participating members of the community.

From 1 July 1992, the State Government assumed administrative responsibility for accommodation and support services, while the Commonwealth Government assumed administrative responsibility for employment-related services for people with disabilities.

The current CSTDA expired on 30 June 2002. A National Disability Administrators CSTDA Working Party was established to develop a new agreement, and negotiations are continuing with the Commonwealth. The 2002-03 revised and the 2003-04 Budget estimates reflect the Commonwealth's recent offer and may change depending on the outcome of negotiations.

Highly Specialised Drugs Program

The Commonwealth provides funds to the State to meet the cost of specialised medicines with a high unit cost that have a significant role in maintaining patients in a community setting. The medicines that are funded are for chronic conditions that, because of their clinical use or special features, are restricted to supply through hospitals that have access to appropriate specialist facilities.

The Commonwealth is responsible for meeting the cost of medicines approved for the program in accordance with the Pharmaceutical Benefits Advisory Committee criteria. Hospitals fund the use of medicines that do not meet the Committee's criteria.

Public housing – untied grants

The States receive 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 (CSHA), with requirements for the States to match certain Commonwealth assistance.

The CSHA establishes the framework for the provision of housing assistance across Australia for the period from 1 July 1999 to 30 June 2003. A multilateral four-year agreement was signed in July 1999. A bilateral agreement for this period was signed in May 2000. In addition, a core set of nationally consistent indicators and data for benchmarking purposes has been established by the National Housing Data Agreement.

The multilateral component outlined funding arrangements, guiding principles, allowable uses of assets and funds, and reporting requirements agreed between the States and Territories and the Commonwealth.

Negotiations for a new Commonwealth-State Housing Agreement are in progress.

The presentation of Commonwealth payments for housing has changed to reflect the new accounting treatment required for contributed capital. This has led to the reclassification of current untied funding to capital untied funding. In addition, the 2002-03 estimate does not incorporate the continuation of \$15 million in GST compensation that was provided in the previous agreement.

Public Health Outcomes Funding Agreement

A new Public Health Outcomes Funding Agreement came into operation in July 1999 and will remain in force for five years. The agreement specifies performance indicators in a range of public health areas including AIDS education, women's health, breast screening, cervical cancer screening, and national drug strategy and immunisation programs. It aims to provide enhanced delivery of public health activities within nationally agreed policies and strategies. This grant now includes cytology and gynaecological services.

The immunisation programs provide for the purchase of vaccines (including those for influenza and pneumonia) and for services to various groups considered to be at high risk.

Additional funds for the National Meningococcal Immunisation Program are included for 2002-03 (\$25 million) and 2003-04 (\$15 million).

Compensation for extension of pensioner benefits

Since 1993-94, the Commonwealth has provided partial compensation to the States for the increased cost they incur in extending state concessions to cardholders eligible under broadened Commonwealth guidelines.

Fringe benefits tax transitional allowance

As part of its New Tax System in 2000-01, the Commonwealth Government removed the fringe benefits tax (FBT) exemption for employees of public benevolent institutions. For employees of public hospitals, the exemption was replaced by a (grossed-up) \$17 000 per employee FBT-free threshold from 1 July 2000.

As a result of negotiations between the Commonwealth Government and the Australian Democrats, the Commonwealth Government agreed to pay the fringe benefits tax transitional allowance for hospitals that are public benevolent institutions as partial compensation for the increased costs for hospitals for the first three years (from 2000-01 to 2002-03) of the new tax regime.

Supported Accommodation Assistance Program

The joint Commonwealth-State funded program provides funding for support services to homeless people and those affected by family violence to assist them in transition from a crisis accommodation situation to more appropriate longer term housing options.

Victoria signed a new Supported Accommodation Assistance Program (SAAP) multilateral framework in December 1999. Victoria signed a bilateral agreement in October 2000 that took effect on 1 July 2000 and will conclude on 30 June 2005.

The current agreement represents a significant attempt to streamline and simplify program management and ensure that the program performs better administratively. Features include increased attention to outcomes through an accountability framework, a commitment to improved and sustainable data, more clearly defined roles for each level of government, including the ability of the Minister for Housing to approve funding to agencies without Commonwealth approval, and more flexible funding arrangements.

National Health Development Fund

Under the Australian Health Care Agreement separate funds are allocated to enable health system reform. Funds are provided according to a plan jointly agreed between the Commonwealth and State Ministers. Projects supported under the plan are designed to improve patient outcomes, improve efficiency and effectiveness, reduce demand for the delivery of public hospital services, or improve integration of care between public hospital services and broader health and community care services.

The future of the program is being discussed as part of the negotiations for the Australian Health Care Agreement.

Blood Transfusion Services

Under the Blood Transfusion Services program funds were provided to ensure an adequate and safe supply of blood and blood products for therapeutic use in Victoria. This included the collection, production and distribution of blood components for the hospital and health care system and plasma sent to CSL Ltd for the manufacture of a range of blood products. This was done in partnership between both Commonwealth and state governments and the Australian Red Cross Blood Service. Of the recurrent funds, the Commonwealth provides 40 per cent and the State 60 per cent, while capital funds are shared equally.

As of 2003-04, there will be a new National Blood Authority (NBA). Victoria and the Commonwealth will make payments to the NBA and the NBA will 'purchase' blood and blood products and services on behalf of the State. The Commonwealth will no longer be making payments to the State for blood and blood products and services.

COAG Drug Diversion Initiative

The National Framework for Drug Diversion provides for a range of drug diversion initiatives. Programs cover education, drug diversion from the criminal system, support for families, strengthening needle and syringe exchange and prevention activities.

Aged Care Assessment Services (ACAS)

The Victorian Aged Care Assessment Services (ACAS) is a joint Commonwealth and state funded program operating within the National Aged Care Assessment Program guidelines. The service assesses frail older people's medium to long term care needs and refers them to community based support services, such as HACC, or to residential aged care. An assessment by ACAS and approval by an ACAS delegate is an essential prerequisite for entry to a Commonwealth funded

residential aged care service. ACAS provides information and assists frail older people, and in some circumstances, younger people with disabilities, to gain access to the support and services they need, both in the community and residential care.

Special Education Program

The Commonwealth provides supplementary funding to improve educational participation and outcomes for children and young people with disabilities accessing support from non-government centres. Funding is provided via a quadrennial agreement expiring in 2004.

These funds are targeted to:

- children with severe disabilities below school age level, to prepare them for integration into regular preschools or schools;
- school aged children with severe disabilities, aimed at improving their access to educational programs; and
- children and young people with disabilities in residential care.

Public Housing – Assistance for People in Crisis

These grants are targeted to provide housing for people in crisis.

Infrastructure

Table 3.15: Department of Infrastructure – Commonwealth specific purpose grants

| | (\$ million) | | | |
|---|-------------------|------------------------------------|--------------------|-------------------|
| | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Current grants | | | | |
| Interstate road transport | 2.8 | 2.8 | 2.8 | 2.8 |
| Capital grants | | | | |
| Australian land transport development program | 264.3 | 264.3 | 217.7 | 140.2 |
| Total specific purpose grants | 267.1 | 267.1 | 220.5 | 143.0 |

Source: Department of Treasury and Finance.

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

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.

Australian Land Transport Development Program

Commonwealth grants for land transport are made through the Australian Land Transport Development Program. Grants from this program are used to construct and maintain national highways and contribute to projects on declared Roads of National Importance (RONIs). These allocations are generally project specific and are made to foster economic development by improving road infrastructure.

National highways in Victoria comprise the Hume, Sturt, Goulburn Valley and Western Highways and the section of the Ring Road between the Hume and Western Highways. The Calder Highway, Geelong Road and Pakenham Bypass are declared RONIs.

Justice

Table 3.16: Department of Justice – Commonwealth specific purpose grants

| | (\$ million) | | | |
|---|-------------------|------------------------------------|--------------------|-------------------|
| | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Current grants | | | | |
| Compensation for transfer of corporate regulatory functions | 44.1 | 44.1 | 44.1 | 44.1 |
| All other current grants | 1.2 | 1.2 | 1.0 | 1.0 |
| Total specific purpose grants | 45.3 | 45.3 | 45.1 | 45.1 |

Source: Department of Treasury and Finance.

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Compensation for transfer of corporate regulatory functions

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), now the Australian Securities and Investments Commission (ASIC). To ensure uniformity and efficiency in company and securities regulation, the States agreed to hand over their regulatory functions to the Commonwealth. Accordingly, since 1 January 1991, fees for the corporate regulatory function have been paid directly to the Commonwealth. To ensure 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.

Premier and Cabinet

Table 3.17: Department of Premier and Cabinet – Commonwealth specific purpose grants

| | (\$ million) | | | |
|---|-------------------|------------------------------------|--------------------|-------------------|
| | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Current grants | | | | |
| National Gallery of Victoria - Federation funding | 5.0 | 5.0 | 12.1 | .. |
| Australian Centre for the Moving Image - Film and video lending service | .. | .. | .. | 0.3 |
| Total specific purpose grants | 5.0 | 5.0 | 12.1 | 0.3 |

Source: Department of Treasury and Finance.

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

National Gallery of Victoria – Federation Funding

The Commonwealth provided a 2002-03 grant from the Centenary of Federation Fund to the National Gallery of Victoria to assist their building redevelopment project. The larger than expected receipt in 2002-03 is due to timing delays in payments. As a result of these delays, a large component of the 2001-02 Budget has been received in the 2002-03 financial year.

Australian Centre for the Moving Image – Film and Video Lending Service

Australian Centre for the Moving Image (ACMI) is receiving funding from the National Library of Australia for the film and video lending service. This funding is broken down into two categories, acquisitions and services.

Primary Industries

Table 3.18: Department of Primary Industries – Commonwealth specific purpose grants

| | (\$ million) | | | |
|--------------------------------------|-------------------|------------------------------------|--------------------|-------------------|
| | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Current grants | | | | |
| Other current grants | .. | 3.3 | 3.3 | 6.0 |
| Total specific purpose grants | .. | 3.3 | 3.3 | 6.0 |

Source: Department of Treasury and Finance.

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

The majority of the grants are provided for FarmBis that is an agricultural assistance program funded jointly by both the State and Commonwealth Governments. It aims to improve financial self-reliance of the farming sector by providing subsidies directly to farmers attending approved learning activities in business and natural resource management.

Sustainability and Environment

Table 3.20: Department of Sustainability and Environment – Commonwealth specific purpose grants

| | (\$ million) | | | |
|---|-------------------|------------------------------------|--------------------|-------------------|
| | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Current grants | | | | |
| National action plan - salinity and water quality | 22.4 | 22.4 | 22.4 | 22.4 |
| Natural heritage trust | 18.7 | 18.7 | 17.2 | 14.0 |
| Forest industry structural adjustment program | 5.0 | 5.0 | 5.0 | 4.5 |
| All other current grants | 6.2 | 2.9 | 2.5 | 0.8 |
| Total specific purpose grants | 52.4 | 49.1 | 47.1 | 41.7 |

Source: Department of Treasury and Finance.

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

National Action Plan for Salinity and Water Quality

Under the National Action Plan, the Commonwealth matches state funding over seven years (2001-02 to 2008-09) to prevent, stabilise and reverse trends in salinity, particularly dryland salinity, conserve biological diversity and improve water quality. Implementation of the plan will also secure reliable water allocations for human uses, industry and the environment.

Natural Heritage Trust

The National Heritage Trust is the Commonwealth Government's natural resources and environmental management program. The main objective of the trust is to accelerate Australia's move to environmental sustainability and is designed to increase on-ground activities that address the causes of natural resource and environmental degradation. The Trust is jointly administered by Environment Australia and Agriculture, Fisheries and Forestry Australia. The program is based on approved investments including those developed through accredited regional catchment strategies for each of Victoria's ten catchment management authorities.

Stage 2 of the Trust commenced in 2002-03 and consists of three over-arching programs being the Envirofund, Regional Investments and National State Investments. The Department of Sustainability and Environment receives funding under the Regional Investment and National State Investment Programs. These programs are delivered through the following four major themes:

- Landcare: reversing land degradation and promoting sustainable agriculture;
- Bushcare: conserving and restoring habitat for our unique native flora and fauna which underpins the health of our landscapes;
- Rivercare: improving water quality and environmental flows in our river systems and wetlands; and
- Coastcare: protecting our coastal catchments, ecosystems and marine environment.

Forest Industry Structural Adjustment Program

The program aims to help the forest industry adjust to impacts resulting from the Regional Forest Agreement process and support development initiatives that enhance the responsible, sustainable and productive use of Victoria's hardwood forest resources. The Regional Forest Agreement process provides industry with greater resource security and capacity to respond to the challenges of changing markets and community interests in native forest production. Financial assistance is available for initiatives that support priority areas for industry development.

Treasury and Finance

Table 3.19: Department of Treasury and Finance – Commonwealth specific purpose grants

| | (\$ million) | | | |
|--|-------------------|------------------------------------|--------------------|-------------------|
| | 2002-03 Budget | 2002-03 Adjusted ^(a) | 2002-03 Revised | 2003-04 Budget |
| Current grants | | | | |
| Natural disaster relief arrangements | 0.3 | 0.3 | 0.3 | 50.0 |
| Tax compensation payments | .. | .. | 1.0 | 9.0 |
| Debt redemption assistance | 5.2 | 5.2 | 5.2 | 5.0 |
| Commonwealth new home grant | .. | .. | 29.0 | 1.3 |
| Commonwealth contribution to debt retirement | 0.2 | 0.2 | 0.1 | 0.1 |
| Total specific purpose grants | 5.7 | 5.7 | 35.6 | 65.4 |

Source: Department of Treasury and Finance.

Notes:

(a) The 2002-03 adjusted estimates include the 2002-03 Budget adjusted for machinery of government changes for the period 1 January 2003 to 30 June 2003.

Natural Disaster Relief Arrangements

Under the Natural Disaster Relief Arrangements, the Commonwealth Government reimburses States and Territories for part of what they have spent on relief assistance following an eligible natural disaster. This financial assistance eases the burden put on State and Territory resources by a natural disaster. The Natural Disaster Relief Arrangements apply to any one of, or any combination of, the following natural phenomena: bushfires, cyclones, earthquakes, floods, storms, storm surge and landslides (consequential upon an eligible event).

Budgeted grants revenue from the Commonwealth Government in 2003-04 has increased to \$50 million. Commonwealth assistance during the financial year is calculated at the rate of 50 per cent of all eligible expenditure between a State's base amount and 1.75 times the base amount. Victoria's base amount for 2002-03 is \$53 million being 0.225 per cent of the State's total general government sector revenue and grants in the financial year two years prior to the relevant financial year.

Higher than budgeted Natural Disaster Relief expenditure is now expected in 2002-03 as a result of the costs associated with bushfire operations, relief and restoration in early 2003. Some of this expenditure is expected to be reimbursed by the Commonwealth Government, but not until 2003-04.

Tax compensation payments

Snowy Hydro Limited is a corporatised intergovernment entity that is responsible for managing the Snowy Mountains Hydro Electric Scheme. Shareholdings in Snowy Hydro Limited reflect the previous entitlements to the net revenue of the former Snowy Scheme – with Victoria having a 29 per cent equity interest in the business, New South Wales having a 58 per cent interest and the Commonwealth having a 13 per cent interest.

Under the tax compensation deed between the three shareholders, the Commonwealth is required to pay Victoria (and New South Wales) compensation payments for the taxation that Snowy Hydro Limited has previously paid to the Commonwealth.

Debt redemption assistance

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 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. The debt redemption assistance grant is scheduled to cease at the end of the financial year 2005-06.

Commonwealth New Home Grant

The Commonwealth New Home Grant is an additional grant for first home buyers of new homes in addition to the original First Home Owner Grant. The additional grant is \$7 000 for eligible contracts entered between 9 March 2001 and 31 December 2001 and \$3 000 for contracts entered between 1 January 2002 and 30 June 2002.

Expenditure on the additional grant did not end on 30 June 2002 because eligible home buyers who entered into contracts between 9 March 2001 and 8 October 2001, had to commence construction within sixteen weeks of entering into the contract and complete construction within twelve months of the date of commencement of construction. Eligible home buyers who entered into contracts between 9 October 2001 and 30 June 2002, had to commence construction within

twenty-six weeks of entering into the contract and complete construction within eighteen months of the date of commencement of construction. In addition, the State Revenue Office has discretion to grant extensions to these timelines and has done so in a small number of cases.

The broad eligibility conditions of the grant result in a lag in claims beyond 30 June 2003 so that some carryover of claims is expected in 2003-04.

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 3.21: Commonwealth grants for on-passing

| | (\$ million) | | | Change ^(a) % |
|---|-------------------|--------------------|-------------------|----------------------------|
| | 2002-03 Budget | 2002-03 Revised | 2003-04 Budget | |
| Current grants | | | | |
| Assistance to non-government schools | 880.0 | 1 014.9 | 1 077.9 | 6.2 |
| Financial assistance grants to local government | 245.2 | 245.2 | 253.8 | 3.5 |
| Targeted programs for non-government schools | 54.1 | 54.7 | 55.8 | 1.9 |
| Total current grants | 1 179.4 | 1 314.9 | 1 387.5 | 5.5 |
| Capital grants | | | | |
| Identified road grants to local government | 90.1 | 90.1 | 93.3 | 3.5 |
| Non government schools | 26.8 | 27.8 | 28.3 | 1.6 |
| Total capital grants | 116.9 | 118.0 | 121.6 | 3.1 |
| Total specific purpose grants | 1 296.3 | 1 432.8 | 1 509.0 | 5.3 |

Source: Department of Treasury and Finance.

Notes:

(a) Change between 2002-03 Revised and 2003-04 Budget.

Current grants

Assistance for non-government schools

The Commonwealth Government's Grants for Non-Government Schools Program provides funds to help non-government schools and systems with the recurrent and capital costs of school education. It is a major revenue source for a large proportion of non-government schools. In the 2001-2004 quadrennium, the Commonwealth has abolished the Education Resources Index as its basis for the needs-based recurrent funding of non-government schools and replaced it with a purpose-built model based on the relative socio-economic status (SES) of school communities. Under the new SES model, the minimum funding entitlement on a per student basis is set at 13.7 per cent of the Average Government School Recurrent Costs (AGSRC) and payable to schools with an SES score of 130 or more. The maximum payment is set at 70 per cent of the AGSRC and payable to schools with SES scores of 85 or below.

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*.

Targeted programs for non-government schools

The Commonwealth Government's Grants for Commonwealth Targeted Programs provides assistance to non-government schools and systems. For the 2001-2004 quadrennium, the two priorities for targeted assistance are:

- improving learning outcomes for educationally disadvantaged students; and
- improving outcomes in specific targeted teaching and learning areas.

The program includes support in areas including English as a second language, languages other than English, disability, geographic disadvantage (country areas), human services and other strategic assistance.

Capital grants

Identified road grants to local government

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 grants. This funding is paid under the *Local Government (Financial Assistance) Act 1995* and distributed through the Victoria Grants Commission.

Non-government schools

Commonwealth grants for capital expenditure for non-government schools are provided under the non-government component of the general element of the capital grants program. The assistance is provided in the form of block grants that aim to improve educational outcomes by assisting in the provision of school facilities.

STATEMENT 4

PUBLIC ACCOUNT

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* (FMA). 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 FMA, and receives all Consolidated Revenue under the *Constitution Act 1975* 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 that are not necessarily subject to State appropriation. Examples of this include specific purpose payments from the Commonwealth on-passed by the State to third parties; holding balances in suspense accounts for accounting purposes; 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 within the Trust Fund to receive State revenues hypothecated to particular purposes (e.g. lotteries revenue for hospitals and charities).

Table 4.1: The Consolidated Fund

Estimated receipts and payments for the year ending 30 June 2003 and for the year ending 30 June 2004

| | (\$ million) | | |
|--|-------------------|-------------------|----------------|
| | 2002-03 Budget | 2003-04 Budget | Variation % |
| Receipts | | | |
| Taxation | 8 753 | 9 382 | 7.2 |
| Fines and regulatory fees | 386 | 458 | 18.6 |
| Grants received | 10 149 | 10 327 | 1.8 |
| Sales of goods and services (including S.29 FMA annotated) | 485 | 549 | 13.1 |
| Interest received | 190 | 123 | -35.1 |
| Public authority income | 519 | 433 | -16.6 |
| Other receipts | 1 977 | 2 150 | 8.7 |
| Total operating activities | 22 460 | 23 422 | 4.3 |
| Total cash inflows from investing and financing | 61 | 60 | -1.5 |
| Total receipts | 22 521 | 23 482 | 4.3 |
| Payments - | | | |
| Special Appropriations | 2 380 | 1 986 | -16.5 |
| Appropriations ^(a) | | | |
| Provision of Outputs | 17 372 | 18 378 | 5.8 |
| Additions to the Net Asset Base | 831 | 1 087 | 30.9 |
| Payments made on behalf of the State | 1 586 | 1 626 | 2.5 |
| Receipts credited to appropriation | | | |
| Provision of Outputs | 1 442 | 1 276 | -11.5 |
| Additions to the Net Asset Base | 15 | 164 | 1025.8 |
| Payments made on behalf of the State | .. | .. | 0.0 |
| Sub total | 23 624 | 24 517 | 3.8 |
| Total payments | 23 624 | 24 517 | 3.8 |

Source: Department of Treasury and Finance

Table 4.2: Consolidated Fund Receipts

| | (\$ thousands) | | |
|---|------------------|------------------|-------------|
| | 2002-03 | 2003-04 | Variation |
| | <i>Budget</i> | <i>Budget</i> | % |
| Operating receipts | | | |
| Taxation | | | |
| Payroll tax | 3 037 793 | 3 074 703 | 1.2 |
| Property tax | 611 541 | 768 000 | 25.6 |
| Stamp duty | | | |
| Financial and capital transactions | 1 590 000 | 1 855 100 | 16.7 |
| Stamp duties | 205 800 | 233 433 | 13.4 |
| Financial accommodation levy | 5 176 | 5 668 | 9.5 |
| Financial transaction taxes | 249 300 | 249 486 | 0.1 |
| Other property taxes | .. | .. | .. |
| Gambling | | | |
| Private lotteries | 310 900 | 360 043 | 15.8 |
| Electronic gaming machines | 972 700 | 802 409 | -17.5 |
| Casino taxes | 110 149 | 88 920 | -19.3 |
| Racing | 97 500 | 103 278 | 5.9 |
| Other gambling | 3 000 | 3 299 | 10.0 |
| Insurance | 542 500 | 668 465 | 23.2 |
| Motor Vehicle | | | |
| Road Safety Act (Registration Fees) | 482 930 | 572 514 | 18.6 |
| Stamp duty on vehicle transfers | 465 600 | 517 335 | 11.1 |
| Other drivers licences | 61 121 | 72 878 | 19.2 |
| Franchise Fees | | | |
| Petroleum | .. | .. | .. |
| Tobacco | .. | .. | .. |
| Liquor | 7 000 | 6 273 | -10.4 |
| Energy (Electricity) | .. | .. | .. |
| Total | 8 753 010 | 9 381 804 | 7.2 |
| Fines and regulatory fees | | | |
| Fines | 319 282 | 347 140 | 8.7 |
| Regulatory fees | 67 138 | 111 055 | 65.4 |
| Total | 386 420 | 458 195 | 18.6 |
| Grants received | | | |
| Grants received | | | |
| <i>Grants received by department</i> | | | |
| Department of Education and Training | 431 854 | 465 637 | 7.8 |
| Department of Human Services | 2 569 219 | 2 648 758 | 3.1 |
| Department of Infrastructure | 267 100 | 143 040 | -46.4 |
| Department of Innovation, Industry and Regional Development | 194 | .. | -100.0 |
| Department of Justice | 46 539 | 46 539 | 0.0 |
| Department of Premier and Cabinet | .. | .. | .. |
| Department of Primary Industries | .. | 6 000 | .. |
| Department of Sustainability and Environment | 52 887 | 41 710 | -21.1 |

Table 4.2 (cont): Consolidated Fund Receipts

| | (\$ thousands) | | |
|---|-------------------|-------------------|----------------|
| | 2002-03 Budget | 2003-04 Budget | Variation % |
| <i>Grants received by department (continued)</i> | | | |
| Department of Treasury and Finance | 6 778 143 | 6 972 493 | 2.9 |
| Department for Victorian Communities | 3 073 | 3 096 | 0.7 |
| Parliament | .. | .. | .. |
| Total | 10 149 009 | 10 327 273 | 1.8 |
| Sales of goods and services | 485 372 | 549 131 | 13.1 |
| Interest received | 190 280 | 123 468 | -35.1 |
| Public authority income | | | |
| Public authority dividends | 406 148 | 272 808 | -32.8 |
| Public authorities income tax equivalent receipts | 109 659 | 156 697 | 42.9 |
| Public authorities local government tax equivalent receipts | 3 000 | 3 200 | 6.7 |
| Total | 518 807 | 432 705 | -16.6 |
| Other receipts | | | |
| Land rent received | 15 962 | 14 597 | -8.6 |
| Royalties received | 41 104 | 44 617 | 8.5 |
| Other | 1 920 397 | 2 090 520 | 8.9 |
| Total | 1 977 463 | 2 149 734 | 8.7 |
| Total operating activities | 22 460 361 | 23 422 310 | 4.3 |
| Cash inflows from investing and financing | | | |
| Loans to GBE's | 1 807 | 20 050 | 1009.6 |
| Proceeds from sale of investments | .. | .. | .. |
| Other loans | 2 082 | 1 818 | -12.7 |
| Other | 56 964 | 38 090 | -33.1 |
| Total cash inflows from investing and financing | 60 853 | 59 958 | -1.5 |
| Total Consolidated Funds receipts | 22 521 214 | 23 482 268 | 4.3 |

Source: Department of Treasury and Finance

Table 4.3: Consolidated Fund payments: summary

| | (\$ thousands) | | | |
|--|-------------------|---------------------|-------------------|----------------|
| | 2002-03 Budget | 2002-03 Adjusted | 2003-04 Budget | Variation % |
| Education and Training | | | | |
| Special Appropriations ^(a) | 250 | 250 | 250 | .. |
| Annual Appropriations ^(b) | 5 379 756 | 5 374 041 | 5 762 943 | 7.1 |
| Total | 5 380 006 | 5 374 291 | 5 763 193 | 7.1 |
| Human Services | | | | |
| Special Appropriations ^(a) | 1 146 100 | 1 146 100 | 1 145 607 | -0.0 |
| Annual Appropriations ^(b) | 7 029 060 | 7 029 399 | 7 514 247 | 6.9 |
| Total | 8 175 160 | 8 175 499 | 8 659 854 | 5.9 |
| Infrastructure | | | | |
| Special Appropriations | .. | .. | .. | .. |
| Annual Appropriations ^(b) | 2 883 518 | 2 892 448 | 2 981 235 | 3.4 |
| Total | 2 883 518 | 2 892 448 | 2 981 235 | 3.4 |
| Innovation, Industry and Regional Development | | | | |
| Special Appropriations | .. | .. | .. | .. |
| Annual Appropriations ^(b) | 483 967 | 436 971 | 364 647 | -24.7 |
| Total | 483 967 | 436 971 | 364 647 | -24.7 |
| Justice | | | | |
| Special Appropriations | 130 632 | 140 771 | 112 227 | -14.1 |
| Annual Appropriations ^(b) | 2 043 277 | 2 067 951 | 2 208 462 | 8.1 |
| Total | 2 173 909 | 2 208 722 | 2 320 689 | 6.8 |
| Premier And Cabinet | | | | |
| Special Appropriations | 131 024 | 61 808 | 4 624 | .. |
| Annual Appropriations ^(b) | 421 267 | 405 107 | 405 725 | -3.7 |
| Total | 552 291 | 466 915 | 410 349 | -25.7 |
| Primary Industries | | | | |
| Special Appropriations | .. | .. | .. | .. |
| Annual Appropriations ^(b) | .. | 145 096 | 341 877 | .. |
| Total | .. | 145 096 | 341 877 | .. |
| Sustainability and Environment | | | | |
| Special Appropriations | 3 500 | 3 500 | .. | -100.0 |
| Annual Appropriations ^(b) | 1 075 634 | 950 049 | 875 186 | -18.6 |
| Total | 1 079 134 | 953 549 | 875 186 | -18.9 |
| Treasury And Finance | | | | |
| Special Appropriations | 944 368 | 934 229 | 573 901 | -39.2 |
| Annual Appropriations ^(b) | 1 739 181 | 1 720 108 | 1 646 747 | -5.3 |
| Total | 2 683 549 | 2 654 337 | 2 220 648 | -17.2 |
| Victorian Communities | | | | |
| Special Appropriations | .. | 69 216 | 115 500 | .. |
| Annual Appropriations ^(b) | 108 552 | 152 323 | 347 617 | 220.2 |
| Total | 108 552 | 221 539 | 463 117 | 326.6 |
| Budget Estimates 2003-04 | | Public Account | | 495 |

Table 4.3 (cont): Consolidated Fund payments: summary

| | (\$ thousands) | | | |
|--------------------------------------|-------------------|-------------------|-------------------|--------------|
| | 2002-03 | 2002-03 | 2003-04 | Variation |
| | <i>Budget</i> | <i>Adjusted</i> | <i>Budget</i> | % |
| Parliament | | | | |
| Special Appropriations | 23 822 | 23 822 | 33 819 | 42.0 |
| Annual Appropriations ^(b) | 80 164 | 80 164 | 82 155 | 2.5 |
| Total | 103 986 | 103 986 | 115 974 | 11.5 |
| Total Special Appropriations | 2 379 696 | 2 379 696 | 1 985 928 | -16.5 |
| Total Annual Appropriations | 21 244 376 | 21 253 657 | 22 530 841 | 6.1 |
| Total Appropriations | 23 624 072 | 23 633 353 | 24 516 769 | 3.8 |

Source: Department of Treasury and Finance

Notes:

- (a) *Includes accumulated departmental surplus (previously applied appropriation under Section 33 of Financial Management Act 1994).*
- (b) *Includes receipts credited to appropriation and unapplied previous year appropriation carried over.*

Table 4.4: Consolidated Fund payments: Special Appropriations

| | (\$ thousands) | | | |
|--|-------------------|---------------------|-------------------|----------------|
| | 2002-03 Budget | 2002-03 Adjusted | 2003-04 Budget | Variation % |
| Education and Training | | | | |
| Education Act No. 6240, Section 34 - Volunteer Workers Compensation | 250 | 250 | 250 | na |
| | 250 | 250 | 250 | na |
| Human Services | | | | |
| Gaming and Betting Act No. 37 of 1994 Section 80 - Hospitals and Charities Fund | 98 300 | 98 300 | 103 278 | 5.1 |
| Casino Control Act No. 47 of 1991, Section 114 - Hospitals and Charities Fund | 10 400 | 10 400 | 9 621 | -7.5 |
| Casino Control Act No. 47 of 1991, Section 114B - Hospitals and Charities Fund | 3 800 | 3 800 | 3 833 | 0.9 |
| Gaming Machine Control Act No. 53 of 1991, Sections 137 & 138 - Hospitals and Charities Fund | 678 700 | 678 700 | 616 204 | -9.2 |
| Gaming Machine Control Act No. 53 of 1991, Sec 135B - Hospitals and Charities Fund | 42 200 | 42 200 | 41 865 | -0.8 |
| Club Keno Act No. 56 of 1993, Section 7(5) - Hospitals and Charities Fund | 1 800 | 1 800 | 1 593 | -11.5 |
| Tattersall Consultations - Act No. 6390 | 310 900 | 310 900 | 360 043 | 15.8 |
| Financial Management Act No.18/1994, Section 33 | .. | .. | 9 170 | 0.0 |
| | 1 146 100 | 1 146 100 | 1 145 607 | 0.0 |
| Justice | | | | |
| Constitution Act No. 8750 - Judges Supreme Court | .. | .. | 6 657 | 0.0 |
| Magistrates' Court Act No. 51 of 1989 | 19 342 | 19 342 | 20 112 | 4.0 |
| Constitution Act No. 8750 - Judges Court of Appeal | 2 871 | 2 871 | 2 986 | 4.0 |
| Victims of Crime Assistance Act No.81 of 1996, Section 69 Expenses | 1 515 | 1 515 | 1 573 | 3.8 |
| Constitution Act No. 8750 - President Court of Appeal | 281 | 281 | 292 | 3.9 |
| Discharged Servicemens Pref Act No.4989, s.14 | 50 | 50 | 52 | 4.0 |
| Patriotic Funds Act No. 6331 | 186 | 186 | 191 | 2.7 |
| Melbourne City Link, Act No. 107 of 1995, Section 14(4) | 1 700 | 1 700 | 1 700 | 0.0 |
| Juries Act No.7651 - Compensation To Jurors | 17 | 17 | 17 | 0.0 |
| Crown Proceedings - Act No. 6232 | 4 000 | 4 000 | 4 000 | 0.0 |
| Budget Estimates 2003-04 | Public Account | | | 497 |

Table 4.4 (cont): Consolidated Fund payments: Special Appropriations

| | (\$ thousands) | | | |
|--|-------------------|---------------------|--------------------------|----------------|
| | 2002-03 Budget | 2002-03 Adjusted | 2003-04 Budget | Variation % |
| Justice (continued) | | | | |
| The Constitution Act Amendment Act, Section 315 - Electoral Expenses | 43 665 | 43 665 | .. | -100.0 |
| Electoral Act No. 23 of 2002, Section 181 - Electoral expenses | .. | .. | 19 479 | 0.0 |
| Victims of Crime Assistance Act No.81 of 1996, Section 69 Awards | 37 100 | 37 100 | 23 100 | -37.7 |
| Victorian State Emergency Services Act No. 57 of 1987 - Volunteer Workers Compensation | 305 | 305 | 310 | 1.6 |
| Constitution Act No. 8750 - Chief Justice | 308 | 308 | 321 | 4.2 |
| County Court Act No. 6230 - Judges | 12 882 | 12 882 | 13 226 | 2.7 |
| Constitution Act No. 8750 - Puisine Judges | 6 410 | 6 410 | .. | -100.0 |
| Gaming & Betting Act No.37 of 1994, Section 94 - Expenses of Victorian Casino and Gaming Authority | .. | 10 139 | 18 211 | |
| | 130 632 | 140 771 | 112 227 | -14.1 |
| Premier and Cabinet | | | | |
| Gaming Machine Control Act No. 53 of 1991, Section 137 & 138 - Community Support Fund | 126 400 | 57 184 | .. | -100.0 |
| Constitution Act No. 8750 - Executive Council | 50 | 50 | 50 | 0.0 |
| Constitution Act No. 8750 - Governor's Salary | 116 | 116 | 116 | 0.0 |
| Ombudsman - Act No. 8414 | 210 | 210 | 210 | 0.0 |
| Parliamentary Salaries & Superannuation Act - No. 7723 | 4 248 | 4 248 | 4 248 | 0.0 |
| | 131 024 | 61 808 | 4 624 | -96.5 |
| Sustainability and Environment | | | | |
| Financial Management Act No.18/1994, Section 33 | 3 500 | 3 500 | .. | -100.0 |
| | 3 500 | 3 500 | .. | -100.0 |
| Treasury and Finance | | | | |
| Constitution Act No. 8750 - Judges of the Supreme Court | 2 825 | 2 825 | 2 924 | 3.5 |
| County Court Act No. 6230 - Judges | 3 724 | 3 724 | 3 855 | 3.5 |
| Constitution Act No. 8750 - Governor's Pension | 599 | 599 | 620 | 3.5 |
| Gaming & Betting Act No.37 of 1994, Section 94 - Expenses of Victorian Casino and Gaming Authority | 18 211 | 8 072 | .. | -100.0 |
| 498 | Public Account | | Budget Estimates 2003-04 | |

Table 4.4 (cont): Consolidated Fund payments: Special Appropriations

| | (\$ thousands) | | | |
|--|-------------------|---------------------|-------------------|----------------|
| | 2002-03 Budget | 2002-03 Adjusted | 2003-04 Budget | Variation % |
| Treasury and Finance (continued) | | | | |
| Co-Operative Housing Societies Act No. 6226, Section 77(2) - Indemnities | 2 000 | 2 000 | 2 000 | 0.0 |
| Business Franchise (Petroleum Products) Act No. 9272, Section 17(2) | 34 000 | 34 000 | 36 000 | 5.9 |
| Liquor Control Reform Act No.94 of 1998 Section 177(2) | 22 200 | 22 200 | 22 700 | 2.3 |
| State Superannuation Act No. 50 of 1988, Section 90(2) - contributions | 855 000 | 855 000 | 499 989 | -41.5 |
| Financial Management Act No. 18 of 1994, Section 39 - Interest on Advances | 4 000 | 4 000 | 4 000 | 0.0 |
| Taxation Interest on Overpayments) Act No 35 of 1986, Section 11 | 1 000 | 1 000 | 1 000 | 0.0 |
| Treasury Corporation of Victoria Act No.80 of 1992, Section 38 - Debt Retirement | 695 | 695 | 695 | 0.0 |
| The Mint - Act No. 6323, Section 3 | 114 | 114 | 118 | 3.5 |
| | 944 368 | 934 229 | 573 901 | -39.2 |
| Victorian Communities | | | | |
| Gaming Machine Control Act No. 53 of 1991, Section 137 & 138 - Community Support Fund | .. | 69 216 | 115 500 | 0.0 |
| | .. | 69 216 | 115 500 | 0.0 |
| Parliament | | | | |
| Audit Act No. 2 of 1994, Part 4 - Audit of Auditor General's Office | 10 | 10 | 10 | 0.0 |
| Auditor General - Act No. 2 of 1994 | 231 | 231 | 231 | 0.0 |
| Constitution Act No. 8750 - Clerk of the Parliaments | 1 | 1 | 1 | 0.0 |
| Constitution Act No. 8750 - Legislative Assembly | 275 | 275 | 275 | 0.0 |
| Constitution Act No. 8750 - Legislative Council | 100 | 100 | 100 | 0.0 |
| Parliamentary Salaries and Superannuation Act No. 7723, Section 13(1)(c) - contributions | 6 000 | 6 000 | 15 500 | 158.3 |
| Parliamentary Salaries and Superannuation Act No. 7723 - salaries and allowances | 17 205 | 17 205 | 17 702 | |
| | 23 822 | 23 822 | 33 819 | 42.0 |
| Total Special Appropriations | 2 379 696 | 2 379 696 | 1 985 928 | -16.5 |

Source: Department of Treasury and Finance

Table 4.5: Consolidated Fund payments – Total Annual Appropriations

Details of total annual appropriations for 2003-04, including amounts of estimates of unspent 2002-03 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 2003-04 Budget, **Black** figures; Estimates for 2002-03 Budget, *italic* figures.

(\$ thousands)

| | <i>Provision of Outputs</i> | <i>Additions to Net Asset Base</i> | <i>Payments made on behalf of State</i> | <i>Total</i> ^(a) |
|--|---------------------------------|--|---|-----------------------------|
| Education and Training | | | | |
| Appropriation ^(a) | 5 631 805 | .. | .. | 5 631 805 |
| | 5 322 157 | .. | .. | 5 322 157 |
| Receipts credited to appropriation ^(b) | 62 936 | 68 202 | .. | 131 138 |
| | 46 359 | 11 240 | .. | 57 599 |
| Unspent previous year appropriation carried over ^(c) | .. | .. | .. | .. |
| | .. | .. | .. | .. |
| Total Appropriation | 5 694 741 | 68 202 | .. | 5 762 943 |
| | 5 368 516 | 11 240 | .. | 5 379 756 |
| Human Services | | | | |
| Appropriation ^(a) | 6 384 971 | 106 535 | .. | 6 491 506 |
| | 5 931 084 | 142 818 | .. | 6 073 902 |
| Receipts credited to appropriation ^(b) | 892 904 | 93 407 | .. | 986 311 |
| | 940 791 | 3 250 | .. | 944 041 |
| Unspent previous year appropriation carried over ^(c) | 11 430 | 25 000 | .. | 36 430 |
| | 7 096 | 4 021 | .. | 11 117 |
| Total Appropriation | 7 289 305 | 224 942 | .. | 7 514 247 |
| | 6 878 971 | 150 089 | .. | 7 029 060 |
| Infrastructure | | | | |
| Appropriation ^(a) | 2 241 724 | 537 270 | 49 003 | 2 827 997 |
| | 2 276 491 | 299 883 | 16 720 | 2 593 094 |
| Receipts credited to appropriation ^(b) | 146 083 | .. | .. | 146 083 |
| | 269 344 | .. | .. | 269 344 |
| Unspent previous year appropriation carried over ^(c) | 355 | 6 800 | .. | 7 155 |
| | 4 280 | 16 800 | .. | 21 080 |
| Total Appropriation | 2 388 162 | 544 070 | 49 003 | 2 981 235 |
| | 2 550 115 | 316 683 | 16 720 | 2 883 518 |

Table 4.5 (cont): Consolidated Fund payments – Total Annual Appropriations

(\$ thousands)

| | <i>Provision of Outputs</i> | <i>Additions to Net Asset Base</i> | <i>Payments made on behalf of State</i> | <i>Total ^(a)</i> |
|--|---------------------------------|--|---|-----------------------------|
| Innovation, Industry and Regional Development | | | | |
| Appropriation ^(a) | 282 700 | 50 947 | .. | 333 647 |
| | 371 437 | 52 320 | .. | 423 757 |
| Receipts credited to appropriation ^(b) | .. | .. | .. | .. |
| | .. | .. | .. | .. |
| Unspent previous year appropriation carried over ^(c) | 31 000 | .. | .. | 31 000 |
| | 60 210 | .. | .. | 60 210 |
| Total Appropriation | 313 700 | 50 947 | .. | 364 647 |
| | 431 647 | 52 320 | .. | 483 967 |
| Justice | | | | |
| Appropriation ^(a) | 1 938 322 | 111 092 | 50 045 | 2 099 459 |
| | 1 819 815 | 141 609 | .. | 1 961 424 |
| Receipts credited to appropriation ^(b) | 83 333 | 325 | .. | 83 658 |
| | 76 504 | .. | .. | 76 504 |
| Unspent previous year appropriation carried over ^(c) | 10 345 | 15 000 | .. | 25 345 |
| | 5 349 | .. | .. | 5 349 |
| Total Appropriation | 2 032 000 | 126 417 | 50 045 | 2 208 462 |
| | 1 901 668 | 141 609 | .. | 2 043 277 |
| Premier and Cabinet | | | | |
| Appropriation ^(a) | 346 902 | 33 119 | 19 736 | 399 757 |
| | 332 268 | 75 827 | .. | 408 095 |
| Receipts credited to appropriation ^(b) | 559 | .. | .. | 559 |
| | 732 | .. | .. | 732 |
| Unspent previous year appropriation carried over ^(c) | 5 409 | .. | .. | 5 409 |
| | 2 015 | 10 425 | .. | 12 440 |
| Total Appropriation | 352 870 | 33 119 | 19 736 | 405 725 |
| | 335 015 | 86 252 | .. | 421 267 |

Table 4.5 (cont): Consolidated Fund payments – Total Annual Appropriations

(\$ thousands)

| | <i>Provision of Outputs</i> | <i>Additions to Net Asset Base</i> | <i>Payments made on behalf of State</i> | <i>Total ^(a)</i> |
|--|---------------------------------|--|---|-----------------------------|
| Primary Industries | | | | |
| Appropriation ^(a) | 212 119 | 61 665 | .. | 273 784 |
| | .. | .. | .. | .. |
| Receipts credited to appropriation ^(b) | 39 093 | .. | .. | 39 093 |
| | .. | .. | .. | .. |
| Unspent previous year appropriation carried over ^(c) | 9 000 | 20 000 | .. | 29 000 |
| | .. | .. | .. | .. |
| Total Appropriation | 260 212 | 81 665 | .. | 341 877 |
| | .. | .. | .. | .. |
| Sustainability and Environment | | | | |
| Appropriation ^(a) | 678 984 | 52 935 | 23 000 | 754 919 |
| | 872 643 | 68 554 | 22 800 | 963 997 |
| Receipts credited to appropriation ^(b) | 45 767 | 2 000 | .. | 47 767 |
| | 105 805 | .. | .. | 105 805 |
| Unspent previous year appropriation carried over ^(c) | 43 400 | 29 100 | .. | 72 500 |
| | .. | 5 832 | .. | 5 832 |
| Total Appropriation | 768 151 | 84 035 | 23 000 | 875 186 |
| | 978 448 | 74 386 | 22 800 | 1 075 634 |
| Treasury and Finance | | | | |
| Appropriation ^(a) | 173 447 | 1 960 | 1 466 689 | 1 642 096 |
| | 186 455 | 2 900 | 1 531 830 | 1 721 185 |
| Receipts credited to appropriation ^(b) | 2 551 | .. | .. | 2 551 |
| | 2 412 | 72 | .. | 2 484 |
| Unspent previous year appropriation carried over ^(c) | 2 100 | .. | .. | 2 100 |
| | 5 512 | .. | 10 000 | 15 512 |
| Total Appropriation | 178 098 | 1 960 | 1 466 689 | 1 646 747 |
| | 194 379 | 2 972 | 1 541 830 | 1 739 181 |

Table 4.5 (cont): Consolidated Fund payments – Total Annual Appropriations

(\$ thousands)

| | <i>Provision of Outputs</i> | <i>Additions to Net Asset Base</i> | <i>Payments made on behalf of State</i> | <i>Total</i> ^(a) |
|--|---------------------------------|--|---|-----------------------------|
| Victorian Communities | | | | |
| Appropriation ^(a) | 292 105 | 35 995 | 17 200 | 345 300 |
| | 95 902 | 8 250 | 4 400 | 108 552 |
| Receipts credited to appropriation ^(b) | 2 317 | .. | .. | 2 317 |
| | .. | .. | .. | .. |
| Unspent previous year appropriation carried over ^(c) | .. | .. | .. | .. |
| | .. | .. | .. | .. |
| Total Appropriation | 294 422 | 35 995 | 17 200 | 347 617 |
| | 95 902 | 8 250 | 4 400 | 108 552 |
| Parliament | | | | |
| Appropriation ^(a) | 82 155 | .. | .. | 82 155 |
| | 76 354 | 1 075 | .. | 77 429 |
| Receipts credited to appropriation ^(b) | .. | .. | .. | .. |
| | .. | .. | .. | .. |
| Unspent previous year appropriation carried over ^(c) | .. | .. | .. | .. |
| | 2 535 | 200 | .. | 2 735 |
| Total Appropriation | 82 155 | .. | .. | 82 155 |
| | 78 889 | 1 275 | .. | 80 164 |

Source: Department of Treasury and Finance

Notes:

(a) Appropriation (2003/2004) Act

(b) Financial Management Act, 1994 Section 29

(c) Financial Management Act, 1994 Section 32

Table 4.6: The Trust Fund

| (\$ thousands) | | | | |
|---|-------------------|--------------------|-------------------|----------------|
| | 2002-03 Budget | 2002-03 Revised | 2003-04 Budget | Variation % |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts | | | | |
| Taxation | 90 822 | 106 209 | 111 359 | 22.6 |
| Regulatory Fees and Fines | 20 493 | 22 588 | 25 304 | 23.5 |
| Grants Received | 2 363 671 | 1 807 024 | 1 971 888 | -16.6 |
| Sale of Goods and Services | 135 407 | 139 396 | 137 401 | 1.5 |
| Interest Received | 44 955 | 52 410 | 54 467 | 21.2 |
| Other Receipts | 5 804 646 | 6 712 208 | 6 705 293 | 15.5 |
| | 8 459 994 | 8 839 835 | 9 005 712 | 6.5 |
| Payments | | | | |
| Employee benefits | - 58 825 | - 61 320 | - 60 980 | 3.7 |
| Superannuation | - 4 173 | - 4 597 | - 4 585 | 9.9 |
| Interest Paid | - 119 | - 133 | - 137 | 15.1 |
| Grants Paid | -6 497 634 | -6 625 225 | -7 246 142 | 11.5 |
| Supplies and Consumables | -1 769 700 | -1 918 676 | -1 888 041 | 6.7 |
| Other Payments | - 7 205 | - 20 799 | - 21 181 | 194.0 |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | 122 338 | 209 085 | - 215 354 | 0 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Proceeds from Sale of Property, Plant & Equipment | 200 | .. | .. | -100.0 |
| Purchases of Property, Plant & Equipment | - 68 308 | - 18 832 | - 81 869 | 19.9 |
| Other Investing Activities | - 25 716 | - 294 797 | 353 822 | -1475.9 |
| NET CASH FLOWS FROM INVESTING ACTIVITIES | - 93 824 | - 313 629 | 271 953 | -389.9 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Net Proceeds from/(Repayment of) Borrowings | .. | 2 100 | .. | na |
| Other | - 14 273 | 43 327 | 25 123 | -276.0 |
| NET CASH FLOW FROM FINANCING ACTIVITIES | - 14 273 | 45 427 | 25 123 | na |
| NET CASH INFLOW/(OUTFLOW) | 14 241 | - 59 117 | 81 722 | 473.9 |
| Represented By: | | | | |
| Cash and Deposits Held at Beginning of Reporting Period | 868 174 | 868 174 | 882 415 | na |
| Cash and Deposits Held at End | 882 415 | 809 057 | 964 137 | na |

Source: Department of Treasury and Finance

ABBREVIATIONS AND ACRONYMS

| | |
|--------|---|
| AAS | Australian Accounting Standard |
| AAV | Aboriginal Affairs Victoria |
| ACAS | Aged Care Assessment Services |
| ACE | Adult and Community Education |
| ACMI | Australian Centre for the Moving Image |
| AEIP | Adult Employment Incentive Program |
| AFR | Annual Financial Report |
| AGSRC | Average Government School Recurrent Costs |
| AHBV | Aboriginal Housing Board Victoria |
| AHCA | Australian Health Care Agreement |
| ALTD | Australian Land Transport Development Program |
| AMES | Adult Multicultural and Education Services |
| ANTA | Australian National Training Authority |
| ASC | Australian Securities Commission |
| ASIC | Australian Securities and Investments Commission |
| ASX | Australian Stock Exchange |
| ATO | Australian Taxation Office |
| BBA | Budget Balancing Assistance |
| BLIS | Business Licence Information Service |
| CAC | Capital Asset Charge |
| CBD | Central Business District |
| CFA | Country Fire Authority |
| CGC | Commonwealth Grants Commission |
| CMA | Catchment Management Authority |
| CNCU | Competitive Neutrality Complaints Unit |
| COAG | Council of Australian Governments |
| CRICOS | Commonwealth Register of Institutions and Courses for Overseas Students |
| CSDA | Commonwealth-State Disability Agreement |
| CSF | Community Support Fund |
| CSHA | Commonwealth State Housing Agreement |

| | |
|--------|---|
| DEET | Department of Education, Employment and Training |
| DHS | Department of Human Services |
| DIIRD | Department of Innovation, Industry and Regional Development |
| DNRE | Department of Natural Resources and Environment |
| DOI | Department of Infrastructure |
| DOJ | Department of Justice |
| DPC | Department of Premier and Cabinet |
| DPEC | Drug Policy Expert Committee |
| DTF | Department of Treasury and Finance |
| DTSCG | Department of Tourism, Sport and the Commonwealth Games |
| EBA | Enrolment Benchmark Adjustment |
| EC4P | Electronic Commence for Procurement |
| ECC | Environment Conservation Council |
| EGMs | Electronic Gaming Machines |
| EMA | Emergency Management Australia |
| EPA | Environment Protection Authority |
| ERC | Expenditure Review Committee |
| ESL | English as a Second Language |
| FAGs | Financial Assistance Grants |
| FFYA | Futures for Young Adults |
| FHOG | First Home Owner Grant |
| FID | Financial Institutions Duty |
| FIRS | Federal Interstate Registration Scheme |
| FMA | Financial Management Act 1994 |
| FMA | Forest Management Areas |
| FoI | Freedom of Information |
| FreeZA | Drug and Alcohol Free Zone |
| FTE | Full-Time Equivalent |
| GBE | Government Business Enterprise |
| GMA | Guaranteed Minimum Amount |
| GSERP | Government Sector Executive Remuneration Panel |
| GSP | Gross State Product |
| GST | Goods and Services Tax |
| HACC | Home and Community Care |
| ICT | Information, Communications and Technology |
| IESIP | Indigenous Education Strategic Initiatives Program |
| ILUA | Indigenous Land Use Agreements |
| IT | Information Technology |

| | |
|---------|--|
| KISE | Knowledge, Innovation, Science and Engineering |
| LENS | Local Learning and Employment Networks |
| LLV | Liquor Licensing Victoria |
| LM | Land Management |
| LOTE | Languages other than English |
| MCLA | Melbourne City Link Authority |
| MDBC | Murray Darling Basin Agreement |
| MFESB | Metropolitan Fire and Emergency Services Board |
| MoU | Memorandum of Understanding |
| MSAC | Melbourne Sports and Aquatic Centre |
| NALSAS | National Asian Languages and Studies in Australian Schools |
| NCC | National Competition Council |
| NCP | National Competition Policy |
| NCSC | National Companies and Securities Commission |
| NDRA | Natural Disaster Relief |
| NDRMS | Natural Disaster Risk Management Studies Program |
| NEIP | Environment Improvement Plans |
| NHT | Natural Heritage Trust |
| NRTC | National Road Transport Commission |
| NTER | National Tax Equivalent Regime |
| OMP | Office of Major Projects |
| OWP | Office of Women's Policy |
| PHOFA | Public Health Outcome Funding Agreement |
| ResCode | Residential Development |
| RFA | Regional Forest Agreement |
| RFC | Rural Finance Corporation |
| RIDF | Regional Infrastructure Development Fund |
| RINA | Revenue for Increase in Net Assets |
| RONI | Roads of National Importance |
| RRPs | Revenue Replacement Payments |
| SAAP | Supported Accommodation Assistance Program |
| SDQMS | Stamp Duty on Quoted Marketable Securities |
| SES | Socio-Economic Status |
| STI | Science Technology Innovation |

| | |
|----------|---|
| TAFE | Technical and Further Education (post-secondary colleges) |
| TCP | Technology Commercialisation Program |
| TCV | Treasury Corporation of Victoria |
| TEC | Total Estimated Cost |
| VACS | Victorian Ambulatory Classification System |
| AGO | Victorian Auditor-General's Office |
| VAIP | Victorian Accelerated Infrastructure Program |
| VBL | Victorian Business Line |
| VCAA | Victorian Curriculum and Assessment Authority |
| VCAT | Victorian Civil and Administrative Tribunal |
| VCE | Victorian Certificate of Education |
| VET | Vocational Education and Training |
| VFMC | Victorian Funds Management Corporation |
| VGSO | Victorian Government Solicitor's Office |
| VicRoads | Roads Corporation |
| VicSES | Victorian State Emergency Services |
| VicTrack | Victorian Rail Track Corporation |
| VIMP | Victorian Initiative for Minerals and Petroleum |
| VIPP | Victorian Industry Participation Policy |
| VLA | Victorian Legal Aid |
| VLESC | Victorian Learning and Employment Skills Commission |
| VPS | Victorian Public Service |
| VPSN | Victorian Public Service Notices |
| VQA | Victorian Qualifications Authority |
| VSFIC | Victorian Sea Freight Industry Council |
| VYDP | Victorian Youth Development Program |
| WCI | Wage Cost Index |
| WIES | Weighted Inlier Equivalent Separations |

STYLE CONVENTIONS

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

| | |
|---------|---|
| na | not available or not applicable |
| nm | new measure |
| .. | zero, or rounded to zero |
| tbd | to be determined |
| ongoing | continuing output, program, project etc |

