

# **Budget Estimates**

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## **1999-2000**



Presented by

**The Honourable Alan Stockdale, M.P.**

Treasurer of the State of Victoria

for the information of Honourable Members

**Budget Paper No.3**



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## **ABBREVIATIONS AND ACRONYMS**

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AAS	Australian Accounting Standards
ACAS	Aged Care Assessment Services
ACE	Adult and Community Education
AHBV	Aboriginal Housing Board of Victoria
AHC	Australian Hospital Care
AHCA	Australian Health Care Agreement
AIHW	Australian Institute of Health and Welfare
AIP	Accelerated Infrastructure Program
ALTD	Australian Land Transport Development
AMES	Adult Multicultural and Education Services
ANTA	Australian National Training Authority
ANZECC	Australian and New Zealand Environment and Conservation Council
ASC	Australian Securities Commission
ASX	Australian Stock Exchange
BEST	Bureau of Emergency Services Telecommunications
CFA	Country Fire Authority
CFF	Committed Fund Facility
CGC	Commonwealth Grants Commission
CMA	Catchment Management Authority
COAG	Council of Australian Government
CSDA	Commonwealth-State Disability Agreement
CSF	Community Support Fund
CSHA	Commonwealth-State Housing Agreement

DETYA	Department of Education, Training and Youth Affairs
DHS	Department of Human Services
DNRE	Department of Natural Resources and Environment
DOE	Department of Education
DOI	Department of Infrastructure
DOJ	Department of Justice
DPC	Department of Premier and Cabinet
DSD	Department of State Development
DTF	Department of Treasury and Finance
EBA	Enrolment Benchmark Adjustment
ECC	Environment and Conservation Council
EGMs	Electronic Gaming Machines
EIP	Environment Improvement Plans
EMA	Emergency Management Australia
EPA	Environment Protection Authority
ESL	English as a Second Language
EFT	Equivalent Full Time
FAGs	Financial Assistance Grants
FFYA	Future for Young Adults
FID	Financial Institutions Duty
FIRS	Federal Interstate Registration Scheme
FMA	Financial Management Act 1994
FOI	Freedom of Information
FR <sup>ec</sup> ZA	Drug and Alcohol Free Zone
GAAP	Generally Accepted Accounting Principles
GBE	Government Business Enterprise
GSP	Gross State Product
HACC	Home and Community Care
HC	Health Care
HITH	Hospital in the Home
IGAE	Inter-Governmental Agreement on the Environment
ISDES	Individual School Drug Education Strategies
IT	Information Technology
KODE	Koori Open Door Education



LAP	Learning Assessment Program
LDMS	Legislation Document Management Service
LLV	Liquor Licensing Victoria
MFESB	Metropolitan Fire and Emergency Services Board
MPV	Multi Purpose Venue
MRI	Magnetic Resonance Imaging
MRP	Management Reform Program
NCP	National Competition Policy
NCSC	National Companies and Securities Commission
NDRA	Natural Disaster Relief Arrangement
NEPC	National Environment Protection Council
NHT	Natural Heritage Trust
NRC	National Rail Corporation
NRE	Natural Resources and Environment
NRM	National Roughness Measure (road surface)
NRTC	National Road Transport Commission
NSSC	National Schools Statistical Collection
OTFE	Office of Training and Further Education
PAI	Public Authority Income
PTC	Public Transport Corporation
RONI	Roads of National Importance
RRT	Resource Rent Tax
RTA	Road Traffic Authority
RTL	Road Transport Law
RWC	Rural Water Corporation
SBV	Small Business Victoria
SET	Science, Engineering and Technology
SPP	Specific Purpose Payments
SRO	State Revenue Office
TAC	Transport Accident Commission
TAFE	Technical and Further Education (post-secondary colleges)
TEC	Total Estimated Cost
TER	Taxation Equivalent Regime

VACS	Victorian Ambulatory Classification System
VCAT	Victorian Civil and Administrative Tribunal
VCE	Victorian Certificate of Education
VCGA	Victorian Casino and Gaming Authority
VCMC	Victorian Catchment Management Council
VET	Vocational and Educational Training
VGSO	Victorian Government Solicitor's Office
VHA	Victorian Hospitals Association
VicRoads	Roads Corporation of Victoria
VICSES	Victorian State Emergency Service
VIMP	Victorian Initiative for Minerals and Petroleum
VMC	Victorian Multicultural Commission
VSAM	Victorian Student Achievement Monitor
VWA	Victorian WorkCover Authority
VYDP	Victorian Youth Development Program
WIES	Weighted Inlier Equivalent Separations
Y2K	Year 2000

## STYLE CONVENTIONS

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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.

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

The notation used in the tables is as follows:

na	not available or not applicable. The notation is used in the Output Group tables to indicate that output performance targets are not available.
nm	new measure, the notation is used in the output group tables to indicate that output performance targets are not appropriate for 1999-2000 as the output performance measure is new.
..	zero, or rounded to zero
tbd	to be determined. This mostly applies to output performance measures, which are being developed during 1999-2000, and for which historical data is lacking. In general, targets will be set on the basis of baseline data to be collected during 1999-2000.
<	less than
≤	less than or equal to
>	greater than
≥	greater than or equal to
ongoing	continuing task



## INTRODUCTION

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The 1999-2000 *Budget Estimates, Budget Paper No 3*, comprises a summary of the activities supported from the Budget, the revenue and expenses of the budget sector, and the outputs which the Government expects to purchase. It also includes commentary on how these outputs are contributing to the achievement of established Government outcomes. This document is the primary source of information for readers interested in the detailed output delivery plans of individual departments.

The 1999-2000 *Budget Estimates Budget Paper No. 3* consists of the following four statements:

### *Statement 1 - Departmental Resources*

Statement 1 provides in summary a discussion of departmental financial estimates and their relationship to the Government's objectives for the 1999-2000 Budget.

### *Statement 2 - Departmental Statements*

The *Departmental Statements* 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 of the department to obtain and use these resources.

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

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

The tables in Part Two have been extensively rationalised since last year's publication. However, the three main financial statements for each department have had additional information added to ensure there is no loss of information provided.

Section 40 of the *Financial Management Act 1994* relates to the Government's commitment to output-driven results by providing that a separate statement must accompany the annual Appropriation Bills detailing the goods and services produced or provided by each department, a description of the amounts available to each department during the period, the estimated receipts and receivables of the department and such other information as the Minister determines. This requirement is fulfilled with the publication of *Statement 2* of this Budget paper.

### ***Statement 3 – State Revenue***

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

### ***Statement 4 - The Public Account***

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

The format and order of the tables in this statement have changed in this year's publication to reflect a more consistent presentation style with the rest of the budget paper.

### ***Format of Information***

The financial information presented in this paper uses an accrual accounting format consistent with generally accepted accounting principles (GAAP).

The financial statements provided in this paper for 1999-2000 include:

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

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

Included for the first time is an estimated outcome comparison as well as the normal budget to budget comparison for the financial and output performance estimates. In keeping with established practice, adjustments have been made to the published 1998-99 Budget figures so that comparisons are made on a consistent basis. These adjustments relate to the inclusion of actual carryover amounts from 1997-98 replacing the estimated departmental carryovers incorporated in the 1998-99 Budget.

In addition, the 1998-99 Revised figures take into account any additional funding approved during 1998-99 for departments and the department's best estimate of the 1998-99 outcome.

Since the Budget is brought down prior to the start of the financial year, no actual financial or performance measurement data for the previous year is available for publication. The 1998-99 revised estimates provide the current best estimate of the actual financial and performance information for the current financial year.

### ***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. Consolidated financial estimates for the budget sector in an AAS31 accounting format are included in *Budget Paper No. 2* as well as a discussion of how the Budget impacts on the State's economy.

*Budget Paper No. 3*, on the other hand, is prepared from the perspective of departmental operations. As stated above, it is prepared using GAAP and therefore takes account of the full revenue and costs of departments. It is to be used as a management and reporting tool and contains the supporting details to the AAS31 information provided in *Budget Paper No. 2*. The AAS31 format presents the financial information on a whole of government basis and is consolidated to eliminate internal transfers at the Budget Sector level. However, the individual departmental financial statements are provided on an AAS29 format and the aggregate figure from these financial statements will not reconcile to the information provided in *Budget Paper No. 2* as the internal eliminations have not been taken into account.

The information provided in this paper is consistent with the format of the information to be provided in the financial statements of the State of Victoria which are planned to be published in October 1999.

A glossary of definitions for commonly used terms referenced within both *Budget Paper No 2* and this paper is included as part of *Budget Paper No. 2*.

### ***Appropriations***

Parliament appropriates funds either as a standing authority through special appropriation 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 which are made on an ongoing basis independent of the Government's annual budget.

The *Appropriation (1999/2000) 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 Natural Resources and Environment for the Environment Protection Authority. In the case of Parliament the *Appropriation (Parliament 1999/2000) Act*, provides appropriations on an output group basis.

As in 1998-99, the Appropriation Bills for 1999-2000 will provide the legislative authority for a department to earn revenue and make arrangements up to the limit of the appropriation authority amount in the Bill. The Bill will again provide for three appropriation purposes:

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



**STATEMENT 1**

**DEPARTMENTAL OVERVIEW**



## DEPARTMENTAL OVERVIEW

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The Victorian Government's overriding objective is to make Victoria a better place to live, to invest and to do business. To achieve this objective, the Government is pursuing a broad economic strategy focussed on creating a world class business environment conducive to investment and job creation, and a more efficient and effective State public sector.

The Budget's role within this broader strategy has been to ensure:

- financial discipline and responsible fiscal management; and
- the delivery of quality, value for money public services and infrastructure for the community.

The Government's budget strategy and associated economic, financial and management reforms implemented since 1992 have resulted in a significant turnaround in the State's Budget position.

As the State's financial position has improved, scope exists for the Government to continue to direct resources towards priority service needs. In particular, with state debt substantially reduced, the Government is now in the position where it is able to boost service delivery in priority areas by operating with smaller, but still prudent, sustainable cash surpluses (see *Budget Paper No 2* for details).

### 1999-2000 BUDGET

As indicated above, the restoration of a sound financial position has enabled the Government in previous budgets to return substantial benefits to the community in the form of improvements in service delivery, taxation reductions and lower electricity, water and other charges.

The 1999-2000 Budget makes further significant headway in these areas, with new service delivery initiatives and tax cuts worth \$382.7 million and \$88.6 million, respectively, in the budget year.

## Service Delivery initiatives

The major service delivery initiatives include:

- funding of \$310 million over five years to build on Victoria's strength in science, engineering and technology research and development;
- funding of \$94 million over four years to provide an additional 50 000 apprenticeships and traineeships in the TAFE sector;
- increased support for using information technologies in schools;
- improvement in level of funded service delivery from the State's hospital system;
- over \$690 million for major connections to the Melbourne strategic road network and to further integrate and enhance public transport; and
- funding to recruit an additional 400 police over the next two years.

Table 1.1 summarises the total additional funding for new service delivery initiatives introduced in the 1999-2000 Budget. Full details of the 1999-2000 initiatives can be found in Chapter 5, *Budget Sector Services of Budget Paper No 2*.

**Table 1.1: New service delivery initiatives by department**

	(\$ million)			
	1999-2000 Budget	2000-01 Estimate	2001-02 Estimate	2002-03 Estimate
Education	62.6	74.9	71.9	65.1
Human Services	114.8	122.7	125.9	126.0
Infrastructure	70.7	12.7	10.7	13.7
Justice	33.1	42.0	40.2	40.2
Natural Resources and Environment	21.1	16.7	14.0	14.0
Premier and Cabinet	19.1	17.6	25.7	25.7
State Development	27.6	38.0	59.5	66.5
Treasury and Finance <sup>(a)</sup>	29.9	16.7	5.8	2.7
Parliament	3.8	2.3	2.4	2.5
<b>Total</b>	<b>382.7</b>	<b>343.6</b>	<b>356.1</b>	<b>356.4</b>

Source: Department of Treasury and Finance

Note:

(a) Net of funds recouped from privatisation proceeds.

## Tax initiatives

In 1999-2000, Victoria will make additional progress towards its long-term goal of aligning the State's taxation effort with the average of all Australian States.

The Government has targeted \$97 million in tax relief (full-year cost) through a further cut in payroll tax to follow the reductions introduced in the two previous budgets. The Government has chosen this course of action, as payroll tax is the single most critical tax in relation to the twin objectives of improving the State's economic competitiveness and boosting employment. While other taxes can have an impact on business costs, payroll tax is the one that has the most pervasive and visible impact on the day-to-day costs of doing business.

The change to payroll tax and other measures in recent years, including land tax, conveyancing duty and petroleum franchise fees, bring to over \$500 million the cumulative savings to Victorian business and households. As a result, Victoria's tax competitiveness relative to the other Australian States, notably New South Wales has improved markedly in recent years on several alternative measures. Details of the payroll tax change and the 1999-2000 Budget estimates of taxation revenue can be found in Chapter 8, *Revenue and Grants of Budget Paper No 2* and *Statement 3* of this paper.

### **Asset investment initiatives**

Prior to 1999-2000 the Government adopted a capital investment level at around 1¼ per cent of Gross State Product (GSP). This target, set in the *Autumn Economic Statement* of May 1995, was adopted to ensure that the annual capital investment was sufficient to cover depreciation and maintain growth in the capital stock at least equal to population growth. Also incorporated in the 1¼ per cent GSP target was an implicit catch up for previous under investment in Victorian infrastructure.

With the 1999-2000 Budget the capital investment target has been reduced to a minimum of 1 per cent of GSP. Two key factors have resulted in the revision of the target:

- privatisation of significant state businesses (set to continue with the franchising of the Public Transport Corporation) has reduced the value of the state's physical assets and therefore depreciation expenses; and
- a significant catch up of past under investment has now been achieved.

Even allowing for the reduction in the capital expenditure target the 1999-2000 Budget provides for the commencement in 1999-2000 of new infrastructure projects with a total estimated cost of \$1 356.8 million. Table 1.2 provides a summary of the 1999-2000 infrastructure investment initiatives by department. *Statement 2* provides further details on the Government's infrastructure investment initiatives. Full details of the new projects will be available later in the year in *Public Sector Asset Investment 1999-2000*, to be published in September 1999.

**Table 1.2: New funding for infrastructure projects commencing in 1999-2000 by department**

(\$ million)

	<i>Total estimated cost</i>	<i>1999-2000 Budget</i>	<i>Balance</i>
Education	129.8	71.0	58.8
Human Services	200.3	79.5	120.8
Infrastructure	743.3	129.0	614.3
Justice	41.9	9.6	32.3
Natural Resources and Environment	18.0	9.7	8.3
Premier and Cabinet	162.7	33.1	129.6
State Development	41.0	16.6	24.4
Treasury and Finance	18.0	10.0	8.0
Parliament	1.8	1.7	0.1
<b>Total</b>	<b>1 356.8</b>	<b>360.2</b>	<b>996.6</b>

*Source: Department of Treasury and Finance*

## DEPARTMENTAL RESOURCES

*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 group. The information provided on output groups includes the major outputs to be provided by each department, and performance measures for quantity, quality and timeliness of delivery.

Table 1.3 details the total operating expenses for each department consistent with the AAS31 classification of the 1999-2000 Budget aggregates as outlined in *Budget Paper No 2*.

**Table 1.3: Operating expenses by department**

	(\$ million)				
	1998-99 Revised	1999-2000 Budget	2000-01 Estimate	2001-02 Estimate	2002-03 Estimate
Education	5 274.4	5 515.2	5 542.4	5 550.8	5 565.1
Human Services	6 527.2	6 706.6	6 797.5	6 878.2	6 935.4
Infrastructure	1 886.6	1 977.2	1 895.3	1 891.8	1 922.4
Justice	1 555.4	1 656.5	1 653.7	1 651.2	1 626.3
Natural Resources and Environment	782.6	806.2	728.0	718.0	720.7
Premier and Cabinet	233.0	315.1	282.5	305.7	310.1
State Development	220.2	238.3	238.7	239.8	244.0
Treasury and Finance	2 324.3	2 058.7	2 349.9	2 618.7	3 150.2
Parliament	81.6	86.9	84.6	84.4	85.8
<b>Total</b>	<b>18 885.4</b>	<b>19 360.9</b>	<b>19 572.6</b>	<b>19 938.7</b>	<b>20 560.0</b>

Source: Department of Treasury and Finance

This presentation differs from the expenses provided in *Statement 2* as those financial statements are consistent with AAS29. The main difference between the two presentations is that the AAS31 presentation eliminates transactions that are within the Budget Sector, for example payroll tax paid by departments is eliminated in the AAS31 presentation but included in the AAS29 format as an expense of the department.

Table 1.4 details the purchase of fixed assets for each department consistent with the classification of the estimates in *Budget Paper No 2*. These estimates show the gross purchases of fixed assets made by departments and exclude any proceeds of asset sales that may offset the cost of these purchases.

**Table 1.4: Purchases of fixed assets by department**

	(\$ million)				
	1998-99 Revised	1999-2000 Budget	2000-01 Estimate	2001-02 Estimate	2002-03 Estimate
Education	245.4	256.3	183.0	122.8	123.4
Human Services	318.2	316.8	203.9	84.8	65.5
Infrastructure	329.1	288.6	241.8	228.8	211.9
Justice	67.2	59.0	66.9	20.0	17.8
Natural Resources and Environment	57.2	60.1	37.3	25.7	22.2
Premier and Cabinet	181.7	106.4	121.2	83.3	46.3
State Development	4.6	0.6	..	..	..
Treasury and Finance <sup>(a)</sup>	65.8	32.2	454.7	823.5	1 027.2
Parliament	4.4	3.7	0.9	0.9	0.9
<b>Total</b>	<b>1 273.5</b>	<b>1 123.6</b>	<b>1 309.7</b>	<b>1 389.7</b>	<b>1 515.3</b>

Source: Department of Treasury and Finance

Notes:

- (a) Consistent with current Government policy to maintain Budget Sector investment at a minimum of 1 per cent of GSP, these estimates contain a provision for investment in 2000-01 onwards that is allocated to individual departments when project commitments are announced in subsequent budgets.

## AUTHORITY FOR DEPARTMENTAL RESOURCES

As stated earlier in this statement, *Statement 2* provides the details of the departmental expenses estimates for the provision of outputs and to make 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 service delivery responsibilities.

Table 1.5 details the Parliamentary authority for resources available to departments in aggregate. Details of the authority for each department are provided in Part 2 of the individual departmental statements contained in *Statement 2*.



**Table 1.5: Departmental resources by authority**

(\$ million)

	1998-99	1998-99	1999-2000	Variation <sup>(a)</sup>
	Budget	Revised	Budget	%
Annual Appropriations	15 297.4	14 817.5	15 558.1	1.7
Receipts Credited to Appropriations <sup>(b)</sup>	989.5	1 050.9	1 128.3	14.0
Unapplied previous years appropriation <sup>(c)</sup>	304.6	280.2	158.3	-48.0
Gross Annual Appropriations	16 591.5	16 148.6	16 844.8	1.5
Special Appropriations	2 238.3	8 812.2	2 195.4	-1.9
Trust Funds	1 305.9	1 568.4	1 504.8	15.2
Non Public Account and other sources	1 391.8	1 481.9	1 521.3	9.3
<b>Total Authority</b>	<b>21 527.5</b>	<b>28 011.2</b>	<b>22 066.2</b>	<b>2.5</b>

Source: Department of Treasury and Finance, Forward Estimates

## Notes:

- (a) Variation is between the 1998-99 Budget and the 1999-2000 Budget.
- (b) For 1998-99 Revised this item is the actual receipts credited, while for 1998-99 Budget it is the estimate at Budget time.
- (c) Estimates carryover for 1999-2000. Actual carryovers are subject to approval by the Treasurer prior to 30 June pursuant to Section 32 of the Financial Management Act 1994. For 1998-99 Revised this is the actual carryover from 1997-98 to 1998-99 while for the Budget it reflects the departmental estimate at Budget.



**STATEMENT 2**

**DEPARTMENTAL  
STATEMENTS**



# DEPARTMENT OF EDUCATION

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## PART 1: OUTLOOK AND OUTPUTS

### Overview

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

Its vision is world class education and training, founded on consumer choice and accountability, and achieved in partnership with business and the community, which produces literate and numerate citizens with enhanced scientific and technological skills.

The Department is responsible for the provision of services, support and regulation of the delivery of:

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

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

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

## **Scope of the Education and Training System**

### ***Participation***

In 1999 government school education services will be provided to:

- 306 596 primary school students;
- 217 267 secondary school students;
- 5 415 students in special schools; and
- 1 040 students in 12 language schools and centres.

Services will also be provided to 270 612 non-government school students.

Tertiary education and training is estimated to be provided in 1999 to:

- 600 000 student enrolments amounting to 65.46 million student contact hours of government funded vocational education and training;
- 339 000 total module enrolments, including 115 000 enrolments amounting to 3.42 million student contact hours of government funded adult and community education;
- 24 000 student enrolments amounting to 2.84 million student contact hours of government funded training in Adult Multicultural Education Services; and
- approximately 185 000 places of higher education.

### ***Mode of delivery***

School education services are provided through a range of school structures, with differing levels of autonomy. In 1999, these include:

- 1 636 government schools, of which 29 have Self Governing status; and
- 684 non-government schools.

Of the 29 Self Governing Schools operating at the beginning of 1999, 13 are offering primary school instruction, 14 are secondary colleges and 2 are special schools for students with disabilities and impairments.

Government schools in Victoria are set up in various configurations including; Primary P-6, Secondary 7-12, Secondary 7-10, Secondary 11-12, Primary/Secondary P-10, Primary/Secondary P-12 and other combinations, some of which have multi-campus sites and annexes. Of the 1 636 Victorian government schools:

- 1 285 schools are providing primary education;
- 305 schools are offering Years 7 to 10;
- 296 schools are offering the VCE;
- 80 specialist schools are catering for students with disabilities; and
- 3 English Language Schools and 9 English Language Centres are providing services for new arrival students.

In 1999 tertiary education and training services will be delivered through a range of educational institutions including:

- 19 training and further education (TAFE) Institutes, including 5 universities with TAFE Divisions;
- 760 registered private providers of TAFE;
- 470 adult community education organisations owned and managed by local communities, the Adult Multicultural Education Services and the Council of Adult Education;
- 9 Victorian based universities and the Australian Catholic University; and
- 22 private providers of higher education.

### **Scope and Coverage Statement**

The Output Group and financial information for the Department of Education includes consolidated information for the following Portfolio entities:

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

## Review of 1998-99

During 1998–99, the Department made significant progress towards ensuring Victorians have access to high quality education and training services. During 1998–99, the Department of Education:

- established 29 Self Governing Schools;
- implemented the Early Years Literacy Program in primary schools to improve literacy outcomes for primary school students, involving the employment of around 1 000 teachers, 500 of whom were new graduates;
- commenced the review of the Curriculum and Standards Framework;
- launched the *Science in Schools, SET for Success* strategy;
- provided 12 100 notebook computers to teachers and principals;
- expanded information technology and telecommunications infrastructure and curriculum support in schools to include access to VicOne, the EduMail electronic mail system, the EduNet Internet service, the Education Channel and CASES 21;
- further extended the pathways available to secondary students through expansion of the Vocational Education and Training (VET) in Schools and New Apprenticeships programs;
- redeveloped the Victorian Certificate of Education (VCE) curriculum to include 38 revised studies and 6 new studies;
- completed the review of Graduate Teacher Outcomes;
- trialed the Victorian Student Achievement Monitor (VSAM) for assessment of achievement in English and Mathematics of Year 7 and 9 students;
- supported continued growth in apprenticeships and traineeships;
- extended the Youth Employment Initiative;
- implemented the key elements of the Government's decisions in relation to the Committee of Inquiry into TAFE provision in the Melbourne Metropolitan area (Ramler Review);
- launched the TAFE Online 2001 Initiative;
- launched *TAFE of Course* a major promotion campaign to raise the profile of TAFE in Victoria;
- developed a *People Management Framework* focussed on performance excellence and quality service;



- completed an *Outsourcing Strategic Plan* which has identified opportunities for the outsourcing or contracting out of Departmental services;
- established a process for incorporating Australian Quality Council principles into Departmental operations;
- reviewed and approved the establishment of a private university – Melbourne University Private and courses by private providers; and
- expanded school level international student enrolments by 60 per cent.

## **1999-2000 Outlook**

In response to the Government's educational, economic and social advantage objectives, and to achieve its vision, the Department of Education has set the following strategic priorities for 1999–2000:

- improve student learning outcomes in the areas of literacy and numeracy particularly in the early years of schooling;
- develop a highly skilled Victorian workforce through the provision of contemporary and relevant education and training;
- maximise the use of innovative information technology and multimedia across all sectors in both service delivery and corporate management;
- improve student participation and learning outcomes in mathematics, science and technology;
- further enhance the Department's capability to cater for the needs of disadvantaged students and support social development programs;
- further improve the quality of education and training services through extension of devolution and autonomy arrangements for educational institutions;
- further encourage lifelong learning through expansion of pathway mechanisms in education and training; and
- continually review services in education to ensure quality Departmental processes and systems.

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

- maximising value for money in public expenditure;
- further enhancing contestability in Departmental operations including competitive tendering and outsourcing arrangements and expansion of consumer choice in the types of services provided;

- adopting ‘best in class’ policy development and management practices consistent with accrual output based management; and
- maximising human potential in education and training.

In support of these priorities, the Department will develop, implement and further enhance a range of programs and support services in school education and tertiary education and training.

### **School Education**

During 1999–2000 the Department will:

- continue to support the implementation of comprehensive literacy programs in every school and implementation of the Victorian *Early Years Strategy—Literacy and Numeracy*;
- expand the pilot research to identify best practice in intervention programs in the middle years of schooling, to ensure all students are able to achieve desired literacy and numeracy learning outcomes;
- implement the *Science, Engineering and Technology—SET for Success Strategic Plan* by developing resource materials for schools by conducting professional development programs, and by raising the profile of and commitment to science education through the involvement of parents, the business sector and tertiary institutions;
- provide infrastructure and support to improve use of information technology and multimedia in teaching and learning, distance education and school administration;
- support schools to implement learning technology plans to maximise the opportunities available through VicOne; utilise electronic material to support the implementation of the revised Curriculum and Standards Frameworks (CSF); and increase the application of multimedia in schools;
- provide support for additional students under the program for Students with Disabilities and Impairments;
- provide support to schools to complete the implementation of the *Turning The Tide* initiative through their *Individual School Drug Education Strategies (ISDES)*;
- increase the number of students and schools participating in the Victorian Youth Development program (VYDP);
- open an additional Koori Open Door Education (KODE) campus;

- provide appropriate and challenging curriculum programs for students returning to school or TAFE as a result of the introduction of the Youth Allowance;
- provide advice and support to schools choosing to become Self Governing Schools;
- further progress the Victorian Student Achievement Monitor (VSAM) to assess achievement in English and Mathematics of Year 7 and 9 students;
- increase the number of school students participating in Vocational Education and Training (VET) in Schools programs and Training Agreements and develop additional apprenticeship and traineeship programs, in conjunction with Industry Training Boards;
- commence implementation of the revised Curriculum and Standards Frameworks (CSF); and
- continue implementation of the revised Victorian Certificate of Education (VCE).

### ***Tertiary Education and Training***

During 1999–2000 the Department will:

- provide additional funding to cover the training needs of an increasing number of new apprenticeships and traineeships;
- continue to implement the National Training Framework;
- provide greater opportunities and improved outcomes for under represented clients, particularly in rural areas using Adult and Community Education (ACE) infrastructure;
- promote training outcomes which better meet the needs of small business;
- encourage a training culture within industry, particularly in relation to the existing workforce;
- implement the Office of Training and Further Education's (OTFE) Multimedia and Communication Training Strategy including in ACE providers;
- expand the Victorian Virtual Campus;
- develop curriculum consistent with the Further Education Curriculum Framework;
- continue implementation of the recommendations from the Ramler Review on the provision of TAFE in the Melbourne Metropolitan area;

- maintain and strengthen higher education delivery in regional Victoria;
- strengthen research and program delivery in science and technology in higher education in conjunction with State strategic planning for economic development;
- implement strategies to increase participation in science and technology studies across all levels of education; and
- support development of the semi-conductor industry in Victoria by developing a curriculum and training infrastructure.

### ***Policy, Strategy and Information Services***

During 1999–2000 the Department will:

- improve service delivery through implementation of recommendations arising from the Departmental Quality Management Project and implementation of a new People Management Framework; and
- continue to encourage overseas student participation in Victorian schools, TAFE and higher education institutions, and internationalisation of education through associated projects.

### **Major Factors Impacting on Performance**

#### ***Demand for Education***

With reductions in the demand for unskilled labour, arising from structural changes in the economy, increasing numbers of people are identifying further education as the key avenue to gaining ongoing full-time employment. The tertiary industries and the knowledge economy, which require a well educated workforce, now account for much higher proportions of all employment than twenty years ago. Demand for lifelong learning is also stimulated by the constant need for ‘reskilling’ or ‘upskilling’.

#### ***Information Technology***

As community awareness of the knowledge economy increases there is heightened demand for access to contemporary information technology in schools and TAFE institutes so that students are provided with the necessary skills, experience and aptitudes.

The use of information technology (IT) in teaching and training is expanding rapidly and Victoria is regarded as a world leader in this area. However the numerous business risks associated with extended use of IT and multimedia, are

being addressed by Victoria to ensure that it retains a competitive advantage in the global economy. These include the need to:

- keep up with constantly changing technology so as to remain competitive internationally;
- ensure optimal use of IT investments through the provision of adequate support; and
- update the skills of the workforce.

## Output Information

The following section provides details of the outputs to be provided to Government, including their performance measures and the costs for each output group. The table below summarises the total costs for each output group.

**Table 2.1.1: Output group summary**

	<i>(\$million)</i>			
	<i>1998-99 Budget</i>	<i>1998-99 Revised</i>	<i>1999-2000 Budget</i>	<i>Variation<sup>(a)</sup> %</i>
School Education	3 958.4	4 110.0	4 354.7	10.0
Tertiary Education and Training	789.9	853.7	848.8	7.5
Policy, Strategy and Information Services	27.8	27.6	27.0	-3.1
<b>Total</b>	<b>4 776.1</b>	<b>4 991.3</b>	<b>5 230.4</b>	<b>9.5</b>

*Source: Department of Treasury and Finance*

*Note:*

*(a) Variation between 1998-99 Budget and 1999-2000 Budget.*

## School Education

### Key Government Outcomes

- A literate and numerate Victorian community;
- Meeting the needs of the economy;
- Preparation for the knowledge society, particularly in science, mathematics and information technology;
- Socially and culturally aware Victorians; and
- Best-in-class education and training service delivery.

### Description of the Output Group

This output group covers the policy development, regulation and management of the Victorian school education system. Outputs include the provision of government primary and junior secondary education to compulsory school aged students, the provision of senior secondary education services to post compulsory age students, and the regulation of non-government schooling.

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

The non-government schooling output supports the Government's responsibility, exercised through the Registered Schools Board, to ensure the standard of instruction and the suitability of premises of non-government schools through the registration of schools and teachers. It also includes the administration of financial assistance for non-government students.

Also included is the provision of specialist services. Outputs in this category include services provided to students with disabilities and impairments, students from language backgrounds other than English, and students with other special needs such as the requirement for student welfare services. In each of these cases, services are provided both through specialist settings such as special schools and language centres and through additional services to students in regular schools. There are also a number of specific educational programs and initiatives aimed at either intervention or extension of educational experiences, reporting and assessment services.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target <sup>(a)</sup>	1998-99 Expected <sup>(a)</sup>	1999-2000 Target <sup>(a)</sup>
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**Primary Education** - Provision of education services to Victorian students in Government schools across the State of Victoria from Prep to Year 6.

*Quantity*

Students (P-6)	number	303 869	303 752	306 596
Schools providing primary education	number	nm	1 293	1 285
Schools per 1000 square kilometres	number	5.7	5.7	5.7
Schools per one million population	number	282.0	278.2	274.0
Student-teacher ratio	ratio	1:16.8	1:17.2 <sup>(b)</sup>	1:17.2
Primary classes less than 31 students	per cent	92.9	93.1	94
P-2 class sizes less than 29 students	per cent	nm	nm	95

*Quality*

Students achieving at or above expected levels in Years 3 and 5 in the LAP – Reading	per cent	90	90	90
Students achieving at or above expected levels in Years 3 and 5 in the LAP – Number	per cent	90	90	90
Parent satisfaction with primary schooling on a 100 point scale	per cent	nm	nm	89
Morale of primary school teachers on a 100 point scale	per cent	nm	nm	72

**Secondary Education (Years 7-10)** - Provision of education services to Victorian students in Government schools in the State of Victoria from Year 7-10.

*Quantity*

Students (Years 7-10)	number	151 114	151 493	152 073
Schools providing Years 7-10	number	nm	305	305
Schools per one million population (all secondary)	number	67.2	66.5	65.9
Schools per 1000 square kilometre (all secondary)	number	1.4	1.4	1.4
Secondary student-teacher ratio (all secondary)	ratio	nm	1:12.7	1:12.7
Years 7-10 English classes less than 26	per cent	77.7	77.2	78.0

## School Education - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target <sup>(a)</sup>	1998-99 Expected <sup>(a)</sup>	1999-2000 Target <sup>(a)</sup>
<i>Quality</i>				
Transition rate from Years 10-11	per cent	95.4	95.6	96.3
Years 10-12 retention rate	per cent	nm	nm	73.7
Parent satisfaction with secondary schooling on a 100 point scale (all secondary)	per cent	nm	nm	82
Morale of secondary school teachers on a 100 point scale (all secondary)	per cent	nm	nm	64
<b>Secondary Education (Years 11-12)</b> - Provision of education services to Victorian students in Government schools across the State of Victoria in Years 11 and 12.				
<i>Quantity</i>				
Students (Years 11-12)	number	64 830	64 863	65 194
Schools providing Years 11-12	number	nm	296	296
Average number of VCE studies provided per school	number	26.7	26.7	26.7
<i>Quality</i>				
Average VCE study score	number	nm	nm	28.7
School leavers progressing to further education, training or work	per cent	84 <sup>(c)</sup>	84.3	84
Apparent retention rate to Year 12	per cent	69.8 <sup>(d)</sup>	69.1	69.1
Transition rate from Year 11 to Year 12	per cent	84.6	82.9	83.4
<b>Non-Government School Education</b> - Provision of services for non-government students including:				
<ul style="list-style-type: none"> <li>• Registration of non-government schools and non-government teachers;</li> <li>• Endorsement of non-government schools to accept full fee paying overseas students;</li> <li>• Registration reviews of non-government schools;</li> <li>• Payment of State grants to non-government schools; and</li> <li>• Grants to non-government school organisations for student support service.</li> </ul>				
<i>Quantity</i>				
Non-government school students	number	267 237	263 872	270 612
Non-government schools	number	nm	679	684
Non-government teachers registered annually	number	nm	2 000	2 000
Teachers registered in accordance with published timelines and procedures	per cent	nm	nm	98



## School Education - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target <sup>(a)</sup>	1998-99 Expected <sup>(a)</sup>	1999-2000 Target <sup>(a)</sup>
<i>Quality</i>				
Student enrolments collected and verified for all schools	per cent	nm	nm	100
Recommendations of non-government schools registration reviews approved by Registered Schools Board	per cent	nm	nm	98
<i>Timeliness</i>				
Schools, additional year levels and new campuses registered in accordance with Board procedures by 31 March	per cent	nm	nm	100
<b>Intensive Early Literacy and Numeracy Services</b> - Provision of intensive strategies to help students in the early years of schooling achieve the highest possible standards of literacy and numeracy including:				
<ul style="list-style-type: none"> <li>• provision of high quality structured, literacy and numeracy teaching and learning programs in the early years of schooling;</li> <li>• provision of intervention programs (e.g. Reading Recovery); and</li> <li>• provision of Parent Education programs to support student learning.</li> </ul>				
<i>Quantity</i>				
Schools implementing the Early Years Literacy Program (P-2)	number	nm	961	1 284
Parent education programs provided by schools	number	nm	3 721	4 093
Schools participating in Early Numeracy Research Project	number	nm	56	56
Year 1 cohort accessing one to one interventions programs (e.g. Reading Recovery)	per cent	nm	12.5	20
<i>Quality</i>				
Student attainment at text level 1 at end Prep in Reading	per cent	nm	nm	80
Student attainment at text level 5 at end Year 1 in Reading	per cent	nm	nm	100 <sup>(e)</sup>
Early Years coordinator satisfaction with Reading and Writing components of Early Years Literacy Program	per cent	nm	nm	70
Early Years coordinator satisfaction with Early Years Literacy Program training and published materials	per cent	nm	nm	72
Budget Estimates 1999-2000	Education			29

## School Education - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target <sup>(a)</sup>	1998-99 Expected <sup>(a)</sup>	1999-2000 Target <sup>(a)</sup>
<b>New Learning Technologies, Multimedia and Open Learning</b> - Provision of:				
<ul style="list-style-type: none"> <li>• appropriate infrastructure and hardware to schools (e.g. WAN, Multimedia computers);</li> <li>• access to high quality learning resources delivered over distance;</li> <li>• access to flexible and effective technology based professional development for departmental personnel;</li> <li>• access to information sharing and collaboration services; and</li> <li>• access to Science and Technology Centres and Navigator Schools.</li> </ul>				
<i>Quantity</i>				
Schools with a minimum 64K link (as provided by VicOne)	per cent	100	100	100
Computer-student ratio all schools	ratio	1:7	1:6.8	1:5 <sup>(f)</sup>
<i>Quality</i>				
School-based staff with an EduMail e-mail account	per cent	nm	nm	100
Teachers and principals with a notebook computer	per cent	nm	nm	41
Schools with video and audio conferencing capability	per cent	nm	nm	100
Catalogued Internet sites in EduNet Education Cache	number	nm	nm	20 000
School-based staff with local call cost remote access to educational resources	per cent	nm	nm	100
Teachers reporting skilled use of technology	per cent	nm	nm	60
<b>Vocational Education and Training in Schools</b> - Provision of accredited Vocational Education and Training (VET) programs in Victorian schools (Government and non-government), and provision of New Apprenticeships in Victorian Government schools.				
<i>Quantity</i>				
Schools offering VET in Schools programs	number	350	375	375
Accredited VET programs	number	23	23	27
Students participating in VET in Schools programs	number	10 500	12 800	14 000
New Apprenticeship programs	number	8	8	11
Students participating in New Apprenticeships programs	number	200	334	800

## School Education - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target <sup>(a)</sup>	1998-99 Expected <sup>(a)</sup>	1999-2000 Target <sup>(a)</sup>
<i>Quality</i>				
VET in Schools students progressing to further education, training or work	per cent	nm	nm	94
VET in Schools students completing a qualification	per cent	nm	nm	6 000
VET in Schools VCE units successfully completed	number	nm	nm	36 000
Increase of school students undertaking part-time New Apprenticeships	per cent	nm	nm	100
<b>Student Support Services</b> - Provision of education services relating to:				
<ul style="list-style-type: none"> <li>• student welfare including drug education and youth suicide issues; and</li> <li>• student support services in the areas of speech therapy, visiting teacher services for hearing, visually, health and physically impaired students, curriculum services and alternative programs.</li> </ul>				
<i>Quantity</i>				
Additional Schools (Government and Non-Government) developing Individual School Drug Education Strategies (ISDES)	number	750	730	770
Students accessing student support services	number	115 000	115 000	115 000
Government schools implementing ISDES	per cent	66.6	66.6	100
<i>Quality</i>				
Parent/student satisfaction with quality of student support services	per cent	nm	nm	80
School satisfaction with student support services	per cent	75	na	80
<i>Timeliness</i>				
Initial requests for services delivered within set timelines	per cent	nm	nm	98

## School Education - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target <sup>(a)</sup>	1998-99 Expected <sup>(a)</sup>	1999-2000 Target <sup>(a)</sup>
<b>Services to Students from Language Backgrounds other than English</b> - Provision of English as a second language (ESL) services to students from language backgrounds other than English, including services provided in English Language Schools and centres for new arrival students, and the outposting program; and services provided in regular schools for students from a language background other than English.				
<i>Quantity</i>				
New arrival students receiving intensive or targeted ESL support	number	1 425	1 850	1 900
English Language Schools and Centres	number	nm	nm	12
Schools hosting intensive ESL services for new arrival students (outposting programs)	number	nm	nm	20
Students receiving additional ESL services in regular schools	number	39 262	39 262	40 379
<i>Quality</i>				
Eligible students in regular schools receiving additional ESL services	per cent	90.1	90.1	91.1
<b>Services to Students with Other Special Learning Needs</b> - Provision of additional services to students experiencing educational disadvantage as identified in the Special Learning Needs component of the School Global Budget, including services to students at educational risk in regular schools and Koorie Education programs.				
<i>Quantity</i>				
Students receiving additional services for redressing educational risk in regular schools	number	208 718	208 010	207 220
Koorie Open Doors Education (KODE) Campuses	number	3	3	4 <sup>(g)</sup>
Koorie Education workers	number	72	72	72
Students receiving additional services for redressing educational risk in regular schools	per cent	38.6	39.9	39.5
<b>Services to Students with Disabilities and Impairments</b> - Provision of education services to Victorian students with disabilities and impairments in Government schools including provision of services in both regular schools and specialist settings.				
<i>Quantity</i>				
Students with disabilities and impairments in special settings	number	5 079	5 231	5 415
Students with disabilities and impairments in regular schools	number	6 571	7 039	7 958
32	Education	Budget Estimates 1999-2000		

## School Education - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target <sup>(a)</sup>	1998-99 Expected <sup>(a)</sup>	1999-2000 Target <sup>(a)</sup>
<i>Quantity (continued)</i>				
Specialist schools	number	80	81	80
Regular schools with students with disabilities and impairments	number	1 335	1 335	1 345
<i>Quality</i>				
Parent satisfaction with special schooling on a 100 point scale	per cent	nm	nm	86
Staff morale of specialist school teachers on a 100 point scale	per cent	nm	nm	76
<b>School Education Quality Systems</b> - Provision of student assessment and certification services for students in Government and non-government schools including the Learning Assessment Program (LAP) in Years 3 and 5, the Victorian Student Achievement Monitor (VSAM) in Years 7 and 9, the Victorian Certificate of Education in Years 11 and 12 (VCE). Provision of school performance measurement and reporting services to the community to ensure and enhance the quality of school education through school annual reports, school audits and triennial school reviews.				
<i>Quantity</i>				
Number of students tested				
• LAP	number	104 000	107 400	108 000
• VSAM	number	40 000	2 000 <sup>(h)</sup>	40 000
• VCE	number	106 131	106 131	108 000
Schools submitting school annual reports	number	1 646	1 646	1 636
Schools completing triennial school reviews annually	number	630	630	495
Financial audits completed	number	1 667	1 667	1 642
<i>Quality</i>				
Principal/school council president satisfaction with the school review process	per cent	nm	nm	91
<i>Timeliness</i>				
Availability of results - LAP	weeks	7	7	7
Availability of results -VSAM	weeks	7	7	7
School annual reports submitted on time	per cent	100	72	100
Reviews completed against established timetable	per cent	100	100	100
Audits completed against established timetable	per cent	100	100	100

## School Education - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target <sup>(a)</sup>	1998-99 Expected <sup>(a)</sup>	1999-2000 Target <sup>(a)</sup>
<b>Educational Maintenance Allowance</b> - Administration of payment of Educational Maintenance Allowance (EMA) payment to eligible government and non-government school students				
<i>Quantity</i>				
School Students receiving EMA	number	180 289	211 487	210 000
<i>Timeliness</i>				
EMA payments processed according to published timelines	per cent	100	100	100
<b>Student Transport Services</b> - Administration of student transport services for government and non-government school students				
<i>Quantity</i>				
School students supported by conveyance allowance	number	35 600	38 700	39 000
<i>Timeliness</i>				
Payments made according to published schedule	per cent	100	100	100

Source: Department of Education

*Notes:*

- (a) Targets relate to calendar years 1998 and 1999, except where otherwise identified. Financial targets relate to financial year 1999-2000.
- (b) Figure relates to 1999 calendar year.
- (c) Target has been revised so as to be consistent with the definition used by the ABS.
- (d) August apparent retention rate - revised target from 1998-99 Budget Paper 3 (February apparent retention rate) to ensure national comparability.
- (e) Where deemed capable.
- (f) Government target for June 2000.
- (g) Target relates to first term 2000.
- (h) VSAM trialed in 1998. Full pilot to be conducted in late 1999.

## Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>3 958.4</b>	<b>4 110.0</b>	<b>4 354.7</b>	<b>10.0</b>
<i>Comprising:</i>				
Employee-related Expenses	2 446.5	2 455.1	2 617.4	7.0
Purchases of Supplies and Services	667.6	788.9	848.8	27.1
Depreciation	152.3	152.3	162.5	6.7
Capital Asset Charge	383.4	395.4	403.4	5.2
Other	308.5	318.2	322.5	4.5

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Tertiary Education and Training

### Key Government Outcomes

- Meeting the employment needs of the economy;
- Preparation for the knowledge society, particularly in science, engineering and technology;
- A literate and numerate Victorian community;
- Socially and culturally aware Victorians;
- Lifelong learning; and
- Best-in-class education and training service delivery.

### Description of Output Group

Outputs cover the purchase of training and further education (TAFE) in priority industry areas provided through TAFE Institutes and private providers, and adult, community and further education services and community education support provided through a range of community settings, including the provision of English language services through Adult Multicultural Education Services providers.

Other outputs relate to the accreditation and supervision of higher education institutions including universities, and authorised private providers, and quality assurance and regulatory services provided to tertiary education and training providers to ensure quality services are provided to Victorians.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target <sup>(a)</sup>	1998-99 Expected <sup>(a)</sup>	1999-2000 Target <sup>(a)</sup>
<b>Training and Further Education Places</b> - Training and further education places provided by TAFE Institutes and other providers, in accordance with priorities set by Government, industry and the community.				
<i>Quantity</i>				
Annual course enrolments	number	nm	565 000	600 000
Registered Training Organisations	number	nm	780	780
Student contact hours of training and further education provided	number (million)	64.6 <sup>(b)</sup>	63.26 <sup>(c)</sup>	65.46
<i>Quality</i>				
TAFE graduates in employment in the year following graduation	per cent	nm	nm	70
Persons aged 15 to 64 participating in TAFE programs as a proportion of population	per cent	nm	nm	12.5
Successful training completions as measured by module load completion rate	per cent	80	80	80
Increase in apprenticeships/traineeships	per cent	17	17	22
Training activity budget allocated by competitive arrangements	per cent	15.5	15.5	23
36	Education	Budget Estimates 1999-2000		



## Tertiary Education and Training - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target <sup>(a)</sup>	1998-99 Expected <sup>(a)</sup>	1999-2000 Target <sup>(a)</sup>
<b>Adult and Community Education (ACE) Places and Community Support -</b> Education and training places and support for education for adults in community settings and the Adult Multicultural Education Services (AMES) in accordance with priorities established by Government and through local and regional demand.				
Community providers eligible for funding	number	470	470	470
AMES Campuses	number	nm	18	18
Total annual module enrolments – ACE	number	nm	339 000	339 000
Annual module enrolment – ACE (government funded)	number	nm	115 000	115 000
Annual module enrolments - AMES	number	nm	28 000	24 000
Student contact hours of education and training activity provided through ACE providers via government funds	number (million)	2.74 <sup>(b)</sup>	3.41 <sup>(c)</sup>	3.42
Student contact hours of education and training activity provided through AMES	number (million)	3.51	3.05	2.84
<i>Quality</i>				
Student satisfaction with ACE courses meeting their overall needs	per cent	nm	nm	70
Persons aged 15 and over participating in ACE as a proportion of the population	per cent	nm	nm	4
Successful completions as measured by module load completion rate – ACE providers	per cent	68	68	75
Successful completions as measured by module load completion rate – AMES	per cent	70	80	82

## Tertiary Education and Training - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target <sup>(a)</sup>	1998-99 Expected <sup>(a)</sup>	1999-2000 Target <sup>(a)</sup>
<b>Training and Further Education and Adult and Community Education Quality Systems</b> - Provision of a range of services to providers and the community to ensure and enhance the quality of the education and training places purchased. The services include:				
<ul style="list-style-type: none"> <li>• curriculum and services;</li> <li>• course accreditation;</li> <li>• qualifications and certification;</li> <li>• recognition of providers;</li> <li>• contract management;</li> <li>• provider quality improvement initiatives; and</li> <li>• flexible delivery including the use of communications and multimedia.</li> </ul>				
<i>Quantity</i>				
Registered private providers of TAFE registered by the State Training Board	number	nm	760	760
Registered community providers of TAFE registered by the Adult Community and Further Education Board	number	nm	180	190
<i>Quality</i>				
Audit of contract compliance	number	160	203	250
<b>Higher Education Quality Systems</b> - Provision of a range of services to universities and private providers of higher education to ensure quality higher education services to Victorian students. These include negotiation of appropriate levels of Commonwealth resources and higher education places for universities, accreditation of higher education courses for delivery through private providers and authorisation of private providers to conduct higher education courses.				
<i>Quantity</i>				
Australian higher education places provided in Victorian universities	per cent	27.85	25.55	25.0
Accredited higher education courses approved for delivery through private providers	number	50 <sup>(d)</sup>	60	75
<i>Quality</i>				
Private providers meeting quality standards set by legislation	per cent	nm	nm	100
Direct costs recovered through fees	per cent	nm	nm	100

## Tertiary Education and Training - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target <sup>(a)</sup>	1998-99 Expected <sup>(a)</sup>	1999-2000 Target <sup>(a)</sup>
<i>Timeliness</i>				
Considerations for applications completed within 6 months	per cent	nm	nm	80

Source: Department of Education

Notes:

- (a) Targets relate to calendar years 1998 and 1999, except where otherwise identified. Financial targets relate to financial year 1999-2000.
- (b) Target revised following negotiations with the Commonwealth.
- (c) Target revised to better reflect delivery between community and other providers.
- (d) Target incorrectly printed in 1998-99 Budget Paper 3.

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>789.9</b>	<b>853.7</b>	<b>848.8</b>	<b>7.5</b>
<i>Comprising:</i>				
Employee-related Expenses	506.1	550.5	528.9	4.5
Purchases of Supplies and Services	118.3	130.5	149.3	26.2
Depreciation	59.1	59.1	60.8	2.9
Capital Asset Charge	91.0	93.9	93.8	3.0
Other	15.4	19.6	16.0	4.0

Source: Department of Treasury and Finance

Note:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Policy, Strategy and Information Services

### Key Government Outcomes

Best-in-class education and training service delivery.

### Description of Output Group

This output group incorporates the provision of policy and strategy advice to the Ministers, and Ministerial services and support services for the various statutory authorities and advisory bodies, including the Board of Studies, the State Training Board and the Adult, Community and Further Education Board.

Also included are department-wide information and promotion services provided to the local community and overseas, and services provided to attract international participation in Victorian education in all sectors and at all levels.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target <sup>(a)</sup>	1998-99 Expected <sup>(a)</sup>	1999-2000 Target <sup>(a)</sup>
<b>Ministerial and Executive Services</b> - The services in this output include the provision of administrative support and services relating to Ministers' parliamentary and legislative responsibilities, involvement in Ministerial Councils and the preparation of speeches, briefings and responses to correspondence addressed to the Ministers.				
<i>Quantity</i>				
Correspondence prepared for Ministers' and Executive Group's signature or responded to on behalf of Ministers	number	6 000	8 500	9 000
Briefings prepared for Ministers' and Executive Group's signature	number	nm	4 500	5 000
<i>Quality</i>				
Advice meets relevant quality standards	yes/no	nm	nm	yes
<i>Timeliness</i>				
Correspondence prepared for Ministers signature or responded to on behalf of Ministers within predetermined timelines	per cent	nm	nm	95

## Policy, Strategy and Information Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target <sup>(a)</sup>	1998-99 Expected <sup>(a)</sup>	1999-2000 Target <sup>(a)</sup>
<b>Policy and Strategy Services</b> - Provision of strategic policy advice to Ministers and Boards in the areas of:				
<ul style="list-style-type: none"> <li>• Department-wide resource management and budget policy, employee relations strategies, corporate and business planning strategies, intergovernmental relations and national policy and legal advice;</li> <li>• policy and strategic directions for school education including curriculum and assessment policy and school structural and governance arrangements;</li> <li>• Training and further education, and adult, community and further education policy and strategic directions in relation to the education and training market, quality assurance and regulation, accreditation, training packages and certification, and capital and other infrastructure; and</li> <li>• higher education policy and strategic directions including joint Commonwealth/State and Commonwealth initiatives.</li> </ul>				
<i>Quality</i>				
Advice meets relevant quality standards	yes/no	nm	nm	yes
Services to Boards meet relevant quality standards	yes/no	nm	nm	yes
<b>International Education Services</b> - Services included in this output include:				
<ul style="list-style-type: none"> <li>• marketing, recruitment, assessment and placement services for full-fee-paying overseas students in Victorian schools, and provision of marketing support for TAFE providers, and the higher education sector;</li> <li>• marketing of the Department's capabilities, programs and services to off-shore markets;</li> <li>• organisation of overseas delegations to visit Victorian education and training institutions; and</li> <li>• organisation of teacher and principal exchange programs, student exchange programs and student study tours.</li> </ul>				
<i>Quantity</i>				
Overseas full-fee-paying students studying at Victorian Government schools	number	800	800	1 000
Overseas students studying in Victoria as a percentage of Australian number of overseas students	number	25	26	27
Overseas students studying at Victorian universities	number	20 000	30 850	32 500
Overseas students recruited to study at Victorian Government schools in the year	number	nm	nm	600
Budget Estimates 1999-2000		Education		41

## Policy, Strategy and Information Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target <sup>(a)</sup>	1998-99 Expected <sup>(a)</sup>	1999-2000 Target <sup>(a)</sup>
<i>Quality</i>				
Satisfaction of schools with recruitment program	per cent	100	80	80
Direct costs recovered through student fees	per cent	nm	nm	100
<b>Public Information and Promotion Services</b> - Provision of promotional, marketing and education information services to the community. Services include:				
<ul style="list-style-type: none"> <li>• advertising services, newspaper supplements, Victorian School News and publications promoting Departmental policies and initiatives;</li> <li>• telephone information services through the Education Line and TAFE Course lines;</li> <li>• public promotions such as Education Week, Adult Learners Week etc.;</li> <li>• FOI requests, internal reviews and appeals on request from the community; and</li> <li>• Ombudsman complaints processed and reviewed on behalf of the community.</li> </ul>				
<i>Quantity</i>				
Media releases	number	nm	300	300
Publications	number	nm	584	450
<i>Quality</i>				
Internal customer satisfaction with publications	per cent	nm	nm	85
Readership satisfaction with news publications	per cent	nm	nm	70
Customer satisfaction with quality of automated service	per cent	nm	nm	70

Source: Department of Education

Note:

- (a) Targets relate to calendar years 1998 and 1999, except where otherwise identified. Financial targets relate to financial year 1999-2000.

## Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>27.8</b>	<b>27.6</b>	<b>27.0</b>	<b>-3.1</b>
<i>Comprising:</i>				
Employee-related Expenses	16.6	16.7	16.3	-1.7
Purchases of Supplies and Services	10.6	10.3	10.0	-5.4
Depreciation	0.5	0.5	0.5	..
Capital Asset Charge	0.2	0.2	0.2	3.3
Other	..	..	..	..

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## PART 2: FINANCIAL INFORMATION

Part 2 provides the financial statements that support the Department's provision of outputs. The information provided includes the operating statement, statement of financial position and cash flow statement for the Department as well as tables detailing the authority for resources and, where appropriate, the payments on behalf of the State made by the Department.

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 following three 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 are those resources for 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 three tables can be used to assess the Department's financial performance and use of resources.

- **Table 2.1.2 – Departmental Operating Statement** - provides details of the Department's revenue and expenses on an accrual basis reflecting the cost in providing its outputs.
- **Table 2.1.3 – Statement of Financial Position** – shows all assets and liabilities of the Department. The difference between these represents the net assets position, which indicates the financial health of the Department.
- **Table 2.1.4 – Cash Flow Statement** – shows all movements of cash, that is cash received and paid. The cash impact of financing and investment activities on Departmental resources is highlighted in this statement.



**Table 2.1.2: Operating Statement**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Operating Revenue</b>				
Revenue from State Government <sup>(b)</sup>	4 259.6	4 395.9	4 662.3	9.5
Section 29 receipts - Commonwealth	37.2	41.8	39.8	7.0
- Other	0.8	0.7	1.7	na
Other Commonwealth grants	265.3	268.6	268.9	1.3
Other revenue <sup>(c)</sup>	428.2	580.9	584.3	36.5
<b>Total</b>	<b>4 991.1</b>	<b>5 287.9</b>	<b>5 557.0</b>	<b>11.3</b>
<b>Operating Expenses</b>				
Employee Related Expenses <sup>(d)</sup>	3 116.9	3 259.1	3 399.3	9.1
Purchases of Supplies and Services <sup>(e)</sup>	817.9	963.8	1 041.8	27.4
Depreciation <sup>(f)</sup>	216.8	219.7	231.4	6.7
Capital Asset Charge	474.6	489.5	497.3	4.8
Other Expenses	323.9	337.8	338.5	4.5
<b>Total</b>	<b>4 950.1</b>	<b>5 269.8</b>	<b>5 508.3</b>	<b>11.3</b>
<b>Operating Surplus/Deficit before Revenue for Increase in Net Assets</b>	<b>41.0</b>	<b>18.1</b>	<b>48.7</b>	<b>18.7</b>
<i>Add:</i>				
Revenue for Increase in Net Assets	95.1	..	20.0	-78.9
Section 29 Receipts - Asset Sales	..	..	14.4	..
<b>Operating Surplus/Deficit</b>	<b>136.1</b>	<b>18.1</b>	<b>83.1</b>	<b>-38.9</b>
<i>Administered Items</i>				
<b>Operating Revenue</b>				
Other Commonwealth grants	920.6	993.9	1 000.7	8.7
Other revenue <sup>(c)</sup>	20.9	21.8	4.7	-77.7
<b>Total</b>	<b>941.6</b>	<b>1 015.7</b>	<b>1 005.4</b>	<b>6.8</b>
<b>Operating Expenses</b>				
Other Expenses	941.6	1 015.7	1 005.4	6.8
<b>Total</b>	<b>941.6</b>	<b>1 015.7</b>	<b>1 005.4</b>	<b>6.8</b>
<b>Operating Surplus/Deficit</b>	<b>- 0.0</b>	<b>- 0.0</b>	<b>- 0.0</b>	<b>..</b>

Source: Department of Treasury and Finance

Notes:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.  
 (b) Includes estimated carryover of 1998-99 appropriation amounts. Actual carryover is subject to approval by the Treasurer prior to 30 June pursuant to Section 32 of the Financial Management Act, 1994.  
 (c) Includes revenue for services delivered to parties outside government.  
 (d) Includes salaries and allowances, superannuation contributions and payroll tax.  
 (e) Includes payments to non-government organisations for delivery of services.  
 (f) Includes amortisation of leased assets.

The Department's Operating Statement shows an increase in controlled operating revenue from the 1998-99 Budget to both the 1998-99 Revised and 1999-2000 Budget. Revenue from the State Government in 1998-99 is estimated to be \$136.3 million higher than that budgeted. This increase in revenue paid by Government follows agreement by Government that the Department will receive additional revenue to meet increased output costs. Output cost increases include salaries for school and TAFE institute teachers (\$59.6 million) and the impact of revised accounting treatments of asset maintenance spending (\$107.1 million). Some \$35 million of output revenue will not be paid to the Department in 1998-99 and carried over into 1999-2000.

Revenue from State Government for outputs delivered is estimated to increase by \$402.7 million (9.5 per cent) in 1999-2000 reflecting salary increases for school and TAFE Institute teachers (\$169 million), additional funds for initiatives approved by Government for both the 1998-99 (full year effect) and 1999-2000 Budgets (totalling \$96.5 million) and the change in the accounting treatment of asset maintenance transactions (\$84.2 million).

Revenue from other sources mainly represents the finances of schools and TAFE Institutes. The increases for the 1998-99 Revised estimate and 1999-2000 Budget reflect improved financial estimates provided by schools and TAFE Institutes.

The movements in operating expenses also largely reflect the impacts of the above discussion.

Revenue for the Increase in Net Assets represents the contribution from Government to fund the department's approved asset investment program. In 1999-2000 expenditure on this program will be \$193.8 million. The majority of this program will be financed internally by the Department from depreciation provisions put aside for this purpose. The 1999-2000 Government contribution of \$20 million reflects the proceeds from surplus school assets sold in prior years. The changes to the accounting treatment of asset maintenance expenses has shifted revenue to the department in 1998-99 from net assets revenue to revenue from the State Government for output delivery.

**Table 2.1.3: Statement of Financial Position**

	(\$ thousand)			
	Estimated as at 30 June			Variation <sup>(a)</sup>
	1999	1999	2000	%
	Budget	Revised	Budget	
<b>Assets</b>				
Current Assets				
Cash	258 615	258 615	259 213	0.2
Investments	136 358	136 358	136 358	..
Receivables	72 569	39 532	39 532	..
Prepayments	7 972	7 972	7 972	..
Inventories	5 776	5 776	5 776	..
Other Assets	1 080	1 080	1 080	..
Total Current Assets	482 370	449 333	449 931	0.1
Non-Current Assets				..
Investments	2 215	2 215	2 215	..
Receivables <sup>(b)</sup>	195 130	129 415	283 986	na
Fixed Assets	6172 301	6072 754	6083 251	0.2
Other Assets	..	..	..	..
Total Non-Current Assets	6369 646	6204 384	6369 452	2.7
<b>Total Assets</b>	<b>6852 016</b>	<b>6653 717</b>	<b>6819 383</b>	<b>2.5</b>
<b>Liabilities</b>				..
Current Liabilities				..
Payables	129 927	129 927	131 519	1.2
Borrowing	4 974	4 974	4 974	..
Employee Entitlements	203 816	123 482	128 216	3.8
Superannuation	..	..	..	..
Other Liabilities	23 786	23 786	23 786	..
Total Current Liabilities	362 503	282 169	288 495	2.2
Non-Current Liabilities				..
Payables	2 018	2 018	2 018	..
Borrowing	7 990	7 990	7 990	..
Employee Entitlements	705 804	705 804	782 051	10.8
Superannuation	..	..	..	..
Other Liabilities	20	20	20	..
Total Non-Current Liabilities	715 832	715 832	792 079	10.7
<b>Total Liabilities</b>	<b>1078 335</b>	<b>998 001</b>	<b>1080 574</b>	<b>8.3</b>
<b>Net Assets</b>	<b>5773 681</b>	<b>5655 716</b>	<b>5738 809</b>	<b>1.5</b>

Source: Department of Treasury and Finance

Notes:

(a) Variation between 1998-99 Revised and 1999-2000 Budget.

(b) Includes cash balances held in trust in the Public Account.

The Statement of Financial Position sees the net value of controlled fixed assets revised down from \$6 172.3 million in the 1998-99 Budget to \$6 072.8 million in the 1998-99 Revised. The movement reflects reclassifications of maintenance expenditure from capital to operating expenses consistent with accounting standards.

The Department does not have any material administered assets and liabilities.

**Table 2.1.4: Cash Flow Statement**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Cash flows from operating activities</b>				
<i>Operating receipts</i>				
Receipts from State Government - provision of outputs	4 259.6	4 395.9	4 662.3	9.5
Receipts from State Government - increase in net asset base	95.1	..	20.0	-78.9
Section 29 Receipts - Commonwealth	37.2	41.8	39.8	7.0
- Other	0.8	0.7	1.7	na
- Asset Sales	..	..	14.4	..
Other Commonwealth grants	265.3	268.6	268.9	1.3
Other	410.2	597.8	584.3	42.5
	5 068.1	5 304.8	5 591.4	10.3
<i>Operating payments</i>				
Employee-related expenses	-3 031.9	-3 254.4	-3 318.3	9.4
Purchases of supplies and services	- 817.5	- 963.4	-1 041.7	27.4
Interest and finance expenses	- 0.6	- 0.6	- 0.6	3.2
Capital Assets charge	- 474.6	- 489.5	- 497.3	4.8
Current grants and transfer payments	- 321.3	- 335.1	- 335.8	4.5
Capital grants and transfer payments	- 0.5	- 0.5	- 0.5	5.7
<b>Net Cash flows from Operating</b>	421.8	261.3	397.1	-5.9
<b>Cash flows from investing activities</b>				
Purchases of investments	..	..	..	..
Receipts from sale of land, fixed assets and investments (incl. S29 FMA)	..	..	14.4	..
Purchase of non-current assets	- 340.1	- 245.4	- 256.3	-24.7
<b>Net Cash flows from investing activities</b>	- 340.1	- 245.4	- 241.9	-28.9
<b>Cash flows from financing activities</b>				
Receipts from appropriations -increase in net asset base	..	..	..	..
Capital repatriation to Government	..	..	..	..
Net increase in balances held with	- 81.6	- 15.9	- 154.6	89.4
Net borrowings and advances	..	..	..	..
<b>Net Cash flows from financing activities</b>	- 81.6	- 15.9	- 154.6	89.4
Net Increase/Decrease in Cash Held	- 0.0	..	0.6	..
<b>Cash at beginning of period</b>	258.6	258.6	258.6	..
<b>Cash at end of period</b>	258.6	258.6	259.2	0.2

**Table 2.1.4: Cash Flow Statement - *continued***

(\$ million)				
	1998-99	1998-99	1999-2000	Variation <sup>(a)</sup>
	Budget	Revised	Budget	%
<i>Administered Items</i>				
<b>Cash flows from operating activities</b>				
<i>Operating receipts</i>				
Other Commonwealth grants	920.6	993.9	1 000.7	8.7
Other	5.9	4.9	4.7	-21.5
	926.6	998.8	1 005.4	8.5
<i>Operating payments</i>				
Purchases of supplies and services	- 326.4	- 337.7	- 317.2	-2.8
Current grants and transfer payments	- 591.5	- 653.8	- 663.5	12.2
Capital grants and transfer payments	- 23.7	- 24.2	- 24.7	4.2
<b>Net Cash flows from Operating</b>	- 15.0	- 16.9	- 0.0	-99.9
<b>Cash flows from investing activities</b>				
Receipts from sale of land, fixed assets and investments (incl. S29 FMA)	15.0	16.9	..	na
<b>Net Cash flows from investing activities</b>	15.0	16.9	..	na
<b>Cash flows from financing activities</b>				
Net increase in balances held with Government	0.1	0.1	0.1	..
<b>Net Cash flows from financing activities</b>	0.1	0.1	0.1	..

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

The major impacts on movements in 1998-99 and 1999-2000 in the Cash Flow Statement for controlled transactions are the additional revenue being provided for outputs for Budget initiatives, salary increases and change to the accounting treatment of asset maintenance expenses. These variations are explained in more detail in the discussion of the Operating Statement and Statement of Financial Position.

### **Authority for Resources**

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

**Table 2.1.5: Authority for Resources**

(\$ million)

	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
Annual Appropriations <sup>(b)</sup>	4 354.4	4 395.6	4 647.1	6.7
Receipts Credited to Appropriations	38.0	42.5	55.9	47.2
Unapplied previous years appropriation	..	..	35.0	na
Gross Annual Appropriations	4 392.4	4 438.2	4 738.0	7.9
Special Appropriations	0.3	0.3	0.3	..
Trust Funds	910.9	977.1	988.0	8.5
Non Public Account and other sources	412.7	567.4	567.7	37.6
<b>Total Authority</b>	<b>5 716.3</b>	<b>5 982.8</b>	<b>6 293.9</b>	<b>10.1</b>

Source: Department of Treasury and Finance

Notes:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

(b) For 1998-99 Revised, includes the impact of approved Treasurer's Advances.





# DEPARTMENT OF HUMAN SERVICES

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## PART 1: OUTLOOK AND OUTPUTS

### Overview

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

Most services are provided by agencies under funding and service agreements with the Department. These include Government-related agencies such as public hospitals, health care networks, public nursing homes, 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, in particular, public rental housing, intellectual disability accommodation, and child protection services.

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

- public hospitals;
- health care networks;
- ambulance services;
- Victorian Health Promotion Foundation; and
- public nursing homes.

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

### ***Principal responsibilities***

The principal responsibilities of the Department of Human Services cover:

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

### ***Primary goals and key strategies***

The primary goals and associated strategies guiding the Department's operations in 1999-2000 are to:

- improve services for the most vulnerable sectors of the client population, by:
  - dealing with the most urgent unmet needs; and
  - implementing strategies which focus on the broad, interrelated needs of vulnerable groups;
- improve and maintain high quality services and facilities for clients, by:
  - providing safe and secure facilities for the Department's clients; and
  - continuously improving the quality of human service delivery;
- strengthen population-wide interventions and outcome measurement by:
  - maintaining and strengthening Victoria's leadership in medical research;

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

## **Review of 1998-99**

The Department's financial and output performance is broadly in line with the 1998-99 Budget forecasts with the exception of the additional funds from 1998-99 onwards made available to public hospitals following finalisation of the Australian Health Care Agreement (AHCA) and Repatriation Services arrangements as well as additional funding for Y2K rectification and movements in awards.

## **1999-2000 Outlook**

The Department's 1999-2000 Budget builds on the substantial investment in service expansion and improvement made in the 1998-99 Budget and subsequently. Further growth-related initiatives in 1999-2000 will secure this investment by strengthening the capacity of the service system to cope with the continuing strong growth in demand and to continue to implement the fundamental human service system reforms which the Department has initiated in recent years.

In aggregate, DHS cost of outputs for 1999-2000 are estimated at \$6 686.3 million, an increase of \$342.2 million over 1998-99, the most significant component of which is in the Acute Health output group which is projected to increase by \$197.3 million.

Against the revised 1998-99 budget, adjusted for the additional AHCA and other funds made available during 1998-99, the net increase in 1999-2000 for the Department is \$191.6 million including an additional \$82.7 million for the Acute health output group.

Asset investments for DHS in 1999-2000 are \$444.8 million. This comprises \$79.5 million for the budget sector component of the Department and \$365.3 million for the Office of Housing, which is a government trading enterprise.

### ***Demand-related funding***

Growth funding will be increased to \$103.2 million in 1999-2000 to enable the Department to meet both underlying and emerging demand pressures on the service system, in particular from population growth and ageing. Demand-related funding will include:

- increased funding for public hospitals (\$64.8 million) to meet anticipated aggregate growth of 3 per cent in demand for acute public inpatient services, including output growth and increased per capita utilisation associated with new technology;

- funding to provide additional outputs to meet demand pressures in other Human Services' programs (\$38.4 million), including:
  - State contribution to growth in the Home and Community Care program (\$5 million);
  - growth in demand for sub-acute aged care services, including specialist clinics, slow-to-recover rehabilitation for people with acquired brain injury, geriatric evaluation and management, dental services and additional care packages for people with complex care needs (\$6 million);
  - expansion of community-based accommodation places and associated day programs and support services for disabled people (\$5 million);
  - growth in demand for mental health services, including community-based services, services for older people and psychiatric disability support services (\$4.4 million);
  - growth in community health services, including additional therapeutic, preventative and educational services delivered from local primary health service providers (\$0.5 million);
  - expansion of genetic testing and screening services (\$1 million);
  - growth in demand for needle and syringe exchange services (\$1.2 million);
  - growth in demand for juvenile justice custodial services for 17-20 year olds, including arrangements to increase the custodial capacity for young males, funding for a transitional community house and intensive transitional community placements for young women, and development of a multi-purpose unit at the Parkville precinct to manage demand peaks and provide transitional programs for young offenders relocating to the community (\$5.2 million);
  - additional child protection and placement services, including an increase in the capacity of the placement service system, and improved child protection services through enhanced screening, case management and referral to other family services (\$4.9 million); and
  - growth in demand for metropolitan and rural ambulance services (\$5.2 million).

The Budget also incorporates an additional \$2.8 million for growth in the Futures for Young Adults program in 1999-2000 in addition to funding transferred from the Department of Education in respect of transferring students.

### **Service Improvements**

In addition to the increased growth funding of \$103.2 million which is being provided re-allocations increasing to \$18 million annually over four years will be made to new service initiatives from savings achieved by a reduction in the Department's corporate overheads and infrastructure. These initiatives include:

- a targeted strategy for health and development of children and adolescents (increasing to \$9 million annually over four years), the key elements of which will be:
  - increased health surveillance and support to high risk families with young children;
  - implementation of a more consistent approach in the non-government sector to the assessment of children at risk of abuse and neglect. This will be based upon the Victorian Risk Framework which is currently being implemented across the Victorian child protection service;
  - statewide implementation of practice models which identify and address the health and development needs of children and adolescents who have been abused and neglected; and
  - development of intensive therapeutic treatment services for adolescents with high risk and complex health, development and welfare needs;
- expansion of the VICPAC personal response service for frail older people, people with a physical, sensory, intellectual or psychiatric disability, and people who are isolated and vulnerable without constant care (increasing to \$3.9 million annually over four years); and
- establishment of a Depression and Anxiety Treatment Services (DATS) to enhance the quality of care for people with anxiety, depression and a psychiatric condition secondary to a serious physical illness (increasing to \$5.1 million annually over four years).

Provision is also made in the 1999-2000 Budget for upgrading of the air ambulance fixed wing service (\$0.9 million recurrent funding in 1999-2000 increasing to \$2.2 million from 2000-01).

Funding of \$3.1 million will be provided under the Microeconomic Reform Program in 1999-2000 to fund DHS initiatives under the On-line 2001 policy. Four major projects will support the provision of health information and the exchange of data via technology:

- second stage development of the Health Channel (\$1.1 million);
- development of a Call Centre Strategy for the Department (\$0.3 million);

- pilot program to provide access to the Health Channel in waiting rooms in selected hospitals, community health centres and other health services (\$1.0 million); and
- funded sector privacy implementation project (\$0.7 million).

Housing services will continue to be improved in 1999-2000 through:

- increased focus on youth issues, with a further boost to the Transitional Housing program (introduced in 1997-98) for homeless people;
- ongoing reform of housing programs to improve their efficiency, responsiveness and integration with other DHS programs, to enable early intervention and integrated care for people who are the most vulnerable in society;
- full implementation of the segmented waiting list (commenced during 1998-99) to provide better access to long term housing for high priority groups;
- increasing the supply of modified public housing, to increase housing opportunities and improve access for people with disabilities;
- continued redevelopment of the Kensington high rise estate and strategic redevelopment of older inner-urban high rise estates and estates in major regional centres to improve public/private mix and matching of stock to the requirements of high priority groups.

### ***New Asset Investment***

The Department will spend \$444.8 million in 1999-2000 on new asset investment in housing (\$365.3 million) and other human services.

New asset investment includes \$79.5 million to be spend on human services capital works projects other than housing in 1999-2000, with a TEC of \$200.3 million. These projects will include:

- \$20 million (TEC \$20 million) for provision of new and replacement medical equipment on a statewide basis for public hospitals;
- \$15 million (TEC \$15 million) for further implementation of the Department's fire risk management strategy;
- \$10 million (TEC \$10 million) for ambulance services facilities and asset replacement;
- \$11.1 million (TEC \$38.5 million) for the continuing implementation of the Metropolitan Health Care Services Plan, including the second stage redevelopment of the Royal Melbourne Hospital and construction and

development of the Royal Women's Hospital Integrated Care Centre and associated works;

- \$7.5 million (TEC \$30.7 million) for capital investments in acute care facilities in non-metropolitan areas;
- \$3.8 million (TEC \$17.2 million) for capital investments in community services and other health facilities;
- \$4 million (TEC \$18.6 million) for the upgrade of aged care residential facilities;
- \$1.7 million (TEC \$5.7 million) for Disability and Juvenile Justice facilities development; and
- \$1.5 million (TEC \$31.4 million) for the relocation and redevelopment of the Royal Dental Hospital.

Office of housing receipts include an appropriation of \$308.3 million through the Commonwealth-State Housing Agreement and \$424.8 million generated from Office of Housing internal sources, asset sales, and utilisation of working capital funds. From these funds, \$365.3 million will be allocated to new asset investments in 1999-2000 which will continue to support major departmental initiatives such as the response to homelessness, *Turning the Tide*, Youth Suicide Prevention strategy, Mental Health reforms, and addressing the accommodation needs of the most urgent clients on the Disability Service Needs register. Major expenditure items include:

- \$145.4 million for acquisition of stock for vulnerable groups in priority order according to the segmented waiting list, including:
  - people who experience recurring homelessness;
  - people with support needs or requiring physically modified properties;
  - people who are inappropriately housed and require priority access due to circumstances such as urgent medical need or domestic violence; and
  - low income applicants;
- allocation of \$10 million for the further expansion of the Transitional Housing program for homeless people, following the recent doubling of stock numbers. In 1999-2000 acquisitions will be specifically for youth homelessness and initiatives such as *Turning the Tide*. This will provide a further boost to accommodation and support for homeless people, to enable appropriate longer term accommodation to be accessed;
- \$26 million for the acquisition of Supported Housing to provide accommodation linked to support services for people with disabilities or



frail older persons, who are eligible for support through other Departmental programs;

- \$19.3 million for acquisition of long term community managed housing, particularly for groups such as disadvantaged youth, singles, people with disabilities and frail older persons;
- \$13 million for acquisition of properties administered by the Aboriginal Housing Board of Victoria (AHBV). A further \$2.7 million will be allocated for upgrade of AHBV properties;
- \$20 million to progress the redevelopment of the Kensington high rise estate and the implementation of a strategies to improve other inner city estates and estates in major regional centres; and
- \$97.5 million for physical improvement of public rental and community managed stock, including AHBV stock. Physical improvement expenditure includes upgrades, disability modifications and fire safety works, which are particularly significant for high needs client groups.

### ***Commonwealth-State Agreements***

A four year Commonwealth-State Housing Agreement is currently being negotiated. The budget estimates are made on the assumption of unchanged policy.

## Output Information

The following section provides details of the outputs to be provided to Government, including their performance measures and the costs for each output group. The table below summarises the total costs for each output group.

**Table 2.2.1: Output group summary**

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
Acute Health Services	3 024.9	3 139.5	3 222.2	6.5
Ambulance Services	169.6	183.1	198.1	16.8
Aged Care and Primary Health Services	944.2	938.5	976.3	3.4
Mental Health Services	437.5	445.5	453.2	3.6
Public Health Services	169.0	170.3	174.3	3.1
Disability Services	528.6	550.6	571.9	8.2
Youth and Family Services	494.4	487.7	503.1	1.8
Concessions to Pensioners and Beneficiaries	255.6	258.3	269.5	5.4
Aboriginal Services	9.3	9.3	9.3	-0.1
Housing Assistance	310.9	311.9	308.3	-0.8
<b>Total</b>	<b>6 344.1</b>	<b>6 494.7</b>	<b>6 686.3</b>	<b>5.4</b>

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Acute Health Services

### Key Government Outcomes

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

### Description of the Output Group

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

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Admitted Services</b> - Same-day and multi-day inpatient services (both elective and non-elective) provided at metropolitan and rural hospitals.				
<i>Quantity:</i>				
Separations <sup>(a)</sup>	number	923 000	939 000	950 000
Weighted Inlier Equivalent Separations (WIES) (multi-day and same-day services) <sup>(a)</sup>	number	759 000	772 000	782 000
<i>Quality</i>				
Beds accredited	per cent	90	90	98
<i>Timeliness</i>				
Elective Category 1 patients waiting more than 30 days prior to admission	number	0	0	0
Category 2 patients treated waiting more than 90 days prior to admission <sup>(b)</sup>	per cent	nm	12	12
Emergency patients admitted within the recommended period (<12 hrs)	per cent	nm	94.5	94.5
<b>Non-admitted Services</b> - Same-day non-admitted services provided at metropolitan and rural hospitals.				
<i>Quantity</i>				
Victorian Ambulatory Classification System (VACS) Group A outpatient encounters <sup>(c)</sup>	number	1 891 000	1 891 000	1 916 000
<i>Quality</i>				
Maternity service enhancement – per cent of women receiving postnatal domiciliary visits <sup>(d)</sup>	per cent	nm	nm	75

## Acute Health Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Emergency Services</b> - Services (both admitted and non-admitted) provided to people who attend an emergency department of a metropolitan or rural hospital.				
<i>Quantity</i>				
Occasions of emergency service	number	1 060 000	1 060 000	1 074 000
<i>Quality</i>				
24 hour emergency departments	number	33	33	33
<i>Timeliness</i>				
Emergency Category 1 treated immediately	per cent	100	100	100
Emergency Category 2 treated in 10 minutes	per cent	75	76	75
Emergency Category 3 treated in 30 minutes	per cent	72	73	72
<b>Home-based Services</b> - Services provided in non-hospital based settings such as the patient's home.				
<i>Quantity</i>				
HITH bed days	number	67 000	82 000	96 000
Post Acute Care clients	number	4 000	6 100	7 600
<i>Quality</i>				
Compliance with HITH program policy and guidelines	per cent	100	100	100
<b>Training and Development</b> - Provision of grants to hospitals for training and accreditation of nurses and hospital registrars.				
<i>Quantity</i>				
First year graduate nurses places (EFT)	number	985	985	985 <sup>(e)</sup>
<b>Blood Services and Specialised Products</b> - To provide adequate and safe supplies of blood and blood products for therapeutic use in Victoria.				
<i>Quantity</i>				
Blood collections <sup>(e)</sup>	number	nm	225 000	244 000
<i>Quality</i>				
Compliance of blood production and supply activities with Therapeutic Goods Association requirements <sup>(f)</sup>	per cent	nm	nm	100

Source: Department of Human Services

Notes:

- (a) Separations and WIES throughput estimates for 1998-99 is the total number funded from all revenue sources including hospital business unit income and additional AHCA funds directed to waiting list patients. These additional funding sources have enabled the achievement of activity above target in 1998-99.
- (b) New performance measure introduced for 1999-2000. In previous years the indicator measured the number of Category 1 patients on the waiting list waiting for more than 30 days and Category 2 patients waiting for more than 90 days at the end of the quarter. This new information is based on patient level data and relates to patients waiting to be treated. Provisional target for 1998-99 is subject to revision.
- (c) This includes non VACS funded categories, emergency medical and allied health.
- (d) Target will move over the 3 year period of the initiative.
- (e) Note change in indicator and target:
- indicator previously 'number of whole blood collections';
  - lower than anticipated collection in 1998-99 attributed to closure of blood collection site in the city and new site opened in Bundoora. It is anticipated that collections will increase in 1999-2000 when donors become accustomed to the change;
  - 1999-2000 target subject to confirmation of Commonwealth State Funding arrangements for 1999-2000.
- (f) New indicator, expected achievement for 1998-99 not available.

### Output group costs

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
<b>Total cost of output group</b>	<b>3 024.9</b>	<b>3 139.5</b>	<b>3 222.2</b>	<b>6.5</b>
<i>Comprising:</i>				
Employee-related Expenses	2 107.2	2 022.5	2 042.0	-3.1
Purchases of Supplies and Services	625.6	822.3	862.1	37.8
Depreciation	122.9	122.9	138.0	12.2
Capital Asset Charge	166.7	166.7	172.5	3.5
Other	2.6	5.2	7.6	na

Source: Department of Treasury and Finance

Note:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Ambulance Services

### Key Government Outcomes

Access to high quality, responsive and efficient patient treatment and transport services

### Description of the Output Group

Emergency and non-emergency ambulance services and clinical training of ambulance paramedics.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Emergency services</b> - Emergency road, rotary and fixed air wing patient treatment and transport services				
<i>Quantity</i>				
Metropolitan road cases	number	178 600	180 000	183 100
Country road cases	number	70 400	70 425	71 030
Rotary wing cases	number	1 200	1 400	1 200
Fixed wing cases	number	nm	nm	875
<i>Quality</i>				
Audited cases meeting clinical practice standards <sup>(a)</sup>	per cent	90	na	90
<i>Timeliness</i>				
Emergency response time (code 1) in 50 per cent of cases - metro <sup>(b)</sup>	minutes	8	9	8
Emergency response times (code 1) in 90 per cent of cases - metro <sup>(b)</sup>	minutes	14	14	14
<b>Non-emergency services</b> - Non-emergency road and fixed air wing patient transport services				
<i>Quantity</i>				
Metropolitan road cases <sup>(c)</sup>	number	nm	nm	107 400
Country road cases <sup>(c)</sup>	number	nm	nm	35 400
Fixed wing cases <sup>(c)</sup>	number	nm	nm	2 625
<i>Quality</i>				
Audited cases meeting clinical practice standards <sup>(a)</sup>	per cent	90	na	90

## Ambulance Services - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Clinical Training</b> - Clinical training for ambulance paramedics by external organisations				
<i>Quantity</i>				
Student hours	number	nm	nm	107 000
<i>Quality</i>				
Students successfully completing course	per cent	95	na	95

Source: Department of Human Services

Notes:

- (a) System for reporting on clinical practice standards developed in 1998-99.  
 (b) Emergency code 1 refers to a time critical incident to which one or more ambulances are dispatched.  
 (c) Previously reported as total road and total fixed wing cases.

## Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>169.6</b>	<b>183.1</b>	<b>198.1</b>	<b>16.8</b>
Comprising:				
Employee-related Expenses	101.4	110.4	119.4	17.8
Purchases of Supplies and Services	54.4	59.0	62.1	14.0
Depreciation	7.9	7.9	10.0	26.3
Capital Asset Charge	5.8	5.8	6.7	15.5
Other	0.1	..	..	na

Source: Department of Treasury and Finance

Note:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.  
 (b) Subsequent to the 1998-99 Budget, a Treasurer's Advance was received for Enterprise Agreement adjustments approved by Government and the 1999-2000 budget includes funds carried forward for the Ambulance Operations Plan.

## Aged Care and Primary Health Services <sup>(a)</sup>

### Key Government Outcomes

Provision of high quality responsive health care and community support to aged persons and other eligible Victorians.

### Description of the Output Group

A range of in-home, community-based, in-patient, specialist geriatric, palliative care services and community health services, dental services and drug treatment services for aged persons and other eligible Victorians.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Sub-Acute and Specialist Services</b> – A range of inpatient, specialist clinics, post acute services, and residential rehabilitation services.				
<i>Quantity</i>				
Sub-acute inpatient treatment	bed days	427 800	427 800	446 500
Inpatient and specialist drug treatment	episodes	5 680	5 680	6 500
Specialist dental treatment	people treated	nm	20 200	20 200
<i>Quality</i>				
Inpatient services meeting accreditation/certification standards	per cent	nm	70	100
<i>Timeliness</i>				
Community rehabilitation care clients receiving treatment within 3 working days <sup>(b)</sup>	per cent	nm	na	70
Average wait for access to inpatient and specialist drug treatment services	working days	nm	16	16
<b>Assessment Services</b> - Comprehensive assessment of people's requirements for treatment and residential care services.				
<i>Quantity</i>				
Aged care assessments	number	48 600	51 600	53 600
<i>Timeliness</i>				
Average wait (in days) between client registration and ACAS assessment <sup>(b)</sup>	days	nm	na	8.5



## Aged Care and Primary Health Services<sup>(a)</sup> - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Community Care and Support</b> - A range of community care and support services provided to maintain people's ability to live independently in the community.				
<i>Quantity</i>				
Community care and support services (HACC)	community service units <sup>(c)</sup>	nm	1 912 200	1 979 000
Carers assisted <sup>(d)</sup>	number	15 000	12 000	12 000
Case Management packages	people supported	nm	2 720	3 280
<i>Quality</i>				
Per cent of agencies meeting HACC National Standards	per cent	70	70	70
<b>Primary Health Care</b> - A range of community nursing, community based allied and women's health, sexual assault, family planning, dental health, alcohol and drug treatment services.				
<i>Quantity</i>				
HACC – nursing and allied health care	community service units <sup>(c)</sup>	nm	1 092 700	1 131 000
Community health care	service hours	nm	831 200	835 200
Community-based drug treatment <sup>(e)</sup>	treatment episode	35 410	27 200	29 900
Community dental care <sup>(f)</sup>	people treated	185 300	165 200	177 000
<i>Timeliness</i>				
Average wait for access to community-based drug treatment	working days	nm	8	8
Ratio of emergency to general courses of dental care	ratio	42:58	46:54	46:54
Waiting time for restorative dental care <sup>(f)</sup>	months	14	21	19
Waiting time for dentures	months	24	23	20
<b>Supported Residential Care</b> - Services for people requiring ongoing care and support in a residential care service.				
<i>Quantity</i>				
Nursing home care <sup>(g)</sup>	bed days	nm	1 262 400	1 160 200
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## Aged Care and Primary Health Services<sup>(a)</sup> - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quantity (continued)</i>				
Residential care services meeting certification/accreditation standards	per cent	nm	na	90
<b>Prevention and Promotion</b> - A range of community based information and support services to assist the management of priority health issues and the promotion of well being.				
<i>Quantity</i>				
Senior Citizens Week participants	people	350 000	375 000	375 000
Community health prevention and promotion	hours of service	nm	266 600	267 800
School dental care	courses of care	105 200	111 000	111 000
<i>Quality</i>				
Disadvantaged students accessing School Dental Service	per cent	nm	65	70
<b>Training, Research and Development</b> - A range of training, research and development programs which improve the quality and targeting of service provision.				
<i>Quantity</i>				
Community health training and development	hours	nm	80 000	80 000
Dental interns supported	number	nm	20	20

Source: Department of Human Services

*Notes:*

- (a) This output group combines the two former Output Groups Aged Care and Coordinated care.
- (b) Collection of comprehensive data for these measures will commence on 1 July 1999.
- (c) This unit of measure is a new measure that has been introduced as part of the 1998-99 HACC Annual Plan. The measure allows item-based activities funded through the Home and Community Care Program to be given a standard weighting according to the unit cost.
- (d) Initial target estimate made prior to implementation of new data definition. Target likely to be further modified in light of data review.
- (e) Target revised in January in the light of improved measurement of counselling, consultancy and continuing care activities.
- (f) Increased waiting times for restorative dental care in 1998-99 reflects greater than expected impact of loss of Commonwealth funding in 1997. This in turn has increased the restorative treatment requirement per person, leading to a drop in the total number of people treated compared to target. Increased funding to be provided in 1999-2000 will allow more people to be treated.
- (g) Reduced bed days reflects transfer of nursing home beds to the private sector.

## Output group costs

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
<b>Total cost of output group<sup>(b)</sup></b>	<b>944.2</b>	<b>938.5</b>	<b>976.3</b>	<b>3.4</b>
<i>Comprising:</i>				
Employee-related Expenses	436.9	359.5	376.1	-13.9
Purchases of Supplies and Services	259.2	506.0	528.0	na
Depreciation	22.2	22.2	24.5	10.5
Capital Asset Charge	38.0	38.0	42.2	11.0
Other	188.0	12.9	5.6	-97.0

Source: Department of Treasury and Finance

*Note:*

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

(b) Accounting policy changes introduced since the passage of the 1998-99 Budget have resulted in the exclusion of private revenue of denominational hospitals and some other health agencies. The Budget now includes only the net contribution by Government to the services provided by these agencies. The impact of this change on the cost of outputs in the 1998-99 Revised Budget is a reduction of \$26 million.

## Mental Health Services

### Key Government Outcomes

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

### Description of the Output Group

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

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Acute and Sub-Acute Services</b> - A range of community and residential treatment programs, including crisis assessments, mobile treatment, consultancy, inpatient treatment, psycho-geriatric assessment and treatment, support services and specialist forensic services provided to people with a mental illness.				
<i>Quantity</i>				
Acute inpatient treatment capacity	beds	nm	927	927
Sub-acute treatment capacity	beds	nm	524	524
Registered clients	number	nm	46 240	46 800
Registered clients	contacts	nm	1 450 000	1 467 000
<i>Quality</i>				
Improvement in Consumer and Carer satisfaction <sup>(a)</sup>	per cent	5	2	2
<b>Community Care and Support</b> - A range of support and rehabilitation services provided to people who have disabilities resulting from mental illness.				
<i>Quantity</i>				
Residential rehabilitation	clients	nm	220	284
Home based outreach support	clients	nm	2 450	2 510
<i>Quality</i>				
Improvement in Consumer and Carer Satisfaction	per cent	nm	2	2
<b>Supported Residential Care</b> - Services for people requiring ongoing care and support in a psychogeriatric nursing home or hostel				
<i>Quantity</i>				
Psychogeriatric supported residential care	beds	nm	557	557

## Mental Health Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Prevention and Promotion</b> – Community based information and support services to reduce the risk of mental disorders.				
<i>Quantity</i>				
Mental health week events	number	nm	nm	75
<b>Training, Research and Development</b> - A range of training, research and development programs which improve the quality of service provision.				
<i>Quantity</i>				
Mental health academic positions sponsored	number	nm	nm	31
Post graduate nursing placements (mental health)	number of positions	nm	nm	86

Source: Department of Human Services

Note:

(a) The 1998-99 target of 5 per cent was set prior to the availability of data on consumer and carer satisfaction.

### Output group costs

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
<b>Total cost of output group</b>	<b>437.5</b>	<b>445.5</b>	<b>453.2</b>	<b>3.6</b>
<i>Comprising:</i>				
Employee-related Expenses	285.3	251.0	248.2	-13.0
Purchases of Supplies and Services	121.8	164.1	174.0	42.9
Depreciation	2.7	2.7	3.0	11.3
Capital Asset Charge	27.8	27.8	28.0	1.0
Other	..	..	..	..

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Public Health Services

### Key Government Outcomes

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

### Description of the Output Group

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

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Health Intelligence and Research</b> – Supports the conduct of medical research and provides surveillance of public health programs. Includes plans for public health emergencies preparedness and response.				
<i>Quantity</i>				
Research proposals approved by the DHS Ethics Committee	number	nm	nm	55
<i>Quality</i>				
Papers published/ accepted/in press	number	7	7	7
<i>Timeliness</i>				
Project milestones met	per cent	99	99	99
<b>Infrastructure and Workforce Development</b> - Supports a range of public health training and development as well as language, legislative and other infrastructure support which improve the quality of public health programs. Includes plans for public health emergencies preparedness and response.				
<i>Quantity</i>				
Health professional trained	number	nm	3 300	3 641
Enquiries on internet home page (million)	million	1.03	1.03	1.53
<i>Quality</i>				
Subsidised training courses recognised and approved	per cent	100	100	100
Information products in community languages other than English	per cent	30	30	30
<i>Timeliness</i>				
Emergency responses within designated timeframes	per cent	100	100	100
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## Public Health Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Prevention Services</b> – A range of strategies and programs to reduce the incidence of disease and illness in the community.				
<i>Quantity</i>				
Screens for preventable illness (cancer screening, genetic screenings and TB undertakings)	number	800 000	800 000	935 500
Immunisation coverage				
• at 2 years of age	per cent	75	75	80
• at school entry <sup>(a)</sup>	per cent	90	82	85
• at 17 years of age <sup>(a)</sup>	per cent	90	82	85
Needles provided under the Needle and Syringe Exchange Program		nm	2 500 000	4 000 000
<i>Quality</i>				
Target population screened within specified timeframe for breast cancer	per cent	nm	63	65
Target population screened within specified timeframe for cervical cancer	per cent	70	70	73
<i>Timeliness</i>				
Statutory approvals issued within specified timelines	per cent	100	100	100
<b>Environmental Health</b> – A range of activities which protect the health of Victorians from environmental dangers and disease.				
<i>Quantity</i>				
Inspections and investigations undertaken <sup>(b)</sup>	number	nm	nm	612
<i>Quality</i>				
24 hour emergency response with designated plans, procedures	per cent	100	100	100

## Public Health Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Health Promotion Services</b> – Develop and communicate strategies and programs to assist the community in improving health outcomes.				
<i>Quantity</i>				
Local agencies supported to undertake health promotion service development projects	number	nm	40	50
<i>Quantity (continued)</i>				
Discrete health promotion campaigns implemented	number	nm	6	8
Alcohol and drug community education programs delivered	number	nm	2	5
<i>Quality</i>				
Phone advice dropout rate	per cent	nm	10	10

Source: Department of Human Services

Notes:

- (a) Gains in immunisation coverage at school entry and at 17 years of age has not increased at the expected rate in the past two years; due in part to problems in data collection making target setting difficult, associated with the increasing diversity of immunisation providers, with a greater involvement of private general practitioners.
- (b) The previous measure for inspections and investigations included new licences issued, work approvals, environmental effects statements approved and laboratory tests taken. The 1999-2000 measure relates only to the number of investigations and inspections.

## Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>169.0</b>	<b>170.3</b>	<b>174.3</b>	<b>3.1</b>
<i>Comprising:</i>				
Employee-related Expenses	17.2	25.3	25.6	48.8
Purchases of Supplies and Services	107.5	133.4	138.2	28.6
Depreciation	2.0	2.0	2.1	7.0
Capital Asset Charge	1.8	1.8	2.1	16.4
Other	40.5	7.8	6.2	-84.6

Source: Department of Treasury and Finance

Note:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.



## Disability Services

### Key Government Outcomes

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

### Description of the Output Group

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

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Congregate Residential Care Services</b> – Training Centre based accommodation.				
<i>Quantity</i>				
Number of clients in Training Centres <sup>(a)</sup>	number	902	944	874
<i>Quality</i>				
Percentage of clients with appropriate day activities	per cent	80	80	80
Percentage of total accommodation and support clients in Training Centres	per cent	15	15	14
<b>Community Based Accommodation and Support Services</b> – Accommodation and support services provided to clients in community based settings, in home, family based placement and outreach.				
<i>Quantity</i>				
Number of clients in community based accommodation support services <sup>(b)</sup>	number	5 288	5 400	5 548
<i>Quality</i>				
Percentage of clients successfully achieving the majority of objectives in their Program Plan	per cent	100	100	100
<b>Community Access Services</b> – Provision of a range of day program activities to address individual needs and enhance independence, community participation and quality of life.				
<i>Quantity</i>				
Number of clients with day activities <sup>(c)</sup>	number	4 197	5 478	5 556
Number of <i>Futures For Young Adults</i> (FFYA) clients	number	2 223	2 445	3 125
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## Disability Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality</i>				
Percentage of clients successfully achieving the majority of objectives in their Program Plan	per cent	100	100	100
<b>Equipment Services</b> – Provision of a range of aids and equipment				
<i>Quantity</i>				
Number of aids and equipment items supplied <sup>(d)</sup>	number	32 100	35 000	35 000
Number of clients accessing aids and equipment	number	20 845	20 845	20 845
<i>Quality</i>				
Percentage of referrers satisfied with response to clients' needs.	per cent	75	75	75
<b>Respite Services</b> – Short term and time limited breaks for families and voluntary carers of people with disabilities to support and maintain the primary caregiving relationship.				
<i>Quantity</i>				
Number of carer households provided with a respite service	number	4,000	4 200	4 200
<i>Timeliness</i>				
Percentage of respite information provided to client within 3 days	per cent	100	100	100
<b>Case management and brokerage services</b> – Services to people who require assistance with the coordination 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.				
<i>Quantity</i>				
Number of clients receiving case management services through Client Services Teams	number	3 300	3 300	3 300
Number of clients receiving flexible care packages	number	900	900	900
<i>Quality</i>				
Percentage of clients achieving the majority of objectives specified in their Program Plan	per cent	nm	nm	95
<i>Timeliness</i>				
Percentage of clients waiting less than 3 months for a case management service	per cent	nm	nm	80
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## Disability Services - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Specialist Behavioural Services</b> – Assessment, consultation and intervention services for people with highly complex and challenging behaviours.				
<i>Quantity</i>				
Number of clients receiving a service <sup>(e)</sup>	number	700	1 900 <sup>(d)</sup>	1900
<i>Quality</i>				
Percentage of clients successfully achieving the majority of objectives in their Program Plan	per cent	100	100	100
<i>Timeliness</i>				
Percentage of clients waiting less than 3 months for specialist services	per cent	nm	nm	80
<b>Information/Advocacy Services</b> – Information, assistance and advocacy support to people with disabilities				
<i>Quantity</i>				
Number of clients receiving advocacy support	number	300	600	600
Number of visits to the website	number	nm	nm	150 000
<i>Quality</i>				
Percentage of websites compliant with appropriate guidelines for accessibility	per cent	nm	nm	100
<b>Quality Improvement</b> – Quality Improvement initiatives				
<i>Quantity</i>				
Number of research projects funded	number	15	15	15
<i>Quality</i>				
Percentage of eligible providers participating in a quality self assessment process <sup>(f)</sup>	per cent	100	na	100
<i>Source: Department of Human Services</i>				
<i>Notes:</i>				
(a) <i>Expected achievement also includes clients in Private Training Centres. The 1999-2000 target reflects the Government's continuing policy of redeveloping training centres which will further reduce the number of clients receiving congregate care services and increase the number receiving community based accommodation services.</i>				
(b) <i>Increase in performance due to operational efficiencies and redevelopments.</i>				
(c) <i>Performance measure definition has been amended to reflect number of consumers with day activities, rather than Effective Full Time (EFT) places.</i>				
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Notes - continued:

- (d) Includes aids and equipment issued through equipment loan services together with Aids, Equipment and Oxygen issued to clients via the Program of Aids for Disabled People (PADP) over achievement due primarily to re-issuing of some equipment items.
- (e) Changes in service delivery approaches, including more flexible delivery in response to client needs has led to higher client numbers.
- (f) Quality project running on a calendar year, self assessments will be completed by December 1999.

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>528.6</b>	<b>550.6</b>	<b>571.9</b>	<b>8.2</b>
<i>Comprising:</i>				
Employee-related Expenses	203.6	217.2	217.8	7.0
Purchases of Supplies and Services	301.3	311.1	330.6	9.7
Depreciation	8.2	8.2	9.5	16.2
Capital Asset Charge	11.9	11.9	12.8	7.7
Other	3.7	2.2	1.3	-64.1

Source: Department of Treasury and Finance

Note:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Youth and Family Services

### Key Government Outcomes

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

### Description of the Output Group

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

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Children's Services</b> - A range of preschool and child care services primarily for children below school age.				
<i>Quantity</i>				
Funded preschool places <sup>(b)</sup>	number	62 500	60 725	61 352
Preschool participation rate	per cent	92	92	92
<i>Quality</i>				
Funded preschool services with a quality assurance process.	per cent	90	90	90
<i>Timeliness</i> <sup>(c)</sup>				
Complete licensing renewal applications submitted by services within statutory timelines	per cent	nm	na	70
<b>Parenting and Child Development</b> - A range of services that support the health and well being of children and their parents, comprising the following service components: health development and surveillance, and parenting services.				
<i>Quantity</i>				
Total number of clients <sup>(d)</sup>	number	178 000	150 000	174 375
<i>Quality</i>				
Clients satisfied with Parentline <sup>(e)</sup>	per cent	nm	nm	75
<i>Timeliness</i>				
Children 0-1 month enrolled at Maternal and Child Health services from birth notifications	per cent	98	98	98

## Youth and Family Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Family and Individual Support</b> - The provision of services to eligible families and individuals to enhance their capacity to function effectively, covering the following components: support services for families, early intervention services for families and personal support.				
<i>Quantity</i>				
Total number of clients	number	162 000	171 500	201 600
<i>Quality</i>				
Services that have implemented program standards for Specialist Children's Services	per cent	nm	nm	95
<b>Community Services</b> - A range of community and neighbourhood information, support and development activities, comprising the following components and activities: Neighbourhood Houses, Neighbourhood House Networks, and the Community Development and Assistance program.				
<i>Quantity</i>				
Funded hours of neighbourhood house coordination	number	234 000	234 000	234 000
<b>Youth Support Services</b> - The promotion of the well-being and social health status of young people through integrated prevention and early intervention services, including FR <sup>ee</sup> ZA, Youth Services Program and the School Focused Youth Service.				
<i>Quantity</i>				
Young People assisted by Youth Support Services (includes School Focused Youth Service) <sup>(f)</sup>	number	nm	nm	28 500
<i>Quality</i>				
Services measuring client satisfaction	per cent	nm	nm	>70
<b>Juvenile Justice Services</b> - Includes the provision of advice to court, community-based and custodial supervision, as well as support services that promote community connectedness and minimise the likelihood of re-offending.				
<i>Quantity</i>				
Juvenile Justice custodial facilities occupancy rate <sup>(g)</sup>	per cent	85	105	85
<i>Quality</i>				
Juvenile Justice clients on community based orders <sup>(h)</sup>	per cent	>80	83	>80

## Youth and Family Services - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Timeliness</i>				
Sentenced offenders with service plans completed within 6 weeks <sup>(j)</sup>	per cent	80	86	85
<b>Protection and Placement</b> - Child protection services, accommodation and placement support services and adoption and permanent care services.				
<i>Quantity</i>				
Notifications to child protection services	number	31 500	34 500	36 100
<i>Quality</i>				
Protective cases reinvestigated within twelve months of case closure	per cent	<20	20	<20
<i>Timeliness</i>				
Protective intervention cases closed within ninety days <sup>(j)</sup>	per cent	80	73	80
<b>Homeless &amp; Family Violence Services</b> - Services to people who are homeless or at risk of homelessness and who are in crisis.				
<i>Quantity</i>				
Homeless persons support and accommodation capacity <sup>(k)</sup>	number	7 200	na	8 870
<i>Quality</i>				
Clients with an agreed case plan	per cent	90	na	90
<i>Timeliness</i>				
Average duration of episodes of support for clients	weeks	nm	nm	10

Source: Department of Human Services

*Notes:*

- (a) Output structures for this output group have been revised to better reflect the range of services.
- (b) The number of preschool places is lower than expected due to a slightly lower participation rate.
- (c) The previous measure 'Investigations of serious breaches commenced within required timeframe' was a draft indicator for 1998-99 and did not have a target. It has now been deleted as it was considered to be a poor measure of service performance.
- (d) Achievement is lower than expected because calls to Parentline were lower than initial estimates for this new service and the development of a more accurate method of counting clients of parenting intervention services has been implemented.
- (e) New quality measure included for 1999-2000 to contribute to benchmark development.

Notes – continued:

- (f) The 1998-99 quantity measure 'number of Youth Support client contacts' has been deleted and replaced with 'number of young people assisted by Youth Support Services (including School focussed Youth Services)'. The 1999-2000 target may vary subject to the outcome of the 1999-2000 Youth Support Program funding submissions from service providers.
- (g) The expected achievement is anticipated to exceed the target as a result of court use of detention, particularly in the Senior Youth Training Centre (17-20) age group.
- (h) The expected achievement is anticipated to exceed the target as a result of increased court advice, and hence improved 'gatekeeping' activity.
- (i) The target is likely to be surpassed because operational Juvenile Justice units have been successful in improved client service plan recording. Previous reporting on this measure reflected difficulties with reporting mechanisms.
- (j) Case complexity has impacted on expected achievement.
- (k) As at April 1999, the National Data Collection Agency is unable to provide the required data. Revision due to a higher number of funded NGO positions from the 1998 SAAP Regional Recurrent funding package which has resulted in a corresponding increase in the support and accommodation capacity.

### Output group costs

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
<b>Total cost of output group</b>	<b>494.4</b>	<b>487.7</b>	<b>503.1</b>	<b>1.8</b>
<i>Comprising:</i>				
Employee-related Expenses	137.6	137.8	129.4	-5.9
Purchases of Supplies and Services	123.2	336.9	357.7	na
Depreciation	5.1	5.1	5.6	8.9
Capital Asset Charge	5.7	5.7	6.2	7.5
Other	222.8	2.1	4.3	-98.1

Source: Department of Treasury and Finance

Note:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.



## Concessions to Pensioners and Beneficiaries

### Key Government Outcomes

Access to affordable basic services for pensioners and low income groups.

### Description of the Output Group

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

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Energy Concessions</b> – Provides a \$17.55 rebate off winter energy bills for eligible mains energy users, and a \$48 rebate for eligible no-mains users.				
<i>Quantity</i>				
Households receiving mains electrical concessions <sup>(a)</sup>	number	678 000	645 000	660 000
Households receiving mains gas concessions <sup>(a)</sup>	number	508 000	500 500	488 000
Households receiving non-mains energy concessions <sup>(a)</sup>	number	16 300	18 040	18 900
<b>Water and Sewerage Concessions</b> – Provides 50 per cent off water and sewerage charges up to a maximum of \$135 for eligible householders.				
<i>Quantity</i>				
Households receiving water and sewerage concessions	number	510 000	552 000	603 800
<b>Municipal Rates Concessions</b> - Provides 50 per cent off rates charges up to a value of \$135 for pensioner home owners.				
<i>Quantity</i>				
Households receiving pensioner concessions for municipal rates and charges <sup>(a)</sup>	number	421 000	378 400	382 900
<b>Trustee Services</b> – Financial administration 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 <sup>(b)</sup>	number	14 420	10 700	11 000
<i>Quality</i>				
Compliance with standards	per cent	90	90	90

## Concessions to Pensioners and Beneficiaries - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Timeliness</i>				
Responses and ongoing management within agreed product specific service level	per cent	90	90	90

Source: Department of Human Services

Notes:

- (a) Expected achievement targets reflect the availability of more accurate forecasting data on demand for concessions and this impacts on the 1999-2000 targets.
- (b) 1999-2000 targets reflects the availability of more precise information from State Trustees, which has also impacted on the 1998-99 Expected Achievement target.

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>255.6</b>	<b>258.3</b>	<b>269.5</b>	<b>5.4</b>
<i>Comprising:</i>				
Employee-related Expenses	0.7	0.7	0.8	13.1
Purchases of Supplies and Services	4.7	5.4	5.6	20.7
Depreciation	0.0	0.0	0.0	4.3
Capital Asset Charge	0.0	0.0	0.0	..
Other	250.2	252.2	263.0	5.1

Source: Department of Treasury and Finance

Note:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Aboriginal Services

### Key Government Outcomes

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

### Description of the Output Group

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

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Strategic Policy and Program Advice</b> – Development and implementation of policies and provision of advice to improve the delivery of human services which meet the needs of Victoria's Aboriginal people.				
<i>Quality</i>				
Briefs completed within agreed timelines and accepted by the Minister	per cent	85	95	95
<i>Timeliness</i>				
Briefs completed within agreed timelines	per cent	85	95	95
Advice provided on Native Title issues within agreed timelines	per cent		95	95
<b>Cultural Heritage Management and Legislation Services</b> – Development and provision of programs to facilitate management of Victoria's Aboriginal cultural heritage.				
<i>Quantity</i>				
Mining licence referrals processed	per cent	100	100	100
Local government planning scheme reviews completed	per cent	100	100	100
Aboriginal Cultural Sites evaluated and recorded	number	85	85	85
Extractive industry licence referrals processed	number	nm	30	30
<i>Timeliness</i>				
Extractive industry licence referrals processed within 28 days	per cent	100	100	100
High priority Aboriginal Cultural Sites evaluated and recorded within 1 month	per cent	100	100	100

## Aboriginal Services - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Timeliness (continued)</i>				
Management plans of significant Aboriginal Cultural Heritage Sites completed within agreed timeframes	per cent	nm	75	75
Acts and regulations enforced within established time limits	per cent	nm	100	100

Source: Department of Human Services

### Output group costs

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
<b>Total cost of output group</b>	<b>9.3</b>	<b>9.3</b>	<b>9.3</b>	<b>-0.1</b>
<i>Comprising:</i>				
Employee-related Expenses	3.9	3.9	3.7	-5.2
Purchases of Supplies and Services	2.4	2.4	2.6	8.0
Depreciation	0.1	0.1	0.1	7.1
Capital Asset Charge	0.1	0.1	0.1	..
Other	2.8	2.8	2.8	..

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Housing Assistance

### Key Government Outcomes

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

### Description of the Output Group

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

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Crisis Supported and Transitional Housing</b> – Short term crisis housing in emergency or crisis situations. Medium term accommodation, linked to support services (particularly Supported Accommodation Assistance Program (SAAP)) and housing information and referral services, to enable people in actual or impending homelessness to access appropriate longer term housing.				
<i>Quantity</i>				
Homeless person (households) assisted during year (est.) <sup>(a)</sup>	number	16 800	14 000	14 500
<i>Quality</i>				
Households paying 30 per cent or less on rent	per cent	nm	100	100
<i>Timeliness</i>				
Average vacancy period a year, per vacant untenable property	days	nm	30	30
<b>Aboriginal Housing</b> – 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 (tenancies) at end of year - AHBV <sup>(b)</sup>	number	950	920	960
<i>Quality</i>				
Households paying 30 per cent or less on rent	per cent	nm	100	100
<b>Long Term Housing Assistance</b> – Long term, rental accommodation, targeted to those in need and coordinated with support services where required.				
<i>Quantity</i>				
Households assisted at end of year	number	66 000	66 000	66 500
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## Housing Assistance - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quantity (continued)</i>				
Total allocations during year to priority segments	per cent	55	55	55
<i>Quality</i>				
Tenants satisfied or very satisfied (measured by national customer satisfaction surveys)	per cent of national average	95	95	95
<i>Timeliness</i>				
Average waiting time to allocation for priority segments	months	4	4	4
<b>Private Rental Assistance</b> – Bond loans, Housing Emergency Grants and other assistance to enable people to obtain or maintain private rental accommodation.				
<i>Quantity</i>				
Bonds and Housing Emergency grants issued during year <sup>(c)</sup>	number	30 000	27 000	28 000
Bonds approved within 3 days	per cent	90	90	90
<b>Home Ownership and Renovation Assistance</b> – 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 houses.				
<i>Quantity</i>				
Home renovation inspection reports during year	number	2 500	2 500	2 900
Group Self Build projects completed within target timeline of 12 months	number	nm	nm	75
<i>Quality</i>				
Loans in arrears by more than 30 days	per cent	<4	<4	<4
<i>Timeliness</i>				
Time from request to receipt of home renovation advice	days	9	9	7

Source: Department of Human Services

*Notes:*

- (a) *Transitional Housing Management was implemented in October 1997. Targets for 1998-99 were developed when the new program was being established and have been revised to reflect emerging information regarding clients and average length of assistance.*
- (b) *Expected position for 1998-99 reflects emphasis on capital allocation to upgrading and replacing stock.*
- (c) *Expected 1998-99 position reflects lower than anticipated demand, reflecting impact of tight conditions in private rental market.*

## Output group costs

	(\$ million)			
	1998-99	1998-99	1999-2000	Variation <sup>(a)</sup>
	Budget	Revised	Budget	%
<b>Total cost of output group</b>	<b>310.9</b>	<b>311.9</b>	<b>308.3</b>	<b>-0.8</b>
<i>Comprising:</i>				
Employee-related Expenses	..	..	..	..
Purchases of Supplies and Services	..	..	..	..
Depreciation	..	..	..	..
Capital Asset Charge	..	..	..	..
Other	310.9	311.9	308.3	-0.8

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## PART 2: FINANCIAL INFORMATION

Part 2 provides the financial statements that support the Department's provision of outputs. The information provided includes the operating statement, statement of financial position and cash flow statement for the Department as well as tables detailing the authority for resources and, where appropriate, the payments on behalf of the State made by the Department.

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 following three 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 are those resources for 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 three tables can be used to assess the Department's financial performance and use of resources.

- **Table 2.2.2 –Operating Statement** - provides details of the Department's revenue and expenses on an accrual basis reflecting the cost in providing its outputs;
- **Table 2.2.3 – Statement of Financial Position** – shows all assets and liabilities of the Department. The difference between these represents the net assets position, which indicates the financial health of the Department; and
- **Table 2.2.4 – Cash Flow Statement** – shows all movements of cash, that is cash received and paid. The cash impact of financing and investment activities on Departmental resources is highlighted in this statement.



**Table 2.2.2 - Operating Statement**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Operating Revenue</b>				
Revenue from State Government <sup>(b)</sup>	5 129.7	5 275.4	5 437.0	6.0
Section 29 receipts - Commonwealth	595.7	594.9	629.1	5.6
- Other	115.4	160.1	157.7	36.7
Other Commonwealth grants	10.9	10.0	0.0	na
Other revenue <sup>(c)</sup>	818.8	748.3	774.4	-5.4
<b>Total</b>	<b>6 670.5</b>	<b>6 788.7</b>	<b>6 998.2</b>	<b>4.9</b>
<b>Operating Expenses</b>				
Employee Related Expenses <sup>(d)</sup>	3 426.7	3 239.3	3 274.0	-4.5
Purchases of Supplies and Services <sup>(e)</sup>	1 788.6	2 518.7	2 638.9	47.5
Depreciation <sup>(f)</sup>	184.4	184.4	206.1	11.8
Capital Asset Charge	257.7	257.7	270.5	5.0
Other Expenses	1 021.5	597.0	599.2	-41.3
<b>Total</b>	<b>6 679.1</b>	<b>6 797.2</b>	<b>6 988.8</b>	<b>4.6</b>
<b>Operating Surplus/Deficit before Revenue for Increase in Net Assets</b>	<b>- 8.6</b>	<b>- 8.6</b>	<b>9.4</b>	<b>na</b>
<i>Add:</i>				
Revenue for Increase in Net Assets	96.2	88.7	80.6	-16.2
Section 29 receipts - Asset Sales	..	..	..	..
<b>Operating Surplus/Deficit</b>	<b>87.7</b>	<b>80.2</b>	<b>90.1</b>	<b>2.7</b>
<i>Administered Items</i>				
<b>Operating Revenue</b>				
Other Commonwealth grants	1 315.5	1 404.4	1 439.1	9.4
Other revenue <sup>(c)</sup>	56.0	55.2	26.0	-53.6
<b>Total</b>	<b>1 371.5</b>	<b>1 459.6</b>	<b>1 465.1</b>	<b>6.8</b>
<b>Operating Expenses</b>				
Other Expenses	1 371.5	1 459.6	1 465.1	6.8
<b>Total</b>	<b>1 371.5</b>	<b>1 459.6</b>	<b>1 465.1</b>	<b>6.8</b>
<b>Operating Surplus/Deficit</b>	<b>0.0</b>	<b>..</b>	<b>..</b>	<b>na</b>

Source: Department of Treasury and Finance

Notes:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.  
 (b) Includes estimated carryover of 1997-98 appropriation amounts. Actual carryover is subject to approval by the Treasurer prior to 30 June pursuant to Section 32 of the Financial Management Act, 1994.

*Notes - continued:*

- (c) Includes revenue for services delivered to parties outside government. Consistent with accounting standards, private revenue generated by non-budget entities such as denominational hospitals has been excluded from the statements from 1998-99 revised onwards, as it falls outside of the control of the State.*
- (d) Includes salaries and allowances, superannuation contributions and payroll tax.*
- (e) Includes payments to non-government organisations for delivery of services.*
- (f) Includes amortisation of leased assets.*

The Department's Operating Statement shows an increase of \$327.7 million (4.9 per cent) in controlled Operating Revenue from 1998-99 Budget to 1999-2000 Budget. The main revenue movements are:

- Increase in Revenue from the State Government primarily due to :
  - \$117.5 million in additional funding from the Commonwealth Government under the Australian Health Care Agreement (AHCA);
  - \$63.8 million initiatives funding approved in this budget; and
  - \$131.4 million full year impact of salary increases, general cost of living increases and initiative funding approved in previous budgets.
- Increase in Section 29 – Other Revenue reflecting the additional funds provided by the Commonwealth for repatriation services.
- Decrease in Other Revenue because of the removal from the 1999-2000 statements of private revenue of non budget entities, such as denominational hospitals.

The above explanations also apply to movements in Operating Expenses. In addition, changes have been made to the classification of Operating Expenses to achieve consistency with financial reporting requirements e.g. \$400 million of other expenses has been reclassified as purchase of supplies and services.

The Department's approved asset investment program for 1999-2000 totals \$316.8 million. The majority of the program will be internally funded from accumulated depreciation and asset sales. The balance, \$80.6 million, will be funded by a capital injection from the Government and is shown in the Operating Statement as Revenue for increase in net assets.

The Operating Deficit of \$8.6 million in 1998-99 is as a result of the exclusion of asset sales revenue from the Department's statement in line with accounting standards.

## Administered Items

The Administered items within the Financial Statements for the Department primarily comprise Commonwealth grants which are paid to the Consolidated Fund and are not credited to the Department's budget. The only significant change relates to Commonwealth grant revenue. This is estimated to increase by \$123.6 million from 1998-99 budget to 1999-2000 budget, largely reflecting funding increases under the AHCA.

**Table 2.2.3: Statement of Financial Position**

(\$ thousand)

	Estimated as at 30 June			Variation <sup>(a)</sup> %
	1999 Budget	1999 Revised	2000 Budget	
<b>Assets</b>				
Current Assets				
Cash	145 345	145 345	145 361	0.0
Investments	370 711	370 711	370 711	..
Receivables	217 086	177 238	177 238	..
Prepayments	21 731	21 731	21 731	..
Inventories	43 764	43 764	43 764	..
Other Assets	6 883	6 883	6 883	..
<b>Total Current Assets</b>	<b>805 520</b>	<b>765 672</b>	<b>765 688</b>	<b>0.0</b>
Non-Current Assets				
Investments	54 288	54 288	54 288	..
Receivables <sup>(b)</sup>	83 444	108 338	159 843	47.5
Fixed Assets	3 594 307	3 586 807	3 677 204	2.5
Other Assets	1 080	1 080	1 080	..
<b>Total Non-Current Assets</b>	<b>3 733 119</b>	<b>3 750 513</b>	<b>3 892 415</b>	<b>3.8</b>
<b>Total Assets</b>	<b>4 538 639</b>	<b>4 516 185</b>	<b>4 658 103</b>	<b>3.1</b>
<b>Liabilities</b>				
Current Liabilities				
Payables	262 865	262 865	262 865	..
Borrowing	67 117	67 117	67 117	..
Employee Entitlements	393 780	375 714	376 714	0.3
Superannuation	2 088	2 088	2 088	..
Other Liabilities	73 320	73 320	73 320	..
<b>Total Current Liabilities</b>	<b>799 170</b>	<b>781 104</b>	<b>782 104</b>	<b>0.1</b>
Non-Current Liabilities				
Payables	127 558	127 558	127 558	..
Borrowing	10 985	10 985	10 985	..
Employee Entitlements	375 453	378 565	429 429	13.4
Superannuation	..	..	..	..
Other Liabilities	9 781	9 781	9 781	..
<b>Total Non-Current Liabilities</b>	<b>523 777</b>	<b>526 889</b>	<b>577 753</b>	<b>9.7</b>
<b>Total Liabilities</b>	<b>1 322 947</b>	<b>1 307 993</b>	<b>1 359 857</b>	<b>4.0</b>
<b>Net Assets</b>	<b>3 215 692</b>	<b>3 208 192</b>	<b>3 298 246</b>	<b>2.8</b>

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**Table 2.2.3: Statement of Financial Position - continued**

(\$ thousand)

	<i>Estimated as at 30 June</i>			<i>Variation<sup>(a)</sup></i>
	<i>1999</i>	<i>1999</i>	<i>2000</i>	
	<i>Budget</i>	<i>Revised</i>	<i>Budget</i>	<i>%</i>
<i>Administered Items</i>				
<b>Assets</b>				
Current Assets				
Investments	5 927	5 927	5 927	..
Receivables	170	170	170	..
<b>Total Current Assets</b>	<b>6 097</b>	<b>6 097</b>	<b>6 097</b>	..
Non-Current Assets				
Receivables	3 360	3 360	3 360	..
<b>Total Non-Current Assets</b>	<b>3 360</b>	<b>3 360</b>	<b>3 360</b>	..
<b>Total Assets</b>	<b>9 457</b>	<b>9 457</b>	<b>9 457</b>	..
<b>Liabilities</b>				
Non-Current Liabilities				
Other Liabilities	9 257	9 257	9 257	..
<b>Total Non-Current Liabilities</b>	<b>9 257</b>	<b>9 257</b>	<b>9 257</b>	..
<b>Total Liabilities</b>	<b>9 257</b>	<b>9 257</b>	<b>9 257</b>	..
<b>Net Assets</b>	<b>200</b>	<b>200</b>	<b>200</b>	..

*Source: Department of Treasury and Finance*

*Notes:*

(a) *Variation between 1998-99 Revised and 1999-2000 Budget.*

(b) *Includes cash balances held in trust in the Public Account.*

**Table 2.2.4: Cash Flow Statement**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Cash flows from operating activities</b>				
<i>Operating receipts</i>				
Receipts from State Government - provision of outputs	5 129.7	5 275.4	5 437.0	6.0
Receipts from State Government - increase in net asset base	96.2	88.7	80.6	-16.2
Section 29 Receipts - Commonwealth	595.7	594.9	629.1	5.6
- Other	115.4	160.1	157.7	36.7
- Asset Sales	..	..	..	..
Other Commonwealth grants	10.9	10.0	0.0	na
Other	812.2	781.6	788.4	-2.9
	<u>6 760.2</u>	<u>6 910.7</u>	<u>7 092.9</u>	<u>4.9</u>
<i>Operating payments</i>				
Employee-related expenses	-3 373.2	-3 200.8	-3 222.1	-4.5
Purchases of supplies and services	-1 788.6	-2 518.7	-2 638.9	47.5
Interest & finance expenses	..	..	..	..
Capital Assets charge	- 257.7	- 257.7	- 270.5	5.0
Current grants and transfer payments	- 749.1	- 299.2	- 314.5	-58.0
Capital grants and transfer payments	- 272.4	- 297.8	- 284.7	4.5
<b>Net Cash flows from Operating</b>	<u>319.0</u>	<u>336.4</u>	<u>362.0</u>	<u>13.5</u>
<b>Cash flows from investing activities</b>				
Purchases of investments	..	..	..	..
Receipts from sale of land, fixed assets and investments (incl. S29 FMA)	..	..	6.3	..
Purchase of non-current assets	- 325.7	- 318.2	- 316.8	-2.7
<b>Net Cash flows from investing activities</b>	<u>- 325.7</u>	<u>- 318.2</u>	<u>- 310.5</u>	<u>-4.6</u>
<b>Cash flows from financing activities</b>				
Receipts from appropriations -increase in net asset base	..	..	..	..
Capital repatriation to Government	..	..	..	..
Net increase in balances held with	- 13.4	- 38.3	- 51.5	na
Net borrowings and advances	..	..	..	..
<b>Net Cash flows from financing activities</b>	<u>- 13.4</u>	<u>- 38.3</u>	<u>- 51.5</u>	<u>na</u>
Net Increase/Decrease in Cash Held	- 20.0	- 20.0	0.0	na
<b>Cash at beginning of period</b>	156.8	- 20.0	- 20.0	na
<b>Cash at end of period</b>	<u>136.8</u>	<u>136.8</u>	<u>136.8</u>	<u>..</u>

**Table 2.2.4: Cash Flow Statement - continued**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<i>Administered Items</i>				
<b>Cash flows from operating activities</b>				
<i>Operating receipts</i>				
Other Commonwealth grants	1 315.5	1 404.4	1 439.1	9.4
Other	15.2	14.4	12.0	-20.9
	1 330.7	1 418.8	1 451.1	9.0
<i>Operating payments</i>				
Purchases of supplies and services	-1 371.5	-1 459.6	-1 465.1	6.8
<b>Net Cash flows from Operating</b>	- 40.8	- 40.8	- 14.0	-65.7
<b>Cash flows from investing activities</b>				
Purchases of investments	17.5	17.5	..	na
Receipts from sale of land, fixed assets and investments (incl. S29 FMA)	23.3	23.3	14.0	-39.9
Purchase of non-current assets	..	..	..	..
<b>Net Cash flows from investing activities</b>	40.8	40.8	14.0	-65.7
<b>Net Cash flows from financing activities</b>	..	..	..	..

Source: Department of Treasury and Finance

Notes:

(a) Variation is between 1998-99 Budget and 1999-2000 Budget.

The major impacts on movements in 1998-99 and 1999-2000 in the Controlled Cash Flow Statement are the additional revenue being provided for outputs for Budget initiatives, salary increases and additional funding from the Commonwealth Government under AHCA. These variations are explained in more detail in the discussion of the Operating Statement.

## Authority for resources

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

**Table 2.2.5: Authority for Resources**

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
Annual Appropriations <sup>(b)</sup>	4 091.9	4 086.5	4 326.1	5.7
Receipts Credited to Appropriations	711.1	755.0	793.1	11.5
Unapplied previous years appropriation	76.3	76.3	48.0	-37.1
Gross Annual Appropriations	4 879.3	4 917.7	5 167.2	5.9
Special Appropriations	1 057.8	1 201.4	1 143.5	8.1
Trust Funds	29.7	35.7	25.8	-13.1
Non Public Account and other sources	823.3	745.8	762.6	-7.4
<b>Total Authority</b>	<b>6 790.0</b>	<b>6 900.7</b>	<b>7 099.1</b>	<b>4.6</b>

Source: Department of Treasury and Finance

Notes:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

(b) For 1998-99 Revised, includes the impact of approved Treasurer's Advances.





# DEPARTMENT OF INFRASTRUCTURE

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## PART 1: OUTLOOK AND OUTPUTS

### Overview

The Department of Infrastructure's overall aim is to strengthen the strategic capacity of infrastructure, present and planned, to support Victoria's economic development and quality of life.

The Department supports the three Ministerial portfolios of Planning and Local Government, Transport, and Roads and Ports. It consists of the core department and a series of portfolio agencies, including VicRoads, the Docklands Authority and the Melbourne City Link Authority.

The Department's collective functions and responsibilities extend from road construction and traffic management, the provision of public transport services, ports, civic projects and land use planning to transport regulation and safety, local governance and heritage conservation. Strategic planning, high-level project, franchise and contract management and the coordination of activities to address emerging infrastructure, statutory planning and building issues and marine safety and regulation are also the responsibility of the Department, its agencies and smaller regulatory bodies.

### Review of 1998–99

The Department has focused on the integration of efficient transport, land-use and infrastructure systems in metropolitan Melbourne and rural and regional Victoria. The overall priorities for 1998-99 continue to be pursued in the following areas:

- providing high value input into the franchising arrangements for public transport and developing new structures, systems and consultative mechanisms to effectively manage public transport contracts;

- commencing a metropolitan strategic framework to guide longer term land-use and transport planning requirements and investments;
- progress with major infrastructure and precinct development projects such as Docklands, Federation Square, Sports and Entertainment precinct, major road developments including widening of the West Gate Freeway;
- high quality contribution to the Government's Rural and Regional Policy and associated regional action plans and developing important business, community and local government relationships within regions;
- enhancing the relationship with local government and implementation of the performance management system, adoption of new planning schemes and municipal strategic statements; and
- implementing on-line delivery of services, improved coordination and sharing of expertise across the portfolios and development of key capabilities in contract management, project management, performance management and financial management.

### **1999–2000 Outlook**

Through collective effort between infrastructure agencies, there is a commitment to development of long term strategies for infrastructure and land-use systems and facilitation of strategic plans for portfolio responsibilities. The coordinated approach to the delivery of major infrastructure projects which benefit both metropolitan development and rural and regional communities. For 1999-2000 the priorities are to:

- continue the progress in major civic projects:
  - Federation Square which will be completed in time for the Centenary of Federation celebrations;
  - Docklands – construction of the North–South Road to support the ongoing private sector development of the precincts; and
  - Station Pier rehabilitation to capture opportunities for Victoria in the rapidly expanding cruise shipping market.
- Franchise public transport services to independent commercially driven businesses operating within a transparent, regulatory and contractual framework, which will increase public transport patronage and reliability:
  - manage the franchising and leasing arrangements with the private operators and deliver the Minister of Transport's *Twelve Guarantees for Transport Passengers* to meet public expectations; and

- accredit public transport providers for the safety of the public transport system.
- In response to increased demand provide additional bus services for outer metropolitan locations such as Frankston, Eltham, Rowville and regional areas including Mildura, Bendigo and Shepparton.
- Increase school bus safety and amenity, particularly in rural and regional locations, with first aid facilities and training of drivers, air-conditioning on replacement of buses and two-way communication. Air-conditioning will also be provided on replacement of all route buses.
- Improve rail and bus intermodal facilities to serve both radial demands, cross town links and passenger hubs in regional centres, enhance the overall integration of transport services and the upgrading of bus services:
  - commence an upgrade of metropolitan modal interchanges in response to commuter needs and priorities at most of the 161 metropolitan bus-train interchanges upgrading facilities for comfort and convenience of passengers;
  - priority locations are at Box Hill, Glen Waverley and Greensborough; and
  - develop and improve passenger hubs at major regional centres, including Bendigo, Swan Hill and Sale.
- Pilot the SmartBus initiative for services in Blackburn and Springvale Roads, with real time information at bus stops, improved frequency of service and traffic signals giving priority to buses.
- Enhance urban and regional amenity through projects that offer substantial benefits through partnerships with local communities. These projects with a particular focus in rural and regional areas include:
  - streetscape design in town centres and shopping strips through the Pride of Place initiative;
  - maintenance and refurbishment of publicly owned heritage buildings; and
  - with the City of Ballarat and Ballarat University, commence planning and design works for an arts and educational precinct within the central Camp Street area.
- Complete the road links which serve cross metropolitan travel demands and connect the country and city networks. Specific projects include:

- Princes Freeway (Hallam Bypass) between Berwick and Doveton. This area is particularly congested, with through traffic competing with local traffic and resulting in high accident rates;
  - continue outer metropolitan arterial projects to deliver important safety benefits in outer areas such as City of Casey and Melton;
  - Eastern Freeway Ringwood Extension from Springvale Road to the Maroondah Highway at Ringwood to improve freight, business and personal travel;
  - upgrade Geelong Road to reduce freight and passenger costs, improve safety and enhance the key link with the Port of Geelong. The Government is seeking Commonwealth agreement to declaring the road a road of national importance with upgrading to be funded on a 50:50 basis; and
  - upgrade of Cooper Street corridor to reduce traffic congestion and improve access to business areas between the Hume Highway and High Street Epping.
- Coordinate and implement high quality organisational services and information online:
    - continue the development of IT infrastructure and change business processes for electronic delivery; and
    - lead the whole of government VERS (Victorian Electronic Records System) project to address the permanent electronic record needs with Public Records Office.

## Output Information

The following section provides details of the outputs to be provided to Government, including their performance measures and the costs for each output group. The table below summarises the total costs for each output group.

**Table 2.3.1: Output group summary**

	1998-99 <i>Budget</i>	1998-99 <i>Revised</i>	1999-2000 <i>Budget</i>	Variation <sup>(a)</sup> %
Strategic Land Use, Transport and Built Form Planning	9.8	9.4	19.6	100.2
Public Transport Services	1 153.5	1 204.2	1 239.9	7.5
Transport Infrastructure and Public Development Projects	615.1	680.8	746.1	21.3
Transport Safety and Standards	119.7	158.1	155.2	29.6
Local Governance, Planning and Development	75.7	74.2	75.4	-0.4
<b>Total</b>	<b>1 973.8</b>	<b>2 126.7</b>	<b>2 236.1</b>	<b>13.3</b>

*Source: Department of Treasury and Finance*

*Note:*

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Strategic Land Use, Transport and Built Form Planning

### Key Government Outcomes

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

### Description of the Output Group

Improved economic and social capacities through strategic planning and development of integrated strategies for Melbourne and rural and regional areas. High level strategic plans integrating transport and land use, coordination of cross agency development projects, long term strategies for the provision of public transport and port and maritime industries, and high level policy advice to State and national transport forums.

Major Outputs/Deliverables	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Land Use and Transport Planning Strategies</b> - Integrated long term strategic plans and frameworks for the Melbourne metropolitan area and regional Victoria.				
<i>Quantity</i>				
Long term metropolitan land use and transport planning strategy	date	start Jun 1999	start Dec 1998	complete Jun 2000
Rural and regional strategies (5)	date	complete Dec 1998	complete Mar 1999	na
Regional land use and transport strategies	number	nm	nm	5
<i>Quality</i>				
Projects completed against agreed plans and timeframes	per cent	100	100	100
<i>Timeliness</i> (included in quality measure)				
<b>Port and Shipping Strategies</b> - Strategies for improved linkages to road and rail networks and mechanisms for the effective monitoring, analysis and support of the port and maritime industries in Victoria.				
<i>Quantity</i>				
Ports strategic planning and infrastructure study	date	start Dec 1998	start Dec 1998	complete Nov 1999
Cruise ship visits	number	nm	nm	27
<i>Quality</i>				
Projects completed against agreed plans and timeframes	per cent	100	100	100
<i>Timeliness</i>				
Station Pier refurbishment	date	nm	nm	start Aug 1999
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## Strategic Land Use, Transport and Built Form Planning - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Transport Policy</b> - Policies and strategies for the efficient and effective delivery of public transport and road infrastructure and services, at the State and national levels.				
<i>Quantity</i>				
Transport policy review	date	complete Apr 1998	complete Jul 1998	na
Victorian marine legislation review	date	nm	nm	complete Mar 2000
<i>Quality</i>				
Projects completed against agreed plans and timeframes	per cent	100	100	100
<i>Timeliness</i> (included in quality measure)				

Source: Department of Infrastructure

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>9.8</b>	<b>9.4</b>	<b>19.6</b>	<b>100.2</b>
<i>Comprising:</i>				
Employee-related Expenses	5.5	5.5	4.6	-16.6
Purchases of Supplies and Services	3.5	2.8	2.4	-30.9
Depreciation	0.0	0.2	0.4	na
Capital Asset Charge	0.1	0.1	0.2	na
Other	0.7	0.7	12.0	na

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Public Transport Services

### Key Government Outcomes

In providing a world-class public transport service at reduced cost to the taxpayer, the Government will conclude the franchising of public transport services in early 1999-2000. Specific service levels and frequency, the maintenance of safety standards and service integration underpin the franchising process as reflected by the Government's guarantee to protect passengers rights and improve service quality on trains and trams.

### Description of the Output Group

Provision of coordinated public transport services in line with required service performance and financial targets, consistent with Government's policy. The group consolidates Government's contribution to the delivery of all public transport across Victoria through the Director of Public Transport. It includes metropolitan train, tram and bus services, school bus services, taxi services for people with disabilities, country and interstate train services, country bus services and rail freight services.

Completion of the privatisation of metropolitan train and tram services and country passenger train services in 1999-2000 will require performance measures for these services to be reset. This will be done to accord with the Operational Performance Regime (OPR) to be applied to private operations. The measures below are set on an unchanged policy basis.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Metropolitan Train Services</b> <sup>(a)</sup> - Metropolitan rail passenger services provided by private franchisees under contract to Government.				
<i>Quantity</i>				
Services scheduled	number million	nm	nm	0.5
<i>Quality</i>				
Train passengers carried	number million	>112.6	>112.6	>112.6
<i>Timeliness</i>				
Services within 5 minutes of timetable				
• Peak	per cent	90	90	90
• All day	per cent	94	94	94
<b>Metropolitan Tram Services</b> <sup>(a)</sup> - Metropolitan light rail and tram passenger services provided by private sector franchisees under contact to Government.				
<i>Quantity</i>				
Service hours scheduled	number million	nm	nm	1.5



## Public Transport Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality</i>				
Tram passengers carried	number million	>115.4	>115.4	>115.4
<i>Timeliness</i>				
Services no more than 5 minutes late or 1 minute early	per cent	88	88	88
<b>Country and Interstate Train Services</b> <sup>(a)</sup> - Rail passenger services and associated road coaches in country Victoria through contract arrangements with V/Line Passenger and other private operators and rail passenger services between Melbourne and Sydney and Melbourne and Adelaide.				
<i>Quantity</i>				
Kilometres scheduled	number million	nm	nm	17.2
<i>Quality</i>				
Train and road coach passengers carried	number million	8.314	>7.861 <sup>(b)</sup>	>7.861 <sup>(b)</sup>
<i>Timeliness</i>				
Road coach services within 5 minutes of timetable	per cent	98.5	97.9 <sup>(c)</sup>	98.5
Inter-urban train services within 5 minutes of timetable (all day)	per cent	93.5	94.2	93.5
Inter-city train services within 10 minutes of timetable (all day)	per cent	96	96	96
<b>Metropolitan Bus Services</b> - Passenger route bus services in Melbourne through contract arrangements with private operators.				
<i>Quantity</i>				
Kilometres scheduled	number million	nm	nm	70.1 <sup>(d)</sup>
<i>Quality</i>				
Bus passengers carried	number million	91.5	91.5	91.6 <sup>(d)</sup>
New air conditioned buses in service	number	nm	nm	35
Timetabled bus services delivered	per cent	99	99	99
<i>Timeliness</i>				
Bus services within 5 minutes of timetable	per cent	95	95	95
Budget Estimates 1999-2000		Infrastructure		109

## Public Transport Services - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Country Bus Services</b> - Passenger route bus services in rural Victoria through contract arrangements with operators.				
<i>Quantity</i>				
Kilometres scheduled	number million	nm	nm	11.8 <sup>(d)</sup>
<i>Quality</i>				
Country bus passengers carried	number million	10.9	10.9	11.0 <sup>(d)</sup>
New air conditioned buses in service	number	nm	nm	10
Timetabled bus services delivered	per cent	99	99	99
<i>Timeliness</i>				
Bus services within 5 minutes of timetable	per cent	95	95	95
<b>Fast Track Freight</b> - Contribution to cost of providing rail based haulage of LCL (less than a container load) freight in country Victoria.				
<i>Quantity</i>				
Maintain Freight Gates for the provision of Fast Track and charity services	number of locations	28	30	30
<i>Quality</i>				
Number of claims against total consignment	per cent	nm	nm	0.4
<i>Timeliness</i>				
Fast Track service consignments within agreed delivery time	per cent	95	na <sup>(e)</sup>	95
<b>Taxi Services for the Disabled</b> - Subsidised taxi transport for people with severe permanent disabilities.				
<i>Quantity</i>				
Taxi trips taken				
• Passenger Only	number	5 014 000	5 047 700	5 265 000
• With Wheelchair	number	348 500	358 200	376 000
Applications assessed	number	25 000	26 600	25 000
<i>Quality</i>				
Reduction in customer complaints	per cent	10	10	10
<i>Timeliness</i>				
Applications completed within 10 working days	per cent	90	95	95
110	Infrastructure	Budget Estimates 1999-2000		

## Public Transport Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>School Bus Services</b> - School bus transport services in rural and outer metropolitan locations through contract arrangements with private operators.				
<i>Quantity</i>				
Kilometres scheduled	number million	nm	nm	33.2
<i>Quality</i>				
New air conditioned buses in service	number	nm	nm	35
Timetabled bus services delivered	per cent	99	99	99
<i>Timeliness</i>				
Services within 5 minutes of timetable	per cent	95	95	95
<b>Night Transport Services</b> - Late night transport services in metropolitan Melbourne (NightRider bus).				
<i>Quantity</i>				
Kilometres scheduled	number million	nm	nm	0.5
<i>Quality</i>				
Passengers carried	number million	0.083	0.083	0.083
Timetabled NightRider services delivered	per cent	nm	nm	99
<i>Timeliness</i>				
Services within 5 minutes of timetable	per cent	95	95	95

Source: Department of Infrastructure

*Notes:*

- (a) Measures and targets for 1999-2000 subject to settlement of Operational Performance Regime (OPR) with franchisees.
- (b) Country passengers only, 1998-99 target included interstate passengers.
- (c) Reflects temporary impact from major road works principally City Link on bus timetables.
- (d) Includes additional 1999-2000 bus service initiatives.
- (e) Tracking system to be implemented from July 1999.

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>1 153.5</b>	<b>1 204.2</b>	<b>1 239.9</b>	<b>7.5</b>
<i>Comprising:</i>				
Employee-related Expenses	4.9	4.9	11.8	na
Purchases of Supplies and Services	376.0	376.0	404.5	7.6
Depreciation	2.0	2.2	1.8	-8.0
Capital Asset Charge	500.6	500.6	494.5	-1.2
Other	270.0	320.4	327.3	21.2

Source: Department of Treasury and Finance

## Transport Infrastructure and Public Development Projects

### Key Government Outcomes

Efficient provision, restoration and maintenance of built form infrastructure and new civic facilities to ensure business and industry can exploit opportunities in an increasingly competitive global marketplace and to enhance the quality of life in Victoria, through:

- Improved accessibility, lowered cost of doing business, and maintenance of safe, reliable and efficient road conditions;
- Improved access between industry, port, rail and airport facilities, in particular through development of the City Link by linking three major freeways;
- Major development projects to improve the urban amenity and encourage private sector investment particularly Docklands; and
- Efficient and orderly movement of road users and road freight.

### Description of the Output Group

Management, development and maintenance of Victoria's strategic road and rail networks and development of major civic projects. It includes the construction and renovation of cultural and sporting facilities, extensions and development of the road system, road maintenance and traffic management, and contributes to non-metropolitan and national rail infrastructure.

Major Outputs/Deliverables	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Performance Measures</b>				
<b>Non-Electrified Rail Track System</b> - Contribution to the cost of providing access to non-electrified Victorian Government owned rail infrastructure and contribution to the cost of national rail track infrastructure.				
<i>Quantity</i>				
Length of track under management <sup>(a)</sup>	km	5 125	5 125	5 125
<i>Quality</i>				
Percentage of track under temporary speed restriction	per cent	5	2	2
<i>Timeliness</i>				
Services delayed due to track condition/management	per cent	5	3	3
<b>Road System Development</b> - Extensions to and development of the Principal Road Network, including City Link. The quantity of lane kilometres varies with changes to the status of roads declared as part of the Principal Road Network, new roads constructed and realigned.				
<i>Quantity</i>				
Length of road pavement	lane km	50 600	50 400	50 500
Number of structures	number	4 640	4 765	4 770
Length of roadside	carriage-way km	23 820	23 910	23 950
Budget Estimates 1999-2000	Infrastructure			113

## Transport Infrastructure and Public Development Projects - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
City Link project delivered by Transurban in accordance with project documents	per cent	100	100	100
<i>Timeliness</i>				
Programmed works >\$5m completed on time and on budget	per cent	100	100	100
State works undertaken by Transurban in accordance with agreed time frame	per cent	100	100	100
<b>Road System Maintenance</b> - Maintenance of safe efficient and acceptable road conditions at least overall cost to the community. Activities included in this output are roadside maintenance including grass cutting.				
<i>Quantity</i>				
Road pavement resurfaced	lane km	4 250	4 150	4 120
Road pavement rehabilitated	lane km	610	560 <sup>(b)</sup>	505 <sup>(b)</sup>
<i>Quality</i>				
Road pavement with unacceptable roughness (>140 NRM <sup>(c)</sup> over 500m)	km	360	320	320
Proportion of travel on smooth roads (<110 NRM <sup>(c)</sup> )	per cent	86	89	89
Structures with load height or width deficiencies	number	150	209	189
<i>Timeliness</i>				
Programmed maintenance completed against agreed timeframes and budgets.	per cent	100	100	100
<b>Traffic Management and Information</b> - Management of efficiency of traffic movement and reduction in congestion for Melbourne and major rural cities through strategies including: Principal Traffic Routes, freight initiatives, intelligent transport systems, priority access schemes for cyclists and pedestrians, passenger transport priority and State route numbering and delineation.				
<i>Quantity</i>				
Principal Traffic Routes treated with traffic management improvements	per cent	12	11	9.5
Arterial roads with traffic flow management (total arterial network)				
• Rural	km	18 936	19 007	19 083
• Urban	km	3 236	3 241	3 247
Traffic incidents attended <sup>(d)</sup>	number	40 000	18 700	5 350
114	Infrastructure	Budget Estimates 1999-2000		

## Transport Infrastructure and Public Development Projects - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality</i>				
Additional travel time per kilometre (congestion indicator) <sup>(e)</sup>				
• Peak – am	mins/km	0.68	0.68	0.69
• Peak – pm	mins/km	0.56	0.56	0.57
• Off peak	mins/km	0.40	0.40	0.42
• All day	mins/km	0.50	0.50	0.52
Traffic incidents restored within 50 minutes	per cent	85	85	85
<i>Timeliness</i> (included in quality measure)				

**Major Public Construction and Land Development** - Management and delivery of nominated public construction and land development projects including Docklands and coordination of development projects.

<i>Quantity</i>				
Victorian Government major projects <sup>(f)</sup>				
• Docklands				
- commence Stage 1 of Mirvac (Yarra Waters precinct)	date	Dec 1998	Dec 1998	na
- commence Stage 1 of YarraNova (Business Park precinct)	date	nm	nm	Jul 1999
- commence trunk infrastructure	date	Jul 1998	Jul 1998	na
- complete Stadium	date	nm	nm	Feb 2000
• Melbourne Museum				
- complete building construction	date	Jun 1999	Jun 1999	na
- commence exhibition installations	date	nm	nm	Jul 1999
• National Gallery of Victoria				
- commence construction	date	Apr 1999	Apr 1999	na
- complete Tempex at Library	date	nm	nm	Aug 1999
• Federation Square				
- complete deck construction	date	Jun 1999	Jun 1999	na
- commence superstructure	date	nm	nm	Jul 1999
• Sports and Entertainment Precinct				
- complete tram route relocation	date	Jun 1999	Jun 1999	na
- complete sports infrastructure upgrade Stage 1	date	nm	nm	Dec 1999

## Transport Infrastructure and Public Development Projects - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
• Jolimont Precinct Coordination - complete project	date	Dec 1999	Dec 1999	Dec 1999
<i>Quality</i>				
Projects delivered within budget against agreed plans and timeframes	per cent	100	98	100
<i>Timeliness</i> (included in quality measure)				

Source: Department of Infrastructure

Notes:

- (a) Assumes a no-change policy position.
- (b) Includes higher value road maintenance projects.
- (c) NRM – national roughness measure.
- (d) Reduced to only emergency freeway towing, traffic signal faults and on-road hazard from October 1998.
- (e) Excludes the full impact of City Link.
- (f) Does not include all projects.

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>615.1</b>	<b>680.8</b>	<b>746.1</b>	<b>21.3</b>
<i>Comprising:</i>				
Employee-related Expenses	128.6	130.8	132.1	2.7
Purchases of Supplies and Services	133.6	245.4	279.0	na
Depreciation	272.0	200.7	199.6	-26.6
Capital Asset Charge	46.1	46.1	50.4	9.2
Other	34.7	57.7	85.0	na

Source: Department of Treasury and Finance

Note:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.



## Transport Safety and Standards

### Key Government Outcomes

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

### Description of the Output Group

Implementation of initiatives to enhance the safety of road and waterway users and of performance based standards for compliance by transport providers to reduce the cost of regulation to business, raise safety levels and improve transport efficiency through regulation reform, education and prevention, and improved accessibility to services.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Marine Safety Regulation and Accreditation</b> - Facilitation of efficient and safe operation of vessels and navigation safety, promotion of boating safety, simplification of recreational vessel registration and ensuring effective response to marine pollution incidents.				
<i>Quantity</i>				
Commercial vessels surveyed	number	845	845	880
Marine operators certificates issued	number	220	220	240
Recreational vessel registrations	number	nm	nm	132 000
<i>Quality</i>				
Reported oil pollution incidents responded to and resolved	per cent	100	100	100
<i>Timeliness</i>				
All surveys/certificates issued within established timeframes	per cent	100	100	100
Oil pollution incidents responded to within 4 hours of report	per cent	90	90	90
<b>Taxi and Tow Truck Services</b> - Administration and regulation of the taxi, hire car, special purpose vehicle, restricted hire car and tow truck industry.				
<i>Quantity</i>				
Taxis audited <sup>(a)</sup>	number	9 000	12 000	11 000
Tow Truck licence transactions	number	nm	nm	400
Tow Truck driver authorities issued	number	nm	nm	1 150
Commercial passenger vehicle licence applications processed	number	nm	nm	320
Commercial passenger vehicle drivers certificates issued	number	nm	nm	13 800
Budget Estimates 1999-2000	Infrastructure			117

## Transport Safety and Standards - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality</i>				
Taxis and tow trucks conform to quality standards	per cent	>90	>90	>90
Serious taxi service complaints investigated <sup>(b)</sup>	number	370	320	350
Tow Truck Allocation Centre calls answered within 45 seconds	per cent	95	95	95
<i>Timeliness</i>				
Preliminary investigation of serious taxi service complaints completed within 10 working days	per cent	85	85	85
Allocation of accident to tow truck depot within 5 minutes	per cent	85	85	85
<b>Road Safety</b> - Improvement to the safety of all road users in accordance with the Government's Safety First strategy including; coordination of road safety programs between agencies, improvement to high frequency road crash sites, development and promotion of educational programs for road users, and maintenance and enhancement of vehicle safety standards.				
<i>Quantity</i>				
Blackspot/blacklength treatments	number	200	152	166
Railway level crossing treatments	number	25	24	12 <sup>(c)</sup>
Road user programs	number	72	75	108
<i>Quality</i>				
Reduction in casualties at treated blackspot/blacklength sites	per cent	15	18	18
Reduction in road user casualties				
• Drivers	per cent	5	5	5
• Passengers	per cent	5	5	5
• Motorcyclists	per cent	5	5	5
• Bicyclists	per cent	2	2	2
• Pedestrians	per cent	5	5	5
Fatal crashes a year due to vehicle defects	per cent	1.5	1.5	1.5
Vehicle fleet which passes each first roadworthy certificate inspection	per cent	25	25	25
<i>Timeliness</i> (included in quality measure)				

## Transport Safety and Standards - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Public Transport Safety Regulation and Accreditation</b> - Development of a comprehensive public bus and rail transport safety accreditation system.				
<i>Quantity</i>				
Accreditation applications processed				
• Rail (new operators)	number	33	47	8
• Bus <sup>(d)</sup>	number	600	10	700
<i>Quality</i>				
Accreditation applications completed within 6 months	per cent	100	100	100
Audits carried out within 12 months of accreditation	per cent	100	na <sup>(e)</sup>	100
<i>Timeliness</i> (included in quality measure)				
<b>Driver Licensing and Vehicle Registration</b> - Registration and licensing services, revenue collection and information services.				
<i>Quantity</i>				
Driver licences issued	number	105 700	102 800	102 600
Driver licences renewed	number	158 200	153 500	164 500
Vehicle registrations issued	number	353 200	399 300	404 000
Vehicle registrations renewed	number	3 240 500	3 465 000	3 705 200
Vehicle registration transfers	number	782 100	802 900	816 400
Vehicle and driver information requests processed	number	636 400	794 900	639 500
Driver instructor authorities processed	number	nm	nm	650
<i>Quality</i>				
User satisfaction with registration and licensing	per cent	>90	>90	>90
Currency of registration and licensing records	per cent	98	98	98
<i>Timeliness</i>				
Customers served within 10 minutes in licensing and registration offices	per cent	>80	>80	>80
Average time to answer central calls	seconds	40	40	<40

## Transport Safety and Standards - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Road Use Management (Regulation and Standards)</b> - Development and implementation of nationally uniform transport regulation and enhanced regulatory standards and management of commercial vehicle operations.				
<i>Quantity</i>				
Milestones achieved in implementation of National Heavy Vehicle Reforms	number	5	5	5
<i>Quality</i>				
Cost of transporting goods (user cost/distance)				
• Urban Freight	cents/km	31.5	31.5	31.5
• Rural Freight	cents/km	9.5	9.5	9.5
<i>Timeliness</i> (included in quantity measure)				

Source: Department of Infrastructure

Notes:

- (a) Including audit of both driver and vehicle.
- (b) Serious complaints including refusing fares, assault and multi purpose taxi fraud.
- (c) Higher value projects to be undertaken in 1999-2000.
- (d) Regulations in force from May 1999.
- (e) 12 months not elapsed.

## Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>119.7</b>	<b>158.1</b>	<b>155.2</b>	<b>29.6</b>
<i>Comprising:</i>				
Employee-related Expenses	28.9	28.9	33.7	16.6
Purchases of Supplies and Services	81.8	120.5	118.4	44.8
Depreciation	0.3	0.4	0.4	23.7
Capital Asset Charge	2.4	2.5	2.3	-7.6
Other	6.4	5.9	0.5	-92.3

Source: Department of Treasury and Finance

Note:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Local Governance, Planning and Development

### Key Government Outcomes

Improvements to Victoria's quality of life, built form and competitiveness through enhancements and management of local government, planning, building, environmental and heritage systems.

### Description of the Output Group

Efficient and effective management of planning, heritage, local government and related systems. Provide for the development of integrated land-use planning, responsive and accountable local government services and products to inform public and private investment decisions to support quality, enhanced environments and development opportunities.

Major Outputs/Deliverables	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Performance Measures</b>				
<b>Statutory Planning and Environment Assessment</b> - Efficient management of Victoria's planning, building and environment assessment systems.				
<i>Quantity</i>				
Assessments of planning and building proposals, statutory decisions and issues	number	nm	nm	1 850
Planning certificates issued	number	nm	nm	70 000
<i>Quality</i>				
Reduction in planning scheme amendments	per cent	30	30	15
<i>Timeliness</i>				
Assessments completed within agreed timeframes	per cent	nm	nm	100
Certificates issued within agreed timeframes	per cent	nm	nm	100
<b>Heritage Conservation</b> - Development of heritage policy and protection of Victoria's heritage through identification of heritage assets, provision of advice, information and education programs, and the management of resources through compliance mechanisms.				
<i>Quantity</i>				
Heritage places assessed for Heritage Register	number	500 <sup>(a)</sup>	200	200
Heritage certificates issued	number	nm	nm	3 000
Heritage permits and consents issued	number	400	400	400

## Local Governance, Planning and Development - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality</i>				
Non-contested heritage place listings	per cent	nm	nm	90
Appeals against permits and consents	per cent	nm	nm	<5
<i>Timeliness</i>				
Publicly owned heritage restoration projects completed against agreed budgets and timeframes	per cent	nm	nm	100
<b>Local Governance Performance Standards and Regulation</b> - Management and development of the Victorian system of local government to ensure delivery of good governance, development opportunities and valued, cost effective services to all Victorians.				
<i>Quantity</i>				
Performance indicators review	date	nm	nm	complete May 2000
Funding and Service Agreements for public library services reviewed and updated	number	43	44 <sup>(b)</sup>	45
<i>Quality</i>				
Councils complying with National Competition Policy requirements	per cent	nm	nm	100
<i>Timeliness</i>				
Council annual reports lodged within statutory timeframes	per cent	100	97	100
<b>Urban Design and Building Initiatives</b> - Improvements in the quality and efficiency of urban environments through better design of buildings and public places.				
<i>Quantity</i>				
Urban design projects facilitated	number	nm	nm	15
Public construction and asset management guidelines	number	4	4	2
<i>Quality</i>				
External customer satisfaction	per cent	nm	nm	80
<i>Timeliness</i>				
Projects completed against agreed budgets and timeframes	per cent	nm	nm	100

## Local Governance, Planning and Development - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Land Transactions Monitoring</b> - Ensure integrity in government land transactions.				
<i>Quantity</i>				
Transactions monitored	number	650	800	650
<i>Quality</i>				
Transactions comply with government policy	per cent	100	100	100
<i>Timeliness</i>				
Response to departmental submissions completed within three days	per cent	80	75 <sup>(c)</sup>	80
<b>Market Information and Demographic Forecasts</b> - Provision of demographic forecasts and other market information products with industry participation as tools for informed public and private investment decisions.				
<i>Quantity</i>				
Demographic analysis publications completed	number	nm	nm	4
Land development information bulletins and reports	number	nm	nm	6
<i>Quality</i>				
Stakeholder satisfaction	per cent	nm	nm	80
<i>Timeliness</i>				
Projects completed within agreed timeframes	per cent	nm	nm	100

*Source: Department of Infrastructure*

*Notes:*

- (a) *Amalgamation of Heritage Registers completed prior to 1998-99.*
- (b) *Includes Print Disabled Library.*
- (c) *Due to increased submissions.*

## Output group costs

	(\$ million)			Variation <sup>(a)</sup>
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	%
<b>Total cost of output group</b>	<b>75.7</b>	<b>74.2</b>	<b>75.4</b>	<b>-0.4</b>
<i>Comprising:</i>				
Employee-related Expenses	21.0	21.0	20.8	-0.9
Purchases of Supplies and Services	17.6	6.2	8.3	-52.6
Depreciation	0.1	0.4	1.1	na
Capital Asset Charge	0.5	0.5	2.0	na
Other	36.4	46.2	43.1	18.4

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.



## PART 2: FINANCIAL INFORMATION

Part 2 provides the financial statements that support the Department's provision of outputs. The information provided includes the operating statement, statement of financial position and cash flow statement for the Department as well as tables detailing the authority for resources and, where appropriate, the payments on behalf of the State made by the Department.

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 following three 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 are those resources for 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 three tables can be used to assess the Department's financial performance and use of resources.

- **Table 2.3.2 – Departmental Operating Statement** - provides details of the Department's revenue and expenses on an accrual basis reflecting the cost in providing its outputs;
- **Table 2.3.3 – Statement of Financial Position** – shows all assets and liabilities of the Department. The difference between these represents the net assets position, which indicates the financial health of the Department; and
- **Table 2.3.4 – Cash Flow Statement** – shows all movements of cash, that is cash received and paid. The cash impact of financing and investment activities on Departmental resources is highlighted in this statement.

**Table 2.3.2: Departmental Operating Statement**

(\$ million)

	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Operating Revenue</b>				
Revenue from State Government <sup>(b)</sup>	1 780.2	1 908.4	2 010.0	12.9
Section 29 receipts - Commonwealth - Other	90.7	108.5	116.6	28.5
Other Commonwealth grants	..	..	..	..
Other revenue <sup>(c)</sup>	80.9	139.9	109.6	35.4
<b>Total</b>	<b>1 951.8</b>	<b>2 156.8</b>	<b>2 236.1</b>	<b>14.6</b>
<b>Operating Expenses</b>				
Employee Related Expenses <sup>(d)</sup>	188.9	191.1	203.0	7.4
Purchases of Supplies and Services <sup>(e)</sup>	612.4	750.9	812.6	32.7
Depreciation <sup>(f)</sup>	274.5	203.9	203.3	-25.9
Capital Asset Charge	549.8	549.8	549.3	-0.1
Other Expenses	348.1	430.9	467.9	34.4
<b>Total</b>	<b>1 973.8</b>	<b>2 126.7</b>	<b>2 236.1</b>	<b>13.3</b>
<b>Operating Surplus/Deficit before Revenue for Increase in Net Assets</b>	<b>- 22.0</b>	<b>30.1</b>	<b>..</b>	<b>na</b>
<i>Add:</i>				
Revenue for Increase in Net Assets	154.6	90.5	79.6	-48.5
Section 29 receipts - Asset Sales	..	..	..	..
<b>Operating Surplus/Deficit</b>	<b>132.6</b>	<b>120.6</b>	<b>79.6</b>	<b>-40.0</b>
<i>Administered Items</i>				
<b>Operating Revenue</b>				
Other Commonwealth grants	300.6	291.5	298.8	-0.6
Other revenue <sup>(c)</sup>	741.1	776.2	770.0	3.9
<b>Total</b>	<b>1 041.7</b>	<b>1 067.8</b>	<b>1 068.8</b>	<b>2.6</b>
<b>Operating Expenses</b>				
Employee Related Expenses <sup>(d)</sup>	1.3	1.3	1.3	..
Purchases of Supplies and Services <sup>(e)</sup>	0.0	26.6	0.0	..
Other Expenses	1 040.5	1 040.1	1 067.7	2.6
<b>Total</b>	<b>1 041.9</b>	<b>1 068.0</b>	<b>1 069.0</b>	<b>2.6</b>
<b>Operating Surplus/Deficit</b>	<b>- 0.2</b>	<b>- 0.2</b>	<b>- 0.2</b>	<b>-5.5</b>

Source: Department of Treasury and Finance

*Notes:*

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.
- (b) Includes estimated carryover of 1997-98 appropriation amounts. Actual carryover is subject to approval by the Treasurer prior to 30 June pursuant to Section 32 of the Financial Management Act, 1994.
- (c) Includes revenue for services delivered to parties outside government.
- (d) Includes salaries and allowances, superannuation contributions and payroll tax.
- (e) Includes payments to non-government organisations for delivery of services.
- (f) Includes amortisation of leased assets.

The 1998-99 Budget has been revised from last year's published version to reflect changes in accounting treatment of asset sales. The changes create a loss of \$22 million because budgeted asset sales proceeds will not be retained by the Department and will be passed directly to the Consolidated Fund.

Operating Revenue has increased by \$284 million from the 1998-99 Budget to 1999-2000 Budget. The major increases are additional State Government initiatives for public transport services, road and port projects, and urban design and heritage projects (\$139 million) and increased Commonwealth national highway funding (\$26 million). Other increases include VicRoads revenue collection (\$5 million) and VicRoads revenue now recorded for the first time in the Budget (\$5 million); local government payments for achieving National Competition Policy milestones (\$5 million); reclassification of capital funding to operating revenue arising from improved valuation treatments of VicRoads infrastructure/road assets and presentation of public transport estimates on an unchanged policy basis.

Increased operating expenditure (33 per cent Purchase of Supplies and Services and 34 per cent Other Expenses) reflects the increased revenue provided. An improved accounting treatment for VicRoads infrastructure/road assets has reduced depreciation by 26 per cent and has brought the State Budget into better alignment with the State's Annual Financial Statement. A breakeven operating position is estimated for the 1999-2000 Budget.

The 48 per cent reduction in Revenue for Increase in Net Assets results from new accounting treatments for VicRoads infrastructure/road assets, completion of major asset initiatives in 1998-99 and phasing of asset initiative spending (cashflows increase in later years).

The 1998-99 Revised Budget shows a \$30 million surplus. This is due to trust fund balances brought forward from 1997-98 (\$30 million).

Operating Revenue has increased from the 1998-99 Budget to 1998-99 Revised Budget by \$205 million. The major increases include reclassification of capital funding to operating revenue (\$65 million); trust fund balances brought forward from 1997-98 (\$30 million); and funding for Year 2000 remediation, public transport privatisation costs and grants for new road and rail assets (\$65 million). Other increases during 1998-99 include Commonwealth national highway funding (\$18 million) and VicRoads revenue now recorded for the first time in the Budget (\$10 million).

**Table 2.3.3: Statement of Financial Position**

	(\$ thousand)			
	Estimated as at 30 June			
	1999	1999	2000	Variation <sup>(a)</sup>
	Budget	Revised	Budget	%
<b>Assets</b>				
<b>Current Assets</b>				
Cash	38 420	38 420	33 370	-13.1
Investments	11 507	11 507	11 507	..
Receivables	45 353	45 353	45 353	..
Prepayments	7 371	7 371	7 371	..
Inventories	16 178	16 178	16 178	..
Other Assets	..	..	..	..
<b>Total Current Assets</b>	<b>118 829</b>	<b>118 829</b>	<b>113 779</b>	<b>-4.2</b>
<b>Non-Current Assets</b>				
Investments	..	..	..	..
Receivables <sup>(b)</sup>	82 724	54 626	54 709	0.2
Fixed Assets	14 527 603	14 513 071	14 598 363	0.6
Other Assets	5 624	5 624	5 624	..
<b>Total Non-Current Assets</b>	<b>14 615 951</b>	<b>14 573 321</b>	<b>14 658 696</b>	<b>0.6</b>
<b>Total Assets</b>	<b>14 734 780</b>	<b>14 692 150</b>	<b>14 772 475</b>	<b>0.5</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Payables	244 742	214 611	217 168	1.2
Borrowing	..	..	..	..
Employee Entitlements	21 948	21 948	20 652	-5.9
Superannuation	37 850	37 850	37 850	..
Other Liabilities	7 605	7 605	7 605	..
<b>Total Current Liabilities</b>	<b>312 145</b>	<b>282 014</b>	<b>283 275</b>	<b>0.4</b>
<b>Non-Current Liabilities</b>				
Payables	..	..	..	..
Borrowing	16 000	16 000	16 000	..
Employee Entitlements	48 829	48 829	48 829	..
Superannuation	469 545	469 545	469 545	..
Other Liabilities	436	436	436	..
<b>Total Non-Current Liabilities</b>	<b>534 810</b>	<b>534 810</b>	<b>534 810</b>	<b>..</b>
<b>Total Liabilities</b>	<b>846 955</b>	<b>816 824</b>	<b>818 085</b>	<b>0.2</b>
<b>Net Assets</b>	<b>13 887 825</b>	<b>13 875 326</b>	<b>13 954 390</b>	<b>0.6</b>
<b>Administered Items</b>				
<b>Assets</b>				
<b>Current Assets</b>				
Cash	10	10	15	50.0
Investments	- 17	- 17	- 27	60.6
Receivables	- 200	- 200	- 400	100.0
<b>Total Current Assets</b>	<b>- 207</b>	<b>- 207</b>	<b>- 412</b>	<b>99.3</b>

**Table 2.3.3: Statement of Financial Position - continued**

	(\$ thousand)			
	Estimated as at 30 June			
	1999	1999	2000	Variation <sup>(a)</sup>
	Budget	Revised	Budget	%
Non-Current Assets				..
Receivables	57 745	57 735	57 735	..
Total Non-Current Assets	57 745	57 735	57 735	..
<b>Total Assets</b>	57 539	57 529	57 324	-0.4
<b>Liabilities</b>				..
Current Liabilities				..
Other Liabilities	3 414	3 414	3 414	..
Total Current Liabilities	3 414	3 414	3 414	..
Non-Current Liabilities				..
Payables	54 331	54 331	54 331	..
Total Non-Current Liabilities	54 331	54 331	54 331	..
<b>Total Liabilities</b>	57 745	57 745	57 745	..
<b>Net Assets</b>	- 207	- 217	- 422	94.7

Source: Department of Infrastructure

Notes:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

(b) Includes cash balances held in trust in the Public Account.

The 1998-99 Budget Statement of Financial Position has been restated to reflect the inclusion of the Melbourne City Link Authority and the Marine Board of Victoria. This brings the State Budget into better alignment with the State's Annual Financial Statement.

The capitalisation of new roads has resulted in a small increase in fixed assets (\$71 million). Utilisation of trust fund balances brought forward (\$30 million) is the principle reason for the reduction in both non-current receivables and current payables during 1998-99. Net assets are expected to grow marginally (0.6 per cent) during 1999-2000.

**Table 2.3.4: Cash Flow Statement**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-00 Budget	Variation <sup>(a)</sup> %
<b>Cash flows from operating activities</b>				
<i>Operating receipts</i>				
Receipts from State Government - provision of outputs	1 780.2	1 908.4	2 010.0	12.9
Receipts from State Government - increase in net asset base	154.6	90.5	79.6	-48.5
Section 29 Receipts - Commonwealth	90.7	108.5	116.6	28.5
- Other	..	..	..	..
- Asset Sales	..	..	..	..
Other Commonwealth grants	..	..	..	..
Other	99.9	138.8	109.6	9.7
	2 125.4	2 246.1	2 315.7	9.0
<i>Operating payments</i>				
Employee-related expenses	- 188.7	- 190.9	- 204.3	8.2
Purchases of supplies and services	- 610.0	- 748.4	- 810.1	32.8
Interest & finance expenses	..	..	..	..
Capital Assets charge	- 549.8	- 549.8	- 549.3	-0.1
Current grants and transfer payments	- 267.9	- 246.0	- 207.1	-22.7
Capital grants and transfer payments	- 80.2	- 214.9	- 260.7	na
<b>Net Cash flows from Operating</b>	428.8	296.0	284.1	-33.7
<b>Cash flows from investing activities</b>				
Purchases of investments	..	..	..	..
Receipts from sale of land, fixed assets and investments (incl. S29 FMA)	3.0	..	..	na
Purchase of non-current assets	- 436.2	- 329.1	- 288.6	-33.8
<b>Net Cash flows from investing activities</b>	- 433.2	- 329.1	- 288.6	-33.4
<b>Cash flows from financing activities</b>				
Receipts from appropriations -increase in net asset base	..	..	..	..
Capital repatriation to Government	..	- 0.5	- 0.5	..
Net increase in balances held with	- 0.7	28.6	- 0.1	-87.6
Net borrowings and advances	..	..	..	..
<b>Net Cash flows from financing activities</b>	- 0.7	28.1	- 0.6	-13.0
Net Increase/Decrease in Cash Held	- 5.0	- 5.1	- 5.1	0.2
<b>Cash at beginning of period</b>	43.5	43.5	38.4	-11.6
<b>Cash at end of period</b>	38.4	38.4	33.4	-13.1

**Table 2.3.4: Cash Flow Statement - continued**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-00 Budget	Variation <sup>(a)</sup> %
<i>Administered Items</i>				
<b>Cash flows from operating activities</b>				
<i>Operating receipts</i>				
Receipts from State Government	1.3	1.3	1.3	..
Other Commonwealth grants	300.6	291.5	298.8	-0.6
Other	721.0	757.3	736.9	2.2
	1 022.9	1 050.2	1 037.0	1.4
<i>Operating payments</i>				
Employee-related expenses	- 1.3	- 1.3	- 1.3	..
Purchases of supplies and services	- 743.0	- 775.2	- 768.9	3.5
Current grants and transfer payments	- 300.6	- 291.5	- 298.8	-0.6
Capital grants and transfer payments	3.0	..	..	na
<b>Net Cash flows from Operating</b>	- 19.0	- 17.8	- 32.0	68.2
<b>Cash flows from investing activities</b>				
Purchases of investments	0.0	0.0	0.0	na
Receipts from sale of land, fixed assets and investments (incl. S29 FMA)	19.0	17.8	32.0	68.3
Purchase of non-current assets	..	..	..	..
<b>Net Cash flows from investing activities</b>	19.0	17.8	32.0	68.3
<b>Net Cash flows from financing activities</b>	..	0.0	..	..

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

The 1998-99 Budget Cash Flow Statement has been restated to reflect the inclusion of the Melbourne City Link Authority and the Marine Board of Victoria.

The Cash Flow Statement reflects movements in the operating statement noted above.

## Authority for Resources

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

**Table 2.3.5: Authority for Resources**

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-00 Budget	
Annual Appropriations <sup>(b)</sup>	1 894.1	1 957.4	2 087.0	10.2
Receipts Credited to Appropriations	90.7	108.5	116.6	28.5
Unapplied previous years appropriation	41.2	42.7	3.9	-90.6
Gross Annual Appropriations	2 026.0	2 108.6	2 207.4	9.0
Special Appropriations	0.8	..	..	na
Trust Funds	300.7	321.7	298.9	-0.6
Non Public Account and other sources	99.9	109.8	109.6	9.7
<b>Total Authority</b>	<b>2 427.4</b>	<b>2 540.2</b>	<b>2 615.9</b>	<b>7.8</b>

Source: Department of Treasury and Finance

Notes:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

(b) For 1998-99 Revised, includes the impact of approved Treasurer's Advances.

## Payments made 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 2.3.6: Payments made on behalf of the State**

Accounts	(\$ million)			Variation %
	1998-99 Budget	1998-99 Revised	1999-00 Budget	
Employer Contribution to Superannuation	1.3	1.3	1.3	..
<b>Total</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>..</b>

Source: Department of Treasury and Finance

This payment will be transferred to the Department of Treasury and Finance in future years.



# DEPARTMENT OF JUSTICE

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## PART 1: OUTLOOK AND OUTPUTS

### Overview

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

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

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

The constitutional independence of the judiciary, the operational independence of the Victoria Police, the Director of Public Prosecutions and other statutory legal offices and appointees, and the operational autonomy of the Country Fire Authority and the Metropolitan Fire and Emergency Services Board and the operational responsibility of Victoria's State Emergency Services are a feature of the Justice Portfolio.

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

### ***Policy and legislative services***

- Provide policy, legislative and program development advice and executive services to the Ministers;
- secure cooperation, coordination and cohesion amongst portfolio agencies to enhance service delivery capabilities; and
- promote increased efficiency, effectiveness and accountability of service delivery and resource management in all organisations associated with the Justice Portfolio.

### ***Justice Services***

- Provide administrative support for case processing in the jurisdictions of the various state courts, statutory tribunals and alternative civil dispute resolution processes;
- ensure prosecutorial and other legal services are provided to and on behalf of government in the operation of courts and tribunals and oversee the enforcement of judicial fines, orders and warrants;
- oversee the planning and provision of correctional services for the State; and
- oversee the planning and provision of policing services for the State.

### ***Fire and Emergency Services***

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

### ***Fair Trading and Equity Services***

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

## **Review of 1998-99**

The Department expects to meet its overall budget and output performance targets and all major service initiatives for which provisions were made in the 1998-99 budget will be either successfully implemented or substantially progressed.

## **1999-2000 Outlook**

Targeted outcomes from policy implementation and improved service delivery initiatives in 1999-2000 have been grouped under five broad strategic objectives as shown below.

### ***Community Safety and Crime Prevention - A Shared Responsibility***

The continued implementation of VicSafe community safety and crime prevention partnerships including 'Local Priority Policing' and the 'Safer Cities and Shires' program. This will be underpinned by the recruitment and training of additional police and significant further infrastructure and information technology improvements centering around the roll out of the Mobile Data Network across the emergency services organisations. A key factor in the need to boost police numbers is the increasing complexity of crime and the associated need for more resource intensive case management responses (most especially in drug related crime).

An underlying trend increase in prisoner numbers and consequent pressures on prison services capacity will be managed with a creative mix of appropriate diversionary programs and the development of alternative sentencing options in the courts particularly for young drug offenders. These programs will seek to minimise an offender's progression through the criminal justice system by dealing with the social, economic and personal causes of offending behaviour. This will be complemented by the purchase of additional prison capacity from the private prison sector and increased capital investment in public correctional facilities.

### ***Accessible Justice That Meets Community Expectations***

A key outcome of the Pathfinder Project has been the establishment of the Criminal Justice Enhancement Project which will facilitate faster and more efficient disposition of court and tribunal matters. Significant Microeconomic Reform funding has been committed to this project over the next 3 years.

Final recommendations from the Civil Justice Review Project will be considered for implementation to ensure that disputes are resolved more quickly with consequent benefits to business and the wider community.

Judicial, legal and administrative concerns about the level of support for legal aid available in the justice system will be addressed through increased State contributions to Victoria Legal Aid.

### ***Fair Trading - Good for Customers; Good for Business***

The achievement of fair trading objectives is taking on new directions to strike a better balance between prevention and prosecution with the minimum necessary statutory regulation for the benefit of both consumers and business. Better use will be made of market place information to target education and enforcement activities in order to address specific market place problems.

### ***Achieving Equality of Opportunity***

An implementation progress review of the Government's 'Women on the Move' action plan will be undertaken.

The Office of Women's Affairs will continue to broker and coordinate initiatives across government that:

- support safer environments;
- enhance economic security through employment and education opportunities;
- improve health and family support; and
- encourage women into decision making and leadership positions.

### ***Effective Services Delivered at a Realistic Cost***

The focus on process re-engineering with the development and use of technology and the examination of contestable service delivery alternatives to optimise efficiency and effectiveness will continue across all the Department's Outputs. A review of corporate resources management support services will also be undertaken with an improved focus on cross portfolio issues and the capacity to more quickly respond to changes in the environment.

## Output Information

The following section provides details of the outputs to be provided to Government, including their performance measures and the costs for each output group.

Subsequent to the 1998-99 Budget, the distribution of costs across the six operational policing outputs for 1998-99 was significantly revised to more accurately reflect the apportionment of costs against outputs. Table 2.4.1 shows variations between the 1998-99 budget and 1999-2000 budget. The impact of additional funding provided in the 1999-2000 budget for police can be seen by comparing 1998-99 (Revised) and the 1999-2000 budget. The variations are as follows:

<i>Output Group</i>	<i>Variance</i> <sup>(a)</sup>
	<i>%</i>
Crime Prevention and Community Support Programs	6.9
Incident and Event Management	4.5
Crime Investigations	2.9
Road Safety and Road Trauma Reduction	-6.3
Supporting the Judicial Process	4.5
Information and Licensing Services	2.4

*Source: Department of Treasury and Finance*

*Note:*

*(a) Variation between 1998-99 Revised and 1999-2000 Budget.*

Note also that output groupings for 1999-2000 have been marginally modified. In particular the 1998-99 Budget 'Legal and Courts Services' groupings has been split into two groups 'Legal Services' and 'Court and Tribunal Services' to allow further disaggregation of 'case processing' output management in the various court jurisdictions. The 'Equity and Information Services' group has been reconstituted as 'Fair Trading and Equity Services'. For comparative purposes the table below shows the equivalent output cost distributions for 1998-99 and 1999-2000 output groups.

The table below summarises the total costs for each output group.

**Table 2.4.1: Output group summary**

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
Legal Services	97.6	129.7	160.7	64.7
Court and Tribunal Services	139.3	153.8	181.4	30.2
Fair Trading and Equity Services	70.5	63.4	53.3	-24.5
Correctional Services	179.4	184.8	190.2	6.0
Community Safety Services	61.2	61.7	62.5	2.2
Crime Prevention and Community Support Programs	250.2	368.8	394.4	57.6
Incident and Event Management	145.2	87.5	91.4	-37.1
Crime Investigations	270.5	224.8	231.4	-14.4
Road Safety and Road Trauma Reduction	203.1	93.0	87.1	-57.1
Supporting the Judicial Process	71.1	223.2	233.2	na
Information and Licensing Services	65.6	33.4	34.2	-47.8
<b>Total</b>	<b>1 553.6</b>	<b>1 624.1</b>	<b>1 719.9</b>	<b>10.7</b>

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Legal Services

### Key Government Outcomes

The intended outcomes from this group are that people's rights and freedoms are protected and community expectations are met through a fair and just system of criminal justice that includes assistance to victims of serious crime, and an accessible, equitable and responsive system of civil procedures.

### Description of the Output Group

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

- policy advice on law reform and executive support to the Attorney-General (A-G);
- legal advice, solicitor and prosecutorial services to and on behalf of government;
- support for legal aid services in matters prosecuted under state laws; and
- enforcement services that give effect to judicial fines, orders and warrants, assist the collection of other State and local government penalty payments and the confiscation of the assets derived from criminal activity and held by accused persons in certain types of criminal cases.

The outputs of the group also:

- ensure health and counselling support services and injury compensation payments are made available to victims of serious crime; and
- support the maintenance and use of the electoral roll for the implementation of State Parliamentary elections.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
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#### Services to the Attorney General - Services include:

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

#### Quantity

Policy and implementation briefs/issues addressed	number	1 600	1 600	1 400
Legislative program matters including responses to Parliamentary inquiries	number	40-50	40-50	30-35
Ministerial and general correspondence responded to	number	3 000	4 000	4 000
Law reform projects implemented	number	nm	nm	6
Committees and task forces supported	number	17	39	42

Budget Estimates 1999-2000	Justice			139
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## Legal Services - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality</i>				
Minister's satisfaction with quality and timeliness of services provided	level	high	high	high
<i>Timeliness</i>				
Completion of reviews and proposals identified for parliamentary sessions	per cent	100	95	95-100
<b>Legal Advice to Government</b> - Provides advice to Government on constitutional and other legal matters and a full range of disputation, prosecutorial, commercial and property related legal services on behalf of client Government Departments.				
<i>Quantity</i>				
Client Services (Victorian Government Solicitor's Office)	hours	41 400	36 500	35 500
<i>Quality/Timeliness</i>				
Client satisfaction with quality and timeliness of advice provided	level	high	high	high
<b>Criminal Prosecutions</b> - Preparation and conduct of proceedings relating to the prosecution of offences under the criminal law undertaken on behalf of the Director of Public Prosecutions.				
<i>Quantity</i>				
Proceedings prepared and disposed of on behalf of the Crown	number	7 250	7 800- 8 200	7 800- 8 200
<i>Quality/Timeliness</i>				
Matters prepared within agreed timelines (presentment filed within 6 months of committal in non-sex matters and within 3 months for sex offences)	per cent	95	95	95
<b>Support for Legal Aid Services</b> - This output represents the State Government contribution for legal aid services to assist people in prosecuting or defending matters in cases arising under State law (Victoria Legal Aid also receives direct funding from the Commonwealth Government for cases under Commonwealth jurisdiction).				
<i>Quantity</i>				
New applications approved	number	31 500	31 500	34 000
Duty lawyer services	number	38 000	38 000	42 000
Legal advices	number	35 000	35 000	32 000
Telephone information inquires	number	68 000	68 000	68 000
Attendances at community education and information workshops	number	750	800	800
140	Justice	Budget Estimates 1999-2000		



## Legal Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Timeliness</i>				
Elapsed times to process applications for assistance:				
• Processed same or following day	per cent	50	50	60
• Processed within 5 days	per cent	75	75	78
• Processed within 10 days	per cent	85	85	88
• Processed within 15 days	per cent	95	95	96
<b>Enforcement Management</b> - Civic compliance services giving effect to judicial fines, orders and warrants. Fines enforcement services are also provided to other state and local government agencies through this output.				
<i>Quantity</i>				
Infringements, court orders and warrants cleared <sup>(a)</sup>	number of cases	nm	nm	1 132 000
Traffic Camera operation <sup>(b)</sup>	hours	nm	nm	48 000
<i>Quality/Timeliness</i>				
Percentage of debt clearance performance criteria satisfied	per cent	nm	100	100
<b>Asset Confiscation</b> - Provides for the confiscation of the assets derived from criminal activity and held by accused persons in certain types of criminal cases <sup>(c)</sup> .				
<i>Quantity</i>				
Number of Confiscation Orders obtained	orders	nm	nm	5 000
Receipts generated	\$m	nm	nm	2.1
<i>Quality</i>				
Collections from Pecuniary Penalty Orders within benchmarks	per cent	nm	nm	25
Percentage of Enforceable Orders within benchmark	per cent	nm	nm	80
<i>Timeliness</i>				
Expired time between ultimate forfeiture and disposal	days	nm	nm	60 days

## Legal Services - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Support for Victims of Crime</b> - Provides referral to appropriate support agencies for victims of crime. Administers the Victims Counselling Scheme and community program funding to establish victim support networks and specialist state-wide services and makes court ordered Criminal Injuries Compensation payments.				
<i>Quantity</i>				
Calls for assistance received (through Victims Referral and Assistance Service (VRAS) Helpline and regional support networks)	number	15 000	34 000	30 000
Clients completing course of counselling	number	5 000	5 000	8 000
Grants made to Victim Support Networks	number	15	12	12
Public education activities conducted	number	250	1 000	1 000
<i>Quality</i>				
Client Satisfaction Rate	per cent	85	85	85
<i>Timeliness</i>				
Helpline calls responded to within benchmarks	per cent	100	100	100
Follow up material issued to victims within 1 day	per cent	100	100	100
<b>State Electoral Services</b> - Maintains the electoral roll and implements State Parliamentary elections. The Victorian Electoral Commission also conducts Municipal elections and Non Government elections on a fee for service basis through competitive tenders.				
<i>Quantity</i>				
Elections and by-elections and polls conducted				
• State Parliamentary	number	1	0	113 <sup>(d)</sup>
• Municipal	number	20	16	41
• Non-Government	number	40	16	12
Elector enrolment changes	number	500 000	520 000	510 000
Training programs conducted for election officials	number	21	45	24
Elector lists dispatched to Members of Parliament	number	1 452	1 514	1 500
Jury lists provided for use by the courts	number	14	14	14
142	Justice	Budget Estimates 1999-2000		

## Legal Services - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality</i>				
Election results contested in the Courts	number	0	0	0
Post election implementation review reports provided	per cent	100	100	100

Source: Department of Justice

Notes:

- (a) A significant increase in fine enforcement activity is projected with the opening of City Link.
- (b) Traffic camera operations (formerly in Victoria Police) transferred to Enforcement Management.
- (c) Changes have been made to the output mix as the Asset Confiscation Office accepts responsibility for the Confiscation Program across agencies throughout Victoria. This is a change from the previous outputs which were internally focussed on the Asset Confiscation Office rather than the overall business.
- (d) 113 elections includes 110 elections in each of the 110 electorates for the 1999-2000 State election and an estimated 3 by-elections.

## Output group costs<sup>(a)</sup>

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>97.6</b>	<b>129.7</b>	<b>160.7</b>	<b>64.7</b>
Comprising:				
Employee-related Expenses	33.3	36.5	38.8	16.5
Purchases of Supplies and Services	38.2	64.8	89.8	na
Depreciation	1.6	1.6	1.6	2.9
Capital Asset Charge	0.7	0.7	0.4	-35.9
Other	23.9	26.1	30.1	25.9

Source: Department of Treasury and Finance

Notes:

- (a) As indicated in the notes accompanying Table 2.4.1 the above table shows the equivalent output cost distributions for 1998-99 and 1999-2000 budget output group.
- (b) Variation between 1998-99 Budget and 1999-2000 Budget.

## Court and Tribunal Services

### Key Government Outcomes

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

### Description of the Output Group

The outputs of the group provide administrative support for case processing in the jurisdictions of the various State courts, statutory tribunals and alternative civil dispute resolution processes.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Case Processing in the Supreme Court</b> - Disposition of civil and criminal cases before the Supreme Court of Victoria.				
<i>Quantity</i>				
Total matters disposed	number	nm	nm	17 200
<i>Quality</i>				
Respondents to user survey rating the registry service as good or very good	per cent	high	na	na
<i>Timeliness</i>				
Criminal cases disposed of within 12 months of commencement	per cent	70	90	90
Civil cases disposed of within 24 months of commencement	per cent	nm	nm	80
<b>Case processing in the County Court</b> - Disposition of civil and criminal cases before the County Court of Victoria.				
<i>Quantity</i>				
Cases disposed	number	10 050	11 500	10 800
<i>Quality</i>				
Respondents to user survey rating the registry service as good or very good	per cent	85	90	95
<i>Timeliness</i>				
Criminal cases disposed within 12 months of commencement	per cent	90	90	85
Civil cases disposed within 12 months of commencement	per cent	46	46	50

## Court and Tribunal Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Case processing in the Magistrates' Court</b> - Disposition of matters before the Magistrates' Court of Victoria.				
<i>Quantity</i>				
Criminal matters disposed	number	nm	137 700	139 300
Civil matters disposed	number	nm	77 195	77 000
Crimes Family Violence and Family matters disposed	number	nm	23 200	23 300
Victims of Crime matters disposed	number	nm	3 000	800 <sup>(a)</sup>
Children's court matters disposed	number	nm	10 500	10 700
Coronial matters disposed	number	3 000	4 000	4 200
<i>Quality</i>				
User survey rating of the registry service	level	nm	nm	high
<i>Timeliness</i>				
Matters listed within benchmarked elapsed times	per cent	90	90	90
<b>Processing of Tribunal matters</b> - 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.				
<i>Quantity</i>				
Matters finalised	number	61 300	69 020	72 545
<i>Quality</i>				
Tribunal user satisfaction	level	high	high	high
<i>Timeliness</i>				
Matters finalised within target elapsed time benchmarks	per cent	nm	90	90
<b>Alternative Dispute Resolution Services</b> - Provides a low cost, accessible and expeditious dispute resolution service which helps all Victorians achieve an equitable and acceptable outcome to their civil disputes. Customers are referred from Government agencies (including courts, prosecuting agencies and registering agencies), Local Government and other community agencies.				
<i>Quantity</i>				
General and Dispute Resolution Advisory Service enquiries responded to	number	8 150	10 704	8 500
Disputes received for resolution	number	1 500	1 800	1 560
Budget Estimates 1999-2000	Justice			145

## Court and Tribunal Services - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quantity (continued)</i>				
Public education activities conducted	number	210	210	210
<i>Quality</i>				
Resolution rate for mediations activated	per cent	37	37	37
Client satisfaction rate (by survey)	per cent	75	75	80
<i>Timeliness</i>				
Files closed within 30 days	per cent	67	75	80

Source: Department of Justice

Note:

(a) The Victims of Crime Assistance Tribunal was established under the Victims of Crime Assistance Act 1996 and came into operation on 1 July 1997. The Crimes Compensation Tribunal ceased to operate on the same day with the repeal of the Criminal Injuries Compensation Act 1983. All persons having lodged applications prior to 1 July 1997 have kept their entitlements under the 1983 legislation. These are measured as 'Victims of Crimes matters'. Remaining applications under the 1983 legislation are reducing.

## Output group costs<sup>(a)</sup>

	(\$ million)			Variation <sup>(b)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
<b>Total cost of output group</b>	<b>139.3</b>	<b>153.8</b>	<b>181.4</b>	<b>30.2</b>
Comprising:				
Employee-related Expenses	76.0	83.3	86.4	13.7
Purchases of Supplies and Services	35.2	41.7	66.3	88.3
Depreciation	7.1	7.3	7.2	1.3
Capital Asset Charge	20.6	21.2	21.2	3.0
Other	0.3	0.3	0.3	1.3

Source: Department of Treasury and Finance

Notes:

- (a) As indicated in the notes accompanying Table 2.4.1 the above table shows the equivalent output cost distributions for 1998-99 and 1999-2000 budget output group.
- (b) Variation between 1998-99 Budget and 1999-2000 Budget.

## Fair Trading and Equity Services

### Key Government Outcomes

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

### Description of the Output Group

The outputs of this group inform people of their rights and responsibilities and generally educate the community to promote equality of opportunity, prevent discrimination and unethical business and promote excellence in business conduct. The outputs of the group also include the maintenance and use of the State Register of Births, Deaths and Marriages.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
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**Fair Trading Marketplace Development Services** - This output facilitates an ethical and self reliant marketplace and seeks to enhance business conduct by:

- providing information and advisory services to enable consumers, traders, tenants and landlords to avoid problems and resolve disputes directly;
- enforcing legislation and forging a strategic campaign to target specific marketplace problems;
- administering appropriate statutory trading regulations and assisting the development of alternative co-regulatory mechanisms; and
- providing policy advice and regulation reform services to the Minister for Fair Trading.

#### Quantity

Preventative and remedial advice provided (includes dispute handling)	number	nm	nm	650 000-750 000
Business regulation services provided	number	nm	nm	336 000-405 000
Inspection, compliance monitoring and enforcement activities undertaken	number	nm	nm	3 300-4 200
Policy briefs and Ministerial correspondence responses provided	number	nm	nm	375-435

## Fair Trading and Equity Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality</i>				
Clients satisfied with quality and timeliness of services provided	per cent	nm	nm	80-90
Business regulatory services provided in accordance with agreed service standards	per cent	nm	nm	90-95
Successful outcome to enforcement activities	per cent	nm	nm	90
Policy advice and other services to Minister provided that meet relevant quality standards and timeliness	per cent	nm	nm	80-90
<b>Advancing the Status of Women</b> - Provides support for the Minister for Women's Affairs including:				
<ul style="list-style-type: none"> <li>• research, consultation, development and coordination of policy advice on the impact of government policy initiatives on women;</li> <li>• assistance with coordination of executive matters and support for advisory councils, ad hoc committees and task forces within the Women's Affairs Portfolio; and</li> <li>• project management, information and consultancy services on Women's Affairs to the Department of Justice and other Departments.</li> </ul>				
<i>Quantity</i>				
Policy briefs/issues addressed	number	220	220	220
<i>Quality</i>				
Minister's satisfaction with quality and timeliness of services provided	level	high	high	high
Victoria Women's Council satisfaction with the quality and timeliness of services provided	level	high	high	high
<i>Timeliness</i>				
Achievement of strategic project milestone targets	per cent	100	100	100
<b>Implementation of Equal Opportunity Legislation</b> - Provides an impartial complaint resolution service for complaints lodged by any member of the Victorian public under State or Commonwealth legislation; informs people of their rights and responsibilities and generally educates the community to prevent discrimination; undertakes research on discrimination and advises the Government on discriminatory legislation through the Attorney-General.				
<i>Quantity</i>				
Complaint files finalised	number	1 300	1 400- 1 500	1 400- 1 500
148	Justice	Budget Estimates 1999-2000		



## Fair Trading and Equity Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quantity (continued)</i>				
Public inquiries responded to	number	33 925	25 000	20 000- 25 000
Persons who received anti-discrimination training services	number	nm	6 600	6 600
<i>Quality</i>				
Customer satisfaction rating	level	high	high	high
<i>Timeliness</i>				
Complaints determined within statutory timelines	per cent	100	100	100

**Public Advocacy and Guardianship Services** – The Public Advocate acts as the statutory guardian of last resort for adults with disabilities. Includes 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.

<i>Quantity</i>				
Public information services provided	number	10 000	10 000	10 000
Volunteers supported and trained	number	700	700	700
Advocacy interventions and Investigations	number	850	1 160	1 160
Reports on independent investigations and enquiries provided to VCAT Guardianship List	number	600	640	640
Guardianship Services total case load	number	750	770	790
<i>Quality</i>				
Enquiries resolved	per cent	95	95	95
Client satisfaction with services provided	level	high	high	high
<i>Timeliness</i>				
Formal matters processed within legislative requirements	per cent	100	100	100

## Fair Trading and Equity Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Registration of Births, Deaths and Marriages</b> - The output creates and maintains a database of Victorian births, deaths and marriages, changes of names and adoptions pursuant to the <i>Births Deaths and Marriages Act 1996</i> and Commonwealth/State agreements, provides statutory birth, death, marriage and change of name certificates for official uses and for family history and research purposes and delivers a range of non-compulsory market priced products and services to business, Government and individuals.				
<i>Quantity</i>				
Registration transactions	number	126 100	126 100	125 500- 126 000
Certificate transactions (statutory and non statutory products)	number	351 000	380 000	351 000- 355 000
<i>Quality</i>				
Registration error rate	per cent	0.8	0.8	0.8
<i>Timeliness</i>				
Certificate turnaround times:				
• mail (same day)	per cent	50	50	50-70
• counter (1.5 minutes)	per cent	70	70	70-80

Source: Department of Justice

### Output group costs<sup>(a)</sup>

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(b)</sup> %
<b>Total cost of output group</b>	<b>70.5</b>	<b>63.4</b>	<b>53.3</b>	<b>-24.5</b>
Comprising:				
Employee-related Expenses	23.5	28.6	24.3	3.4
Purchases of Supplies and Services	44.1	23.8	20.8	-52.8
Depreciation	1.8	3.6	2.0	12.3
Capital Asset Charge	1.1	0.4	0.2	-80.3
Other	0.0	6.9	5.9	na

Source: Department of Treasury and Finance

#### Notes:

(a) As indicated in the notes accompanying Table 2.4.1 the above table shows the equivalent output cost distributions for 1998-99 and 1999-2000 budget output group.

(b) Variation between 1998-99 Budget and 1999-2000 Budget.

## Correctional Services

### Key Government Outcomes

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

### Description of the Output Group

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

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Services to the Minister for Corrections</b> - Provides services as required by the Minister including:				
<ul style="list-style-type: none"> <li>research, development and coordination of policy advice on the impact of government law and order policy initiatives on the provision of correctional services (and development of diversion programs); and</li> <li>assistance with coordination of executive matters within the Correctional Services portfolio.</li> </ul>				
<i>Quantity</i>				
Policy briefs provided	number	600	300	300
Ministerial and other executive correspondence	number	530	530	530
<i>Quality</i>				
Minister's satisfaction with the quality and timeliness of services provided	level	high	high	high
<i>Timeliness</i>				
Projects managed on time and within budget	per cent	nm	nm	90
<b>Prison Services</b> - Provision of facilities and programs for the containment and rehabilitation of prisoners.				
<i>Quantity</i>				
Total annual daily average number of prisoners	number	2 700	2 840	2 900-2 980 <sup>(a)</sup>
Average daily prison capacity utilisation rate	per cent	90	99	101-104 <sup>(b)</sup>
Budget Estimates 1999-2000	Justice			151

## Correctional Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality</i>				
Proportion of benchmark measures in prison services agreements achieved	per cent	90	90	90
<b>Community Correctional Services</b> - Provision of facilities and programs for the community based supervision of offenders.				
<i>Quantity</i>				
Community supervision orders registered	number	17 000	22 000	22 000
Average daily offenders under community based supervision	number	8 000	7 300	6 800 - 7 200
<i>Quality</i>				
Community supervision orders successfully completed	per cent	75	75	75
Offenders with a treatment or personal development program condition who have been appropriately referred to a program	per cent	nm	nm	80-85
<i>Timeliness</i>				
Orders registered within five working days of the order's commencement	per cent	95	95	95
Offenders inducted within seven working days of the commencement of their order	per cent	nm	nm	95

*Source: Department of Justice*

*Notes:*

- (a) *Temporary capacity will be provided to cover the additional prisoner numbers in the interim period until new capacity, funded in the 1999-2000 and subsequent years' budgets, is completed.*
- (b) *'Average daily prison capacity utilisation rate' reflects prisoner accommodation in excess of design capacity which is facilitated by the provision of temporary and emergency arrangements. This situation will be addressed by the progressive commissioning of capacity extensions funded in the 1999-2000 and subsequent year' budgets.*

**Output group costs<sup>(a)</sup>**

	(\$ million)			
	1998-99	1998-99	1999-2000	Variation <sup>(b)</sup>
	Budget	Revised	Budget	%
<b>Total cost of output group</b>	<b>179.4</b>	<b>184.8</b>	<b>190.2</b>	<b>6.0</b>
Comprising:				
Employee-related Expenses	61.2	66.6	67.2	9.9
Purchases of Supplies and Services	107.8	105.6	110.2	2.2
Depreciation	6.4	6.7	6.7	5.4
Capital Asset Charge	4.1	5.5	5.6	38.2
Other	..	0.4	0.4	na

Source: Department of Treasury and Finance

Notes:

(a) As indicated in the notes accompanying Table 2.4.1 the above table shows the equivalent output cost distributions for 1998-99 and 1999-2000 budget output group.

(b) Variation between 1998-99 Budget and 1999-2000 Budget.

## Community Safety Services

### Key Government Outcomes

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

### Description of the Output Group

The outputs of the group develop and deliver the Minister for Police and Emergency Services' portfolio commitments and associated legislative reform and program implementation initiatives, provide operational funding support to the State's fire and emergency services agencies and purchase community safety and crime prevention services from community organisations.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Support for Community Safety and Crime Prevention</b> - Provides policy advice, and executive support services as required by the Minister for Police and Emergency Services and strategic coordination and development support for community safety and crime prevention initiatives.				
<i>Quantity</i>				
Policy briefs, legislative and regulatory matters and Ministerial and general correspondence concerning policing and community safety and crime prevention arrangements	number	850	850	850
Grant applications received	number	373	325	250
Committees and taskforces supported	number	nm	nm	16
<i>Quality</i>				
Minister's satisfaction with the quality and timeliness of briefs provided	level	high	high	high
Achievement of milestone targets for grant processing	percent	100	100	100
Minister's satisfaction with proactive briefing on issues as required	level	high	high	high

## Community Safety Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Support for Emergency Readiness</b> - Provides policy advice, strategic coordination and program development support services as required by the Minister for Police and Emergency Services and administers Government contributions to the operational funding of fire and emergency service organisations to ensure that combined service capability is maintained at appropriate levels.				
<i>Quantity</i>				
Policy briefs, completed instructions and Ministerial correspondence concerning emergency management arrangements	number	195	213	215
Participants completing emergency management training courses/workshops - Victoria State Emergency Services (VICSES)	number	1 500	1 500	1 500
<i>Quality</i>				
Minister's satisfaction with the quality and timeliness of briefs provided	level	high	high	high
Audited municipal emergency management plans meeting Ministerial guidelines (VICSES)	per cent	100	100	100
Proportion of responses to emergency calls meeting benchmark times:				
• VICSES - road accident rescue calls	per cent	95	95	95
• Metropolitan Fire and Emergency Services - fire suppression	per cent	90	90	90
• Country Fire Authority - all calls	per cent	nm	90	90

*Source: Department of Justice*

**Output group costs<sup>(a)</sup>**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(b)</sup> %
<b>Total cost of output group</b>	<b>61.2</b>	<b>61.7</b>	<b>62.5</b>	<b>2.2</b>
Comprising:				
Employee-related Expenses	6.7	7.8	7.9	17.9
Purchases of Supplies and Services	12.8	8.4	11.0	-14.2
Depreciation	0.8	0.4	0.4	-53.0
Capital Asset Charge	3.0	1.6	1.5	-50.0
Other	37.8	43.4	41.7	10.3

Source: Department of Treasury and Finance

Notes:

- (a) As indicated in the notes accompanying Table 2.4.1 the above table shows the equivalent output cost distributions for 1998-99 and 1999-2000 budget output group. The Country Fire Authority is funded 22.5 per cent from the State and 77.5 per cent from insurance companies. The Metropolitan Fire and Emergency Services Board is funded 12.5 per cent from the State, 12.5 per cent from municipal councils and 75 per cent from insurance companies.
- (b) Variation between 1998-99 Budget and 1999-2000 Budget.



## Crime Prevention and Community Support Programs

### Key Government Outcomes

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

### Description of the Output Group

Outputs of the group establish and promote:

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

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
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**Visible and accessible police presence in the community** - Output establishes and promotes a high level of visible police presence in the community through general and targeted police patrols (vehicle, foot, bicycle), public relations events and accessible operational service locations.

#### Quantity

Total number of patrol hours	hours	1 709 617	2 400 000	>2 450 000
Total hours of assistance at police stations/work areas	hours	1 241 348	900 000	>900 000

#### Quality

Proportion of people who believe police are easy to get in contact with	per cent	87.4	86	85-88
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#### Timeliness

(included quality measure above)

**Police crime prevention and public safety programs and partnerships** - Output establishes and promotes police involvement in community and interagency partnerships aimed at crime prevention or addressing local crime issues, reducing the fear of crime and enhancing awareness of public safety issues.

#### Quantity

Total hours of police service	hours	357 272	500 000	>500 000
Number of road safety presentations to community groups and schools	number	90	150	100 <sup>(a)</sup>

## Crime Prevention and Community Support Programs - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality</i>				
Proportion of people who are satisfied with police support for community programs	per cent	76	75	74-77
<i>Timeliness</i> (included in quality measure above)				
<b>Police emergency response readiness</b> - Output establishes and promotes police participation in planned and coordinated responses to major emergencies and disasters.				
<i>Quantity</i>				
Total number of joint exercises conducted	number	>36	100	80 <sup>(b)</sup>
Number of regional and municipal emergency response exercises participated in:				
• Regional	number	nm	nm	70
• Municipal	number	nm	nm	280
<i>Quality</i>				
Proportion of Regional Emergency Response Planning Committees that conduct a minimum of two meetings per year	per cent	100	100	100
<i>Timeliness</i>				
Proportion of Regional Emergency Response Planning Committee debriefs conducted within 6 weeks of a major incident occurring in the region	per cent	100	91	100

Source: Department of Justice

*Notes:*

- (a) The 1998-99 target reflects demand increases which have been projected to increase in 1999-2000 in response to the building of community relationships and community understanding of policing issues through the local priority policing initiatives.
- (b) The 1999-2000 target represents a shift in priorities to preparation/readiness capability due to forward planning requirements for events. The 1999-2000 target has also been structured to align with new regional/district boundaries.

**Output group costs<sup>(a)</sup>**

	(\$ million)			
	1998-99	1998-99	1999-2000	Variation <sup>(b)</sup>
	Budget	Revised	Budget	%
<b>Total cost of output group</b>	<b>250.2</b>	<b>368.8</b>	<b>394.4</b>	<b>57.6</b>
Comprising:				
Employee-related Expenses	182.6	282.1	301.0	64.9
Purchases of Supplies and Services	57.3	75.9	80.6	40.8
Depreciation	3.2	1.8	3.0	-4.3
Capital Asset Charge	6.9	8.6	9.7	41.3
Other	0.4	0.4	..	na

Source: Department of Treasury and Finance

Notes:

- (a) As indicated in the notes accompanying Table 2.4.1 comparison between 1998-99 (Revised) and 1999-2000 Budget more accurately reflects the impact of policy initiatives to provide additional funds for operational police.
- (b) Variation between 1998-99 Budget and 1999-2000 Budget.

## Incident and Event Management

### Key Government Outcomes

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

### Description of the Output Group

Outputs of the group provide:

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

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Response to incidents</b> - Output provides police response to calls for assistance, including emergencies, serious incidents, offence attendance and routine calls responses to calls for emergency assistance.				
<i>Quantity</i>				
Number of responses to calls for assistance	number	657 900	680 000	>690 000
<i>Quality</i>				
Proportion of the community who believe Victoria Police manage emergency situations well	per cent	nm	nm	90
<i>Timeliness</i>				
Proportion of the community who agree Victoria Police are timely in responding to calls for assistance	per cent	71	70.8	69-72
<b>Event management and response</b> - Output provides management and policing of public events and demonstrations and the management and provision of VIP and protective security.				
<i>Quantity</i>				
Number of managed events	number	114	1 500	>1 400 <sup>(a)</sup>
<i>Quality</i>				
Proportion of crowd controlled major events and demonstrations which do not result in major incidents	per cent	100	98.6	98-100

## Incident and Event Management - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Timeliness</i>				
Police attendance is in accord with timelines specified in Event Management Plans/Operational Orders	per cent	100	100	98-100

Source: Department of Justice

Note:

(a) Increased target due to more comprehensive collection of data on Major events.

### Output group costs<sup>(a)</sup>

	(\$ million)			Variation <sup>(b)</sup>
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	%
<b>Total cost of output group</b>	<b>145.2</b>	<b>87.5</b>	<b>91.4</b>	<b>-37.1</b>
Comprising:				
Employee-related Expenses	115.4	65.8	69.4	-39.8
Purchases of Supplies and Services	23.9	17.3	17.6	-26.5
Depreciation	2.4	2.4	2.3	-5.7
Capital Asset Charge	3.5	2.0	2.1	-40.8
Other	..	..	..	..

Source: Department of Treasury and Finance

Notes:

(a) As indicated in the notes accompanying Table 2.4.1 comparison between 1998-99 (Revised) and 1999-2000 Budget more accurately reflects the impact of policy initiatives to provide additional funds for operational police.

(b) Variation between 1998-99 Budget and 1999-2000 Budget.

## Crime Investigations

### Key Government Outcomes

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

### Description of the Output Group

Outputs of the group provide for the investigation of reported and detected:

- crimes against the person (including murder, sexual assault, armed robbery and physical assault);
- property crimes (including burglary, theft, arson and deception); and
- illegal drug activity (including cultivation, manufacture and trafficking).

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Investigation of crimes against the person</b> - The output provides for the investigation of reported and detected crimes against the person (including murder, sexual assault, armed robbery and physical assault).				
<i>Quantity</i>				
Total hours of investigation	hours	601 000	700 000	>700 000
<i>Quality</i>				
Proportion of recorded offences against the person resolved	per cent	69.9	68	68-70
Number of crimes against the person investigated by crime squads and percentage cleared	number	nm	nm	850
	per cent	nm	nm	70
<i>Timeliness</i>				
Proportion of reported offences resolved within 90 days	per cent	67.4	62.3	64-68
<b>Investigation of crimes against property</b> - The output provides for the investigation of reported and detected property crimes (including burglary, theft, arson and deception).				
<i>Quantity</i>				
Total hours of investigation	hours	677 281	900 000	>900 000
<i>Quality</i>				
Proportion of recorded property offences resolved	per cent	25.8	26.3	25-27
Number of crimes investigated by crime squads and percentage cleared	number	nm	nm	3 400
	per cent	nm	nm	78-80
<i>Timeliness</i>				
Proportion of recorded offences resolved within 90 days	per cent	25.4	26	24-27

## Crime Investigations - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Investigation of illegal drug activity</b> - The output provides for the investigation of reported and detected illegal drug activity (including cultivation, manufacture and trafficking).				
<i>Quantity</i>				
Total hours of investigation	hours	310 568	500 000	>500 000
<i>Quality</i>				
Proportion of drug offences resolved	per cent	92.5	97.8	95-98
Number of drug offences investigated by Crime Squads and percentage cleared	number per cent	nm nm	nm nm	550 95
Number of proactive investigations being conducted and percentage resulting in detection of offences	number percent	nm nm	nm nm	172 40
Community rating of Victoria Police performance in investigating drug dealing	per cent	nm	nm	52-54
<i>Timeliness</i>				
Proportion of reported offences resolved within 90 days	per cent	nm	91.5	90-92

Source: Department of Justice

### Output group costs<sup>(a)</sup>

	(\$ million)			Variation <sup>(b)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
<b>Total cost of output group</b>	<b>270.5</b>	<b>224.8</b>	<b>231.4</b>	<b>-14.4</b>
Comprising:				
Employee-related Expenses	215.0	170.8	175.0	-18.6
Purchases of Supplies and Services	45.1	44.7	47.3	4.9
Depreciation	4.0	4.0	3.8	-5.7
Capital Asset Charge	6.4	5.3	5.3	-17.1
Other	..	..	..	..

Source: Department of Treasury and Finance

Notes:

(a) As indicated in the notes accompanying Table 2.4.1 comparison between 1998-99 (Revised) and 1999-2000 Budget more accurately reflects the impact of policy initiatives to provide additional funds for operational police.

(b) Variation between 1998-99 Budget and 1999-2000 Budget.

## Road Safety and Road Trauma Reduction

### Key Government Outcomes

Road safety is maximised in Victoria.

### Description of the Output Group

Outputs of the group provide:

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

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Targeted road traffic law enforcement</b> - The output provides targeted police services to reduce the incidence of impaired driving and other traffic offences.				
<i>Quantity</i>				
Total hours of operation	hours	566 500 <sup>(a)</sup>	800 000	>800 000
<i>Quality</i>				
Community rating of Victoria Police performance in making the roads safe to use	per cent	80.5	78	78-81
Targeting of operations is in line with priorities identified in the Road Safety Priority Program	per cent	100	100	100
Proportion of the community who think they are likely to be pulled over for a Random Breath Test during the next three months	per cent	nm	nm	70-72
<i>Timeliness</i>				
Proportion of operations which comply with timelines contained in the Road Safety Priority Program	per cent	100	100	98-100
<b>Road traffic incident management</b> - The output provides for attendance at and investigation of collisions and other major road traffic incidents. <sup>(c)</sup>				
<i>Quantity</i>				
Number of incidents attended	number	41 358	32 000	32 000

Source: Department of Justice

Note:

- (a) The published target for 1998-99 of 56 500 was a typographical error. The target should have read 566 500.



**Output group costs<sup>(a)</sup>**

	(\$ million)			
	1998-99	1998-99	1999-2000	Variation <sup>(b)</sup>
	Budget	Revised	Budget	%
<b>Total cost of output group</b>	<b>203.1</b>	<b>93.0</b>	<b>87.1</b>	<b>-57.1</b>
Comprising:				
Employee-related Expenses	161.6	69.6	71.2	-56.0
Purchases of Supplies and Services	33.4	18.0	10.7	-68.0
Depreciation	3.3	3.3	3.1	-5.7
Capital Asset Charge	4.7	2.1	2.2	-54.7
Other	..	..	..	..

Source: Department of Treasury and Finance

Notes:

- (a) As indicated in the notes accompanying Table 2.4.1 comparison between 1998-99 (Revised) and 1999-2000 Budget more accurately reflects the impact of policy initiatives to provide additional funds for operational police.
- (b) Variation between 1998-99 Budget and 1999-2000 Budget.

## Supporting the Judicial Process

### Key Government Outcomes

Community expectations of the criminal justice system are met in the follow through from crime investigation and other policing activities to relevant judicial processes.

### Description of the Output Group

Outputs of this group provide:

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

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Provision of justice services</b> - The output provides prosecution services, court case presentation, bail processing and reporting, offender and suspect processing, support to and attendance at Coronial inquiries and court security.				
<i>Quantity</i>				
Total hours of service	hours	2 112 000	2 000 000	>2 000 000
<i>Quality</i>				
Proportion of cases which result in a plea of guilty	per cent	79	78.8	78-80
Proportion of cases which result in costs being awarded against police	per cent	<1	0.57	<1
<i>Timeliness</i>				
Time elapsed between date charges are laid and final disposition of cases prosecuted in the Magistrates' and Children's Courts	days	95	85	93-96
<b>Management of custodial services</b> - The output provides safe custody and transportation for persons in police custody and ensuring the safety of all persons visiting police cells.				
<i>Quantity</i>				
Total hours of prisoner supervision	hours	271 872	340 000	>340 000
<i>Quality</i>				
Percentage of serious incidents per persons in police custody	per cent	nm	nm	<1

## Supporting the Judicial Process - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality (continued)</i>				
Achievement of quality and timeliness standards specified in outsourced service contracts				
• prisoner transport	per cent	nm	nm	100
• custody management (Melbourne Custody Centre)	per cent	nm	nm	100
<i>Timeliness</i>				
(Included in quality measure above)				

Source: Department of Justice

### Output group costs<sup>(a)</sup>

	(\$ million)			Variation <sup>(b)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
<b>Total cost of output group</b>	<b>71.1</b>	<b>223.2</b>	<b>233.2</b>	<b>na</b>
Comprising:				
Employee-related Expenses	56.7	171.6	175.8	na
Purchases of Supplies and Services	11.7	45.0	50.8	na
Depreciation	1.4	1.4	1.3	-5.8
Capital Asset Charge	1.3	5.3	5.4	na
Other	..	..	..	..

Source: Department of Treasury and Finance

#### Notes:

- (a) As indicated in the notes accompanying Table 2.4.1 comparison between 1998-99 (Revised) and 1999-2000 Budget more accurately reflects the impact of policy initiatives to provide additional funds for operational police.
- (b) Variation between 1998-99 Budget and 1999-2000 Budget.

## Information and Licensing Services

### Key Government Outcomes

Effective administration of legislative obligations and the maintenance of probity in sensitive areas through efficient and timely information, licensing and vetting services.

### Description of the Output Group

The outputs of this group provide:

- responses to applications and requests for material under freedom of information (FOI);
- ministerial briefs and advice and police statistical information; and
- criminal records/probity checks for the issue of licences (including firearms and private agents control, liquor licensing, vehicle registration, compliance for the gaming and vice industries, second hand dealers and pawn brokers).

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Provision of information services</b> - The output provides responses to applications for material under freedom of information and other information requests from government, community and private sector organisations.				
<i>Quantity</i>				
Number of FOI applications received	number	1 830	1 200	1 300
Number of Ministerial matters processed	number	520	600	>500
<i>Quality</i>				
Proportion of Ministerial requests requiring additional information/response	per cent	nm	nm	<5
Proportion of requests for review (FOI)	per cent	nm	nm	<3
Proportion of requests for review by VCAT	per cent	nm	nm	<1
<i>Timeliness</i>				
Proportion of requests finalised within agreed timeframes				
• Ministerial	per cent	nm	nm	98-100
• Freedom of Information	per cent	nm	nm	95-100

## Information and Licensing Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Provision of licensing and vetting services</b> - The output provides criminal records/probity checks for and the issue of licenses, (including firearms and private agents control, liquor licensing, vehicle registration, compliance for the gaming and vice industries, second hand dealers and pawn brokers).				
<i>Quantity</i>				
Number of record checks conducted	number	150 000	220 000	>150 000
<i>Quantity (continued)</i>				
Number of probity checks undertaken to assist in ensuring the integrity of applicants for employment in the gaming and vice industries	number	7 000	8 500	>7 000
<i>Quality</i> (included in quantity measure above)				
<i>Timeliness</i>				
Proportion of licences issued within agreed timeframes	per cent	85	85	86-88

Source: Department of Justice

### Output group costs<sup>(a)</sup>

	(\$ million)			Variation <sup>(b)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
<b>Total cost of output group</b>	<b>65.6</b>	<b>33.4</b>	<b>34.2</b>	<b>-47.8</b>
Comprising:				
Employee-related Expenses	51.0	25.1	25.7	-49.7
Purchases of Supplies and Services	12.4	6.6	6.4	-48.3
Depreciation	1.0	1.0	1.3	40.0
Capital Asset Charge	1.2	0.8	0.8	-35.2
Other	..	..	..	..

Source: Department of Treasury and Finance

Notes:

(a) As indicated in the notes accompanying Table 2.4.1 comparison between 1998-99 (Revised) and 1999-2000 Budget more accurately reflects the impact of policy initiatives to provide additional funds for operational police.

(b) Variation between 1998-99 Budget and 1999-2000 Budget.

## PART 2: FINANCIAL INFORMATION

Part 2 provides the financial statements that support the Department's provision of outputs. The information provided includes the operating statement, statement of financial position and cash flow statement for the Department as well as tables detailing the authority for resources and, where appropriate, the payments on behalf of the State made by the Department.

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 following three 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 are those resources for 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 three tables can be used to assess the Department's financial performance and use of resources.

- **Table 2.4.2 – Operating Statement** – provides details of the Department's revenue and expenses on an accrual basis reflecting the cost in providing its outputs.
- **Table 2.4.3 – Statement of Financial Position** – shows all assets and liabilities of the Department. The difference between these represents the net assets position, which indicates the financial health of the Department; and
- **Table 2.4.4 – Cash Flow Statement** – shows all movements of cash, that is cash received and paid. The cash impact of financing and investment activities on Departmental resources is highlighted in this statement.

The 1999-2000 Budget Operating Surplus (before revenue for asset investment) of \$9.6 million is an increase of \$9.2 million over the 1998-99 Budget. This is largely due to accumulated reserves of trust funds brought into the Budget (the Residential Tenancy Fund Trust Account and the Estate Agents Guarantee Trust Account). Operating Revenue will increase by \$175.7 million (11.3 per cent) over the 1998-99 Budget.

Within this increase is a \$134.2 million increase in revenue from State Government for outputs delivered reflecting:

- salary increases across the Justice Portfolio (\$64.1 million);
- contractors payments for the administration of Melbourne City Link toll enforcement activities (a new function) and the assumption of the administration of Traffic Camera Office/Enforcement Management Unit activities from Police and Justice personnel (\$21.4 million);
- Government is also funding new and additional outputs in 1999-2000 including additional police, increased support for legal aid services and increased correctional facility capacity and associated diversion programs;
- the Victorian Electoral Commission funding for the State election; and
- \$11.1 million for Y2K remediation.

Revenue generated by the sale of goods and services and retained by the Department in accordance with Section 29 of the *Financial Management Act 1994* shows an increase of \$10 million (16.8 per cent). This is due in part to the reclassification of administered receipts (from Victorian Workcover Authority hearings in the Court and Tribunal system) to controlled (\$3.6 million). Also the Victorian Institute of Forensic Medicine (VIFM) activities are now considered as Departmental outputs and receipts from their activities are retained for payment of their expenses (\$3.0 million).

Revenue from other sources is estimated to increase by \$31.5 million. The majority of this increase pertains to the presentation of Trust Fund receipts and expenditures which have historically been recorded off budget. The additional receipts have corresponding expenditures and are therefore budget neutral to Government.

The movements in operating expenses reflect the movements in revenue discussed above. There is also some reclassification of expenditure from employee related expenses to purchases of supplies and consumables resulting from an increased emphasis in the portfolio of contracting out of services.

Revenue for the Increase in Net Assets represents the contribution from Government to fund the Department's approved asset investment program. In

1999-2000 expenditure on this program will be \$58.8 million and will be funded from \$32.5 million of the Department's accumulated reserves while the balance (\$26.6 million) is directly contributed by Government.



**Table 2.4.2: Operating Statement**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Operating Revenue</b>				
Revenue from State Government <sup>(b)</sup>	1 480.8	1 528.9	1 615.0	9.1
Section 29 receipts - Commonwealth	1.2	1.2	1.2	-0.4
- Other	59.9	59.8	69.9	16.8
Commonwealth	..	..	..	..
Other revenue <sup>(c)</sup>	11.9	39.2	43.4	na
<b>Total</b>	<b>1 553.8</b>	<b>1 629.1</b>	<b>1 729.5</b>	<b>11.3</b>
<b>Operating Expenses</b>				
Employee Related Expenses <sup>(d)</sup>	983.3	1 007.8	1 042.8	6.1
Purchases of Supplies and Services <sup>(e)</sup>	421.4	451.7	511.4	21.4
Depreciation <sup>(f)</sup>	33.0	33.6	32.8	-0.4
Capital Asset Charge	53.5	53.5	54.4	1.7
Other Expenses	62.3	77.6	78.4	25.9
<b>Total</b>	<b>1 553.5</b>	<b>1 624.1</b>	<b>1 719.9</b>	<b>10.7</b>
<b>Operating Surplus/Deficit before Revenue for Increase in Net Assets</b>	<b>0.4</b>	<b>5.0</b>	<b>9.6</b>	<b>na</b>
<i>Add:</i>				
Revenue for Increase in Net Assets	51.0	35.2	26.6	-47.9
Section 29 receipts - Asset Sales	..	..	..	..
<b>Operating Surplus/Deficit</b>	<b>51.4</b>	<b>40.2</b>	<b>36.2</b>	<b>-29.5</b>
<i>Administered Items</i>				
<b>Operating Revenue</b>				
Revenue from State Government <sup>(b)</sup>	25.0	25.0	20.6	-17.8
Commonwealth	70.7	71.9	70.7	0.1
Other revenue <sup>(c)</sup>	166.5	167.2	159.1	-4.5
<b>Total</b>	<b>262.2</b>	<b>264.1</b>	<b>250.4</b>	<b>-4.5</b>
<b>Operating Expenses</b>				
Purchases of Supplies and Services <sup>(e)</sup>	1.3	1.3	..	na
Other Expenses	241.6	243.6	241.8	0.1
<b>Total</b>	<b>242.9</b>	<b>244.9</b>	<b>241.8</b>	<b>-0.5</b>
<b>Operating Surplus/Deficit</b>	<b>19.3</b>	<b>19.3</b>	<b>8.6</b>	<b>-55.5</b>

Source: Department of Treasury and Finance

Notes:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.
- (b) Includes estimated carryover of 1997-98 appropriation amounts. Actual carryover is subject to approval by the Treasurer prior to 30 June pursuant to Section 32 of the Financial Management Act, 1994.
- (c) Includes revenue for services delivered to parties outside government.
- (d) Includes salaries and allowances, superannuation contributions and payroll tax.
- (e) Includes payments to non-government organisations for delivery of services.
- (f) Includes amortisation of leased assets.

**Table 2.4.3: Statement of Financial Position**

	(\$ thousand)			
	Estimated as at 30 June			
	1999 Budget	1999 Revised	2000 Budget	Variation <sup>(a)</sup> %
<b>Assets</b>				
Current Assets				
Cash	33 151	33 151	33 151	..
Investments	92 431	93 981	93 445	-0.6
Receivables	8 592	8 702	8 702	..
Prepayments	4 478	4 482	4 482	..
Inventories	8 930	8 930	8 930	..
Other Assets	..	..	..	..
<b>Total Current Assets</b>	<b>147 582</b>	<b>149 246</b>	<b>148 710</b>	<b>-0.4</b>
Non-Current Assets				
Investments	..	..	..	..
Receivables <sup>(b)</sup>	99 863	97 702	102 447	4.9
Fixed Assets	654 142	636 912	663 171	4.1
Other Assets	..	..	..	..
<b>Total Non-Current Assets</b>	<b>754 005</b>	<b>734 614</b>	<b>765 618</b>	<b>4.2</b>
<b>Total Assets</b>	<b>901 587</b>	<b>883 860</b>	<b>914 328</b>	<b>3.4</b>
<b>Liabilities</b>				
Current Liabilities				
Payables	102 081	96 358	96 358	..
Borrowing	..	..	..	..
Employee Entitlements	83 500	82 605	53 572	-35.1
Superannuation	..	..	..	..
Other Liabilities	33 137	33 137	33 137	..
<b>Total Current Liabilities</b>	<b>218 718</b>	<b>212 100</b>	<b>183 067</b>	<b>-13.7</b>
Non-Current Liabilities				
Payables	19 501	19 501	19 501	..
Borrowing	..	..	..	..
Employee Entitlements	255 383	255 699	278 229	8.8
Superannuation	..	..	..	..
Other Liabilities	..	..	..	..
<b>Total Non-Current Liabilities</b>	<b>274 884</b>	<b>275 200</b>	<b>297 730</b>	<b>8.2</b>
<b>Total Liabilities</b>	<b>493 602</b>	<b>487 300</b>	<b>480 797</b>	<b>-1.3</b>
<b>Net Assets</b>	<b>407 985</b>	<b>396 560</b>	<b>433 531</b>	<b>9.3</b>

**Table 2.4.3: Statement of Financial Position - continued**

	(\$ thousand)			
	Estimated as at 30 June			
	1999	1999	2000	Variation <sup>(a)</sup>
	Budget	Revised	Budget	%
<i>Administered Items</i>				
<b>Assets</b>				
Current Assets				
Investments	440	440	440	..
Receivables	51 309	51 309	51 309	..
<b>Total Current Assets</b>	<b>51 749</b>	<b>51 749</b>	<b>51 749</b>	<b>..</b>
Non-Current Assets				
Receivables	23 856	23 856	38 856	62.9
Fixed Assets	265	265	265	..
<b>Total Non-Current Assets</b>	<b>24 121</b>	<b>24 121</b>	<b>39 121</b>	<b>62.2</b>
<b>Total Assets</b>	<b>75 870</b>	<b>75 870</b>	<b>90 870</b>	<b>19.8</b>
<b>Liabilities</b>				
Current Liabilities				
Payables	40 764	40 764	55 764	36.8
<b>Total Current Liabilities</b>	<b>40 764</b>	<b>40 764</b>	<b>55 764</b>	<b>36.8</b>
Non-Current Liabilities				
Payables	- 19 332	- 19 332	- 27 901	44.3
<b>Total Non-Current Liabilities</b>	<b>- 19 332</b>	<b>- 19 332</b>	<b>- 27 901</b>	<b>44.3</b>
<b>Total Liabilities</b>	<b>21 432</b>	<b>21 432</b>	<b>27 863</b>	<b>30.0</b>
<b>Net Assets</b>	<b>54 438</b>	<b>54 438</b>	<b>63 007</b>	<b>15.7</b>

Source: Department of Treasury and Finance

Notes:

(a) Variation between 1998-99 Revised and 1999-2000 Budget.

(b) Includes cash balances held in trust in the Public Account.

The Controlled Statement of Financial Position shows a variation of net assets from the period 30 June 1999 to 30 June 2000 of \$25.5 million. This results primarily from the capital injection from Government for the department's new 1999-2000 asset investments.

Both fixed assets and non-current receivables are estimated to increase during 1999-2000. Receivables represent cash held in trust by the Government as a provision for meeting employee entitlements when they crystallise and for future investments in capital.

Liabilities for employee entitlements are estimated to decrease during 1999-2000 by around \$6.5 million. This results from a \$29 million reduction to current employee entitlements (accrued salary and wages) for the 1999-2000

year and an addition of \$22.5 million to non current liabilities for the provision of Long Service Leave.

**Table 2.4.4: Cash Flow Statement**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Cash flows from operating activities</b>				
<i>Operating receipts</i>				
Receipts from State Government - provision of outputs <sup>(b)</sup>	1 480.8	1 528.9	1 615.0	9.1
Receipts from State Government - increase in net asset base	51.0	35.2	26.6	-47.9
Section 29 Receipts - Commonwealth	1.2	1.2	1.2	-0.4
- Other	59.9	59.8	69.9	16.8
- Asset Sales	..	..	..	..
Other Commonwealth grants	..	..	..	..
Other	11.9	39.0	43.3	263.1
	1 604.8	1 664.1	1 756.0	9.4
<i>Operating payments</i>				
Employee-related expenses	- 952.9	- 978.0	-1 049.3	10.1
Purchases of supplies and services	- 421.4	- 458.0	- 511.4	21.4
Interest & finance expenses	- 0.6	..	..	-100.0
Capital Assets charge	- 53.5	- 53.5	- 54.4	1.7
Current grants and transfer payments	- 61.9	- 76.8	- 77.7	25.6
Capital grants and transfer payments	- 0.3	- 0.7	- 0.7	159.1
<b>Net Cash flows from Operating Activities</b>	114.2	97.1	62.4	-45.4
<b>Cash flows from investing activities</b>				
Purchases of investments	..	- 1.6	0.5	..
Receipts from sale of land, fixed assets and investments (incl. S29 FMA)	..	..	..	..
Purchase of non-current assets	- 83.9	- 67.2	- 59.0	-29.7
<b>Net Cash flows from investing activities</b>	- 83.9	- 68.7	- 58.4	-30.4
<b>Cash flows from financing activities</b>				
Receipts from appropriations -increase in net asset base	..	..	..	..
Capital repatriation to Government	..	- 0.2	0.8	..
Net increases in balances held with Government	- 30.1	- 27.9	- 4.7	-84.2
Net borrowings and advances	..	..	..	..
<b>Net Cash flows from financing activities</b>	- 30.1	- 28.2	- 4.0	-86.8
Net Increase/Decrease in Cash Held	0.2	0.2	..	-100.0
<b>Cash at beginning of period</b>	33.2	33.2	33.2	..
<b>Cash at end of period</b>	33.2	33.2	33.2	..

**Table 2.4.4: Cash Flow Statement - continued**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<i>Administered Items</i>				
<b>Cash flows from operating activities</b>				
<i>Operating receipts</i>				
Receipts from State Government	25.0	25.0	20.6	-17.8
Other Commonwealth grants	70.7	71.9	70.7	0.1
Other	166.5	167.2	159.1	-4.5
	262.2	264.1	250.4	-4.5
<i>Operating payments</i>				
Employee-related expenses	..	..	..	..
Purchases of supplies and services	- 225.8	- 227.8	- 192.6	-14.7
Current grants and transfer payments	- 36.4	- 36.4	- 42.7	17.3
<b>Net Cash flows from Operating Activities</b>	- 0.1	- 0.1	15.0	na
<b>Net Cash flows from investing activities</b>	..	..	..	..
<b>Cash flows from financing activities</b>				
Net increases in balances held with Government	- 0.1	- 0.1	- 15.0	na
<b>Net Cash flows from financing activities</b>	- 0.1	- 0.1	- 15.0	na

Source: Department of Treasury and Finance

Notes:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

The Cash Flow Statement for controlled items reflects the cash impact of those changes to the estimated operating statement and statement of financial position previously discussed.

## Authority for Resources

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

**Table 2.4.5: Authority for Resources**

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
Annual Appropriations <sup>(b)</sup>	1 472.7	1 502.5	1 557.3	5.7
Receipts Credited to Appropriations	61.1	61.0	71.1	16.4
Unapplied previous years appropriation	9.1	8.2	13.1	43.7
Gross Annual Appropriations	1 542.9	1 571.7	1 641.6	6.4
Special Appropriations	75.0	78.4	91.7	22.2
Trust Funds	13.2	40.4	43.4	na
Non Public Account and other sources	30.7	30.7	30.7	..
<b>Total Authority</b>	<b>1 661.8</b>	<b>1 721.3</b>	<b>1 807.4</b>	<b>8.8</b>

Source: Department of Treasury and Finance

Notes:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

(b) For 1998-99 Revised, includes the impact of approved Treasurer's Advances.

# DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT

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## PART 1: OUTLOOK AND OUTPUTS

### Overview

The Department of Natural Resources and Environment (NRE) encompasses the portfolios of *Conservation and Land Management* and *Agriculture and Resources*. Through diverse service mechanisms the Department aims to:

- generate wealth through the sustainable development of Victoria's primary and natural resource based industries;
- protect and enhance the State's environment, natural resources and attractions;
- improve the quality of life for Victorians through increased employment opportunities and the provision of clean, healthy and safe food and environment; and
- support land management and land-related transactions by providing integrated, authoritative and coordinated land information and definition systems.

Major responsibilities related to the pursuit of these aims include:

- facilitating microeconomic reform, productivity improvements and market-focused production in primary industries (including agriculture, forestry, fishing, minerals, petroleum and water supply) to encourage industry development and generate wealth;
- encouraging sustainable management practices and responsible resource use for the long term benefit of all Victorians, by preventing the degradation of soil and water, regulating access to fisheries and protecting native flora and fauna;

- managing most of Victoria's public land including coastal land, parks and reserves and State forests, to provide opportunities for conservation, tourism, recreation, education and research; and
- providing certainty of title and accurate geographic, survey and valuation information to support land tenure and transactions and natural resource management.

The output group and financial information for the Department of Natural Resources and Environment includes consolidated information for the Environment Protection Authority.

### **Review of 1998-99**

Major achievements during 1998-99 have included:

- commencement of the major stages of the *Titles Automation Project* that will deliver electronic access to Land Titles, significantly reducing processing times and reducing costs to consumers and businesses;
- roll-out of a Standard Operating Environment for NRE's statewide computer network, ensuring that the latest technologies and on-line information are available in NRE's rural and city locations;
- development and implementation of initiatives relating to the government's *On-line 2001 Strategy* to ensure that NRE's services and information are available on-line across Victoria including pioneering work in electronic commerce facilities;
- the restructuring of management of Alpine Resorts with the establishment of the *Alpine Resorts Coordination Council* and six management Boards;
- substantial progress towards addressing potential business failures arising from Year 2000 computer and imbedded chip problems, including testing of critical systems and the development of business continuity planning;
- in conjunction with Catchment Management Authorities, commencement of an extensive program to improve the environmental health and water quality of Victoria's rivers and catchments; and
- commencement of several initiatives as part of the Government's response to the Kyoto protocol on Greenhouse gas emissions.



Other factors that have affected the department's performance during 1998-99 include:

- the occurrence, in June 1998 of widespread flooding in East Gippsland and severe, but more local flooding, in North-Eastern Victoria which caused major damage to departmental roads, bridges and other infrastructure as well as involving the department in extensive assistance programs to local communities and primary producers; and
- involvement in the government response to the gas supply interruption following the explosion and fire at the Longford processing facility.

### **1999-2000 Outlook**

In 1999-2000 NRE has been provided with funds to continue the implementation of programs commenced in 1998-99 including the Government's Greenhouse response and the *River Health and Water Quality Initiative*.

The redevelopment of the Department's service delivery mechanisms will continue with the establishment of *Forestry Victoria* as an internal agency providing commercial services to the Department.

In addition the Department has been allocated capital and current funds for new initiatives including:

- a major investment in agricultural research and technology and market development to assist in meeting the Government's target of \$12 billion in agriculture and food exports by 2010;
- funding for further stages of the Bringing the Bay to life initiative, including a major upgrade of facilities on the Rosebud foreshore, dredging at Queenscliff and Williamstown and the upgrading of other boating and recreational facilities around the Bay;
- measures to ensure the sustainable utilisation of Victoria's fisheries, including the buy-back of a proportion of commercial fishing licenses;
- a major program of improvement works for Crown Land around the State to reduce public risk, improve recreational and tourist amenities and enhance environmental outcomes;
- substantially increased resources for Energy Efficiency Victoria's programs to reduce costs for consumers and business and provide a further contribution the Government's Greenhouse Gas strategy;

- funding for improvements in visitor infrastructure within Victoria's Parks system to improve safety, access and visitor experiences;
- a feasibility study for major works on the Goulburn-Broken floodplain to improve flood prevention and enhance of the environmental qualities of rivers and catchments in the area; and
- implementation of priority Coastal Board Action Plans to improve infrastructure standards, public amenity and environmental qualities.

### **Environment Protection Authority (EPA)**

The EPA is responsible for protecting the beneficial uses of the air, water and land from the adverse impacts of wastes and unwanted noise. To do this EPA uses a range of mandatory and discretionary tools.

The EPA's role has evolved over the past 28 years from traditional 'command and control' methods to become more strongly client focused - and is now best described as based on *facilitative regulation* focusing on areas where uses of the environment may potentially conflict, and striving for seamlessness with respect to other processes, both statutory and non-statutory.

Environment protection has become a mainstream activity for most western countries with the emphasis strongly on achieving sustainability through the integration of social, environmental and economic goals.

The *Environment Protection Act 1970* provides a strategic policy framework consistent with the principles and considerations adopted by the Council of Australian Governments in 1992 through the Inter-Governmental Agreement on the Environment (IGAE). Such principles include the polluter pays principle, the precautionary principle, considerations of environmental pricing, intergenerational equity, and providing solutions consistent with the magnitude of the problem.

EPA neither owns nor manages any sectors of the environment but must achieve its goals through influencing those who do. As more people recognise their corporate or individual roles in maintaining environmental quality, the emphasis has moved strongly to identifying strategic alliances and forming or facilitating partnerships. Environment Improvement Plans (EIP), the Cleaner production Partnerships program and support for the Victorian Catchment Management Council (VCMC) and its 10 Catchment management Authorities (CMA's), the Coastal Boards and regional waste management groups are key examples of the mainstreaming of this approach.

Linkages with the financial sector have strengthened EPA's understanding of the needs of investors and of the importance of systems, such as for

contaminated land, being in place to deliver mutually beneficial outcomes. Implementation of EPA's Industrial Waste Strategy, *Zeroing in on Waste*, within a ten year horizon will, however, require a much stronger focus on identifying and promoting economic drivers.

Air quality remains a major concern for urban communities and EPA's research, monitoring and modelling have given EPA a pre-eminent position in certain areas. Significant improvements in Melbourne's air quality have justified EPA's past strategies. The introduction of national standards with a ten-year goal presents a qualitatively different challenge since most of the readily achievable technology gains have been made. Future strategies will need to focus much more on attitudinal and behavioural changes to complement the advances in technology.

In working to influence both national and international policy development EPA is playing a significant role in National Environment Protection Council (NEPC) and Australian and New Zealand Environment and Conservation Council (ANZECC) processes and is involved in a number of national reviews including the review of Commonwealth-State roles and responsibilities.

## Output Information

The following section provides details of the outputs to be provided to Government, including their performance measures and the costs for each output group. The table below summarises the total costs for each output group.

**Table 2.5.1: Output group summary**

	<i>(Millions)</i>			
	<i>1998-99 Budget</i>	<i>1998-99 Revised</i>	<i>1999-2000 Budget</i>	<i>Variation<sup>(a)</sup> %</i>
Minerals and Petroleum	12.3	13.4	17.8	44.3
Forests Management	89.6	103.0	115.1	28.5
Fire Management	40.0	49.7	50.2	25.4
Fisheries	17.4	18.6	30.7	76.6
Agriculture Industries	135.2	125.2	143.2	5.9
Agriculture Quality Assurance	21.3	36.3	25.9	21.8
Catchment Management and Sustainable Agriculture	122.5	102.9	133.6	9.0
Pest Plant and Animal Management	15.4	18.8	17.6	14.1
Water	7.0	3.3	3.3	-52.8
Land Management and Information	75.7	87.3	108.3	43.0
Conservation and Recreation	87.3	145.7	174.1	99.6
Environment Protection	37.9	37.1	41.2	8.5
<b>Total</b>	<b>661.6</b>	<b>741.4</b>	<b>860.9</b>	<b>30.1</b>

*Source: Department of Treasury and Finance*

*Note:*

(a) *Variation between 1998-99 Budget and 1999-2000 Budget.*

## Minerals and Petroleum

### Key Government Outcomes

Increased investment in natural resource based industries, generating wealth through sustainable development of industry and natural resources.

### Description of the Output Group

The stimulation of wealth generation through the sustainable development of Victoria's earth resources by facilitating increased investment in exploration for minerals and petroleum. This will lead to:

- the establishment of new producing operations;
- competitive sources of gas supply; and
- extractive industry products;

while ensuring that community expectations for health, safety and environmental management of those operations are met.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Minerals and Petroleum Industry Regulation Services</b> - To provide a consistent and transparent licensing regime together with health, safety and environmental standards, monitoring and enforcement that ensure industry operations meet community expectations.				
<i>Quantity</i>				
Audits of high risk or critical sites completed	number	350	350	350
<i>Quality</i>				
Exploration and mining licenses which are not active	per cent	20 <sup>(a)</sup>	20	20
<i>Timeliness</i>				
Mining industry workplans not processed in one month	per cent	20 <sup>(b)</sup>	20	20
Mining license applications received in the twelve month period not determined after four months	per cent	20	20	20
Exploration license applications received in the twelve month period not determined after three months	per cent	20	20	20
<b>Minerals and Petroleum Industry Development and Information</b> - To promote the development of mining, petroleum and extractive industries in Victoria by facilitating significant projects and maintaining, updating and developing relevant information.				
<i>Quantity:</i>				
Targeted industry information packages released	number	25	25	20 <sup>(c)</sup>
Budget Estimates 1999-2000	Natural Resources and Environment	185		

## Minerals and Petroleum - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality</i>				
Strategic areas of the State covered by airborne geophysics	per cent	75	75	82
Strategic areas of the State covered by new geological mapping	per cent	40	40	42
Strategic areas of the State covered by full GIS databases	per cent	55	55	60
<i>Timeliness</i>				
Input to Environment Effects Statements completed according to EES panel timelines	per cent	90 <sup>(d)</sup>	90	100
Victorian Initiatives for Minerals and Petroleum (VIMP) data releases meeting timetable	per cent	90	90	90

Source: Department of Natural Resources and Environment

Notes:

- (a) Non-active licenses refers to those licenses which should be cancelled for reasons of extended failure to do work or other misdemeanour, and measures MPV activity in ensuring that responsible operators predominate in this industry.
- (b) Measures rate at which MPV processes detailed workplans that are proposed by mining industry proponents following the grant of license - involves consultation across DNRE.
- (c) Reflects the new emphasis on the petroleum sector, which generates less but more substantial packages.
- (d) Measures timeliness of inputs to planning processes.

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>12.3</b>	<b>13.4</b>	<b>17.8</b>	<b>44.3</b>
<i>Comprising:</i>				
Employee-related Expenses	7.4	8.0	7.6	1.9
Purchases of Supplies and Services	3.7	3.8	5.7	56.4
Depreciation	0.8	1.2	1.2	56.8
Capital Asset Charge	0.5	0.3	0.4	-18.2
Other	..	..	2.9	na

Source: Department of Treasury and Finance

Note:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Forest Management

### Key Government Outcomes

Generating wealth through the sustainable development of industry and natural resources.

### Description of the Output Group

To ensure ecologically sustainable management of State forests for a range of productive, conservation and recreation uses. Productive uses of State forest to be on a fully commercial basis within a framework which provides reliable and long-term supply of products as a basis for investment and growth within the forest industries.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Forest Plans and Prescriptions</b> - To prepare plans, agreements, codes, prescriptions and guidelines which continue to improve the framework for ecologically-sustainable management of the State's Public Land native forests.				
<i>Quantity</i>				
Forest Management Plans completed	number	2	2	2
Forest Management Area (FMA) audits of compliance with the Code of Forest Practices	number	4	4	4
Regional Forest Agreements (RFA) completed	number	1	1	2
<i>Quality</i>				
Compliance with key audit indicators in each FMA	per cent	90	90	90
<i>Timeliness</i>				
Regional Forest Agreements completed by	date	nm	nm	Dec 1999 <sup>(a)</sup>
Strategies to address audit outcomes in each FMA completed by	date	Jun 1999	Jun 1999	Jun 2000
Audit of Compliance with the Code of Practices for Timber Production completed by	date	nm	nm	Dec 1999
<b>Forest Production</b> - Supply of wood and other products from State Forests on a sustainable basis.				
<i>Quantity</i>				
Production volume				
• Sawlogs	m <sup>3</sup>	950 000	950 000	920 000 <sup>(b)</sup>
• Residual logs	m <sup>3</sup>	800 000	619 000	600 000 <sup>(b)</sup>
• Pulpwood	m <sup>3</sup>	500 000	447 600	480 000 <sup>(b)</sup>
Area of regrowth forest thinned	ha	5 200	5 200	5 200
Budget Estimates 1999-2000	Natural Resources and Environment			187

## Forest Management - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality</i>				
Area regenerated successfully at first attempt	per cent	90	90	90
<i>Timeliness</i>				
Wood Utilisation Plans provided to customers	date	1 Mar 1999	31 Mar 1999	31 Mar 2000
<b>Recreational, Cultural and Community Forest Services</b> - Management of State Forests to maintain and improve forest values and provide a range of services to the community.				
<i>Quantity</i>				
Area treated for pests, weeds and disease	ha	404 612	404 612	na <sup>(c)</sup>
Recreation facilities maintained	number	120	120	120
Regional community awareness strategies completed	number	2	4	3
<i>Quality</i>				
Proportion of recreation facilities assessed as in appropriate condition	per cent	nm	nm	tbd <sup>(d)</sup>
<i>Timeliness</i>				
Annual programmed maintenance of recreation facilities to be completed	date	Sept 1998	Sept 1998	Dec 1999
Regional community awareness strategies completed	date	Jun 1999	Jun 1999	Jun 2000
<b>Forest Resource Assessment and Analysis</b> - Collection and analysis of forest resource information as a basis for the sustainable management of forest resources and values.				
<i>Quantity</i>				
FMA's with completed sustainable yield reviews or resource availability estimates <sup>(e)</sup>	number	nm	nm	5
FMA's where a Statewide Forest Resource Inventory (SFRI) is to be completed	number	2	4	2
Spatial analyses and models completed to support forest management and policy support	number	na	2	2



## Forest Management - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality</i>				
Sustainable yield reviews and timber resource availability estimates based on SFRI data <sup>(e)</sup>	number	nm	nm	2
<i>Timeliness</i>				
Analyses completed	date	Mar 1999	Jun 1999	Jun 2000
FMA inventories completed	date	Jun 1999	Jun 1999	Jun 2000

Source: Department of Natural Resources and Environment

Notes:

- (a) All RFA's will be completed by 31 December 1999, in line with Commonwealth requirements.
- (b) Targets amended to reflect changed demand patterns.
- (c) The area to be treated is subject to consultation with Landcare Groups and the Victorian Farmers Federation. A target has not yet been determined as the Good Neighbour and rabbit buster programs have not yet been determined for 1999-2000.
- (d) The benchmark figure of recreation site condition will be developed during the 1998-99 financial year.
- (e) Measure amended to reflect changing demands from Regional Forest Agreement (Commonwealth) and Environment and Conservation Council (ECC) processes forcing a change in work priority.

## Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>89.6</b>	<b>103.0</b>	<b>115.1</b>	<b>28.5</b>
<i>Comprising:</i>				
Employee-related Expenses	17.4	24.6	24.0	37.8
Purchases of Supplies and Services	46.8	52.1	54.7	16.9
Depreciation	3.2	2.7	2.9	-8.1
Capital Asset Charge	22.2	23.5	33.5	50.9
Other	..	..	..	..

Source: Department of Treasury and Finance

Note:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Fire Management

### Key Government Outcomes

Protecting the State's natural resources for the long-term benefit of all Victorians.

### Description of the Output Group

To protect life, property and resource and conservation values from fire.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Fire Planning and Prevention</b> - 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).				
<i>Quantity</i>				
Readiness and Response Plans completed	number	6 <sup>(a)</sup>	6 <sup>(a)</sup>	5
Audits of compliance with the Code of Practice for Fire Management on Public Land	number	5	5	5
<i>Quality</i>				
Compliance with key audit recommendations in each region	per cent	75	75	75 <sup>(b)</sup>
Fire Districts where a strategy to reduce human caused fires has been implemented	number	3	1	3
<i>Timeliness</i>				
Readiness and Response Plans completed	date	Nov 1998	Dec 1998	Nov 1999
Assessments of Standards of Cover completed	date	Nov 1998	Nov 1998	Nov 1999
<b>Fire Operations</b> - Seasonally variable preparedness 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 <sup>(c)</sup>	ha	120 000	120 000	120 000
<i>Quality</i>				
Fires controlled at less than 5 ha	per cent	75	75	75

## Fire Management - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Timeliness</i>				
Fires controlled at First Attack	per cent	75	75	75

Source: Department of Natural Resources and Environment

Notes:

- (a) Revised target due to amalgamation of regions.  
 (b) The first Audits of compliance will be undertaken in 1998-99 and a compliance target is therefore not available. The 1999-2000 target is therefore provisional, and may be reviewed depending upon the results achieved in 1998-99.  
 (c) The achievement of this target is dependent upon seasonal conditions.

## Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>40.0</b>	<b>49.7</b>	<b>50.2</b>	<b>25.4</b>
<i>Comprising:</i>				
Employee-related Expenses	10.4	24.1	18.3	76.8
Purchases of Supplies and Services	28.0	22.1	27.9	-0.2
Depreciation	1.0	2.1	2.1	na
Capital Asset Charge	0.7	1.4	1.8	na
Other	..	..	..	..

Source: Department of Treasury and Finance

Note:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Fisheries

### Key Government Outcomes

Sustainable development of Victoria's regional, commercial, recreational and aquaculture fishing industries and management of Victoria's marine and freshwater fish resources.

### Description of the Output Group

The sustainable management of fisheries and aquatic ecosystems with stakeholder support and participation for the optimal benefit of the community.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Sustainable Fisheries Utilisation Services</b> - Management of fisheries resources in partnership with stakeholders as the framework for sustainable utilisation of commercial and recreational fisheries.				
<i>Quantity</i>				
Key fishery management plans completed	number	3	2	5
Assessment reports of the status of Victoria's key fisheries and fish habitats completed	number	12 (minor)	12 (minor)	6 (major)
<i>Quality:</i>				
Implementation of sustainability indicators in Victoria's fisheries	per cent	nm	nm	>90
Proportion of major fisheries fully utilised on a sustainable basis <sup>(a)</sup>	per cent	>90	>65	>75
Customer satisfaction with recreational fishing opportunities	per cent	nm	nm	>65
Stakeholder satisfaction with effective participation of the commercial fishing sector in management planning	per cent	nm	nm	>65
<i>Timeliness</i>				
Assessment reports, plans and indicators completed	date	May 1999	May 1999	May 2000
Surveys of Stakeholders completed	date	May 1999	May 1999	May 2000

## Fisheries - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Industry and Community Compliance Services</b> - 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>				
Increase in the proportion of compliance with legislation and regulations measured	per cent	nm	nm	10
Inspections conducted in the commercial sector	number	2 000	2 000	2 000
Recreational sector contacts made		nm	nm	30 000
Aquaculture operations checked		nm	nm	200
Decrease in the number of unlicensed/illegal commercial operations detected compared to the compliance effort involved	per cent	nm	nm	10
Investigations targeted to major illegal fishing cartels	number	nm	nm	3
Understanding and acceptance in community of fisheries regulations	per cent	nm	nm	>60
<i>Quality</i>				
Level of confidence in the community that there is a high level of compliance in fisheries regulations	per cent	nm	nm	>65
Community volunteers participating in fisheries education through the Fishcare program	number	nm	nm	250
<i>Timeliness</i>				
Survey of stakeholders completed by	date	May 1999	May 1999	May 2000
Strategies developed by	date	Jun 1999	Jun 1999	Jun 2000
<b>Aquaculture and Fishing Industry Development</b> – Provision of information and advisory services to facilitate the development of profitable, diverse, ecologically sustainable and well-managed industries.				
<i>Quantity</i>				
Increase in the value of aquaculture production	per cent	4	4	15

## Fisheries - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quantity (continued)</i>				
Level of new investment from the private sector in aquaculture development	\$	nm	nm	5 000 000
Opportunities identified for new fisheries and value adding of existing wild fisheries harvest	number	nm	nm	5
<i>Quality</i>				
Increase industry investment through implementation of the Victorian Coastal Aquaculture Park	date	nm	nm	June 2000
Time period for aquaculture licence approval:				
• Crown licences	days	nm	nm	120
• private licences	days	nm	nm	14
Number of business development and assistance contacts with fishing industry sectors	number	1 000	1 000	1 000
<i>Timeliness</i>				
Annual evaluations completed within timeline targets:				
• Aquaculture and fisheries production	date	Jun 1999	Jun 1999	Jun 2000
• level of investment	date	May 1999	May 1999	May 2000
• Aquaculture licence approval	date	Jun 1999	Jun 1999	Jun 2000
• industry assistance contacts	date	May 1999	Jun 1999	Jun 2000

*Source: Department of Natural Resources and Environment*

*Note:*

(a) *Measure has been revised to allow sustainable utilisation to be measured against a set of 'sustainability indicators'.*

## Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>17.4</b>	<b>18.6</b>	<b>30.7</b>	<b>76.6</b>
<i>Comprising:</i>				
Employee-related Expenses	6.5	11.1	9.0	38.3
Purchases of Supplies and Services	9.8	6.8	20.0	na
Depreciation	0.5	0.2	0.2	-56.2
Capital Asset Charge	0.4	0.3	0.9	na
Other	0.2	0.2	0.5	na

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Agriculture Industries

### Key Government Outcomes

To contribute to the target of \$12 billion of agriculture and food exports by 2010 and viable regional economies and communities through sustainable internationally competitive food and agricultural industries.

### Description of the Output Group

In consultation with industry, identify essential services in research, development, technology adoption, market and policy development to improve efficiency and effectiveness of food and agriculture business chains in meeting the needs of their customers.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Meat Industry Development Services</b> - Facilitation of industry consultation, research, development and technology adoption services to support a sustainable and internationally competitive Meat Industry that significantly contributes to agriculture and food exports and viable regional communities.				
<i>Quantity</i>				
Growth in value of meat products exported	per cent	3	2	3
Increase in the proportion of processors adopting improved food safety technology	per cent	5	5	5
<i>Quality</i>				
Proportion and amount of contestable dollars won from Commonwealth/industry sources <sup>(a)</sup> :				
• Meat Research Development Corporation	\$million	1.6	1.2	1.2
	per cent	5.5	4.2	4.2
• Pig Research Development Corporation	\$million	1.4	1.2	1.0
	per cent	16.0	15.0	12.0
<i>Timeliness</i>				
Complete Annual Assessment	date	Jun 1999	Jun 1999	Jun 2000

**Dairy Industry Development Services** - Facilitation of industry consultation, research, development and technology adoption services to support a sustainable and internationally competitive Dairy Industry that significantly contributes to agriculture and food exports and viable regional communities.

<i>Quantity</i>				
Increase in farmers participating in feed and business management programs	per cent	3	3	6



## Agriculture Industries - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quantity (continued)</i>				
Growth in value of milk-based product exported	per cent	3	3	3
Proportion of processors adopting technology to maximise value of dairy products	per cent	3	3	10
<i>Quality</i>				
Proportion and amount of contestable dollars won from Commonwealth/ industry sources	\$million per cent	2.8 12	2.9 12	3.0 13
<i>Timeliness</i>				
Complete Annual Assessment	date	Jun 1999	Jun 1999	Jun 2000
<b>Grains Industry Development Services</b> - Facilitation of industry consultation, research, development and technology adoption services to support a sustainable and internationally competitive Grains Industry that significantly contributes to agriculture and food exports and viable regional communities.				
<i>Quantity</i>				
Increase of growers participating in crop management improvement programs (best practice systems)	per cent	3	3	3
Growth in value of grain and grain product exports	per cent	3	3	3
Increase of growers adopting new varieties of grains developed to meet market demands	per cent	3	3	3
<i>Quality</i>				
Proportion and amount of contestable dollars won from Commonwealth/ industry sources <sup>(a)</sup>	\$million per cent	5.5 12	4.8 10	4.8 10
<i>Timeliness</i>				
Complete Annual Assessment	date	Jun 1999	Jun 1999	Jun 2000
<b>Horticultural Industry Development Services</b> - Facilitation of industry consultation, research, development and technology adoption services to support a sustainable and internationally competitive Horticultural Industry that significantly contributes to agriculture and food exports and viable regional communities.				
<i>Quantity</i>				
Growth in value of horticultural exports	per cent	5	5	5
Increase in exports of value-added horticultural products	per cent	5	5	6
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## Agriculture Industries - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality</i>				
Proportion and amount of contestable dollars won from Commonwealth/industry sources <sup>(a)</sup>	\$million per cent	4.3 21	4.3 21	4.6 22
<i>Timeliness</i>				
Complete Annual Assessment	date	Jun 1999	Jun 1999	Jun 2000
<b>Specialised Rural Industry Development Services</b> - Facilitation of industry consultation, research, development and technology adoption services to support a sustainable and internationally competitive Specialised Rural Industry that significantly contributes to agriculture and food exports and viable regional communities.				
<i>Quantity</i>				
Increase in the value of specialist products	per cent	4	4	4
Increase in target farmer groups diversifying their enterprises	per cent	4	4	4
<i>Quality</i>				
Amount of contestable dollars won from Commonwealth/industry sources <sup>(a)</sup>	\$million	1.1	1.1	0.7
<i>Timeliness</i>				
Complete Annual Assessment	date	Jun 1999	Jun 1999	Jun 2000
<b>Wool Industry Development Services</b> - Facilitation of industry consultation, research, development and technology adoption services to support a sustainable and internationally competitive Wool Industry. This will significantly contribute to agriculture and food exports and viable regional communities.				
<i>Quantity</i>				
Increase in the proportion of growers participating in wool quality programs and implementing improved selection methods	per cent	5	10	10
<i>Quality</i>				
Amount of contestable dollars won from Commonwealth/industry sources <sup>(a)</sup>	\$million	0.8	0.4	0.4
<i>Timeliness</i>				
Complete Annual Assessment	date	Jun 1999	Jun 1999	Jun 2000

## Agriculture Industries - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Industry Development Services</b> - Policy development, market development, resource management information and cross-industry services to improve the international competitiveness of food and agricultural industries and the whole agribusiness chain through the removal of legislative barriers to industry development, new export market development or industry reform.				
<i>Quantity</i>				
Reviews of industry competitiveness to assist industry development	number	1	1	1
New agribusiness exports facilitated	\$million	nm	nm	50
<i>Quality</i>				
Proportion of stakeholders satisfied with program for industry development	per cent	>70	>70	>80
Level of satisfaction of Food Industry Advisory Committee of Food Victoria with DNRE support services	per cent	>90	>90	>90
<i>Timeliness</i>				
Complete Annual Assessment	date	Jun 1999	Jun 1999	Jun 2000

Source: Department of Natural Resources and Environment

Note:

- (a) Revised targets for Rural Industry Research Corporation (RIRC) investment in Victoria are based upon experience which has provided a better understanding of actual funds available nationally and the preliminary investment proposals submitted for consideration. The RIRC target for the Grains Industry Development Services output has been revised to exclude \$1.2m of funds for a National program (TopCrop) administered by Victoria.

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>135.2</b>	<b>125.2</b>	<b>143.2</b>	<b>5.9</b>
<i>Comprising:</i>				
Employee-related Expenses	28.3	56.6	59.2	109.3
Purchases of Supplies and Services	90.6	52.6	65.2	-28.0
Depreciation	7.6	6.3	6.1	-20.6
Capital Asset Charge	8.7	9.5	12.5	43.4
Other	..	0.2	0.2	na

Source: Department of Treasury and Finance

Note:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.

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## Agriculture Quality Assurance

### Key Government Outcomes

Maintain and improve access of Victorian agriculture and food products to domestic and export markets.

### Description of the Output Group

Services aimed at protecting Victoria's reputation as a producer of high quality, clean food and agricultural products through quality assurance initiatives which prevent the introduction and spread of pests and diseases, minimise the risk of chemical residues and protect the welfare of animals.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Livestock Disease Control</b> - Maintain and expand domestic and overseas markets by minimising the impact of livestock diseases through strategic Quality Assurance initiatives.				
<i>Quantity</i>				
Strategic Quality Assurance initiatives developed to assist industry to maintain and expand markets	number	nm	nm	1
<i>Quality</i>				
Proportion of successful performance audits by international and national certification authorities	per cent	100	100	100
<i>Timeliness</i>				
Annual review of audit results completed	date	Jun 1999	Jun 1999	Jun 2000
<b>Plant Pests and Disease Control</b> – Maintain and expand domestic and overseas markets by minimising the impact of plant, pests and diseases through strategic Quality Assurance initiatives.				
<i>Quantity</i>				
Strategic Quality Assurance Initiatives developed to assist industry to maintain and expand markets	number	2	2	1
<i>Quality</i>				
Proportion of successful performance audits by international and national certification authorities	per cent	100	100	100

## Agriculture Quality Assurance - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Timeliness</i>				
Annual review of audit results completed	date	Jun 1999	Jun 1999	Jun 2000
<b>Chemical Use Standards</b> - To develop Strategic Quality Assurance initiatives which ensure the protection of access for Victoria's animal and plant resources to international and domestic markets.				
<i>Quantity</i>				
Strategic Quality Assurance Initiatives developed assist industry to maintain and expand markets	number	2	2	1
<i>Quality</i>				
Compliance with chemical industry standards	per cent	>95	>95	>95
<i>Timeliness</i>				
Annual review of audit results completed	date	Jun 1999	Jun 1999	Jun 2000
<b>Animal Welfare Standards</b> - Ensure the welfare of farm, experimental and companion animals through the development and maintenance of codes of practice, community education programs and the control of animal experimentation.				
<i>Quantity</i>				
Strategic Quality Assurance Initiatives developed to assist industry to maintain and expand markets	number	1	1	1
<i>Quality</i>				
Compliance with animal welfare standards	per cent	>95	>95	>95
<i>Timeliness</i>				
Annual review of audit results completed	date	Jun 1999	Jun 1999	Jun 2000

*Source: Department of Natural Resources and Environment*

## Output group costs

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
<b>Total cost of output group</b>	<b>21.3</b>	<b>36.3</b>	<b>25.9</b>	<b>21.8</b>
<i>Comprising:</i>				
Employee-related Expenses	7.0	9.4	8.6	23.9
Purchases of Supplies and Services	13.9	19.3	15.3	10.4
Depreciation	0.3	0.2	0.2	-42.2
Capital Asset Charge	0.1	0.1	0.2	11.0
Other	0.0	7.4	1.7	na

Source: Department of Natural Resources and Environment

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Catchment Management and Sustainable Agriculture

### Key Government Outcomes

- Generating wealth through the sustainable development of industry and natural resources; and
- Protecting the State's natural resources for the long term benefit of all Victorians.

### Description of the Output Group

Using a strong partnership approach, achieve healthy rivers and catchments which protect and enhance the environment while supporting sustainable and more productive resource industries and regional communities.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Catchment and River Management</b> - Development and implementation of statewide integrated river, floodplain, nutrient, surface and groundwater policies and priorities.				
<i>Quantity</i>				
CMA Regional Management Plans developed to implement Regional Catchment Strategies	number	10	10	10
Increase in area protected/rehabilitated through off-farm salinity works	ha	17 000	17 000	14 500 <sup>(a)</sup>
Projects in agreed plans completed	number	nm	nm	140
Diversion sites with environmental flows established as part of bulk entitlement process	number	29	29	28
	per cent of State	70	70	75
Index of River Condition to assess/report on Victorian waterways - per cent completed	per cent	70	70	85
Volume of water transferred (traded) to service new irrigation development	ml	nm	nm	20 000
Waterwatch sites monitored by community groups	number	nm	nm	1 800
Surface water stations monitored for flow, quality and in accordance with the <i>Water Act</i>	number	484	484	261 <sup>(b)</sup>
Surface water stations monitored for quality in accordance with the <i>Water Act</i>	number	nm	nm	98 <sup>(b)</sup>

## Catchment Management and Sustainable Agriculture - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quantity (continued)</i>				
Groundwater bores monitored for groundwater resources and salinity threat in accordance with the <i>Water Act</i>	number	3 700	3 700	3 270
Surface Water Stations monitored for salinity	number	22	22	22
<i>Quality</i>				
Implementation of high priority actions identified in Regional Catchment Strategies for each Catchment Management Authority	per cent	10	10	15
Cumulative percentage of floodplain management responsibilities being independently undertaken by Catchment Management Authorities	per cent	60	60	70
Local government planning schemes to incorporate flood provisions	per cent	30	30	30
<i>Timeliness</i>				
27 municipal councils supplied with flood maps for incorporation into planning schemes	date	nm	nm	Jun 2000
2 regional floodplain management strategies prepared by Catchment Management Authorities for incorporation into regional catchment strategies	date	nm	nm	Jun 2000
5 whole of catchment river restoration programs commenced by Catchment Management Authorities	date	nm	nm	Jun 2000
Remaining Catchment Management Authorities Regional Management Plans approved in accordance with Regional Catchment Strategies	date	nm	nm	Jun 2000



## Catchment Management and Sustainable Agriculture - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Water Allocation and Water Markets</b> - Establish market and sustainable groundwater allocations and trading through the provision of statewide policy advice and strategic water resource planning.				
<i>Quantity</i>				
State's diversion sites where water sharing arrangements have been negotiated with stakeholders	number	29	29	29
Cumulative percentage of State's diversion sites where water sharing arrangements have been negotiated with stakeholders	per cent	70	70	75
Bulk water entitlement (BWE) orders granted by the Minister	number	40	40	25 <sup>(c)</sup>
Groundwater Supply Protection Areas created for stressed groundwater systems	number	6	6	5
<i>Quality</i>				
Volume of State's water resources for which water sharing arrangements have been negotiated with stakeholders	megalitres per cent of total volume	4.33 79	4.33 79	4.33 80
Volume of State's water resources covered by tradeable BWE orders granted by the Minister	megalitres per cent of total volume	4.15 76	4.15 76	4.3 79
Cumulative percentage of competitive water allocation systems established for Melbourne	per cent	50	50	85
Compliance with established BWEs	per cent	100	100	100
Cumulative percentage of introduced interstate trade	per cent	40	40	50
State's water supply systems covered by Drought Response Plans	per cent	100	100	100

## Catchment Management and Sustainable Agriculture - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Timeliness</i>				
Water entitlements and allocations determined within timeframes determined by Government's water reform program and national competition policy	per cent	100	100	100
<b>Sustainable Agriculture and Land Management</b> - To provide services to improve sustainable agriculture and land management practices to land managers and Landcare groups.				
<i>Quantity</i>				
Areas specified in Management Plans where recommended improved irrigation management practices established	ha	7 800	7800	11 000
Areas specified in Management Plans where recommended dryland agriculture land management practices established	ha	46 000	46 000	32 000
Cumulative percentage of farmers participating in Landcare area farmer groups	per cent	50	49	55
Farm business planning courses run (Farm\$mart)	number	1 500	480	480 <sup>(d)</sup>
Area of native vegetation protected or rehabilitated	ha	nm	nm	1 600
Farmer participation in Landcare groups	per cent	40	40	55
<i>Quality</i>				
Dryland areas where land suitability and hazards assessed	per cent	nm	nm	20
Farm\$mart course attendances as a percentage of total Victorian farm business operations	per cent	54	18	30 <sup>(d)</sup>
Landcare network activities undertaken in line with Regional Catchment Strategy priorities	per cent	100	100	100

## Catchment Management and Sustainable Agriculture - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Regional Development Services</b> - Establishment of Rural Area Development Plans in partnership with rural communities to promote sustainable regional development.				
<i>Quantity</i>				
Rural Area Development Plans for catchments	number	5	5	4
Increase in area of private forestry established through works, research and extension activities in accordance with the State Private Forestry Strategy	ha	8 000	8 000	18 000
<i>Quality</i>				
Implementation Rate for Regional Development Plans	per cent	100	75	80 <sup>(e)</sup>
<i>Timeliness</i>				
Area Development Plans completed within timelines agreed by Minister	per cent	100	100	100

*Source: Department of Natural Resources and Environment*

*Notes:*

- (a) *Completion of major works in Nangiloc-Colignan during 1998-99 will result in decreased hectarage in 1999-2000.*
- (b) *The number of surface water stations and groundwater bores maintained is being rationalised.*
- (c) *Priority is being given to larger water supply systems which will extend timelines for completion.*
- (d) *Targets have been reviewed after a national review of stage 1 of the program.*
- (e) *Implementation rate will vary as new plans are developed.*

## Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>122.5</b>	<b>102.9</b>	<b>133.6</b>	<b>9.0</b>
<i>Comprising:</i>				
Employee-related Expenses	11.7	26.6	24.4	na
Purchases of Supplies and Services	103.4	47.7	71.4	-31.0
Depreciation	1.9	0.9	1.1	-39.4
Capital Asset Charge	1.0	1.1	1.6	59.1
Other	4.5	26.5	35.0	na

*Source: Department of Treasury and Finance*

*Note:*

*(a) Variation between 1998-99 Budget and 1999-2000 Budget.*

## Pest Plant and Animal Management

### Key Government Outcomes

Protection of the State's natural resources for the long-term benefit of all Victorians.

#### Description of the Output Group:

- Manage terrestrial and freshwater pest plants and animals (excluding pest native wildlife and marine pests) that are declared under the *Catchment and Land Protection Act 1994* on public and private land to reduce their economic and ecological impact; and
- Promote best practice in pest management through statewide programs that implement extension activities and ensure compliance with the requirements of the *Catchment and Land Protection Act 1994*, allocate incentives under initiative programs and support the development and implementation of Regional Catchment Strategies.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Rabbit Control</b> - Provision of integrated control programs through extension services to landholders and the development of Action Plans.				
<i>Quantity</i>				
Action Plans for prevention, containment and treatment in high priority infested land completed and endorsed within agreed time frames	number	6	6	4
<i>Quality</i>				
Landholders complying with landholder requirements under the Catchment and Land Protection Act in targeted areas and within agreed timeframes	per cent	85	85	85
High priority rabbit infested land identified in the Action Plans that are covered by control programs	per cent	40	40	40
Targeted infestations of rabbits, in high priority areas covered by control programs, treated and assessed as achieving long-term control	per cent	nm	nm	30 <sup>(a)</sup>
<i>Timeliness</i>				
Land manager contacts made within agreed timeframes	per cent	90	90	90

## Pest Plant and Animal Management - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Pest Animal Management</b> - Provision of integrated control programs through extension services to landholders and the development of Action Plans.				
<i>Quantity</i>				
Action Plans for prevention, containment and treatment of high priority pest animals completed and endorsed within agreed timeframes.	number	6	6	4
<i>Quality</i>				
Landholders complying with landholder requirements under the Catchment and Land Protection Act in targeted areas and within agreed timeframes	per cent	85	85	85
High priority pest animal infested land identified in the Action Plans that are covered by control programs	per cent	40	40	40
Targeted infestation of pest animals in high priority areas covered by control programs treated and assessed as achieving long-term control	per cent	nm	nm	20 <sup>(a)</sup>
<i>Timeliness</i>				
Land manager contacts made within agreed timeframes	per cent	90	90	90
<b>Pest Plant Management</b> - Provision of integrated control programs through extension services to landholders and the development of Action Plans.				
<i>Quantity</i>				
Action Plans for prevention, containment and treatment of high priority pest plants completed and endorsed within agreed timeframes	number	6	6	4
<i>Quality</i>				
Landholders complying with landholder requirements under the Catchment and Land Protection Act in targeted areas	per cent	85	85	90

## Pest Plant and Animal Management - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality (continued)</i>				
High priority pest plant infested land identified in the Action Plans that are covered by control programs	per cent	40	40	50
Targeted infestation of weeds in high priority areas covered by control programs, treated and assessed as achieving long-term control	per cent	nm	nm	5
<i>Timeliness</i>				
Land manager contacts made within agreed timeframes	per cent	90	90	90

Source: Department of Natural Resources and Environment

Note:

(a) Given the free roaming nature of pest animals and their ability to quickly fill the empty spaces left by previous control programs, it is often necessary to carry out control programs in the same area each year. It is not the size of the area under control that is the most important factor but the effectiveness of these control programs in terms of long-term control. Targets may change once Action Plans are finalised and updated.

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>15.4</b>	<b>18.8</b>	<b>17.6</b>	<b>14.1</b>
<i>Comprising:</i>				
Employee-related Expenses	5.9	7.2	6.0	2.1
Purchases of Supplies and Services	8.8	11.0	11.0	24.6
Depreciation	0.3	0.2	0.1	-59.5
Capital Asset Charge	0.2	0.1	0.2	-3.7
Other	0.2	0.3	0.3	33.8

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Water

### Key Government Outcomes

Protection of the State's natural resources for the long-term benefit of all Victorians.

### Description of the Output Group

Development of policies and implementation of strategies to ensure that the Water Authorities achieve standards that will allow clients and stakeholders access to sustainable high quality and efficient water supply and wastewater disposal services.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Water Quality Standards</b> - Ensuring the implementation and maintenance of high quality drinking water and wastewater disposal standards for metropolitan and non-metropolitan urban water services.				
<i>Quantity</i>				
Drinking water quality zones monitored	number	435	420 <sup>(a)</sup>	420 <sup>(a)</sup>
Treatment plants monitored	number	151	151	162
<i>Quality</i>				
Adherence with microbiological drinking water standards ( per cent of non-metropolitan urban population)	per cent	90	70 <sup>(b)</sup>	85 <sup>(b)</sup>
Discharges from treatment plants meeting Environment Protection Authority (EPA) licence targets ( per cent of non-metropolitan urban population)	per cent	80	70 <sup>(b)</sup>	80 <sup>(b)</sup>
<i>Timeliness</i>				
NMU's compliance with World Health Organisation standards	date	Jun 1999	Dec 2000 <sup>(c)</sup>	Dec 2000 <sup>(c)</sup>
NMU's compliance with EPA standards	date	Dec 2001	Dec 2001	Dec 2001
<b>Asset Management Standards</b> - Develop guidelines and the regulatory framework for water industry asset management and state-wide dam safety.				
<i>Quantity</i>				
Rural Water Authority (RWA) and NMU authorities achieving milestones for asset management improvement	number	19	19	20
Completion of identified Dam improvement program by Water Authorities	per cent	15	15	20



## Water - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quantity (continued)</i>				
Implementation of asset management recommendations for Metropolitan water companies	per cent	50	50	100
<i>Quality</i>				
Requirements for all specified and agreed asset management improvement programs met	per cent	100	100	100 <sup>(c)</sup>
<i>Timeliness</i>				
Asset management improvement targets met	date	Jun 1999	Jun 1999	Jun 2000 <sup>(c)</sup>
<b>Water Business Regulation and Reform</b> - Implement the Government's water reform program including restructuring, performance specifications and pricing/tariff proposals arising from Council of Australian Governments (COAG), Water Reform Program and National Competition Policy requirements.				
<i>Quantity</i>				
Melbourne Retail licences amended to reflect Government policy for improved standards	number	3	3	3
NMU's licences developed and issued	number	5	0	5
<i>Quality</i>				
Irrigation Districts with Water Services Committees	per cent	100	100	100
COAG water reform and competition milestones	per cent	100	100	100
<i>Timeliness</i>				
Introduction of commercial dividends	date	nm	nm	Jun 2000
Assessment of appropriateness of TER (Taxation Equivalent Regime)	date	nm	nm	Jun 2000
Introduction of consistent asset valuation methodology	date	nm	nm	Jun 2000
Establish financial relationship between rural authorities and government	date	nm	nm	Jun 2000

## Water - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Water Industry Statutory Requirements</b> - Ensure that the corporate plans and annual reports of water businesses meet Government policy objectives.				
<i>Quantity</i>				
Water authorities' Corporate Plans assessed to meet Government policy objectives	number	24	24	24
Pricing proposals submitted and reviewed to meet Government policy objectives	number	20	20	20
<i>Quality</i>				
Corporate and pricing proposals meeting Government objectives	per cent	100	100	100
Delivery of Memoranda of Understanding (MoU) obligations by water authorities	per cent	nm	nm	98
<i>Timeliness</i>				
Statutory timelines for assessment and review met	per cent	100	100	100

Source: Department of Natural Resources and Environment

Notes:

- (a) A number of water quality zones have been amalgamated in the last 12 months.  
 (b) Industry forecast – the reduction is due to lead time adjustments in water quality projects.  
 (c) Based on revised improvement programs.

## Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>7.0</b>	<b>3.3</b>	<b>3.3</b>	<b>-52.8</b>
<i>Comprising:</i>				
Employee-related Expenses	1.8	1.9	2.1	15.3
Purchases of Supplies and Services	5.1	1.4	1.2	-76.8
Depreciation	0.0	0.0	0.0	-61.4
Capital Asset Charge	0.0	0.0	0.0	-14.3
Other	..	..	..	0.0

Source: Department of Treasury and Finance

Note:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Land Management and Information

### Key Government Outcomes

- Generate wealth by improved efficiencies in land management and land-related transactions and improved land and resources information for Victoria; and
- Protect the State's natural resources and the environment.

### Description of the Output Group

Generating wealth, improving information and protecting natural resources through the provision of services relating to the management of Crown Land, and the provision of integrated, authoritative and coordinated land information and definition systems which facilitate land related transactions.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Public Land Management</b> - Optimising the management of Crown Land to ensure a balance between development and protection of Natural and Cultural assets.				
<i>Quantity</i>				
Land Administration transactions a year <sup>(a)</sup>	number	380 000	380 000	380 000
<i>Quality</i>				
Number of client complaints as a ratio of Land Administration transactions	ratio	1:82	1:82	1:82
<i>Timeliness</i>				
Client enquiries responded within requirements of Statute or Service Agreements	per cent	95	95	95
<b>Land Information Services</b> - The provision of accurate, reliable and authoritative information (boundaries, interests, valuations and other land-related data) about public and privately owned land.				
<i>Quantity</i>				
Information requests processed a year <sup>(b)</sup>	number	3 488 000	3 488 000	5 381 000
<i>Quality</i>				
Error rate for Titles and Instrument information searches <sup>(c)</sup>	per cent	<1	<1	<1
Customer satisfaction level for Geospatial Information (as measured by customer survey)	per cent	95	95	95

## Land Management and Information - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Timeliness</i>				
Titles and instruments search requests available within 24 hours	per cent	95	95	95
Geospatial Information delivered within timelines negotiated with customers	per cent	95	95	95
<b>Land Definition</b> - Providing authority and confidence for government and private transactions in the land market by maintaining, recording and updating records relating to the definition of land (boundaries, interests, valuation and other land related data).				
<i>Quantity</i>				
Land units (parcels/ properties) defined a year <sup>(d)</sup>	number	1 418 000	1 418 000	1 504 000
<i>Quality</i>				
Error rate for registration of land dealings and creation of new titles <sup>(e)</sup>	per cent	<1	<1	<1
Audited map base update transactions found to be correct	per cent	nm	nm	95
<i>Timeliness</i>				
Land dealings registered within 3 weeks	per cent	55	55	60
New titles created within 4 weeks	per cent	35	35	40
Update transactions for the cadastral map base processed within 2 weeks	per cent	95	95	95

Source: Department of Natural Resources and Environment

*Notes:*

- (a) Represents some 50 functions including on site assessments of land, disposal and purchase of land and invoicing of private use clients.
- (b) Includes a variety of requests across the Land Registry and Geospatial Information businesses, including titles searches, requests for PRISM data, Landata index enquiries, valuation and survey enquiries, survey marks accessed and sales of printed maps. It also includes an estimate of the quantity of documents (information) accessed on the Land Channel.
- (c) Applies to Titles, Instruments and final searches which account for some 1.5 million land registry information requests.
- (d) Includes the number of land dealings registered, new titles created, approved plans of subdivisions added to the cadastre and extensions to the State Digital Road Network.
- (e) Applies to the registration of over 600 000 land dealings and the creation of more than 40 000 new titles.

## Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>75.7</b>	<b>87.3</b>	<b>108.3</b>	<b>43.0</b>
<i>Comprising:</i>				
Employee-related Expenses	38.8	42.1	40.7	4.8
Purchases of Supplies and Services	32.2	41.9	63.0	95.6
Depreciation	3.5	2.3	3.5	0.9
Capital Asset Charge	1.1	0.8	1.0	-9.2
Other	0.1	0.1	0.1	0.0

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Conservation and Recreation

### Key Government Outcomes:

- Generating wealth through sustainable development of industry and natural resources;
- Protecting the State's natural resources for the long-term benefit of all Victorians; and
- Improving the quality of life for all Victorians.

### Description of the Output Group:

Integrated services which provide environmental, conservation and recreational planning and policy development, monitoring of regulatory frameworks and day to day management for parks, reserves, local ports, coastal reserves and alpine resorts to:

- protect the state's natural resources and maintain the biological diversity on public and private land;
- contribute to the quality of life for all Victorians through recreational facilities and education; and
- generate wealth through effective management and visitor attraction.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Coastal Planning and Management Services</b> - Strategic planning and management of the Victorian coast to ensure that the coastal and marine environment is managed on a sustainable basis.				
<i>Quantity</i>				
Visitor numbers accessing piers and Jetties	millions	nm	nm	5.5
Ports under management with an approved risk management plan	per cent	75	75	100
Volunteer-days in coastal action programs	number	2 500	2 500	3 000
<i>Quality</i>				
Coastal Action plans prepared	number	6	6	4 <sup>(a)</sup>
Overall Customer satisfaction with Pier and Jetty services	100 point index	nm	nm	50-55
<i>Timeliness</i>				
Victorian Coastal Strategy actions commenced by 30 June	per cent	90	90	90
Victorian Coastal Strategy actions completed by 30 June	per cent	20	20	30

## Conservation and Recreation - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Park Management Services</b> - Strategic planning, regulation, visitor management and natural resource management of parks and reserves.				
<i>Quantity</i>				
Victoria's land base in protected parks and reserves	per cent	13.5	13.5	16 <sup>(b)</sup>
Visitor numbers accessing parks services	millions	13.0	13.0	27 <sup>(b)</sup>
Length of road/track maintained	km	20 485	20 485	20 485
<i>Quality</i>				
National Parks Act parks with management plans	per cent	100	100	100
Overall Customer satisfaction with parks services	100 point index	69-74	69-74	70-75
<i>Timeliness</i>				
100 per cent of National Park Act park management plans submitted within agreed timelines	date	June 1999	June 1999	June 2000
20 per cent of priority tasks completed	date	June 1999	June 1999	June 1999
<b>Biodiversity Conservation Management Services</b> - Provision of biodiversity conservation on public and private land, licencing, monitoring of standards and scientific services.				
<i>Quantity</i>				
New species listed for protection under the Flora and Fauna Guarantee Act	number	40	30 <sup>(c)</sup>	37
Action statements for protected species approved (Under Flora and Fauna Guarantee Act)	number	20	20	20
Completed action statements for nationally vulnerable and endangered species	number	75	75	20
Hunting and wildlife licenses managed	number	35 000	35 000	35 000
<i>Quality</i>				
Proportion of Victoria covered by Additional Ecological Vegetation Community mapping	per cent	20	20	25
Threatened species with demonstrable improvement	number	35	35	20
Budget Estimates 1999-2000	Natural Resources and Environment	219		

## Conservation and Recreation - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality (continued)</i>				
Proportion of new Land for Wildlife properties which include habitat underrepresented in reserve system	per cent	20	20	20
<i>Timeliness</i>				
Input to planning approvals process provided within statutory time-frames	per cent	100	100	100

Source: Department of Natural Resources and Environment

Notes:

- (a) Reduced target reflects the decreasing number of plans to be prepared.
- (b) Achievement of these targets is subject to passing of legislation to incorporate Melbourne Parks and Waterways reserves.
- (c) The process for formal listing of species has taken longer than originally anticipated.

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>87.3</b>	<b>145.7</b>	<b>174.1</b>	<b>99.6</b>
<i>Comprising:</i>				
Employee-related Expenses	17.1	17.8	19.2	12.6
Purchases of Supplies and Services	51.4	20.2	21.6	-58.1
Depreciation	3.6	7.8	6.3	76.2
Capital Asset Charge	14.2	11.9	16.9	19.1
Other	1.0	88.1	110.1	na

Source: Department of Treasury and Finance

Note:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.



## Environment Protection

### Key Government Outcomes

- Protect and sustain improvements in environmental quality; and
- Generate wealth by increased certainty for business investment throughout the State and through the avoidance and control of emissions of waste and noise.

### Description of the Output Group:

- To provide the framework for sustainable improvements in environmental quality through statutory policy, legislation and regulations;
- Measuring and reporting environmental quality; and
- promoting adoption of best practice environmental management in industry.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Setting the framework for sustainable improvements in environmental quality -</b>				
To develop and revise statutory policy, legislation and regulations and strategic plans and to influence national policy settings to meet Victoria's needs.				
<i>Quantity</i>				
Develop and revise State Environment Protection Policies	number	4	4	3
Develop and revise Industrial Waste Management Policies (IWMP)	number	nm	nm	4
Influencing national policy settings to meet Victoria's needs	number	5	5	5
Government Greenhouse gas strategies	program	nm	nm	1
<i>Quality</i>				
Draft policies developed with stakeholders	per cent	100	100	100
Reviewed and revised IWMP's in consultation with stakeholders	per cent	nm	nm	100
National policy settings reflect Victoria's position and accepted by Government	per cent	100	100	100
Greenhouse gas strategies within EPA's responsibility implemented to satisfaction of Government	per cent	nm	nm	100
<i>Timeliness</i>				
Completion of all policy development and review projects within agreed timeframes	per cent	100	100	100
Greenhouse gas strategies delivered within timelines	date	nm	nm	Jun 2000
Budget Estimates 1999-2000	Natural Resources and Environment			221

## Environment Protection - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Enhancing Victoria's environmental quality through application of legislation and regulation within an overall investment friendly policy context - Promoting adoption of best practice environmental management in industry.</b>				
<i>Quantity</i>				
Cleaner Production Partnership agreements with target industries, sectors and regions	number	6	6	6
Rural Chemicals collection program	\$million	nm	nm	1.4
Development of Best Practice Environmental Management Guidelines	number	4	4	5
Statutory and non-statutory measures applied to prevent and resolve environmental problems	\$million	nm	nm	14.7
Funding EcoRecycle Victoria	\$million	nm	nm	8.9
<i>Quality</i>				
Partnership agreements completed with support of relevant parties	per cent	nm	nm	100
Rural Chemicals collection program supported by rural Victoria	per cent	nm	nm	100
Best Practice Environmental Management Guidelines supported by relevant industries	per cent	100	100	100
Statutory and non-statutory measures applied to produce quality outcomes to environmental problems	per cent	nm	nm	90
Funding EcoRecycle Victoria to agreed formula	per cent	100	100	100
<i>Timeliness</i>				
Cleaner production program implemented	date	Mar 1999	Apr 2000	Apr 2000
Rural Chemicals collection program implemented	date	nm	nm	Apr 2000
Best Practice Environmental Management Guidelines completed	date	Apr 1999	Mar 2000	Mar 2000
Statutory and non-statutory measures applied within statutory timelines measured over the full year	date	nm	nm	Jun 2000

## Environment Protection - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Timeliness (continued)</i>				
Funding of EcoRecycle Victoria undertaken within agreed timeframe and funding level	date	nm	nm	Jun 2000
<b>Measuring and reporting environmental quality</b>				
<i>Quantity</i>				
Upgrade Air Quality monitoring and modelling systems	program	nm	nm	1
Autumn Air Campaign	campaign	nm	nm	1
Develop data for inclusion National Pollutant Inventory	data	nm	nm	1
Produce reports on status of Water Quality	number	nm	nm	8
<i>Quality</i>				
Air Quality systems upgraded to increase efficient data management and be approved by NEPC	per cent	nm	nm	100
Autumn Air campaign conducted within budget and attains high level of public recognition	per cent	nm	nm	100
National Pollutant Inventory information developed and data collection and handling systems enhanced	per cent	nm	nm	100
Water Quality reports produced meeting all objectives	per cent	nm	nm	100
<i>Timeliness</i>				
Air Quality systems upgrade approved by NEPC and implemented	date	nm	nm	Apr 2000
Autumn Air Campaign commenced	date	nm	nm	Feb 2000
National Pollutant Inventory emissions data provided to national database	date	nm	nm	Oct 1999
Water Quality reports produced to agreed timelines	date	nm	nm	May 2000

## Environment Protection - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Commercial Contracts and Advisory Services</b> - To promote the EPA's environmental expertise nationally and internationally by successfully bidding for commercial contracts.				
<i>Quantity</i>				
Total value of national and international commercial contracts won	\$million	5	5	5
<i>Quality</i>				
Percentage of shortlisting in bidding for work	per cent	60	60	60
Acceptance by clients of services/products	per cent	100	100	100
<i>Timeliness</i>				
Completion of contractual work within agreed timeliness	per cent	100	100	100

Source: Department of Natural Resources and Environment

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>37.9</b>	<b>37.1</b>	<b>41.2</b>	<b>8.5</b>
<i>Comprising:</i>				
Employee-related Expenses	13.2	15.3	17.6	33.8
Purchases of Supplies and Services	23.4	20.0	21.8	-6.7
Depreciation	1.1	1.2	1.2	9.3
Capital Asset Charge	0.3	0.2	0.4	34.0
Other	..	0.3	0.1	na

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## PART 2: FINANCIAL INFORMATION

Part 2 provides the financial statements that support the Department's provision of outputs. The information provided includes the operating statement, statement of financial position and cash flow statement for the Department as well as tables detailing the authority for resources and, where appropriate, the payments on behalf of the State made by the Department.

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 following three 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 are those resources for 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 three tables can be used to assess the Department's financial performance and use of resources.

- **Table 2.5.2 –Operating Statement** - provides details of the Department's revenue and expenses on an accrual basis reflecting the cost in providing its outputs;
- **Table 2.5.3 – Statement of Financial Position** – shows all assets and liabilities of the Department. The difference between these represents the net assets position, which indicates the financial health of the Department; and
- **Table 2.5.4 – Cash Flow Statement** – shows all movements of cash, that is cash received and paid. The cash impact of financing and investment activities on Departmental resources is highlighted in this statement.

**Table 2.5.2: Operating Statement**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation(a) %
<b>Operating Revenue</b>				
Revenue from State Government <sup>(b)</sup>	535.8	567.9	665.1	24.1
Section 29 receipts - Commonwealth	55.9	50.1	50.4	-9.8
- Other	26.4	27.3	30.5	15.8
Other Commonwealth grants	..	0.8	0.4	..
Other revenue <sup>(c)</sup>	51.1	107.4	110.4	na
<b>Total</b>	<b>669.1</b>	<b>753.5</b>	<b>856.9</b>	<b>28.1</b>
<b>Operating Expenses</b>				
Employee Related Expenses <sup>(d)</sup>	165.5	244.8	236.9	43.1
Purchases of Supplies and Services <sup>(e)</sup>	416.9	299.0	378.8	-9.2
Depreciation <sup>(f)</sup>	23.7	25.2	25.0	5.2
Capital Asset Charge	49.3	49.3	69.3	40.5
Other Expenses	6.1	123.1	151.0	na
<b>Total</b>	<b>661.6</b>	<b>741.4</b>	<b>860.9</b>	<b>30.1</b>
<b>Operating Surplus/Deficit before Revenue for Increase in Net Assets</b>	<b>7.5</b>	<b>12.1</b>	<b>- 4.0</b>	<b>na</b>
<i>Add:</i>				
Revenue for Increase in Net Assets	43.1	26.5	23.8	-44.7
Section 29 receipts - Asset Sales	..	..	5.6	..
<b>Operating Surplus/Deficit</b>	<b>50.6</b>	<b>38.7</b>	<b>25.5</b>	<b>-49.6</b>
<i>Administered Items</i>				
<b>Operating Revenue</b>				
Revenue from State Government <sup>(b)</sup>	89.0	108.8	33.0	-63.0
Other revenue <sup>(c)</sup>	247.5	231.4	227.3	-8.2
<b>Total</b>	<b>336.5</b>	<b>340.2</b>	<b>260.2</b>	<b>-22.7</b>
<b>Operating Expenses</b>				
Purchases of Supplies and Services <sup>(e)</sup>	18.2	17.3	17.3	-4.9
Other Expenses	311.5	317.0	237.2	-23.8
<b>Total</b>	<b>329.7</b>	<b>334.3</b>	<b>254.5</b>	<b>-22.8</b>
<b>Operating Surplus/Deficit</b>	<b>6.8</b>	<b>5.9</b>	<b>5.7</b>	<b>-16.1</b>

Source: Department of Treasury and Finance

Notes:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.
- (b) Includes estimated carryover of 1997-98 appropriation amounts. Actual carryover is subject to approval by the Treasurer prior to 30 June pursuant to Section 32 of the Financial Management Act, 1994.
- (c) Includes revenue for services delivered to parties outside government.
- (d) Includes salaries and allowances, superannuation contributions and payroll tax.
- (e) Includes payments to non-government organisations for delivery of services.
- (f) Includes amortisation of leased assets.

Operating revenue is projected to increase by \$187.8 million (28.1 per cent) in 1999-2000 compared to the 1998-99 Budget, due mainly to the inclusion, for the first time, of the revenue raised through the Parks and Reserves Trust of approximately \$67 million and the impact (\$68.0 million) of new policy and other funding decisions during 1998-99 (e.g. Land Titles Office automation, flood relief, Y2K). Other factors contributing to this increase include funding for new initiatives of \$21 million, and accounting reclassification of certain items to move them from administered to controlled and others from increase in net assets to operating revenues (\$22 million).

Operating expenses are projected to grow by \$199.3 million (30.1 per cent) in 1999-2000 largely due to the same factors which have contributed to revenue increases.

The 1998-99 Revised revenue for 1998-99 substantially exceeds Budget due principally to the inclusion of the Parks and Reserves Trust, but also as a result of new policy and other funding decisions including fire fighting (\$10.2 million), flood relief (\$15.7 million) and automation of the Land Titles Office (\$10.7 million).

The Department's approved asset investment program for 1999-2000 totals \$54.1 million. The program will be funded from a combination of proceeds from asset sales, accumulated depreciation revenue and a capital contribution of \$23.8 million from Government.

The operating deficit of \$4.0 million before 'revenue for increase in net assets' in 1999-2000 is a result of the accounting treatment for revenue from asset sales. If adjusted for this factor, the Department would report a surplus.

**Table 2.5.3: Statement of Financial Position**

(\$ thousand)

	<i>Estimated as at 30 June</i>			<i>Variation<sup>(a)</sup></i>
	<i>1999</i>	<i>1999</i>	<i>2000</i>	<i>%</i>
	<i>Budget</i>	<i>Revised</i>	<i>Budget</i>	
<b>Assets</b>				
<b>Current Assets</b>				
Cash	591	577	557	-3.5
Investments	1 739	1 739	1 739	..
Receivables	28 178	28 178	28 178	..
Prepayments	3 085	3 085	3 085	..
Inventories	7 429	7 255	7 255	..
Other Assets	..	..	..	..
<b>Total Current Assets</b>	<b>41 022</b>	<b>40 834</b>	<b>40 814</b>	<b>-0.0</b>
<b>Non-Current Assets</b>				
Investments	..	..	..	..
Receivables <sup>(b)</sup>	64 277	64 760	74 368	14.8
Fixed Assets	1 542 861	1 521 172	1 544 656	1.5
Other Assets	..	..	..	..
<b>Total Non-Current Assets</b>	<b>1 607 138</b>	<b>1 585 932</b>	<b>1 619 024</b>	<b>2.1</b>
<b>Total Assets</b>	<b>1 648 161</b>	<b>1 626 766</b>	<b>1 659 838</b>	<b>2.0</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Payables	13 704	13 704	13 704	..
Borrowing	..	..	..	..
Employee Entitlements	28 610	20 190	20 730	2.7
Superannuation	36	36	36	..
Other Liabilities	2 228	2 228	2 228	..
<b>Total Current Liabilities</b>	<b>44 578</b>	<b>36 158</b>	<b>36 698</b>	<b>1.5</b>
<b>Non-Current Liabilities</b>				
Payables	..	..	..	..
Borrowing	..	..	..	..
Employee Entitlements	66 128	65 103	72 143	10.8
Superannuation	..	..	..	..
Other Liabilities	..	..	..	..
<b>Total Non-Current Liabilities</b>	<b>66 128</b>	<b>65 103</b>	<b>72 143</b>	<b>10.8</b>
<b>Total Liabilities</b>	<b>110 706</b>	<b>101 261</b>	<b>108 841</b>	<b>7.5</b>
<b>Net Assets</b>	<b>1 537 455</b>	<b>1 525 505</b>	<b>1 550 997</b>	<b>1.7</b>
<b>Administered Items</b>				
<b>Assets</b>				
<b>Current Assets</b>				
Cash	775	775	775	..
Investments	1 243	1 243	1 116	-10.2
Receivables	888	1 179	1 179	..
<b>Total Current Assets</b>	<b>2 906</b>	<b>3 197</b>	<b>3 070</b>	<b>-4.0</b>



**Table 2.5.3: Statement of Financial Position - continued**

(\$ thousand)

	<i>Estimated as at 30 June</i>			<i>Variation<sup>(a)</sup></i>
	<i>1999</i>	<i>1999</i>	<i>2000</i>	
	<i>Budget</i>	<i>Revised</i>	<i>Budget</i>	<i>%</i>
<b>Non-Current Assets</b>				
Receivables	11 711	11 561	11 337	-1.9
Fixed Assets	7 629	6 485	12 535	93.3
<b>Total Non-Current Assets</b>	<b>19 340</b>	<b>18 046</b>	<b>23 872</b>	<b>32.3</b>
<b>Total Assets</b>	<b>22 246</b>	<b>21 243</b>	<b>26 942</b>	<b>26.8</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Payables	70	70	70	..
Other Liabilities	13 949	13 949	13 949	..
<b>Total Current Liabilities</b>	<b>14 019</b>	<b>14 019</b>	<b>14 019</b>	<b>..</b>
<b>Non-Current Liabilities</b>				
Payables	952	952	952	..
<b>Total Non-Current Liabilities</b>	<b>952</b>	<b>952</b>	<b>952</b>	<b>..</b>
<b>Total Liabilities</b>	<b>14 971</b>	<b>14 971</b>	<b>14 971</b>	<b>..</b>
<b>Net Assets</b>	<b>7 275</b>	<b>6 272</b>	<b>11 971</b>	<b>90.9</b>

*Source: Department of Treasury and Finance*

*Notes:*

(a) *Variation between 1998-99 Revised and 1999-2000 Budget.*

(b) *Includes cash balances held in trust in the Public Account.*

The Statement of Financial Position indicates an increase in the estimated fixed asset balance of \$23.5 million from June 1999 to June 2000. This principally reflects the impact of the Department's approved capital program, including \$14.7 million for assets through new initiatives, less the impact of assets sales and depreciation during 1998-99.

**Table 2.5.4: Cash Flow Statement**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation(a) %
<b>Cash flows from operating activities</b>				
<i>Operating receipts</i>				
Receipts from State Government - provision of outputs <sup>(b)</sup>	535.8	567.9	665.1	24.1
Receipts from State Government - increase in net asset base	43.1	26.5	23.8	-44.7
Section 29 Receipts - Commonwealth	55.9	50.1	50.4	-9.8
- Other	26.4	27.3	30.5	15.8
- Asset Sales	..	..	5.6	..
Other Commonwealth grants	..	0.8	0.4	..
Other	51.1	107.4	110.4	na
	712.2	780.0	886.3	24.5
<i>Operating payments</i>				
Employee-related expenses	- 156.6	- 245.3	- 229.3	46.4
Purchases of supplies and services	- 417.1	- 299.0	- 378.8	-9.2
Interest & finance expenses	..	..	..	..
Capital Assets charge	- 49.3	- 49.3	- 69.3	40.5
Current grants and transfer payments	- 6.1	- 123.1	- 151.0	na
Capital grants and transfer payments	..	..	..	..
<b>Net Cash flows from Operating</b>	83.1	63.3	58.1	-30.1
<b>Cash flows from investing activities</b>				
Purchases of investments	..	..	..	..
Receipts from sale of land, fixed assets and investments (incl. S29 FMA)	..	..	5.6	..
Purchase of non-current assets	- 71.6	- 51.3	- 54.1	-24.5
<b>Net Cash flows from investing activities</b>	- 71.6	- 51.3	- 48.5	-32.3
<b>Cash flows from financing activities</b>				
Receipts from appropriations -increase in net asset base	..	..	..	..
Capital repatriation to Government	..	..	..	..
Net increase in balances held with	- 11.5	- 12.0	- 9.6	-16.4
Net borrowings and advances	..	..	..	..
<b>Net Cash flows from financing activities</b>	- 11.5	- 12.0	- 9.6	-16.4
Net Increase/Decrease in Cash Held	..	- 0.0	- 0.0	..
<b>Cash at beginning of period</b>	0.6	0.6	0.6	-2.4
<b>Cash at end of period</b>	0.6	0.6	0.6	-5.8

**Table 2.5.4: Cash Flow Statement - continued**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<i>Administered Items</i>				
<b>Cash flows from operating activities</b>				
<i>Operating receipts</i>				
Receipts from State Government - Payments on behalf of State	89.0	108.8	33.0	-63.0
Other	247.5	226.1	227.3	-8.2
	<u>336.5</u>	<u>334.9</u>	<u>260.2</u>	<u>-22.7</u>
<i>Operating payments</i>				
Purchases of supplies and services	- 265.7	- 248.4	- 244.6	-7.9
Current grants and transfer payments	- 15.3	- 9.8	..	na
Capital grants and transfer payments	- 48.7	- 76.2	- 9.9	-79.7
<b>Net Cash flows from Operating</b>	<u>6.8</u>	<u>0.6</u>	<u>5.7</u>	<u>-16.1</u>
<b>Cash flows from investing activities</b>				
Purchases of investments	0.1	0.1	0.1	..
Receipts from sale of land, fixed assets and investments (incl. S29 FMA)	..	5.0	..	..
Purchase of non-current assets	- 7.0	- 5.9	- 6.1	-13.6
<b>Net Cash flows from investing activities</b>	<u>- 6.9</u>	<u>- 0.7</u>	<u>- 5.9</u>	<u>-13.8</u>
<b>Cash flows from financing activities</b>				
Net increase in balances held with Government	- 0.0	0.1	0.1	na
Net borrowings and advances	..	..	0.2	..
<b>Net Cash flows from financing activities</b>	<u>- 0.0</u>	<u>0.1</u>	<u>0.2</u>	<u>na</u>

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

The Department's Cash Flow Statement for controlled items shows an increase of \$174.1 million (24.5 per cent) in operating revenue from 1998-99 Budget to the 1999-2000 Budget. The major factors contributing to this increase include the provision of funding for new initiatives, new policy and other funding decisions during 1998-99, the accounting reclassification of certain items to move them from administered to controlled and others from increase in net assets to operating revenues and the inclusion of the Parks and Reserves Trust. Further details can be found in the discussion of the Operating Statement.

## Authority for Resources

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

**Table 2.5.5: Authority for Resources**

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-00 Budget	
Annual Appropriations <sup>(b)</sup>	632.6	666.9	688.9	8.9
Receipts Credited to Appropriations	82.2	77.4	86.5	5.2
Unapplied previous years appropriation	35.2	36.3	33.0	-6.4
Gross Annual Appropriations	750.1	780.6	808.4	7.8
Special Appropriations	..	..	..	na
Trust Funds	47.5	108.4	116.7	na
Non Public Account and other sources	..	..	..	na
<b>Total Authority</b>	<b>797.6</b>	<b>889.0</b>	<b>925.1</b>	16.0

Source: Department of Treasury and Finance

Notes:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

(b) For 1998-99 Revised, includes the impact of approved Treasurer's Advances.

The increase in 'Trust Funds' results from the inclusion of the Parks and Reserves Trust Fund previously treated as non-budget sector transactions.

## Payments made 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 2.5.6: Payments made on behalf of the State**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
Zoo Board of Victoria <sup>(b)</sup>	6.4	6.4	..	..
Royal Botanic Gardens Grant <sup>(b)</sup>	6.0	6.0	..	..
Murray Darling Basin Contribution	15.8	14.8	15.3	-3.2
Energy Efficiency Victoria Grant <sup>(b)</sup>	2.3	3.2	..	..
Timber Promotion Council Trust Fund	1.8	1.8	1.7	-5.6
Grants to CMA's for Flood Repair Works <sup>(c)</sup>	0.0	12.9	..	..
Wimmera Mallee Pipeline	5.5	7.0	2.8	-49.1
Water Reform Program <sup>(c)</sup>	39.6	39.6	..	..
Grants to Sewerage and Water Authorities	7.6	10.2	8.8	16.3
Other Grants	3.9	6.8	4.3	10.3
<b>Total</b>	<b>89.0</b>	<b>108.8</b>	<b>32.9</b>	<b>-63.0</b>

Source: Department of Department of Treasury and Finance

Notes:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.
- (b) Transferred to payments for outputs in 1999-2000.
- (c) Non-recurring payments in 1998-99 only.



# DEPARTMENT OF PREMIER AND CABINET

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## PART 1: OUTLOOK AND OUTPUTS

### Overview

The Mission of the Department of Premier and Cabinet is leading in policy advice, implementation of key projects and activities, and provision of high quality cultural programs, events and venues to create sustainable growth, and a vibrant and innovative society for all Victorians.

The Department will achieve its Mission through its principal objectives which are:

- contribute to *the informed decision making of Government* through the highest quality policy advice;
- working co-operatively with other agencies to assist them in achieving their goals;
- improve the *lifestyle of Victorians* through the management of initiatives such as the *Arts 21* Strategy and the Community Support Fund and through government involvement in major infrastructure projects;
- ensure that Victorians are kept informed of *key issues*, and that relevant government information is easily available to all;
- acknowledge and promote the benefits inherent in a *multicultural, diverse society*;
- promote the interests of both *metropolitan and rural communities* in all Government activities;
- maintain an *organisational culture* that emphasises continuous improvement, the pursuit of excellence, and exemplary management of people;

- ensure effective working relationships with Commonwealth, State and Territory governments; and
- ensure effective relationships with governments of other nations.

### **Scope and Coverage**

The Output Groups and financial information for the Department of Premier and Cabinet includes consolidated information for the Department's five key core areas:

- the Cabinet Office;
- the Office of State Administration;
- the Special Projects Unit;
- the Multicultural Affairs Unit; and
- Arts Victoria and the Arts agencies.

In addition the information encompasses the Premier's Private Office and the Portfolio Agencies of:

- the Office of the Governor;
- the Office of Public Employment;
- the Office of the Ombudsman
- the Office of the Chief Parliamentary Counsel; and
- the Victorian Multicultural Commission.

### **Review of 1998-99**

The Department has progressed a number of initiatives in 1998-99, including:

- provision of high quality policy advice on a range of issues to the Premier, Cabinet and Cabinet Committees;
- coordination of the Government's response to the Longford gas incident;
- Indonesian Aid Project: the Victorian Government is providing food assistance, advice on agricultural development and training, and guidance on the reform of State owned enterprises to Indonesia to assist it to overcome its current difficulties;
- assisting in the development of Regional Action Plans by Regional Forums;



- continuing development of the cultural sector through a range of funding initiatives including commencement of a program to upgrade regional arts facilities;
- the enactment of the *Public Sector Management and Employment Act 1998* and the establishment of the Office of Public Employment from the previous Office of the Public Service Commissioner;
- coordination and key involvement in issues such as security of supply and emergency response progress in readiness for the Year 2000 (Millennium Bug) problem;
- implementation of a leading approach to business continuity management;
- continuing progression of major development and redevelopment works for the Arts Agencies and Federation Square;
- completion and opening of the Immigration Museum and Hellenic Antiquities Museum at the Old Customs House;
- continuing development and roll out of major information technology re-engineering initiatives including: Parlynet, Legislative Document Management System, Cabnet, Electronic Government Bookshop, and whole of government intranet and internet services; and
- continuing improvements in the management of the Community Support Fund (CSF).

In recent years the Department has been responsible for the re-engineering of whole of Government Cabinet, Legislation and Parliamentary systems.

This work has now been completed and the associated output group does not continue after 1998-99. Key outcomes include:

- implementation of a new Cabinet system to automate the entire Cabinet briefing process (Cabnet). The system supports approximately 80 users in DPC. A version of the system is being implemented in DTF;
- implementation of a Legislation Document Management System (LDMS) to automate the drafting, storage and publication of legislation, statutory rules and parliamentary documents. The system supports 2000 users across government and receives about 6000 'hits' daily on the Internet; and
- implementation of communications network and associated applications to link all Members of Parliament and Electorate Officers with a range of public and private sector services.

More complete reporting on achievements in this output group will appear in the Parliament Annual Report.

## **1999-2000 Outlook**

There are a range of issues which are facing the Department from 1999-2000 and beyond, in its central agency and line agency roles.

### ***Central Agency Role***

- tax: the implementation of tax reform as a result of proposed Federal Government changes;
- strategic policy: the policy priorities for the next time frame 2001-11, following the excitement of the 2000-01 period;
- Rural and Regional Policy;
- the Republic: dealing with the referendum and actions resulting from it;
- attracting, developing and keeping high quality people in the public service;
- infrastructure development: improved provision of public infrastructure (roads, rail, water, energy, hospitals and schools) including involvement of the private sector where appropriate;
- information and communications technology: traditionally not a key focus of DPC but one that could become increasingly important, especially as it impacts on the public sector and rural and regional Victoria;
- greenhouse policy, especially the development of policies which consider the application of carbon credits and emissions trading post Buenos Aires 1998; and
- relationships with other countries.

### ***Line Agency Role***

- governance of associated agencies – including a corporate governance review of the Arts agencies;
- capitalising on the efficiency and delivery of enhanced services of the new cultural facilities;
- ensuring continued value for money from the Community Support Fund;
- effective management of upcoming events including Victoria's celebrations for the Centenary of Federation (also a central agency role);
- development of continuity and recovery plans to deal with Y2K Millennium bug issues. This will be an issue facing all departments and, following the

review of departmental plans which are due by the end of this financial year, individual departments may require some central guidance;

- continued development of people and structures to provide excellent advice and service; and
- development of strong succession planning.

## Output Information

The following section provides details of the outputs to be provided to Government, including their performance measures and the costs for each output group. The table below summarises the total costs for each output group.

**Table 2.6.1: Output group summary**

	(\$ million)			Variation <sup>(a)</sup>	
	1998-99 Budget	1998-99 Revised	1999-2000 Budget		%
Strategic Leadership	42.7	34.4	48.1		12.7
Protocol and Events Management Services	2.5	2.7	2.7		8.0
Government Information and Communications	7.2	7.6	7.3		1.4
Community Support Fund	69.0	62.5	101.4		47.0
Multicultural Affairs	2.9	2.8	3.0		4.3
Implementation of Arts 21	160.2	154.6	217.8		35.9
Strategic Human Resource Management	4.7	4.1	4.0		-15.0
Ombudsman Complaint Resolution	2.6	2.7	2.9		8.4
Legislative Drafting and Publishing Services	3.0	2.7	3.2		6.7
Advice and Support to the Governor	4.5	4.5	5.7		27.2
<b>Total</b>	<b>299.2</b>	<b>278.7</b>	<b>396.0</b>		<b>32.3</b>

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Strategic Leadership

### Key Government Outcomes

Policy advice to Government which contributes to the growth and development of Victoria and the efficient and effective operation of the public sector.

### Description of the Output Group

Provision of advice to the Premier on:

- policy development encompassing proactive identification of emerging issues and development of advice to the Premier;
- policy coordination and analysis encompassing issues across Government and whole of government response; and
- policy implementation encompassing key projects.

The Output Group contributes to the Premier's strategic approach to achieving the broad goal for the Government of making Victoria 'a better place to live, work and invest'.

The Department is providing leadership in policy advice which address the priorities for achieving this goal, as articulated in the Governor's Speech:

- prudent economic management;
- improved outcomes in education;
- increase in jobs;
- safe and healthy lifestyles; and
- confident, cohesive communities.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Advice</b> – Confidential advice to the Premier, Cabinet and Government on all aspects of Government policy and activity with a focus on key State and National policy issues and strategies to achieve the Government's vision for Victoria. This includes strategic policy advice and advice on current matters with a whole of government focus.				
<i>Quantity</i>				
Capacity to provide advice (staff hours)	number	113 859	113 859	113 859
<i>Quality</i>				
Advice meets relevant quality standards	per cent	100	100	100
<i>Timeliness</i>				
Agreed timelines, milestones or schedules met	per cent	90	90	90

## Strategic Leadership - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Support to Ministerial Leadership</b> - Services which support the Premier, Ministers and Governor in attending to their administrative, Parliamentary and governance responsibilities. Including briefings for parliamentary questions and questions on notice, replies to correspondence received by the Premier, administrative assistance for the functions and processes of Cabinet, Cabinet Committees, the Executive Council and otherwise enabling the Government's legislative program.				
<i>Quantity</i>				
Capacity to provide support services (staff hours)	number	19 836	19 836	19 836
<i>Quality</i>				
Relevant quality standards are met	per cent	100	100	100
<i>Timeliness</i>				
Agreed timelines, milestones or schedules are met	per cent	90	90	90
				12 384 518
<b>Freedom of Information Services</b> - Information provided in response to requests under the Freedom of Information Act, (through or under delegation from the Secretary of the Department).				
<i>Quantity</i>				
Volume of applications processed	number	40	40	40
Capacity to provide support services (staff hours)	number	3 174	3 174	3 174
<i>Quality</i>				
Decisions upheld by internal reviews	per cent	90	90	90
Decisions upheld by tribunals and courts	per cent	90	90	90
<i>Timeliness</i>				
Statutory time limits met	per cent	90	90	90

*Source: Department of Premier and Cabinet*

## Output group costs

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
<b>Total cost of output group</b>	<b>42.7</b>	<b>34.4</b>	<b>48.1</b>	<b>12.7</b>
Comprising:				
Employee-related Expenses	16.5	16.2	16.6	0.5
Purchases of Supplies and Services	12.6	11.5	23.2	84.2
Depreciation	2.4	0.8	2.7	12.2
Capital Asset Charge	1.3	1.3	2.5	91.2
Other	9.9	4.7	3.2	-68.1

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Protocol and Events Management Services

### Key Government Outcomes

Contributes to the achievement of a series of outcomes for Victoria including a stable financial position; more competitive enterprises; an attractive place to live, work and invest in; beneficial public services; and conservation of the State's environmental, cultural and heritage assets.

### Description of the Output Group

The Branch manages the Government's involvement in special events, such as Grand Prix and Australia Day Celebrations, the Premier's official hospitality and the official visit programme for Heads of State and Ambassadorial visits. Also managed are the state aspects of the Australian system of Honours and Awards, the Premier's congratulatory message process for citizens' centenary birthdays and significant wedding anniversaries and the Government's travel policies and public sector officers overseas travel policies.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Events and Visits Management Services</b> - Management of the Government's involvement in special events including the annual special events, ie, Grand Prix, Victoria's Open Weekends, Spring Racing Carnival, Australia Day celebrations, and hospitality at other official functions. Management of the arrangements for official visits by Heads of State, Heads of Government, Ministerial and Ambassadorial visits including security and diplomatic/consular liaison. Management of the Government's overseas and domestic travel policies, advice, logistics and passport systems.				
<i>Quantity</i>				
Level of official visitor engagements within Australia which are directly related to Victoria	per cent	50	50	50
Level of media promotion of special events by all major media outlets	per cent	65	65	65
<i>Quality</i>				
Premier's satisfaction with programme delivery	per cent	100	100	100
Sensitive visitor dignity security achieved	per cent	100	100	100
Level of support from the general public for all special events which are a departmental responsibility	per cent	95	95	95
Guest lists meet the Government's target audience	per cent	90	90	90
Budget Estimates 1999-2000	Premier and Cabinet			243

## Protocol and Events Management Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Timeliness</i>				
Timely delivery of events and visit arrangements	per cent	100	100	100
<b>Celebration/Recognition Management</b> - Management of services provided for awards, honours, recognition of significant achievements and special celebrations for individual Victorians.				
<i>Quantity</i>				
High quality nominations to be available for the bi-annual meeting of the Public Service Medal Committee	number per meeting	25	25	25
<i>Quality</i>				
Provision of honours and awards support to the satisfaction of the Premier and the Office of the Governor General	per cent	100	100	100
Congratulatory messages/promotional material relevant and accurate	per cent	100	100	100
<i>Timeliness</i>				
Congratulatory messages/Promotional material delivered on time	per cent	100	100	100

*Source: Department of Premier and Cabinet*



**Output group costs**

	(\$ million)			
	1998-99	1998-99	1999-2000	Variation <sup>(a)</sup>
	Budget	Revised	Budget	%
<b>Total cost of output group</b>	<b>2.5</b>	<b>2.7</b>	<b>2.7</b>	<b>8.0</b>
Comprising:				
Employee-related Expenses	0.5	0.6	0.6	2.4
Purchases of Supplies and Services	1.9	2.1	2.1	9.7
Depreciation	0.0	0.0	0.0	na
Capital Asset Charge	0.0	0.0	0.0	na
Other	..	..	..	..

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Government Information and Communications

### Key Government Outcomes

Communications and information policies, processes and services within the Department and across government.

### Description of the Output Group

Implementation of communications programs and provision of information services for the Department, Government and the public.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Information material and publications</b> - Includes the provision of:				
<ul style="list-style-type: none"> <li>• An information service for electronic, telephone, mail and personal enquiries;</li> <li>• Electronic access to information and publications regarding Government activities and functions; and</li> <li>• A product service providing legislation, mapping products and other government publications.</li> </ul>				
<i>Quantity</i>				
Public contacts per officer	rate	25	25	27
Increase in outreach activities	per cent	5	5	5
<i>Quality</i>				
Customer satisfaction measured through low telephone call drop out rate	per cent	<5	<5	<5
<i>Timeliness</i>				
Meets timeline requirements	per cent	90	90	90
<b>Communications Programs</b> - Includes:				
<ul style="list-style-type: none"> <li>• the implementation of communication and information programs and activities on behalf of the Department and across government;</li> <li>• the provision of a range of services for Government including networked information services;</li> <li>• a bureau service for agency campaigns;</li> <li>• editorial and design services; and</li> <li>• contract management for outsourced communication services.</li> </ul>				
<i>Quantity</i>				
Increase in networked information services	per cent	5	5	5
<i>Quality</i>				
Feedback from key customers on satisfaction	per cent	80	80	80
246	Premier and Cabinet	Budget Estimates 1999-2000		

## Government Information and Communications - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Timeliness</i>				
Milestones achieved	per cent	90	90	90
<b>Government Processes</b> - The development of best practice in government communication and information through the provision of policies, standards and guidelines, and the creation of tools and resources for government agencies.				
<i>Quality</i>				
Feedback from customers in terms of satisfaction	per cent	80	80	80
<i>Timeliness</i>				
Milestones achieved within agreed time and budget limits	per cent	90	90	90

Source: Department of Premier and Cabinet

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>7.2</b>	<b>7.6</b>	<b>7.3</b>	<b>1.4</b>
Comprising:				
Employee-related Expenses	2.2	2.2	2.2	-1.2
Purchases of Supplies and Services	4.8	5.1	4.9	3.0
Depreciation	0.2	0.2	0.2	-10.4
Capital Asset Charge	0.0	0.0	0.0	..
Other	..	..	..	..

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Community Support Fund

### Key Government Outcomes

To promote public awareness of the Community Support Fund and manage the Fund for the benefit of the Victorian community.

### Description of the Output Group

The Community Support Fund unit manages and administers funds from the Government's gaming machine revenue and makes recommendations on their use for a range of projects and programs of lasting benefit to the people of Victoria.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Grants Program</b> - The Community Support Fund provides funding for a range of projects and programs of lasting benefit to the people of Victoria. The Unit manages the applications process, investigation and evaluation of applications, makes recommendations to Cabinet Committee and undertakes monitoring of the use of funds and progress of the project.				
<i>Quantity</i>				
Application conversion rate	per cent	10	10	15
<i>Quality</i>				
Project monitoring and evaluation is effective	per cent	100	100	100
<i>Timeliness</i>				
Milestones achieved within agreed timelines	per cent	90	90	90
<b>Community and Government Agency Awareness</b> - Advice is provided to prospective applicant organisations through seminars, site visits and publications. The Fund is promoted through the use of: the Fund logo on project documentation, media releases and application kits distributed via MPs, state and local government offices.				
<i>Quantity</i>				
Public awareness events	number	15	15	15
Suitable outlets carrying application kits	number	219	219	219
<i>Quality</i>				
Projects where Fund's contribution is recognised	per cent	100	100	100
<i>Timeliness</i>				
Timely advice given to potential applicants	per cent	100	100	100

Source: Department of Premier and Cabinet

## Output group costs

	(\$ million)			
	1998-99	1998-99	1999-2000	Variation <sup>(a)</sup>
	Budget	Revised	Budget	%
<b>Total cost of output group</b>	<b>69.0</b>	<b>62.5</b>	<b>101.4</b>	<b>47.0</b>
Comprising:				
Employee-related Expenses	0.0	0.4	0.5	na
Purchases of Supplies and Services	9.0	2.5	0.9	-90.1
Depreciation	0.0	0.0	0.0	na
Capital Asset Charge	0.0	0.0	..	na
Other	60.0	59.5	100.0	66.7

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Multicultural Affairs

### Key Government Outcomes

Assist State Government agencies to access Victoria's culturally and linguistically diverse community.

### Description of the Output Group

Provision of advice to Government and its agencies in the areas of immigration, settlement, community relations and multicultural affairs.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Advice to Minister, Minister Assisting and Members of Parliament</b> - Provision of policy advice across government and consultation with community groups on multicultural issues. Resources provided to Ministers attending meetings and presentations with multicultural groups.				
<i>Quantity</i>				
Briefs provided to Members of Parliament (MPs)	number	300	300	370
<i>Quality</i>				
Survey of MPs' satisfaction levels	per cent	75	75	85
Policy briefs returned for clarification	per cent	<10	<10	<5
<i>Timeliness</i>				
Responses to requests for briefs	per cent	95	95	95
<b>Advice to Government Agencies</b> - Provision of assistance to enable government agencies to improve service delivery.				
<i>Quantity</i>				
Statistical bulletins / major guides	number	4	4	6
<i>Quality</i>				
Survey of stakeholders to determine satisfaction levels	per cent	75	75	85
<i>Timeliness</i>				
Advice meets milestones	per cent	95	95	95

## Multicultural Affairs - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Funding Programs</b> - Grants are awarded to non-government community organisations for activities consistent with the Victorian Multicultural Commission's (VMC) objectives. Provision of funding for government initiatives such as the Language Allowance Program.				
<i>Quantity</i>				
VMC Grant funds allocated	per cent	100	100	100
Language Allowance funds allocated	per cent	70	70	70
<i>Quality</i>				
Use of grants monitored	per cent	100	100	100
<i>Timeliness</i>				
VMC Grants allocated by target date	per cent	100	100	100

Source: Department of Premier and Cabinet

## Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>2.9</b>	<b>2.8</b>	<b>3.0</b>	<b>4.3</b>
Comprising:				
Employee-related Expenses	0.7	0.7	0.8	7.5
Purchases of Supplies and Services	0.9	1.2	0.9	8.0
Depreciation	0.0	0.0	0.0	na
Capital Asset Charge	0.0	0.0	0.0	na
Other	1.3	0.8	1.3	0.0

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Implementation of Arts 21

### Key Government Outcomes

Implementation of Arts 21

#### Description of the Output Group

To promote the quality of life within Victoria through the effective promotion, management and implementation of the Arts 21 strategy.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Arts Agencies Governance</b> - Governance, operational support and performance improvement of the six Arts Agencies.				
<i>Quantity</i>				
Arts Agencies funded	number	6	6	6
Governance and reform projects	number	6	6	4
<i>Quality</i>				
Agency business plans and budgets developed and implemented in accordance with Government guidelines	per cent	100	100	100
Service and funding agreements	number	6	6	6
<i>Timeliness</i>				
Service agreements in place	by date	Dec 98	Dec 98	Dec 99
Funding provided within cash flow forecasts	per cent	100	100	100
<b>Cultural Facilities Development</b> - Development of high quality arts venues and cultural precincts.				
<i>Quantity</i>				
Agency major projects managed	number	9	9	9
Risk Management Programs	number	nm	nm	4
Infrastructure development programs	number	12	12	9
<i>Quality</i>				
Government-owned facilities in compliance with Public Owned Building Standards	per cent	100	100	100



## Implementation of Arts 21- *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target	
<i>Quality (continued)</i>					
Grants managed in accordance with published guidelines	per cent	100	100	100	
Infrastructure development projects delivered on time and on budget	per cent	100	100	100	
<i>Timeliness</i>					
Facility development works progressed in accordance with Building Management Plans	per cent	100	100	100	
Funding agreements in place with recipients within agreed timeframes	per cent	100	100	100	
<b>Arts Industry Development</b> - Support for the continued development of a sustainable and professional arts industry.					
<i>Quantity</i>					
Arts development grant programs	number	3	3	5	
Market development programs	number	nm	nm	6	
Industry development programs	number	nm	nm	5	
Publications and public events	number	21	21	16	
<i>Quality</i>					
Performance and grant agreements managed and acquitted within established guidelines	per cent	100	100	100	
Client satisfaction	per cent	80	80	80	
<i>Timeliness</i>					
Performance agreements in place and acquitted within agreed timeframes	per cent	100	100	100	
Funding programs delivered within agreed timeframes	per cent	100	100	100	
Strategic interventions delivered within agreed timeframes	per cent	100	100	100	
Publications produced and distributed within agreed timeframes	per cent	100	100	100	
Budget Estimates 1999-2000				Premier and Cabinet	253

## Implementation of Arts 21- *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Policy Advice</b> - Provision of high quality policy advice, research and planning services for the arts portfolio.				
<i>Quantity</i>				
Capacity for Ministerial briefings (staff hours)	number	400	400	400
Research projects	number	7	7	7
Planning projects	number	6	6	6
<i>Quality</i>				
Briefings meet quality criteria for content and presentation	per cent	100	100	100
Research projects methodology meets industry standards	per cent	100	100	100
Ministerial satisfaction/sign off on planning documents	per cent	100	100	100
<i>Timeliness</i>				
Briefings deadlines met	per cent	100	100	100
Research projects completed within established timelines	per cent	100	100	100
Government deadlines met for portfolio planning	per cent	100	100	100

Source: Department of Premier and Cabinet

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>160.2</b>	<b>154.6</b>	<b>217.8</b>	<b>35.9</b>
Comprising:				
Employee-related Expenses	38.8	37.7	42.2	8.6
Purchases of Supplies and Services	20.3	29.3	39.7	95.7
Depreciation	9.1	9.1	9.2	0.9
Capital Asset Charge	46.7	39.8	73.2	56.8
Other	45.3	38.8	53.5	18.1

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Strategic Human Resource Management

### Key Government Outcomes

Lead continuous improvement in people management, so as to enable public sector agencies to serve their customers better.

### Description of the Output Group

The Office of Public Employment assists the Commissioner for Public Employment in meeting his statutory responsibilities, and to provide advice and services in support of government policies on public sector people management.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Understanding of public employment and conduct principles and Directions</b>				
<i>Quantity</i>				
Qualitative analysis of the principles	number	1	1	1
Public Sector Workforce Reviews	number	1	1	2
Promote the principles				
• presentations to depts and agencies	number	30	30	10
• HR Forums and attendance of 50 per cent of agencies	number	2	2	4
• agencies undertaking local promotional activities	per cent	50	50	50
• publications produced to promote the principles (excl Focus)	number	15	15	30
• publications produced to promote the principles (excl Focus)	number	3	3	3
• appropriate publications on Internet within 10 days of production	per cent	80	80	90
Report on the Sector	number	1	1	1
Issues of Focus published	number	4	4	4
Managing Diversity Forums	number	4	4	4
<i>Quality</i>				
Increase in subscriptions for Focus	per cent	nm	nm	15
Good Ideas for Managing Diversity publishing award winning case studies	number	1	1	1
Proportion of certification responses meeting minimum performance standards	per cent	nm	nm	90
Budget Estimates 1999-2000	Premier and Cabinet			255

## Strategic Human Resource Management - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality (continued)</i>				
Proportion of agencies complying with reporting requirements	per cent	nm	nm	100
Agency satisfaction with value added by presentations	per cent	nm	nm	70
<i>Timeliness</i>				
All publications produced on agreed timelines:				
• Focus	per cent	100	100	100
• Good Ideas for Managing Diversity	per cent	100	100	100
• Board Newsletter	number	2	2	2
• Promotions Brochure	number	1	1	1
• Report to Parliament submitted to Minister by 31 October	number	1	1	1
Specific Reviews				
• individual cases completed within 2 weeks of lodgement of agency information	per cent	nm	nm	90
• programmed reviews completed within agreed timelines	number	nm	nm	2
<b>Provision of advice and services on managing people in the public sector</b>				
<i>Quantity</i>				
Remuneration and Benefits Surveys	number	2	2	2
Issues of Public Services Notices published	number	26	26	26
HR agency network meetings	number	18	18	22
<i>Quality</i>				
Satisfaction of participants (Executive Officers) with development programs	per cent	80	80	80
Graduates recruited to meet departmental requirements	number	100	100	100
Satisfaction of departments and graduates with development program	per cent	90	90	90

## Strategic Human Resource Management - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality (continued)</i>				
Completion of Industry Study and Database to JAP satisfaction	number	1	1	1
Analysis of agency submissions to JAP completed for regular meetings to satisfaction of JAP or Minister	per cent	100	100	100
Completion of Reviews of Policies/Guidelines to CPE satisfaction	per cent	nm	nm	100
<i>Timeliness</i>				
Agreed timelines, milestones or schedule of internal projects met	per cent	nm	nm	90
Public Service Notices published electronically on time	per cent	100	100	100

Source: Department of Premier and Cabinet

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>4.7</b>	<b>4.1</b>	<b>4.0</b>	<b>-15.0</b>
<i>Comprising:</i>				
Employee-related Expenses	2.4	1.8	1.6	-32.9
Purchases of Supplies and Services	2.2	2.3	2.3	2.7
Depreciation	0.1	0.1	0.1	22.2
Capital Asset Charge	0.0	0.0	0.0	0.0
Other	..	..	..	..

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Ombudsman Complaint Resolution

### Key Government Outcomes

Improve the accountability of government agencies to the public and the Parliament, promote fair and reasonable public administration and investigate complaints fairly.

### Description of the Output Group

The Office of the Ombudsman investigates complaints made against State Government agencies or local government officers and investigates or reviews complaints made against Victoria Police Force members.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Complaints investigation within the general jurisdiction</b> - The investigation of complaints made against the State Government agencies or local officers or otherwise when requested by Parliament.				
<i>Quantity</i>				
Finalise consideration of complaints	number	2 700	2 700	2 400
<i>Quality</i>				
Satisfaction of the Ombudsman and Parliament with the process.	per cent	100	100	100
<i>Timeliness</i>				
Complaints finalised within agreed timelines	per cent	90	90	100
<b>Complaints investigation within the police jurisdiction</b> - The review of investigation of complaints by police or the investigation of complaints where there is significant public interest or the complaint is against a senior officer.				
<i>Quantity</i>				
Finalise consideration of complaints	number	2 500	2 500	2 400
<i>Quality</i>				
Satisfaction of the Ombudsman and Parliament with the process	per cent	100	100	100
<i>Timeliness</i>				
Complaints finalised within agreed timelines	per cent	90	90	90

## Ombudsman Complaint Resolution - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Public awareness and education</b> - The Office responds to requests for information and assistance, conducts country access programs, provides information to officers of authorities, the public and community groups.				
The publication of information leaflets and Reports.				
<i>Quantity</i>				
Responses to requests	number	16 000	16 000	16 000
Number of country access programs	number	20	20	20
Reports and leaflets produced	number	4	4	4
<i>Quality</i>				
Satisfaction of the Ombudsman and Parliament with the process	per cent	100	100	100
<i>Timeliness</i>				
Prompt responses	per cent	100	100	100
<b>Police telecommunication interceptions monitoring</b> - The Office inspects the records of the Victoria Police in respect of lawful interceptions of telephone conversations to ensure compliance with the law.				
<i>Quantity</i>				
Number of warrant inspections	number	400	400	400
<i>Quality</i>				
Satisfaction of the Ombudsman and Commonwealth Attorney-General with the process	per cent	100	100	100
<i>Timeliness</i>				
All applicable records inspected within timeframes	per cent	100	100	100

*Source: Department of Premier and Cabinet*

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>2.6</b>	<b>2.7</b>	<b>2.9</b>	<b>8.4</b>
<i>Comprising:</i>				
Employee-related Expenses	1.8	1.9	1.8	0.2
Purchases of Supplies and Services	0.8	0.8	0.9	21.7
Depreciation	0.0	0.0	0.1	na
Capital Asset Charge	0.0	0.0	0.0	12.5
Other	..	..	..	..

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.



## Legislative Drafting and Publishing Services

### Key Government Outcomes

Provision of legislative drafting services for the Parliament and across government and published legislation to meet community needs.

### Description of the Output Group

The Office of the Chief Parliamentary Counsel drafts Bills for the Victorian Parliament and drafts and settles Statutory Rules, provides legal and administrative advice on legislation, publishes and reprints Acts and Statutory Rules and maintains a database of legislation.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Legislative Drafting</b> - Bills for Parliament are prepared efficiently and to the highest standards in accordance with the timelines set in the legislative programs established by the Cabinet.				
Proposed Statutory Rules are settled or drafted efficiently and to the highest standards in accordance with agreed timelines.				
<i>Quantity</i>				
Bills and Statutory Rules for Parliament prepared in accordance with Cabinet program	number	110 bills 170 SRs	110 bills 170 SRs	110 bills 170 SRs
<i>Quality</i>				
Bills and Rules drafted efficiently and to the highest standard demanded by Ministers and Departments	per cent	95	95	95
<i>Timeliness</i>				
Services delivered within agreed timelines	per cent	95	95	95
<b>Legislative Publishing</b> - Maintenance of document management systems and printing and publishing of Bills, Acts, Statutory Rules and associated public items are overseen and managed to the highest standards and in accordance with agreed timetables.				
<i>Quantity</i>				
Annual printing targets achieved	number	150	150	200
<i>Quality</i>				
Accuracy levels maintained in terms of document management, printing and publishing	per cent	95	95	95
Budget Estimates 1999-2000	Premier and Cabinet			261

## Legislative Drafting and Publishing Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Timeliness</i>				
Management systems maintained and products delivered within agreed timelines	per cent	95	95	95

*Source: Department of Premier and Cabinet*

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>3.0</b>	<b>2.7</b>	<b>3.2</b>	<b>6.7</b>
<i>Comprising:</i>				
Employee-related Expenses	2.2	2.0	2.1	-5.1
Purchases of Supplies and Services	0.7	0.7	1.0	49.8
Depreciation	0.1	0.1	0.0	-50.9
Capital Asset Charge	0.0	0.0	0.0	50.0
Other	..	..	..	..

*Source: Department of Treasury and Finance*

*Note:*

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Advice and Support to the Governor

### Key Government Outcomes

The Governor is able to discharge his duties for the benefit of the people of Victoria.

### Description of the Output Group

Provision of high quality advice and administrative support to the Governor, including the management and upkeep of the cultural heritage and buildings and gardens of Government House and collections therein, and hospitality for a range of events hosted by the Governor and the Premier, including annual events for charitable organisations.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Advice and administrative support to the Governor</b> - The provision of advice to the Governor, and administrative support, including:				
<ul style="list-style-type: none"> <li>• advice on legal, policy and constitutional issues;</li> <li>• the organisation of constitutional and ceremonial duties;</li> <li>• the program of community engagements; and</li> <li>• municipal, country and overseas visits.</li> </ul>				
<i>Quantity</i>				
Various events and visits by Governor within Victoria and overseas arranged:				
• Victoria	number	10	10	10
• Overseas	number	3	3	3
Responses provided to all correspondence and Governor briefed where required	number	100	100	100
<i>Quality</i>				
Satisfaction of the Governor with policy advice, administrative processes and outputs	per cent	95	95	95
Satisfaction of the Premier with policy advice and event and visit arrangements	per cent	95	95	95
<i>Timeliness</i>				
Timely arrangement of events and services	per cent	100	100	100

## Advice and Support to the Governor - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Heritage Assets and Maintenance</b> - The management and upkeep of the cultural heritage associated with the buildings and gardens of Government House and the collections held within.				
<i>Quantity</i>				
Upkeep is in accordance with established daily, weekly and monthly routines	per cent	100	100	100
<i>Quality</i>				
Satisfaction of Governor with standard and physical appearance of Government House and grounds and security	per cent	95	95	95
Minor works and other services are performed to agreed specifications	per cent	100	100	100
<i>Timeliness</i>				
Services are timely and contract milestones met	per cent	100	100	100
<b>Entertainment and Hospitality</b> - The provision of hospitality services to official guests of the Governor and the Government, the hosting of special events at Government House for Government and charitable organisations, the management of Open Day.				
<i>Quantity</i>				
Events and hospitality arranged in response to requests by the Governor and the Premier	per cent	100	100	100
Management of Government House Open Day	number	1	1	1
<i>Quality</i>				
High quality service provided to guests	per cent	95	95	95
Governor's satisfaction level, based on monthly review and comparative analysis with like functions	per cent	95	95	95
<i>Timeliness</i>				
Milestones achieved within agreed time limits	per cent	100	100	100

*Source: Department of Premier and Cabinet*

## Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>4.5</b>	<b>4.5</b>	<b>5.7</b>	<b>27.2</b>
<i>Comprising:</i>				
Employee-related Expenses	1.6	1.7	1.5	-4.9
Purchases of Supplies and Services	1.2	1.4	1.8	49.7
Depreciation	0.6	0.4	0.6	6.1
Capital Asset Charge	1.1	1.1	1.7	60.5
Other	..	..	..	..

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## PART 2: FINANCIAL INFORMATION

Part 2 provides the financial statements that support the Department's provision of outputs. The information provided includes the operating statement, statement of financial position and cash flow statement for the Department as well as tables detailing the authority for resources and, where appropriate, the payments on behalf of the State made by the Department.

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 following three 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 are those resources for 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 three tables can be used to assess the Department's financial performance and use of resources.

- **Table 2.6.2 – Operating Statement** - provides details of the Department's revenue and expenses on an accrual basis reflecting the cost in providing its outputs.
- **Table 2.6.3 – Statement of Financial Position** – shows all assets and liabilities of the Department. The difference between these represents the net assets position, which indicates the financial health of the Department; and
- **Table 2.6.4 – Cash Flow Statement** – shows all movements of cash, that is cash received and paid. The cash impact of financing and investment activities on Departmental resources is highlighted in this statement.

This year's *Budget Paper No. 3* shows fully consolidated financial statements for the Department for the first time. It includes the financial details of the National Gallery of Victoria, the State Library of Victoria and the Museum of Victoria, which were not shown last year.

**Table 2.6.2: Operating Statement**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Operating Revenue</b>				
Revenue from State Government <sup>(b)</sup>	288.2	286.9	340.7	18.2
Section 29 receipts - Commonwealth	..	..	..	..
- Other	0.5	0.5	0.5	..
Other Commonwealth Grants	..	5.0	10.0	..
Other revenue <sup>(c)</sup>	2.9	6.5	24.3	743.6
<b>Total</b>	<b>291.6</b>	<b>298.9</b>	<b>375.5</b>	<b>28.8</b>
<b>Operating Expenses</b>				
Employee Related Expenses <sup>(d)</sup>	66.9	65.1	69.8	4.4
Purchases of Supplies and Services <sup>(e)</sup>	54.3	56.8	77.8	43.2
Depreciation <sup>(f)</sup>	12.5	10.7	12.9	3.5
Capital Asset Charge	49.1	42.2	77.5	57.7
Other Expenses	116.4	103.8	157.9	35.6
<b>Total</b>	<b>299.2</b>	<b>278.7</b>	<b>396.0</b>	<b>32.3</b>
<b>Operating Surplus/Deficit before Revenue for Increase in Net Assets</b>	<b>- 7.6</b>	<b>20.2</b>	<b>- 20.4</b>	<b>168.2</b>
<i>Add:</i>				
Revenue for Increase in Net Assets	171.1	157.6	91.0	-46.8
Section 29 receipts - Asset Sales	..	..	..	..
<b>Operating Surplus/Deficit</b>	<b>163.5</b>	<b>177.8</b>	<b>70.5</b>	<b>-56.9</b>
<i>Administered Items</i>				
<b>Operating Revenue</b>				
Other revenue <sup>(c)</sup>	1.9	2.2	2.1	10.0
<b>Total</b>	<b>1.9</b>	<b>2.2</b>	<b>2.1</b>	<b>10.0</b>
<b>Operating Expenses</b>				
Other Expenses	2.0	2.2	2.2	9.8
<b>Total</b>	<b>2.0</b>	<b>2.2</b>	<b>2.2</b>	<b>9.8</b>
<b>Operating Surplus/Deficit</b>	<b>- 0.1</b>	<b>- 0.1</b>	<b>- 0.1</b>	<b>..</b>

Source: Department of Treasury and Finance

Notes:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.  
 (b) Includes estimated carryover of 1997-98 appropriation amounts. Actual carryover is subject to approval by the Treasurer prior to 30 June pursuant to Section 32 of the Financial Management Act, 1994.  
 (c) Includes revenue for services delivered to parties outside government.  
 (d) Includes salaries and allowances, superannuation contributions and payroll tax.  
 (e) Includes payments to non-government organisations for delivery of services.  
 (f) Includes amortisation of leased assets.

The Departmental Operating Statement for 1999-2000 indicates an increase of \$83.9 million (28.8 per cent) in operating revenue compared to the 1998-99 Budget. The main change relates to revenue from State Government which is estimated to increase by \$52.5 million (18.2 per cent) due to:

- an increased Capital Assets Charge reflecting the department's recent investment in Arts portfolio infrastructure;
- a range of new operating initiatives including those associated with the State Library of Victoria and the Museum of Victoria; and
- carry over funding from 1998-99.

In addition, other revenue has increased because additional 'own source' revenue generated by the Arts agencies has been shown in the DPC financial statements for the first time. Commonwealth revenue is a 'Federation Fund' grant to the National Gallery of Victoria for their building redevelopment project.

DPC's increased operating revenue is reflected in a corresponding increase in expenses, notably in 'Purchase of Supplies and Services', which has increased in accordance with the new initiatives funding mentioned above. The increase in 'Other Expenses' is primarily due to an increase in grant payments provided by the Community Support Fund.



**Table 2.6.3: Statement of Financial Position**

(\$ thousand)				
<i>Estimated as at 30 June</i>				
	1999 <i>Budget</i>	1999 <i>Revised</i>	2000 <i>Budget</i>	<i>Variation</i> <sup>(a)</sup> %
<b>Assets</b>				
<b>Current Assets</b>				
Cash	35 794	53 417	30 653	-42.6
Investments	134 547	134 547	135 047	0.4
Receivables	4 036	4 036	4 536	12.4
Prepayments	578	578	578	..
Inventories	2 198	2 198	3 198	45.5
Other Assets	..	..	..	..
<b>Total Current Assets</b>	<b>177 153</b>	<b>194 776</b>	<b>174 012</b>	<b>-10.7</b>
<b>Non-Current Assets</b>				
Investments	12 782	12 782	12 782	..
Receivables <sup>(b)</sup>	7 729	10 276	11 872	15.5
Fixed Assets	1 862 698	1 856 844	1 950 356	5.0
Other Assets	850	850	850	..
<b>Total Non-Current Assets</b>	<b>1 884 059</b>	<b>1 880 752</b>	<b>1 975 860</b>	<b>5.1</b>
<b>Total Assets</b>	<b>2 061 212</b>	<b>2 075 528</b>	<b>2 149 872</b>	<b>3.6</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Payables	4 674	4 674	5 874	25.7
Borrowing	..	..	..	..
Employee Entitlements	6 997	5 672	7 248	27.8
Superannuation	..	..	..	..
Other Liabilities	2 281	2 322	2 502	7.8
<b>Total Current Liabilities</b>	<b>13 952</b>	<b>12 668</b>	<b>15 624</b>	<b>23.3</b>
<b>Non-Current Liabilities</b>				
Payables	42	42	42	..
Borrowing	..	..	..	..
Employee Entitlements	8 912	10 244	11 170	9.0
Superannuation	..	..	..	..
Other Liabilities	..	..	..	..
<b>Total Non-Current Liabilities</b>	<b>8 954</b>	<b>10 286</b>	<b>11 212</b>	<b>9.0</b>
<b>Total Liabilities</b>	<b>22 906</b>	<b>22 954</b>	<b>26 836</b>	<b>16.9</b>
<b>Net Assets</b>	<b>2 038 306</b>	<b>2 052 574</b>	<b>2 123 036</b>	<b>3.4</b>

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Revised and 1999-2000 Budget.

(b) Includes cash balances held in trust in the Public Account.

In the Statement of Financial Position the value of fixed assets has increased from \$1 857 million in the 1998-99 Budget to \$1 950 million in the 1999-2000 Budget. The movement primarily reflects the State Government's continuing investment in Arts and Cultural assets through the Agenda 21 policy. The reduction of cash is due to an increase in the expected level of grants from the Community Support Fund in 1999-2000.

**Table 2.6.4: Cash Flow Statement**

	(\$ million)			Variation <sup>(a)</sup>
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	%
<b>Cash flows from operating activities</b>				
<i>Operating receipts</i>				
Receipts from State Government -provision of outputs	288.2	286.9	340.7	18.2
Receipts from State Government - increase in net asset base	171.1	157.6	91.0	-46.8
Section 29 Receipts - Commonwealth	..	..	..	..
- Other	0.5	0.5	0.5	..
- Asset Sales	..	..	..	..
Other Commonwealth grants	..	5.0	10.0	..
Other	2.9	6.5	23.8	na
	462.7	456.5	466.0	0.7
<i>Operating payments</i>				
Employee-related expenses	- 66.3	- 64.6	- 67.3	1.5
Purchases of supplies and services	- 54.3	- 56.8	- 77.4	42.5
Interest & finance expenses	..	..	..	..
Capital Assets charge	- 49.1	- 42.2	- 77.5	57.7
Current grants and transfer payments	- 80.8	- 78.4	- 95.3	18.0
Capital grants and transfer payments	- 35.6	- 25.5	- 62.6	75.7
<b>Net Cash flows from Operating</b>	176.5	189.1	85.8	-51.4
<b>Cash flows from investing activities</b>				
Purchases of investments	..	..	- 0.5	..
Receipts from sale of land, fixed assets and investments (incl. S29 FMA)	..	- 0.0	..	..
Purchase of non-current assets	- 189.3	- 181.7	- 106.4	-43.8
<b>Net Cash flows from investing activities</b>	- 189.3	- 181.7	- 106.9	-43.5
<b>Cash flows from financing activities</b>				
Receipts from appropriations -increase in net asset base	..	..	..	..
Capital repatriation to Government	..	..	..	..
Net increase in balances held with Government	- 0.1	- 2.7	- 1.6	na
Net borrowings and advances	..	..	..	..
<b>Net Cash flows from financing activities</b>	- 0.1	- 2.7	- 1.6	na
Net Increase/Decrease in Cash Held	- 12.9	4.7	- 22.7	75.7
<b>Cash at beginning of period</b>	48.8	48.8	53.4	9.5
<b>Cash at end of period</b>	35.8	53.4	30.7	-14.4

**Table 2.6.4: Cash Flow Statement - continued**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<i>Administered Items</i>				
<b>Cash flows from operating activities</b>				
<i>Operating receipts</i>				
Other	1.9	2.2	2.1	10.0
	1.9	2.2	2.1	10.0
<i>Operating payments</i>				
Purchases of supplies and services	..	..	..	..
<b>Net Cash flows from Operating Activities</b>	1.9	2.2	2.1	10.0
<b>Net Cash flows from investing activities</b>	..	..	..	..
<b>Net Cash flows from financing activities</b>	..	..	..	..

Source: Department of Treasury and Finance

Notes:

(a) Variation between 1998-99 Budget and 1999-2000 Budget..

The Cashflow Statement reflects the cash impact of those changes to the estimated Operating Statement and the Statement of Financial Position previously discussed.

### Authority for Resources

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

**Table 2.6.5: Authority for Resources**

	(\$ million)			Variation <sup>(a)</sup>
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	%
Annual Appropriations <sup>(b)</sup>	320.1	328.2	347.0	8.4
Receipts Credited to Appropriations	0.5	0.5	0.5	..
Unapplied previous years appropriation	63.6	32.7	5.0	-92.1
Gross Annual Appropriations	384.2	361.5	352.5	-8.2
Special Appropriations	75.6	83.5	79.6	5.3
Trust Funds	2.9	6.5	5.1	75.9
Non Public Account and other sources	..	5.0	29.3	na
<b>Total Authority</b>	<b>462.7</b>	<b>456.5</b>	<b>466.5</b>	<b>0.8</b>

Source: Department of Treasury and Finance

Notes:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

(b) For 1998-99 Revised, includes the impact of approved Treasurer's Advances.



# DEPARTMENT OF STATE DEVELOPMENT

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## PART 1: OUTLOOK AND OUTPUTS

### Overview

The Department's mission is to be a lead agency in positioning Victoria for the sustained development and innovation that delivers continuing lifestyle improvements for all Victorians. All of the Department's programs are directed to positioning Victoria for wealth and jobs in the global knowledge economy.

The Department supports the six Ministerial portfolios of Industry, Science and Technology, Small Business, Tourism, Sport, Rural Development and Information Technology and Multimedia.

The Department has wide ranging responsibilities for coordinating whole of government policy advice and service delivery to the business community. Its role encompasses:

- promoting growth in *jobs and investment*;
- improving *export performance*;
- creating a positive *business ethos*;
- developing a *skill base for the 21st century*;
- taking *Victoria online*;
- developing *recreational infrastructure*;
- securing and managing *major events*;
- attracting domestic and overseas *tourists*;
- encouraging *participation in sport and recreation*; and
- providing a lead role in *regulation reform*.

## **Review of 1998-99**

During 1998-99 the Department performed well against its planned targets. Key achievements for 1998-99 included:

- *Investment attraction*  
DSD is on track to facilitate over \$1.2 billion of investment.
- *Building skills for the new millennium*  
A major policy commitment and public information campaign aimed at boosting skills for the knowledge economy.
- *Science, Engineering and Technology*  
Development of new programs in research and development.
- *Sports facilities*  
Completion of the planning and design phases for the Royal Park hockey and netball centre and the multisport velodrome.
- *Victoria21 review*  
Undertaking a review of Victoria21, the Government's IT and multimedia policy.
- *Liquor licensing reform*  
The *Liquor Control Reform Act 1998* came into effect on 17 February 1999.
- *Industry sector regulation reviews*  
Following the successful Tourism Industry Regulation Review in 1997-98, a series of further industry sector regulation reviews has been initiated.
- *Victorian Business Centres*  
Creation of a network of Victorian Business Centres providing clients of DSD with 'one stop shop' access to the full range of services offered by the Department.

### ***Variations from previous year***

Apart from the inclusion of two new outputs, Information Economy Regulation and Business Migration, the consolidation of a number of smaller Small Business and Regulation Reform outputs and changes of output names to better reflect the activities within outputs; the structure of the Department's outputs and output groups is comparable to those in 1997-98.



## 1999-2000 Outlook

Whilst the Department will maintain its efforts in achieving record levels of investment, tourism, export and job growth, it will also focus on science, engineering and technology, positioning Victoria for success in the knowledge economy, and improving the operating environment for business. Specific initiatives include:

- *Science, Engineering and Technology*

DSD management of a quantum increase in the level of Victoria's investment in science engineering and technology focussed on infrastructure development and the commercialisation of ideas.

- *Information Economy Regulation*

Providing the legal infrastructure to support the burgeoning information economy.

- *Victoria21*

Implementation of the review of Victoria's IT and multimedia policy.

- *Regulation Reform*

Significant increase in the program of industry sector regulation reviews.

- *Tourism and Major Events*

Particular promotion of Victoria as a tourism destination in the pre-Olympic and Olympic period.

## Output Information

The following section provides details of the outputs to be provided to Government, including their performance measures and the costs for each output group. The table below summarises the total costs for each output group.

**Table 2.7.1: Output group summary**

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
Strategic Leadership	17.2	21.4	27.6	60.4
Business Development	84.5	95.7	96.2	13.9
Workforce Capability	16.3	16.1	16.4	0.1
Sport, Recreation and Racing	26.4	34.0	43.8	66.0
Small Business and Regulation Reform	13.8	13.8	15.3	10.5
Tourism	39.0	41.9	42.5	9.0
<b>Total</b>	<b>197.2</b>	<b>222.8</b>	<b>241.6</b>	<b>22.6</b>

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Strategic Leadership

### Key Government Outcomes

- Strategic economic leadership; and
- Positioning the State for the 21st century.

### Description of the Output Group

A core component of the Department's role is to assist Ministers in their strategic leadership of the economic development of Victoria. This role requires the identification of drivers and impediments to growth, catalytic action to capitalise on opportunities, and advocacy for Victoria both nationally and internationally. It also means working alongside other Victorian government agencies where their responsibilities have an impact on the State's economic development.

Major Outputs/Deliverables	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Performance Measures</b>				
<b>Policy Advice</b> - The capacity within the Department to deliver advice to government on portfolio related issues. This advice is provided in the form of policy papers, submissions and issue briefings. This output includes the provision of secretariat and other services to national policy coordination committees.				
<i>Quality</i>				
Advice meets quality standards	per cent	100	100	100
<i>Timeliness</i>				
Agreed timelines or milestones met	per cent	95	95	95
<b>Policy Leadership</b> - Policy leadership covers the identification of those issues of key importance to the long term economic development of Victoria.				
<i>Quality</i>				
Advice meets quality standards	per cent	100	100	100
<i>Timeliness</i>				
Agreed time lines or milestones met	per cent	95	95	95
<b>Strategic Projects</b> - The management of projects of strategic economic importance to Victoria. Key deliverables include Food Policy, Rural and Regional Policy, World Economic Forum/Olympics and Year 2000 Awareness Campaign.				
<i>Quantity</i>				
Projects managed	number	4	4	4
<i>Timeliness</i>				
Completion of projects within agreed timelines	per cent	95	95	95
Budget Estimates 1999-2000	State Development			279

## Strategic Leadership - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Science, Engineering and Technology Policy and Taskforce Support</b> - The provision of policy leadership across Government on science, engineering and technology issues including the delivery of strategic projects. To build Victoria as a world class location for science, engineering and technology (SET) and a centre for innovation, the Government has established a major ongoing initiative 'Investing in Innovation' which focuses on developing SET infrastructure and skills. This initiative is managed by the Department on a whole of government basis under the auspices of the Premier's Science, Engineering and Technology Taskforce.				
<i>Timeliness</i>				
Review of public sector expenditure on science in Victoria	date	Dec 1998	Dec 1998	na
Awarding of Victoria Prize and Victoria Fellowships	date	May 1999	May 1999	May 2000
Meetings of the Premier's SET Taskforce	number	4	4	4
Establishment of management, performance monitoring and administrative systems for funded SET proposals	date	nm	nm	Sept 1999
Establishment of selection, management, performance monitoring and administrative systems for 'Investing in Innovation' projects	date	nm	nm	Sept 1999
Establishment of effective support system for commercialisation of technology	date	nm	nm	Jun 2000

*Source: Department of State Development*

## Output group costs

	(\$ million)			
	1998-99	1998-99	1999-2000	Variation <sup>(a)</sup>
	Budget	Revised	Budget	%
<b>Total cost of output group</b>	<b>17.2</b>	<b>21.4</b>	<b>27.6</b>	<b>60.4</b>
Comprising:				
Employee-related Expenses	6.4	7.1	7.6	18.8
Purchases of Supplies and Services	4.4	5.6	6.0	35.8
Depreciation	0.6	0.6	0.6	-5.1
Capital Asset Charge	0.1	0.1	0.1	16.7
Other	5.7	8.0	13.3	na

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Business Development

### Key Government Outcomes

- Improve competitiveness of Victorian businesses and improved investment in Victoria;
- Increasing jobs, business and educational opportunities for all Victorians; and
- Positioning the State for the 21st century

### Description of the Output Group:

The Business Development output group provides support and development for manufacturing, service and the information, communications and technology (ICT) industries. Through Business Victoria and Multimedia Victoria there is continued focus on a small number of sectors where it is considered that Victoria has a comparative advantage.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Industry Development</b> - Business Victoria and Multimedia Victoria identify investment opportunities and potential investors; negotiate with potential investors to maximise the chance of attracting the investor; actively market Victoria as an investment destination; facilitate individual investment projects; and help to establish a productive investment environment with a focus on major investors, areas of Victorian competitive advantage and regional Victoria.				
<i>Quantity</i>				
New Investments Facilitated and Announced	\$million	1 000	1 200	1 000
Rural component of investment	\$million	250	250	250
Investment projects under Investigation	\$million	4 000	4 000	4 000
<b>Export Capability/Import Replacement and Facilitation</b> - Businesses, including regional business are assisted in their export activities through trade missions, export market planning and lifting export management skills. The Industrial Supplies Office identifies the supply capabilities of Australian industry and introduces purchasers to potential suppliers for the purpose of import replacement and export. Key deliverables include:				
<ul style="list-style-type: none"> <li>• Export Assistance</li> <li>• Import Replacement Assistance</li> <li>• Governor's Export Awards</li> </ul>				
<i>Quantity</i>				
Exports facilitated	\$million	600	600	600
Industrial Supplies Office Import Replacement	\$million	50	50	60
<i>Timeliness</i>				
Governor's Export Award presentation	date	nm	nm	2 <sup>nd</sup> quarter
282	State Development	Budget Estimates 1999-2000		

## Business Development - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Promoting Victoria</b> - This output covers deliverables with a wider scope or long term focus than complementary investment recruitment and facilitation and export capability/import replacement and facilitation outputs. Key programs of this output include Visitations/Delegations (Investment Centre); Advantage Melbourne; Alumni Program and Overseas Offices.				
<i>Quantity</i>				
Visitations/Delegations (Investment Centre)	number of visitors	5 000	5 000	5 000
	overseas component	1 500	1 500	1 500
<b>Business Growth</b> - Businesses (including small to medium enterprises) throughout Victoria are offered information and/or consultancy advice through programs designed to improve business competitiveness. The key assistance programs include Investment Ready; Partnerships for Growth; Supply Chain Management; and Technology Services.				
<i>Quantity</i>				
Business Improvement Services	number	500	500	na
• per cent Rural	per cent	25	25	na
Business improvement services provided:				
• metropolitan	number	nm	nm	375
• rural	number	nm	nm	125
<b>Regional Infrastructure Support</b> - Support is provided through two key strategies of the Partnerships for Growth program which target new infrastructure to improve the business environment; and the enhancement of local community assets.				
<i>Quantity</i>				
Rural Community Development Scheme Projects	number	50	50	50
Priority Infrastructure Projects	number	nm	nm	20
<b>Multimedia Industry Development</b> - This output implements an industry policy for the supply side of the information industries, targeting investment attraction and export development.				
<i>Quantity</i>				
Projects directed at:				
• Investment Recruitment	number	20 <sup>(a)</sup>	40	40 <sup>(b)</sup>
• Export Development	number	40 <sup>(a)</sup>	20	20 <sup>(b)</sup>

## Business Development - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Online Government and IT Policy Projects</b> - Project management, contract management, research and policy development to implement Government Online and to develop whole-of-government IT policies.				
<i>Quantity</i>				
Projects	number	6	6	6 <sup>(b)</sup>
<i>Quality</i>				
Specific project quality standards	per cent	90	90	90 <sup>(b)</sup>
<i>Timeliness</i>				
Project timelines met	per cent	80	90	90 <sup>(b)</sup>
<b>ICT Infrastructure and Services</b> - Whole-of-government management of key shared information and communications technology services and technology, particularly VicOne, telecommunications contracts and telecommunications infrastructure.				
<i>Quantity</i>				
Number of projects	number	8	8	5 <sup>(b)</sup>
VicOne rollouts to Departments	number	na	na	500 <sup>(b)</sup> additional Gov. sites connected
<i>Quality</i>				
Specific quality standards	per cent	90	90	90 <sup>(b)</sup>
<i>Timeliness</i>				
Project timelines met	per cent	90	90	90 <sup>(b)</sup>
<b>ICT Industry and Community Development</b> - This output delivers projects:				
<ul style="list-style-type: none"> <li>to grow a strong and vibrant global information and communications industry in Victoria; and</li> <li>to promote market uptake and effective use of information and communications services applications in the community.</li> </ul>				
<i>Quantity</i>				
Number and value of projects directed to use of ICT for:				
<ul style="list-style-type: none"> <li>Business use of IT and electronic commerce</li> </ul>	number	10	10	na <sup>(b)</sup>
<ul style="list-style-type: none"> <li>Cultural and research institutions</li> </ul>	number	4	4	na <sup>(b)</sup>
<ul style="list-style-type: none"> <li>Community access</li> </ul>	number	2	2	na <sup>(b)</sup>
<i>Quality</i>				
Specific project standards	per cent	90	90	na <sup>(b)</sup>
284	State Development	Budget Estimates 1999-2000		



## Business Development - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Timeliness</i>				
Project timelines met	per cent	90	90	na <sup>(b)</sup>
<b>Financial Services and Investment Attraction for the Film Industry</b> - To provide investment attraction and financial services to develop the Victorian film, television and multimedia industries; including the Melbourne Film Office, the discounting facility (Committed Fund Facility), and the Multimedia 21 Fund.				
<i>Quantity</i>				
Recoupment on multimedia development projects	per cent	33	33	na <sup>(b)</sup>
Recoupment on film and TV investment portfolio	per cent	33	33	35
Leverage funding - Film Victoria: other investors	ratio	1:8	1:8	1:8
Script development strike rate	per cent	23.9	23.9	22
Value of production facilitated in Victoria through Committed Fund Facility	\$million	4	4	na
Value of outsourced audio visual and multimedia production	\$million	3	3	na
Total value of production outsourced to Victorian Industry	\$million	nm	nm	3
Export film service attracted to Victoria	\$million	10	10	20
<i>Quality</i>				
Positive client evaluation of Cinemedia services	per cent	90	90	90
<i>Timeliness</i>				
Turnaround of film investment application within Cinemedia	weeks	8	8	na
Turnaround of multimedia investment from final application to assessment	weeks	nm	nm	8
Turnaround time on location surveys	weeks	2	2	2

## Business Development - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Screen Culture for Victorians</b> - To provide services which enhance the screen culture for Victorians, including developing film and video collections, supporting film and television investment, providing screen education and supporting screen culture events.				
<i>Quantity</i>				
Videos and films added to collection	number	300 videos 30 films	300 videos 30 films	na
Total titles added to collections	number	nm	nm	600
Annual loans of films and videos	number	125 000	125 000	na
Recoupment on investment portfolio	per cent	40	40	na
Other collection managed	number	5	5	na
Audiences at funded events	number	7 000 <sup>(c)</sup>	100 000	100 000
Audiences at Screen Education Events	number	nm	nm	10 000
<i>Quality</i>				
Cinemedia Film and Video Collection		Best In Australia	Best In Australia	Best In Australia
Positive client evaluation of Cinemedia services	per cent	90	90	90
<b>Electronic Access to Cinemedia Services</b> - Delivering Cinemedia Access Collection and other services on-line.				
<i>Quantity</i>				
Victorian locations listed in the Melbourne Film Office Library	number	150	150	375
CAC bookings made on-line	per cent	4	4	7
<i>Quality</i>				
Positive client evaluation of:				
• Melbourne Film Office locations on-line	per cent	90 plus	90 plus	na
• Melbourne Film Office Website	per cent	90 plus	90 plus	90 plus
• Availability of on-line services to clients	per cent	90	90	>90

## Business Development - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Timeliness</i>				
Turnaround time for on-line film and video borrowing	hours	24	24	na
Completion of stage 2 of the Digital Media Library Project	date	31 Dec 1998	31 Dec 1998	na

**Information Economy Regulation** - Regulation of the information economy through the administration of Data Protection Legislation and the Electronic Commerce Framework Bill, to provide a secure framework for personal information and electronic transactions.

### *Timeliness*

Privacy Commissioner implementation arrangements commenced	dates	nm	nm	Operational July 2000 <sup>(d)</sup>
Electronic Signature Recognition Body established	dates	nm	nm	Operational April 2000 <sup>(d)</sup>

**Business Migration** - Development and implementation of measures to attract migrants with business skills and skills in demand to settle in Victoria. Provision of information and referral service to potential business migrants.

### *Timeliness*

Establishment of management, performance monitoring and administrative systems for promotional measures.	date	nm	nm	Sept 1999
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Source: Department of State Development

### Notes:

- (a) Targets reversed in 1998-99 Budget Paper 3.
- (b) Specific targets to be developed as part of the 1999-2000 business planning process, following the review of the Victoria 21 strategy.
- (c) For target shown in 1998-99 Budget Paper 3 of 7 000, read 100 000.
- (d) Subject to Federal regulatory initiatives.

### Output group costs

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
<b>Total cost of output group</b>	<b>84.5</b>	<b>95.7</b>	<b>96.2</b>	<b>13.9</b>
Comprising:				
Employee-related Expenses	19.6	19.0	19.1	-2.5
Purchases of Supplies and Services	35.1	39.9	32.6	-7.0
Depreciation	1.3	1.6	1.6	17.8
Capital Asset Charge	0.3	0.3	0.3	-4.4
Other	28.2	35.0	42.6	51.3

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Workforce Capability

### Key Government Outcomes:

Workforce Capability contributes to the following government outcomes:

- Increasing jobs, business and educational opportunities for all Victorians; and
- Improved competitiveness of Victorian businesses and investment in Victoria

### Description of the Output Group

This output group delivers flexibility and capability of the workforce through employee relations and employment services. Employee relations services involve advocating enhancement to the industrial relations framework, providing industrial relations policy services to business and employers and improving links with the private sector.

Employment services include providing specialist consultancy advice and assistance on employment opportunities and the labour market; providing employment and training programs; meeting identified labour market needs through the Community Business Employment Program; and providing assessments of professional qualifications gained overseas and vocational advice to skilled migrants.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Industrial Relations Advocacy to Courts and Tribunals</b> - Promoting the employee relations reform agenda and representing Victorian State interests in matters of national and State industrial relations. Development of submissions to Courts and Tribunals on behalf of the State Government.				
<i>Quantity</i>				
Submissions to Federal and State Industrial Tribunals and Courts	number	6	6	6
<i>Quality</i>				
Comprehensiveness of submissions as assessed by parties being supported by the submission	per cent	80	80	80
<i>Timeliness</i>				
Adjournments for extra time	number	5 max	5 max	5 max
<b>Workforce Strategic Information Services</b> - Key deliverables include Employment Information Consultancy Services and Industrial Relations Services.				
<i>Quantity</i>				
Workforce Information Projects undertaken with employers/potential investors	number	100	100	na
Presentations on industrial relations and employment to potential investors	number	35	35	35
Budget Estimates 1999-2000	State Development			289

## Workforce Capability - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality</i>				
Customer satisfaction with advice and information provided	per cent	>80	>80	>80
<i>Timeliness</i>				
Labour Market Information Reporting				
• Labour Market Reports produced on time	per cent	>80	>80	na
• Labour Market Information requests responded to within specified timeframes	per cent	>80	>80	na
Client timelines met in employment information presentations	per cent	nm	nm	90
<b>Advice and Administration of Legislation</b> - Key deliverables include administration of the Long Service Leave Act, Trade Unions Act, Commonwealth Powers (IR) Act and Community Services Act (part).				
<i>Quantity</i>				
Long Service Leave Act non-compliance	number	25	25	na
Child Employment Permit applications assessed	number	1 650	1 650	1 650
<i>Quality</i>				
Long Service Leave Act prosecutions success rate	per cent	80	80	80
Comprehensiveness of advice	per cent	95	95	95
<i>Timeliness</i>				
Child Employment Permit application assessed within set time frames	per cent	85	85	na
Child Employment Permit applications assessed within 48 hours	per cent	nm	nm	85
<b>Employment Services</b> - Key programs include Overseas Qualification Services; StreetLIFE Program; Community Business Employment Program; and Youth Employment Initiative.				
<i>Quantity</i>				
Overseas Qualification Services client service (by phone, in person or in writing)	number	4 000	4 000	4 200
290	State Development	Budget Estimates 1999-2000		

## Workforce Capability - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quantity (continued)</i>				
Overseas Qualification Services Vocational Counselling and Information Sessions	number	320	320	na
StreetLIFE funded organisation	number	37 over 2 years	37 over 2 years	na
StreetLIFE contracts administered	number	nm	nm	36
StreetLIFE jobs created	number	nm	nm	500
StreetLIFE enquiries	number	250	250	na
Training/ Information sessions facilitated	number	50	50	na
CBE Program Contracts Managed				
• Metro	number	40	40	40
• Rural	number	19	19	19
Youth Employment Initiative- host employers participating	number	100	100	100
<i>Quality</i>				
Feedback from StreetLIFE clients on the resources and support provided (survey)	per cent	95	95	80
StreetLIFE grants administered in accordance with agreed standards and accountability	per cent	100	100	95
Community Business Employment program contracts monitored and evaluated	per cent	100	100	na
Community Business Employment program contracts retention rate	per cent	nm	nm	80 for 13 weeks
<i>Timeliness</i>				
Overseas Qualification Services enquiries responded within 10 working days	per cent	95	95	na
Overseas Qualification Services Assessments conducted at Interview	per cent	98	98	na
Multicultural Employment Services response rate	per cent	nm	nm	95 within 10 working days

*Source: Department of State Development*

### Output group costs

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
<b>Total cost of output group</b>	<b>16.3</b>	<b>16.1</b>	<b>16.4</b>	<b>0.1</b>
Comprising:				
Employee-related Expenses	3.5	3.5	3.6	2.9
Purchases of Supplies and Services	3.0	2.3	4.6	53.1
Depreciation	0.5	0.3	0.3	-38.2
Capital Asset Charge	0.1	0.1	0.1	-22.4
Other	9.2	9.8	7.7	-16.2

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.



## Sport, Recreation and Racing

### Key Government Outcomes

Sport, Recreation and Racing contribute to the following government outcomes:

- Improved competitiveness of Victorian businesses and investment in Victoria;
- Improved living standards for all Victorians; and
- To increase jobs, business and educational opportunities for all Victorians.

### Description of the Output Group:

The Sport, Recreation and Racing output group is the vehicle through which the government seeks to develop all facets of the sport, recreation and racing industries, resulting in employment and economic growth. This is undertaken with the Department of State Development's key outcomes of increased capacity and competitiveness of the industry and an improved quality of life for all Victorians.

The Government is committed to enabling and promoting sport and recreation participation for all within the community through strategic service provision, including the provision of developmental opportunities for our elite athletes.

This output group is proactive in the attraction, promotion and retention of sporting events and activities to maximise the economic impact and contribution of national and international sporting activity. Racing also makes a valuable contribution to the economy, tourism and entertainment industries and has real recreational importance to many Victorians.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Sport and Recreation Participation and Performance Facilitation</b> - The focus is on funding and influencing service providers to develop and facilitate participation opportunities at the community and elite levels. Key programs include Victorian Institute of Sport; Victorian Participation Initiative; State Recreation Camps and Specific Population Programs such as the Disability and Indigenous programs.				
<i>Quantity</i>				
Proportion of Victorian Institute of Sport scholarship holders who are members of national teams	per cent	>32	>32	>32
Athletes on Victorian Institute of Sport scholarships	number	>400	>400	>400
<i>Quality</i>				
Outdoor Recreation camps contract management KPIs met	per cent	>75	>75	>75
<i>Timeliness</i>				
Active Australia National Participation Framework Annual Operational Plan	date	Jul 1998	Jul 1998	Sept 1999
Country Action grants	date	Nov 1998	Nov 1998	Dec 1999
Victalent funding announced	date	Apr 1999	Apr 1999	May 2000
Budget Estimates 1999-2000	State Development			293

## Sport, Recreation and Racing - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Sport and Recreation Industry Development</b> - The aim is to provide strategic leadership and facilitate the development of the sport and recreation industry. There is also a focus on industry regulation and probity in the horse racing, professional boxing and martial arts sectors. Key deliverables include Victorian Coaching Centre; Volunteer Involvement Program; State Sporting Association Program; Sport and Recreation Development Program; Industry Development Projects; Research Program; and Management of Racing Policy and Legislation.				
<i>Quantity</i>				
Racing and Bookmakers Licences, Permits, Appeals and Registrations processed	number	815	815	500
State Sporting Association Future Directions and Innovations projects as per Funding and Service Agreements	per cent	>90	>90	>90
<i>Quality</i>				
Industry awards program conducted	date	May 1999	May 1999	na
<i>Timeliness</i>				
Sports Injury Prevention Program:				
• 1 year partnership programs agreed	date	Jun 1998	Jul 1998	na
• Launch and implementation	date	May 1999	May 1999	na
• Year 1 Program evaluation	date	nm	nm	Sept 1999
<b>Sport and Recreation Facility Development</b> - The aim is to provide funding, coordination, and facilitation services that generate investment in improving and extending sport and recreation facilities. Key deliverables include Planning and Construction of State facilities; Planning and Construction of Regional and Community Facilities; Minor Works Program; and Water Safety Infrastructure.				
<i>Quantity</i>				
State Level Major Facilities:				
• Investigated	number	12	12	5
• Funded	number	8	8	4
• Constructed	number	3	3	4
• Under construction	number	5	5	4
Regional and Community Facilities funded <sup>(a)</sup>	number	20-30	20-30	15-25
Minor Works facilities funded <sup>(b)</sup>	number	130-140	130-140	130-140
294	State Development	Budget Estimates 1999-2000		

## Sport, Recreation and Racing - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality</i>				
Estimated value added expenditure on Regional and Community Facilities above the State Government contribution	\$m	22-25	22-25	18-21
<i>Timeliness</i>				
Major facilities planned and designed within agreed time frames:				
• Netball and Hockey (Royal Park Sports Precinct) <sup>(b)</sup>	date	Sept 1998	Sept 1998	na
• Geelong Water Sports Complex (design and contractual arrangements finalised)	date	nm	nm	Apr 2000
• Expansion of Melbourne Sports and Aquatic Centre/ Sports House. Stage 1	date	nm	nm	Jun 2000
• Multi purpose Velodrome commissioned	date	nm	nm	Jan 2000
Local Government Authority capital works completed within agreed timeframe	per cent	>75	>75	>75

**Sport and Recreation Event and Tourism Facilitation** - The focus is on maintaining recognition of Melbourne and Victoria as the premier sporting city and sporting State of Australia. Key deliverables include Melbourne Sports Training and Coordination Centre and Major Events (International and national).

### *Quantity*

Estimated International teams/sports:

- |                                    |        |      |      |       |
|------------------------------------|--------|------|------|-------|
| • Inspecting facilities            | number | 8-12 | 8-12 | 10-15 |
| • Undertaking training/competition | number | 8-12 | 8-12 | 15-18 |

### *Quality*

Project Management and Evaluation

- |                                    |      |          |          |    |
|------------------------------------|------|----------|----------|----|
| • World Sailing Championships 1999 |      |          |          |    |
| - Event presented                  | date | Jan 1999 | Jan 1999 | na |
| - Evaluation and review            | date | Jun 1999 | Jun 1999 | na |

## Sport, Recreation and Racing - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality (continued)</i>				
<ul style="list-style-type: none"> <li>• World Masters Games 2002               <ul style="list-style-type: none"> <li>- Business and Operating Plan developed</li> </ul> </li> </ul>	date	Aug 1998	Aug 1998	na
Marketing and sponsorship plans implemented	date	nm	nm	Mar 2000
<i>Timeliness</i>				
Events Facilitated by Target				
Dates:				
<ul style="list-style-type: none"> <li>• UCI-BMX World Championships</li> </ul>	date	Jul 1998	Jul 1998	na
<ul style="list-style-type: none"> <li>• Australian University Games</li> </ul>	date	Oct 1998	Oct 1998	na
<ul style="list-style-type: none"> <li>• International Six Day Enduro</li> </ul>	date	Nov 1998	Nov 1998	na
<ul style="list-style-type: none"> <li>• National Schools Volleyball Cup</li> </ul>	date	Dec 1998	Dec 1998	Dec 1999
<ul style="list-style-type: none"> <li>• Aust. Baseball League Final Series</li> </ul>	date	Feb 1999	withdrawn	na
<ul style="list-style-type: none"> <li>• Athsfest</li> </ul>	date	Mar 1999	Mar 1999	Mar 2000
<ul style="list-style-type: none"> <li>• Rip Curl Offshore Festival (Bells Beach)</li> </ul>	date	Apr 1999	Apr 1999	Apr 2000
<ul style="list-style-type: none"> <li>• Equitana</li> </ul>	date	nm	nm	Nov 1999
<ul style="list-style-type: none"> <li>• Australian and New Zealand Police Games</li> </ul>	date	nm	nm	Nov 1999
<ul style="list-style-type: none"> <li>• Australasian Public Sector Games</li> </ul>	date	nm	nm	Apr 2000
<ul style="list-style-type: none"> <li>• Sail Melbourne</li> </ul>	date	nm	nm	Jan 2000

*Source: Department of State Development*

*Notes:*

*(a) Partly funded through the Community Support Fund.*

*(b) Funded through the Community Support Fund .*

## Output group costs

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
<b>Total cost of output group</b>	<b>26.4</b>	<b>34.0</b>	<b>43.8</b>	<b>66.0</b>
Comprising:				
Employee-related Expenses	4.8	5.5	5.9	23.0
Purchases of Supplies and Services	6.5	7.1	6.9	7.1
Depreciation	0.6	0.6	0.5	-13.7
Capital Asset Charge	0.5	0.4	0.6	24.5
Other	14.0	20.4	29.8	na

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Small Business and Regulation Reform

### Key Government Outcomes

- Improved competitiveness of Victorian businesses and improved investment in Victoria; and
- Increasing jobs, business and educational opportunities for all Victorians.

### Description of the Output Group:

The Small Business and Regulation Reform output group aims to stimulate an operating environment which is conducive to entry by new businesses, sustained business growth and improved performance of the small business sector.

In strategic partnerships with private sector organisations and government agencies, the group promotes the development and growth of small business through information and referral services, promotion of achievements and excellence in small business and by the development of appropriate policy/ programmes, taking into consideration the performance of small business and issues affecting the operation, market competitiveness and effectiveness of the sector.

A new approach in sectoral reviews of regulation, promotion of good principles in regulation and notification of planned changes to regulation through a Regulation Alert are being implemented to further enhance the operating environment for businesses. Other outputs in this group include the administration of Liquor Licensing and Trade Measurement legislation.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Small Business policy initiatives and special projects</b> - Development of policy initiatives and special projects to promote the growth of management skills and to strengthen and enhance small business sector performance.				
<i>Quantity</i>				
Initiatives completed	number	4	4	na
Projects/ events completed	number	6	6	na
Projects initiated/ completed	number	nm	nm	10
<i>Quality</i>				
Satisfaction with new small business initiatives, special projects and events (survey)	per cent	>80	>80	>80
<i>Timeliness</i>				
Appropriate timelines met	per cent	100	100	100

## Small Business and Regulation Reform - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Small Business information, referral services and promotion</b> - Delivery of business information, advisory and referral services through the SBV hotline, the First Place Business Directions Centres and regional offices operating across rural and metropolitan regions and via multimedia services. Promotion of achievements and excellence in small business.				
<i>Quantity</i>				
Small business information enquiries:				
• General enquiries	number	30 000	30 000	32 000
• Business licence enquiries	number	16 500	16 500	16 500
• Business referrals	number	30 000	30 000	32 000
<i>Quality</i>				
Client feedback of satisfaction on small business information and referral services (survey)	per cent	>80	>80	>80
<i>Timeliness</i>				
Small business information enquiries responded to within 3 days	per cent	90	90	95
<b>Regulation reform industry sector reviews and consultancy services</b> - To review regulatory regimes on a sectoral basis focussing on those areas with the greatest potential for growth. The review will identify impediments and recommend alternatives to improve the international competitiveness of the sector. To provide advice and educational services to agencies and undertake assessments of Regulatory Impact Statements.				
<i>Quantity</i>				
Regulation reform industry sector reviews	number	2	2	8
Regulation reform industry sector review implementation coordination	number	2	2	4
Regulation reform publications produced	number	5	5	na
Regulatory Impact Statements assessed	number	15	15	15
<i>Quality</i>				
Client Feedback of satisfaction with regulation reform advice (survey)	per cent	>90	>90	>90
Budget Estimates 1999-2000	State Development			299

## Small Business and Regulation Reform - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality (continued)</i>				
Regulatory Impact Statements assessed according to requirements (survey)	per cent	>90	>90	>90
<i>Timeliness</i>				
Review implementation coordination within agreed timelines	per cent	100	100	100
Regulatory Impact Statements assessed within 5 days of receipt	per cent	100	100	100
<b>Administration of the Trade Measurement Act</b> - Manage, through outsourced inspectorial and laboratory services, the Victorian Government's uniform trade measurement legislation ensuring accuracy in measurement. Responsibility for accuracy of measurement instruments now rests with businesses with compliance monitoring by contracted inspectors.				
<i>Quantity</i>				
Traders' instruments inspected	number	27 000	27 000	27 000
Packers' premises inspected	number	700	700	na
Traders' premises inspected	number	nm	nm	9 000
Quality Assurance applications assessed	number	35	35	na
Trade Measurement contracts prepared	number	20	20	na
Trade Measurement contracts managed	number	20	20	na
Servicing licensees monitoring visits	number	nm	nm	100
Inspectorial and laboratory contracts renewed	per cent	nm	nm	100
<i>Quality</i>				
Ratio of rejection notices to certification	ratio	1:9	1:9	na
Contractors complying with service levels specified in Trade Measurement contracts	per cent	100	100	100
<i>Timeliness</i>				
Trade Measurement contracts prepared and delivered with agreed timelines	per cent	100	100	100



## Small Business and Regulation Reform - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Administration of the Liquor Control Act</b> - Manage the administration of the Liquor Control Reform Act (1998) including advice on licensing matters, the determination of all application and appeal mechanisms.				
<i>Quantity</i>				
Liquor licensing enquiries	number	73 000	73 000	66 500 <sup>(a)</sup>
Liquor licensing and permit applications managed	number	12 700	12 700	13 500
Liquor licensing public hearing sessions	number	450	450	360
<i>Quality</i>				
Client Satisfaction with Liquor Licensing Victoria (LLV) service <sup>(b)</sup>	per cent	>90	>90	>90
Success rate of appeals against LLV decisions	per cent	<25	<25	<25
<b>Alcohol harm minimisation programs and services to industry</b> - To encourage compliance with liquor law and to provide education training and advice to industry, agencies and individuals which will support the licensing system in minimising the harm that can result from misuse and abuse of alcohol.				
<i>Quantity</i>				
Training, education and awareness programs developed, delivered and managed	number	15 000	15 000	16 000
Complaints resolved	number	200	200	na
Complaints against licencees processed	number	nm	nm	330
Advisory service provided	number	Demand driven	Demand driven	300
Planning of major projects in which LLV is involved	number	Demand driven	Demand driven	10
Advice to investors/developers	number	350	350	500
Assistance provided to agencies and departments	number	as required	as required	as required
<i>Quality</i>				
Satisfaction of program participants	per cent	>90	>90	>90
Feedback on LLV contribution from other agencies involved with harm minimisation	per cent	>95	>95	>95
Budget Estimates 1999-2000	State Development			301

## Small Business and Regulation Reform - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality (continued)</i>				
Follow up survey on complaints resolution	per cent	>85	>85	>85
Stakeholder satisfaction on LLV contribution to major projects (survey)	per cent	>90	>90	>95
Industry satisfaction with advice provided (survey)	per cent	>80	>80	>85
<i>Timeliness</i>				
Contribution made within project timeframes	per cent	100	100	100

Source: Department of State Development

Note:

(a) Subject to service demands, figures to be determined during 1999-2000 in light of experience of operation of new Act.

(b) Formerly Liquor Licensing Commission.

## Output group costs

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
<b>Total cost of output group</b>	<b>13.8</b>	<b>13.8</b>	<b>15.3</b>	<b>10.5</b>
Comprising:				
Employee-related Expenses	4.6	7.3	7.5	62.2
Purchases of Supplies and Services	8.5	5.7	7.2	-15.1
Depreciation	0.7	0.5	0.5	-25.9
Capital Asset Charge	0.1	0.1	0.1	52.0
Other	..	0.2	..	..

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Tourism

### Key Government Outcomes

- Improved competitiveness of Victorian businesses and improved investment in Victoria; and
- Increasing jobs, business and educational opportunities for all Victorians.

### Description of the Output Group

This output group aims to maximise employment and the longer term economic benefits of tourism to Victoria by developing and marketing the State as a competitive tourist destination. Through Tourism Victoria, the Government is committed to building on the leadership position it has secured in domestic tourism as well as consolidating the gains it has made in international tourism. The key services being provided cover the two areas of domestic and international tourism as well as product development, leadership and coordination.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Tourism Marketing</b> - Conduct marketing campaigns to further increase visitation and yield, assist in developing tourism product which appeals to international and domestic visitors, maximise cooperative marketing opportunities and capitalise on the tourism benefits flowing from major events. Key deliverables include:				
<ul style="list-style-type: none"> <li>• International Marketing; and</li> <li>• National Marketing.</li> </ul>				
<i>Quantity</i>				
Visitor nights (Domestic)	million	49-52	na	na <sup>(a)</sup>
Visitor nights (International)	million	15-17	15-17	16-18
Number of visitors (International)	million	1.0-1.3	1.0-1.3	1.0-1.2
Tourism Victoria's expenditure as proportion of total expenditure (Partnership Australia)	ratio	1:13	1:13	1:13
Enquiries and phone responses handled by Victorian Tourism Information Service	number	150 000	150 000	170 000
Familiarisation participants				
• Trade	number	300-400	300-400	300-400
• Media	number	30-60	30-60	30-60
International				
• Trade	number	700-800	700-800	700-800
• Media	number	300-400	300-400	500-600
Wholesale packages sold	number	70 000	70 000	70 000

## Tourism - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality</i>				
Awareness of advertising on Victoria:				
• New South Wales	per cent	18-22	18-22	18-22
• South Australia	per cent	24-32	24-32	18-26
• Queensland	per cent	18-22	18-22	18-22
• Victoria	per cent	14-22	14-22	14-22
Value of free ink generated				
• Domestic	\$ million	nm	nm	20-25
• International	\$ million	nm	nm	45-50
<i>Timeliness</i>				
Marketing programs delivered on time in accordance with plans	per cent	90-95	90-95	na
Percentage of consumer telephone calls answered with 20 seconds	per cent	80	80	80
<b>Tourism Industry and Infrastructure Development</b> - Facilitate private sector tourism investment and manage tourism projects funded from the Community Support Fund (CSF). Provide leadership and direction in line with the Tourism Victoria Strategic Business Plan (1997-2001) and the Tourism Development Plans for each of Victoria's product regions. Secure approval for new carriers and air services to Melbourne.				
<i>Quantity</i>				
Priority actions identified in the Strategic Business Plan (1997-2001) that have been satisfactorily implemented	per cent	80-85	80-85	85-90
Number of CSF projects managed	per cent	65-75	30	30
Submissions to Airlines and regulatory agencies	number	4-6	4-6	4-6
<i>Quality</i>				
Level of industry cooperation with the implementation of key projects identified in the Strategic Business Plan and Tourism Development Plans.	na	na	na <sup>(b)</sup>	na <sup>(b)</sup>
Effective management of Service Level Agreements with major industry partners	na	na	na <sup>(c)</sup>	na <sup>(c)</sup>
Evaluation of infrastructure projects submitted	na	na	na <sup>(c)</sup>	na <sup>(c)</sup>
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## Tourism - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality (continued)</i>				
Level of satisfaction in aviation facilitation role provided to key stakeholders	na	na	na <sup>(c)</sup>	na <sup>(c)</sup>
<i>Timeliness</i>				
Endorsement of six monthly progress reports on the Strategic Business Plan and Regional Tourism Development Plans to the Tourism Victoria Board.	na	na	na <sup>(c)</sup>	na <sup>(c)</sup>
<b>Event Facilitation</b> - Provide funding and development assistance for major events conducted in both regional and metropolitan Victoria. In conjunction with the travel industry, develop retail packages and cooperative marketing strategies. Key deliverables include:				
<ul style="list-style-type: none"> <li>• Tourism Major Events; and</li> <li>• Business Events.</li> </ul>				
<i>Quantity</i>				
Major events assisted	number	15-20	15-20	15-20
Business events assisted	number	3-5	3-5	3-5
<i>Quality</i>				
The relative success of events supported, measured by such factors as:				
• Press and media comment	na	na	na	na
• Economic impact studies	na	na	na	na
• Attendances	na	na	na	na
Relevant quality standards are met	per cent	nm	nm	100
<i>Timeliness</i>				
Administration of major events funding- response time/turnaround time	weeks	6 (avg)	6 (avg)	6 (avg)
Administration of business event funding – response time/turnaround time	weeks	8 (avg)	8 (avg)	8 (avg)

Source: Department of State Development

*Notes:*

(a) Estimates in relation to domestic visitor nights are anticipated to be available early in the financial year. Figures are unable to be provided at this stage due to a break in series of data.

Notes – continued:

- (b) Will reflect on an ongoing basis the level of positive industry involvement in projects identified in the Strategic Plan and Regional Tourism Development Plan.
- (c) Measures to be developed following regular monitoring of all relevant agreements, contracts and or specified guidelines.

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>39.0</b>	<b>41.9</b>	<b>42.5</b>	<b>9.0</b>
<i>Comprising:</i>				
Employee-related Expenses	6.9	7.2	7.5	9.1
Purchases of Supplies and Services	20.4	22.8	31.7	55.1
Depreciation	0.1	0.2	0.2	na
Capital Asset Charge	0.0	0.0	0.1	na
Other	11.6	11.7	2.9	-74.6

Source: Department of Treasury and Finance

Note:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.

## PART 2: FINANCIAL INFORMATION

Part 2 provides the financial statements that support the Department's provision of outputs. The information provided includes the operating statement, statement of financial position and cash flow statement for the Department as well as tables detailing the authority for resources and, where appropriate, the payments on behalf of the State made by the Department.

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 following three 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 are those resources for 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 three tables can be used to assess the Department's financial performance and use of resources.

- **Table 2.7.2 – Departmental Operating Statement** - provides details of the Department's revenue and expenses on an accrual basis reflecting the cost in providing its outputs.
- **Table 2.7.3 – Statement of Financial Position** – shows all assets and liabilities of the Department. The difference between these represents the net assets position, which indicates the financial health of the Department.
- **Table 2.7.4 – Cash Flow Statement** – shows all movements of cash, that is cash received and paid. The cash impact of financing and investment activities on Departmental resources is highlighted in this statement.

**Table 2.7.2: Operating Statement**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Operating Revenue</b>				
Revenue from State Government <sup>(b)</sup>	193.2	217.9	236.6	22.5
Section 29 receipts - Commonwealth	3.1	3.3	1.6	-48.1
- Other	..	..	0.3	..
Other Commonwealth Grants	..	..	0.1	..
Other revenue <sup>(c)</sup>	0.8	1.7	3.0	262.2
<b>Total</b>	<b>197.2</b>	<b>222.8</b>	<b>241.6</b>	<b>22.6</b>
<b>Operating Expenses</b>				
Employee Related Expenses <sup>(d)</sup>	45.8	49.7	51.2	11.8
Purchases of Supplies and Services <sup>(e)</sup>	77.9	83.4	89.1	14.3
Depreciation <sup>(f)</sup>	3.7	3.7	3.7	-0.9
Capital Asset Charge	1.0	1.0	1.2	22.5
Other Expenses	68.7	85.0	96.4	40.3
<b>Total</b>	<b>197.2</b>	<b>222.8</b>	<b>241.6</b>	<b>22.6</b>
<b>Operating Surplus/Deficit before Revenue for Increase in Net Assets</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>
<i>Add:</i>				
Revenue for Increase in Net Assets	1.0	1.1	..	-100.0
Section 29 receipts - Asset Sales	..	..	..	..
<b>Operating Surplus/Deficit</b>	<b>1.0</b>	<b>1.1</b>	<b>..</b>	<b>-100.0</b>
<i>Administered Items</i>				
<b>Operating Revenue</b>				
Other revenue <sup>(c)</sup>	19.6	7.5	6.3	-67.8
<b>Total</b>	<b>19.6</b>	<b>7.5</b>	<b>6.3</b>	<b>-67.8</b>
<b>Operating Expenses</b>				
Other Expenses	6.9	8.0	6.7	-2.3
<b>Total</b>	<b>6.9</b>	<b>8.0</b>	<b>6.7</b>	<b>-2.3</b>
<b>Operating Surplus/Deficit</b>	<b>12.8</b>	<b>-0.5</b>	<b>-0.4</b>	<b>-102.9</b>

Source: Department of Treasury and Finance

Notes:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.
- (b) Includes estimated carryover of 1997-98 appropriation amounts. Actual carryover is subject to approval by the Treasurer prior to 30 June pursuant to Section 32 of the Financial Management Act, 1994.
- (c) Includes revenue for services delivered to parties outside government.
- (d) Includes salaries and allowances, superannuation contributions and payroll tax.
- (e) Includes payments to non-government organisations for delivery of services.
- (f) Includes amortisation of leased assets.



The Department is estimated to breakeven on its operations for 1999-2000.

Operating revenue will increase by \$44.4 million (22.6 per cent) in 1999-2000. The increase reflects \$38.6 million for new initiatives and \$5.8 million as a result of policy/funding decisions and changes in accounting treatment during 1998-99.

The estimated (Revised) outturn for 1998-99 indicates revenue exceeding Budget by \$25.6 million. The increase is due to an increased carryover of government output revenue from 1997-98 (\$14.5 million) and new policy/funding decisions taken during the year.

Operating expenditure will increase in line with revenue. This will impact mainly on 'Other Expenses' due to new Government initiatives for Science, Engineering and Technology, Melbourne Sports and Aquatic Centre expansion and the Geelong Water Sports complex. Other initiatives approved, including Information Economy Regulation and Online 2001, impact on 'Purchase of Supplies and Services'.

**Table 2.7.3: Statement of Financial Position**

	(\$ thousand)			
	Estimated as at 30 June			
	1999	1999	2000	Variation <sup>(a)</sup>
	Budget	Revised	Budget	%
<b>Assets</b>				
Current Assets				
Cash	1 842	1 842	1 842	..
Investments	..	..	..	..
Receivables	475	475	475	..
Prepayments	729	729	729	..
Inventories	..	..	..	..
Other Assets	..	..	..	..
<b>Total Current Assets</b>	<b>3 046</b>	<b>3 046</b>	<b>3 046</b>	<b>..</b>
Non-Current Assets				
Investments	..	..	..	..
Receivables <sup>(b)</sup>	5 316	6 078	8 551	40.7
Fixed Assets	22 645	22 645	19 540	-13.7
Other Assets	..	..	..	..
<b>Total Non-Current Assets</b>	<b>27 961</b>	<b>28 723</b>	<b>28 091</b>	<b>-2.2</b>
<b>Total Assets</b>	<b>31 007</b>	<b>31 769</b>	<b>31 137</b>	<b>-2.0</b>
<b>Liabilities</b>				
Current Liabilities				
Payables	2 411	2 411	2 411	..
Borrowing	..	..	..	..
Employee Entitlements	7 060	7 060	5 553	-21.3
Superannuation	..	..	..	..
Other Liabilities	..	..	..	..
<b>Total Current Liabilities</b>	<b>9 471</b>	<b>9 471</b>	<b>7 964</b>	<b>-15.9</b>
Non-Current Liabilities				
Payables	..	..	..	..
Borrowing	..	..	..	..
Employee Entitlements	8 580	8 580	9 455	10.2
Superannuation	..	..	..	..
Other Liabilities	..	..	..	..
<b>Total Non-Current Liabilities</b>	<b>8 580</b>	<b>8 580</b>	<b>9 455</b>	<b>10.2</b>
<b>Total Liabilities</b>	<b>18 051</b>	<b>18 051</b>	<b>17 419</b>	<b>-3.5</b>
<b>Net Assets</b>	<b>12 956</b>	<b>13 718</b>	<b>13 718</b>	<b>..</b>

**Table 2.7.3: Statement of Financial Position - continued**

(\$ thousand)				
<i>Estimated as at 30 June</i>				
	1999 <i>Budget</i>	1999 <i>Revised</i>	2000 <i>Budget</i>	<i>Variation<sup>(a)</sup></i> %
<b>Administered Items</b>				
<b>Assets</b>				
Current Assets				
Investments	- 534	- 534	- 902	68.9
Receivables	573	573	573	..
<b>Total Current Assets</b>	<b>39</b>	<b>39</b>	<b>- 329</b>	<b>na</b>
Non-Current Assets				
Receivables	25 794	25 794	25 794	..
Fixed Assets	13 883	..	..	..
<b>Total Non-Current Assets</b>	<b>39 677</b>	<b>25 794</b>	<b>25 794</b>	<b>..</b>
<b>Total Assets</b>	<b>39 716</b>	<b>25 833</b>	<b>25 465</b>	<b>-1.4</b>
<b>Liabilities</b>				
Current Liabilities				
Payables	366	366	366	..
<b>Total Current Liabilities</b>	<b>366</b>	<b>366</b>	<b>366</b>	<b>..</b>
Non-Current Liabilities				
Payables	25 450	25 450	25 450	..
<b>Total Non-Current Liabilities</b>	<b>25 450</b>	<b>25 450</b>	<b>25 450</b>	<b>..</b>
<b>Total Liabilities</b>	<b>25 816</b>	<b>25 816</b>	<b>25 816</b>	<b>..</b>
<b>Net Assets</b>	<b>13 900</b>	<b>17</b>	<b>- 351</b>	<b>na</b>

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Revised and 1999-2000 Budget.

(b) Includes cash balances held in trust in the Public Account.

The Department's net assets are estimated to be maintained at \$13.7 million during 1999-2000.

The Controlled Statement of Financial Position indicates a reduction of \$632 000 in total assets. Increases in non-current receivables are due to the accumulation of cash which is held in trust by central government, as a provision for future employee entitlements and for capital investment. This is offset by a reduction in fixed assets reflecting the continuing depreciation of assets.

Liabilities for employee entitlements are projected to decrease by some \$630 000 during 1999-2000.

**Table 2.7.4: Cash Flow Statement**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Cash flows from operating activities</b>				
<i>Operating receipts</i>				
Receipts from State Government - provision of outputs	193.2	217.9	236.6	22.5
Receipts from State Government - increase in net asset base	1.0	1.1	..	na
Section 29 Receipts - Commonwealth	3.1	3.3	1.6	-48.1
- Other	..	..	0.3	..
- Asset Sales	..	..	..	..
Other Commonwealth Grants	..	..	0.1	..
Other	0.8	1.7	3.0	na
	198.1	224.0	241.6	22.0
<i>Operating payments</i>				
Employee-related expenses	- 44.7	- 48.6	- 51.8	16.0
Purchases of supplies and services	- 77.9	- 83.4	- 89.1	14.3
Interest and finance expenses	..	..	..	..
Capital Assets charge	- 1.0	- 1.0	- 1.2	22.5
Current grants and transfer payments	- 68.7	- 85.0	- 96.4	40.3
Capital grants and transfer payments	..	..	..	..
<b>Net Cash flows from Operating Activities</b>	5.8	6.0	3.1	-47.0
<b>Cash flows from investing activities</b>				
Purchases of investments	..	..	..	..
Receipts from sale of land, fixed assets and investments (incl. S29 FMA)	..	..	..	..
Purchase of non-current assets	- 4.6	- 4.6	- 0.6	-87.1
<b>Net Cash flows from investing activities</b>	- 4.6	- 4.6	- 0.6	-87.1
<b>Cash flows from financing activities</b>				
Receipts from appropriations -increase in net asset base	..	..	..	..
Capital repatriation to Government	..	..	..	..
Net increase in balances held with Government	- 0.6	- 1.3	- 2.5	na
Net borrowings and advances	..	..	..	..
<b>Net Cash flows from financing activities</b>	- 0.6	- 1.3	- 2.5	323.5
Net Increase/Decrease in Cash Held	0.6	..	..	na
<b>Cash at beginning of period</b>	1.8	1.8	1.8	..
<b>Cash at end of period</b>	1.8	1.8	1.8	..

**Table 2.7.4: Cash Flow Statement - continued**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<i>Administered Items</i>				
<b>Cash flows from operating activities</b>				
<i>Operating receipts</i>				
Receipts from State Government	13.9	..	..	na
Other	5.7	7.5	6.3	10.1
	19.6	7.5	6.3	-67.8
<i>Operating payments</i>				
Purchases of supplies and services	- 6.3	- 6.8	- 6.1	-2.5
Current grants and transfer payments	- 0.6	- 1.3	- 0.6	..
<b>Net Cash flows from Operating Activities</b>	12.8	- 0.5	- 0.4	na
<b>Cash flows from investing activities</b>				
Purchases of investments	0.5	0.5	0.4	-31.1
Purchase of non-current assets	- 13.9	..	..	na
<b>Net Cash flows from investing activities</b>	- 13.3	0.5	0.4	na
<b>Net Cash flows from financing activities</b>	..	..	..	..

Source: Department of Treasury and Finance

Notes:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

The Cash Flow Statement for controlled items reflects the substantial increase in State Government funding of new initiatives and the corresponding expenditure as outlined in the comments on the Operating Statement.

## Authority for Resources

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

**Table 2.7.5: Authority for Resources**

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
Annual Appropriations <sup>(b)</sup>	189.9	190.1	230.9	21.6
Receipts Credited to Appropriations	3.1	3.3	1.9	-40.0
Unapplied previous years appropriation	17.7	28.4	5.2	-70.6
Gross Annual Appropriations	210.6	221.8	238.0	13.0
Special Appropriations	0.5	0.5	0.5	..
Trust Funds	0.9	2.9	1.2	43.1
Non Public Account and other sources	..	..	2.5	na
<b>Total Authority</b>	<b>212.0</b>	<b>225.2</b>	<b>242.2</b>	<b>14.2</b>

Source: Department of Treasury and Finance

Notes:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

(b) For 1998-99 Revised, includes 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 2.7.6: Payments made on behalf of the State**

Accounts	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
Sports and Recreation - Grants <sup>(b)</sup>	5.4	..	..	na
Cinemia Projects <sup>(b)</sup>	0.3	..	..	na
VicOne (previously WAN) <sup>(b)</sup>	6.4	..	..	na
Tourism Projects <sup>(b)</sup>	1.6	..	..	na
<b>Total</b>	<b>13.9</b>	<b>..</b>	<b>..</b>	<b>na</b>

Source: Department of Treasury and Finance

Notes:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

(b) Transferred to payments for outputs during 1998-99.

# DEPARTMENT OF TREASURY AND FINANCE

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## PART 1: OUTLOOK AND OUTPUTS

### Overview

In 1999-2000 the Department will focus its activities on implementing Government policies which will make Victoria an even better place to live, invest and do business, by building on the benefits of restored confidence achieved through the re-building of Victoria's finances.

The Department will continue to provide leadership in economic, financial and resource management which:

- delivers a sustainable budget surplus;
- gets the best possible value for taxpayers dollars;
- keeps Victoria competitive in the 21st century; and
- expands lifelong opportunities for Victorians by enhancing economic growth.

1999-2000 will see the Department's activities scale down considerably with the winding down of reform and the completion of the privatisation of Victoria's energy and public transport businesses. After allowing for accounting classification corrections associated with certain finance leases, the overall revenue for the Department's outputs will reduce by 15.6 per cent, with increased emphasis placed on the delivery of core outputs (which make up 74 per cent of the Department's workload).

The new initiatives for 1999-2000 will be directed towards programs aimed at extracting in full the promised benefits of recent reforms, and towards foundation research on the underlying drivers of Victoria's competitiveness.

## Scope and Coverage

The financial information for the Department of Treasury and Finance includes consolidated information for the following portfolio entities:

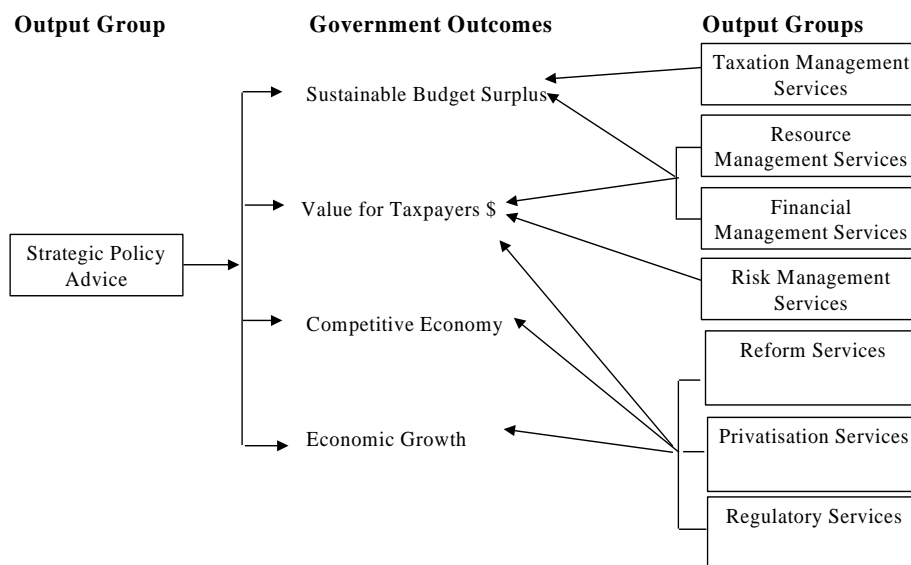
- Department of Treasury and Finance and its service agency, the State Revenue Office;
- Office of the Regulator-General;
- Victorian Casino and Gaming Authority; and
- Ministerial Offices of the Treasurer and the Minister for Finance and Gaming.

Collectively, these entities form the 'Department' for the purposes of budget appropriations. In addition there are a large number of statutory authorities and Government Business Enterprises which are not directly budget funded but are accountable to one of the portfolio Ministers.

## Departmental Contribution to Government Outcomes

The following table provides a representation of how the activities of the Department contribute to Government desired outcomes for Victorians.

**Outcome:** Victoria, an even better place to live, invest and do business.





## **Review of 1998-99**

The Department expects to complete all 1998-99 key initiatives, although external events necessitated adjustments to a small number of the Department's planned activities.

The Federal election precipitated a shift in focus in two key areas. Developing alternatives for tax reform and for the restructure of Commonwealth/State financial relations was superseded by a need to implement national tax reform. While most policy issues related to national tax reform will be resolved in 1998-99, a significant implementation effort across the Victorian Public Service (VPS) will be required into 1999-2000.

Following the Longford incident, the Department took on a new key initiative for 1998-99. This was to develop and implement an 'integrated solution' to ensure security of gas supply in Winter 1999. Work in this area will carry into 1999-2000. As a result of this and a longer than expected regulatory process, gas privatisation has been delayed by several months but will still be completed in the 1998-99 financial year.

Reform of public transport businesses was significantly progressed in 1998-99 - this is expected to be finalised early in 1999-2000.

A Gaming Policy Unit was also established to provide policy advice on the economic and social implications of the gaming industry and the regulatory and policy framework. The Department also formed a new unit responsible for monitoring Whole of Government risks associated with the year 2000 (Y2K) issues.

## **1999-2000 Outlook**

The Department has played a leadership role in designing and implementing reforms which have fundamentally changed the way in which the public sector conducts its business. A threshold has been passed with the essential architecture of these reforms largely in place. Therefore in 1999-2000, the Department will be reallocating resources to ensure that the promised benefits of these reforms are extracted in full.

An equal challenge for the Department is to replenish its capacity to generate new reform recommendations for Government. Accordingly, some resources will be dedicated to a number of important research projects.

The following are the Department's major new initiatives for 1999-2000:

***Initiatives to extract the benefits of reform***

- implementation of national tax reform to the best advantage for Victorian taxpayers (including advice on GST issues and management of GST impact on VPS systems);
- embedding the Management Reform Program of Accrual Output Management into the VPS culture; and
- management of the State's post-privatisation energy interests to ensure that promised consumer benefits are realised. (This includes providing advice on frameworks for extending choice of gas and electricity supplier to domestic customers, undertaking the first Electricity Distribution price review and remediation of West Melbourne Gasworks site.)

***Research projects***

- foundation research and analysis on which potential economic reforms would be most effective in lifting Victoria's competitiveness; and
- advice on the next steps in health reform to ensure quality services are provided efficiently and effectively to Victorians.

***'Core business' initiatives***

- Whole of Government Year 2000 risk management; and
- SRO IT Strategic Plan (this includes land tax base compliance initiatives and completion of the electronic commerce gateway).

**Potential impacts affecting performance**

The major potential impacts that may affect performance or delivery of the new initiatives include Y2K impact on systems, loss of key staff and issues related to the implementation of national tax reform/GST.

**Output Information**

The following section provides details of the outputs to be provided to Government, including their performance measures and the costs for each output group. The Department is continuing to develop appropriate measures of its activities. As a consequence of this evolutionary process, some measures have changed. The table below summarises the total costs for each output group.

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318 Treasury and Finance Budget Estimates 1999-2000

Estimated cost for the Resource Management Services output group has increased in both 1998-99 and 1999-2000 following the inclusion of an additional output 'Management of Centrally Controlled Motor Vehicles and Buildings Finance Leases'. This new output enables recognition of costs associated with lease arrangements for motor vehicles, and also buildings constructed under the Victorian Accelerated Infrastructure Program. Recognition of these costs aligns the budget presentation with accounting standards and the Annual Finance Statement.

After allowing for these new output costs the costs of delivering the departments existing outputs would have been \$295.5 million in 1999-2000 – a reduction of 14.4 per cent.

**Table 2.8.1: Output group summary**

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
Financial Management Services	17.8	18.6	22.6	27.4
Risk Management Services	19.9	20.6	22.7	14.2
Resource Management Services	55.9	114.2	108.7	94.4
Strategic Policy Advice	20.3	20.3	24.3	20.2
Regulatory Services	34.5	28.0	26.0	-24.8
Taxation Management Services	56.2	57.4	59.0	4.8
Privatisation Services	105.5	95.0	40.2	-61.9
Reform Services	35.3	42.5	42.9	21.5
<b>Total</b>	<b>345.4</b>	<b>396.6</b>	<b>346.5</b>	<b>0.3</b>

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Financial Management Services

### Key Government Outcomes

- A sustainable budget surplus; and
- Value for taxpayers dollars.

### Description of the Output Group:

The provision of financial accounting, reporting and control, and monitoring of the performance of Government departments, agencies and corporatised Government Business Enterprises.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Government Financial Accounting, Reporting and Control</b>				
<i>Quantity</i>				
The Department undertakes to deliver the following initiatives:				
• Whole of Government financial systems which meet National Tax Reform requirements	number	nm	nm	1
• Whole of Government Oracle Financial Release 11 - sites operational	number	nm	nm	2
Whole of Government Financial Reports produced	number	nm	nm	7
Monthly Financial Management analysis for Treasurer	number	nm	nm	12
<i>Quality</i>				
Whole of Government financial system functionality meets National Tax Reform requirements	per cent	nm	nm	100
Whole of Government financial system available (up time)	per cent	nm	nm	95
Unqualified audit opinion on the Annual Financial Statement.	yes/no	yes	yes	yes
Coverage and accuracy of monthly Financial Management analysis	per cent	nm	nm	95
<i>Timeliness</i>				
Whole of Government financial system functionality implemented	date	nm	nm	<May 2000
Whole of Government financial system recovery time	time/hrs	nm	nm	<2
320	Treasury and Finance	Budget Estimates 1999-2000		

## Financial Management Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Timeliness (continued)</i>				
Annual Financial Statement produced (working days from end of period)	days	77	85	77
Whole of Government Financial Reports produced (working days from end of period)	days	15	15	15
<b>Cash Management Services</b>				
<i>Quantity</i>				
Departments to which cash management services are provided	number	nm	nm	9
Budget Sector bank accounts managed	number	nm	nm	<50
<i>Quality</i>				
Aggregate average daily Budget Sector bank account balances managed to maximise short term investments.	\$ million	nm	nm	<10
<i>Timeliness</i>				
Departments' cash requirements provided on time	yes/no	yes	yes	yes
<b>Unclaimed Monies Administration</b>				
<i>Quantity</i>				
Successful claims processed	number	nm	nm	5 670
Unsuccessful claims processed	number	nm	nm	610
<i>Quality</i>				
Customer satisfaction survey	per cent	nm	nm	95
Compliance with the objectives of the <i>Unclaimed Moneys Act 1961</i>				
• by DTF	yes/no	yes	yes	yes
• by Organisations	yes/no	yes	yes	yes
<i>Timeliness</i>				
Verified claims processed within target period for unclaimed monies lodged after 1/10/98	working days	10	10	3
Budget Estimates 1999-2000		Treasury and Finance		321

## Financial Management Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Liabilities Management Services</b>				
<i>Quantity</i>				
State liabilities including:				
• unfunded superannuation	\$ billion	nm	nm	12.4
• State Government net debt	\$ billion	nm	nm	6.1
• quantifiable contingent liabilities	\$ billion	nm	nm	<1.5
• guarantee applications and indemnity claims	number (average)	nm	nm	40
<i>Quality</i>				
Growth in superannuation liabilities contained or reduced	per cent of GSP	nm	nm	7.9
General government net debt levels within target	per cent of GSP	<5	3.5	3.1
Interest estimate within forecast range	\$ million	<850	<700	<535
<i>Timeliness</i>				
Achieve targets within the framework agreed with the Treasurer and Minister for Finance	per cent	80	80	80
<b>Taxation Monitoring Services</b>				
<i>Quantity</i>				
Taxation revenue items monitored	number	nm	nm	22
<i>Quality</i>				
Contingency plans in place for major risks to revenue targets	percent	100	100	100
Ministerial (Treasurer) satisfaction	per cent (annual)	80	80	80
<i>Timeliness</i>				
Revenue analysis to customers within agreed timelines	per cent	80	80	80
<b>Departmental Performance Analysis and Review</b>				
<i>Quantity</i>				
Departments analysed and reviewed	number	nm	nm	9
Monthly financial analysis	number	12	12	12
322	Treasury and Finance	Budget Estimates 1999-2000		

## Financial Management Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quantity (continued)</i>				
Quarterly performance review analysis	number	nm	na	4
<i>Quality</i>				
Ministerial satisfaction with the quality and usefulness of advice	per cent (annual)	80	80	80
<i>Timeliness</i>				
Analysis provided to agreed schedule	per cent	90	90	95

### Government Business Enterprise Performance Monitoring Services

<i>Quantity</i>				
GBE plans and performance analysed and reviewed	number	nm	nm	21
<i>Quality</i>				
Analysis provided to agreed schedule	per cent (annual)	80	80	80
<i>Timeliness</i>				
Target dates met for GBE dividend payments	per cent	100	100	100
Analysis provided to agreed schedule	per cent	nm	nm	80

Source: Department of Treasury and Finance

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>17.8</b>	<b>18.6</b>	<b>22.6</b>	<b>27.4</b>
Comprising:				
Employee-related Expenses	6.2	6.2	6.0	-2.9
Purchases of Supplies and Services	9.0	9.2	13.8	54.5
Depreciation	2.3	2.2	0.9	-62.4
Capital Asset Charge	0.2	0.2	0.1	-35.9
Other	0.1	0.8	1.8	na

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

Budget Estimates 1999-2000	Treasury and Finance	323
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## Risk Management Services

### Key Government Outcome

Value for taxpayers dollars.

### Description of the Output Group

Implementing the Government's risk management framework including Y2K compliance, regulation of prudential frameworks and minimising the Government's exposure to any on-going liabilities from infrastructure outsourcing.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Risk Management and Prudential Supervision Services</b>				
<i>Quantity</i>				
Asset value of public financial enterprises, public sector superannuation funds, trustee companies and co-operative housing societies prudentially supervised	\$ million	nm	nm	50 000
Provision of advice on Victorian WorkCover Authority's role as regulator for occupational health and safety	yes/no	nm	nm	yes
<i>Quality</i>				
No unforeseen events or risks with significant financial impacts	number	nil	nil	nil
Contingency plans in place for all significant risks	yes/no	yes	yes	yes
<i>Timeliness</i>				
Ministerial satisfaction with the timely delivery of reports	per cent (annual)	80	80	80
<b>Infrastructure Project Risk Management Services</b>				
<i>Quantity</i>				
Former West Melbourne Gas Works site remediated	number	nm	nm	1
Spencer Street Station Authority established	number	nm	nm	1



## Risk Management Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quantity (continued)</i>				
Financial risk management advice on identified major infrastructure projects delivered	number	nm	nm	1
Advice provided to water entities to manage risks associated with new infrastructure projects with private sector involvement	number	nm	nm	1
<i>Quality</i>				
Remediation of the former West Melbourne Gas Works site (meets EPA requirements)	yes/no	nm	nm	yes
Ministerial satisfaction with the quality and usefulness of advice	per cent (annual)	80	80	80
<i>Timeliness</i>				
Ministerial satisfaction with the timely delivery of milestones	per cent (annual)	80	80	80
<b>Y2K Risk Management Services</b>				
<i>Quantity</i>				
Monthly reports delivered to Cabinet	number	nm	nm	12
<i>Quality</i>				
Meets Cabinet's reporting requirements and objectives	yes/no	nm	nm	yes
<i>Timeliness</i>				
Ministerial satisfaction with the timely delivery of reports	per cent (annual)	nm	nm	80

*Source: Department of Treasury and Finance*

## Output group costs

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
<b>Total cost of output group</b>	<b>19.9</b>	<b>20.6</b>	<b>22.7</b>	<b>14.2</b>
Comprising:				
Employee-related Expenses	2.8	3.0	3.1	11.2
Purchases of Supplies and Services	6.9	7.1	5.6	-19.0
Depreciation	0.1	0.1	0.2	na
Capital Asset Charge	0.0	0.0	0.1	na
Other	10.0	10.3	13.6	36.4

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Resource Management Services

### Key Government Outcomes

- A sustainable budget surplus; and
- Value for taxpayers dollars.

### Description of the Output Group

Administration of Government resource processes including accommodation, purchasing and procurement, land and property and public sector employee relations.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Purchasing and Procurement Services</b>				
<i>Quantity</i>				
Extension of the motor vehicle lease	vehicles covered	nm	nm	8 500
Electronic commerce for procurement system operating in departments	number	nm	nm	2
<i>Quality</i>				
Aggregate savings to Government	\$ million	5.5	5.5	6
End user survey on usefulness of the advice/training provided	per cent	78	78	78
<i>Timeliness</i>				
Ministerial satisfaction with the timely delivery of services	per cent (annual)	80	80	80
<b>Accommodation Services</b>				
<i>Quantity</i>				
Total area managed	m <sup>2</sup>	363 000	365 000	361 000
Complete City Precinct Strategic Plan	number	nm	nm	1
<i>Quality</i>				
Property Management - rated as satisfactory by clients	per cent	nm	nm	70
Dead rent - government leased accommodation	per cent	2	1	<2
Dead rent - government owned accommodation	per cent	4	2	<4

## Resource Management Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Timeliness</i>				
Accommodation available for clients when agreed	per cent	90	80	90
<b>Public Sector Employee Relations Services</b>				
<i>Quantity</i>				
Delivery of public sector employee relation services to Government and client organisations	yes/no	nm	nm	yes
<i>Quality</i>				
Ministerial satisfaction with the quality of advice and services	per cent (annual)	80	80	80
<i>Timeliness</i>				
Ministerial satisfaction with the timely delivery of advice and services	per cent (annual)	80	80	80
<b>Government Land and Property Services</b>				
<i>Quantity</i>				
Delivery of research and advice on land and property issues	yes/no	nm	nm	yes
<i>Quality</i>				
Ministerial satisfaction with the quality and usefulness of advice	per cent (annual)	nm	nm	80
<i>Timeliness</i>				
Ministerial satisfaction with the timely delivery of advice	per cent (annual)	80	80	80
<b>Budget Development and Production</b>				
<i>Quantity</i>				
Produce State Budget	number	nm	nm	1
<i>Quality</i>				
Ministerial advice and satisfaction with the quality of the advice and the Budget Papers	per cent (annual)	80	80	80

## Resource Management Services - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Timeliness</i>				
Ministerial satisfaction with the timely delivery of advice and the Budget Papers.	per cent (annual)	80	80	80
<b>Management of Centrally Controlled Motor Vehicles and Buildings Finance Leases – new output</b>				
<i>Quantity</i>				
Number of buildings	number	nm	nm	14
Number of vehicles	number	nm	nm	7 000
<i>Quality</i>				
User satisfaction with leasing companies				
• Buildings	per cent (annual)	nm	nm	80
• Vehicles	per cent (annual)	nm	nm	98
<i>Timeliness</i>				
User satisfaction with timing of vehicle leasing companies services	per cent (annual)	nm	nm	98

Source: Department of Treasury and Finance

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>55.9</b>	<b>114.2</b>	<b>108.7</b>	<b>94.4</b>
Comprising:				
Employee-related Expenses	8.1	8.1	8.6	5.6
Purchases of Supplies and Services	16.0	23.4	24.3	52.1
Depreciation	20.2	31.4	21.1	4.4
Capital Asset Charge	11.6	35.5	39.0	na
Other	..	15.8	15.8	na

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

Budget Estimates 1999-2000	Treasury and Finance	329
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## Strategic Policy Advice

### Key Government Outcomes

- A sustainable budget surplus;
- Value for taxpayers dollars;
- A competitive economy; and
- Economic growth.

### Description of the Output Group

Provision of policy advice to Government on financial management, long term economic and financial strategy, intergovernmental financial relations, industry and GBE reform, budget, gaming and research on potential future economic and health reforms.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Strategic Policy Advice</b> - The Department provides a range of key policy advice through a variety of outputs. Performance is measured in a generic way and in some aspects at an aggregate level, across policy advice outputs.				
<i>Quantity</i>				
In addition to providing the capacity to deliver ongoing advice and responding to requests from Government as the year progresses, the Department undertakes to deliver the following key strategic initiatives: <ul style="list-style-type: none"> <li>• national tax reform</li> <li>• health reform</li> <li>• gaming issues</li> <li>• deregulation of retail energy markets</li> <li>• foundation research (including regulatory environment)</li> </ul>	number	nm	nm	5
<i>Quality</i>				
Ministerial satisfaction with the quality and usefulness of advice	per cent (annual)	80	80	80
<i>Timeliness</i>				
Ministerial satisfaction with the timely delivery of milestones for each strategic policy advice	per cent (annual)	80	80	80

*Source: Department of Treasury and Finance*

## Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>20.3</b>	<b>20.3</b>	<b>24.3</b>	<b>20.2</b>
Comprising:				
Employee-related Expenses	7.1	7.1	7.2	1.2
Purchases of Supplies and Services	12.2	12.2	16.8	37.6
Depreciation	0.9	0.9	0.3	na
Capital Asset Charge	0.1	0.1	0.1	5.1
Other	..	..	..	..

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Regulatory Services

### Key Government Outcomes

- Value for taxpayers dollars;
- Competitive economy; and
- Economic growth.

### Description of the Output Group:

- Monitoring and regulation of Victoria's gambling activities to ensure that it is fair, crime free, and optimises the benefits for Victorians; and
- Economic regulation of certain industries to promote competitive conduct, prevent misuse of market powers, facilitate market entry and industry efficiency, and ensure that users and consumers benefit from competition and efficiency.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Regulation of Gambling</b>				
<i>Quantity</i>				
Licences regulated	number	19 200	20 272	20 730
Compliance activities (audits inspections, investigation, revenue verification, operator procedures and rule approvals)	number	8 360	8 857	8 917
<i>Quality</i>				
Accuracy of licence processing	per cent	95	95	95
Accuracy of compliance activities	per cent	95	95	95
<i>Timeliness</i>				
Licences - processed within target time	per cent	80	80	80
Compliance activities - performed within target time	per cent	95	95	95
<b>Economic Regulatory Services</b>				
<i>Quantity</i>				
In addition to providing ongoing regulatory services, the following specific outputs will be delivered in 1999-2000:				
• Electricity Distribution Price Review - Phase Two	number	nm	nm	1
• Review electricity industry Y2K preparation for mission critical services	number	nm	nm	1
332	Treasury and Finance	Budget Estimates 1999-2000		



## Regulatory Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quantity (continued)</i>				
• Information campaign for full retail competition for electricity in 2001	number	nm	nm	1
• Issue or amend electricity and gas licences	number	nm	nm	2
• Audits of compliance with electricity, gas and water regulatory standards	number	nm	nm	8
• Information campaign for customers entering the contestable gas market. Phase 1- two tranches	number	nm	nm	1
• Develop and issue regulatory guidelines	number	nm	nm	4
• Inquiry on ports being regulated beyond 2000	number	nm	nm	1
• Analyse comparative performance of regulated industries	number	nm	nm	3
<i>Quality</i>				
All mission critical electricity services identified and examined for Y2K preparation	yes/no	nm	nm	Yes
<i>Timeliness</i>				
Statutory reporting deadlines achieved	per cent	100	100	100
Electricity Industry Y2K preparation report produced	date	nm	nm	Sept 1999

*Source: Department of Treasury and Finance*

### Output group costs

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
<b>Total cost of output group</b>	<b>34.5</b>	<b>28.0</b>	<b>26.0</b>	<b>-24.8</b>
Comprising:				
Employee-related Expenses	19.6	13.4	13.7	-30.3
Purchases of Supplies and Services	13.2	12.8	10.3	-22.1
Depreciation	1.5	1.6	1.7	15.6
Capital Asset Charge	0.3	0.3	0.3	26.9
Other	..	..	..	..

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Taxation Management Services

### Key Government Outcome

A sustainable budget surplus.

### Description of the Output Group

- Ensure customer needs are central to the design and delivery of service; and
- Ensure timely delivery to Government of all due taxation through fair and cost effective taxation management services.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Tax-payer/ Customer Advice and Support Services</b>				
<i>Quantity</i>				
Land tax data compliance (revenue generated)	\$ million	0.5	0.5	4
<i>Quality</i>				
Customer satisfaction with education and compliance programs provided	per cent	95	95	95
Customer satisfaction with public rulings and publications	per cent	95	95	95
<i>Timeliness</i>				
Section 97 certificates issued within 5 days <sup>(a)</sup>	per cent	99	97	99
Refunds within 60 days <sup>(b)</sup>	per cent	100	93	100
Timely handling of objections within 60 days <sup>(c)</sup>	per cent	100	98	100
<b>Taxation Management Services to Government</b>				
<i>Quantity</i>				
Revenue targets achieved	per cent	+/- 5	+/- 5	+/- 5
<i>Quality</i>				
Ratio of outstanding debt to total revenue	per cent	<2	0.9	<2
Accuracy of cashflow projection	per cent	+/- 5	+/- 5	+/-5

## Taxation Management Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Timeliness</i>				
Revenue received within 2 days of due date	per cent	90	93	90
Revenue banked on day of receipt	per cent	99	99	99
Meet Cabinet & Parliament timeframes in legislation.	per cent	100	100	100

Source: Department of Treasury and Finance

Notes:

- (a) Section 97 targets may not be met due to incorrect information supplied on applications and incomplete data on the land tax database.
- (b) Refunds within 60 days targets may not be met where customers are asked for additional information to support the refund.
- (c) Timely handling of objections within 60 days target may not be met due to the higher number of land tax objections flowing from legislative changes introduced last year.

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>56.2</b>	<b>57.4</b>	<b>59.0</b>	<b>4.8</b>
<i>Comprising:</i>				
Employee-related Expenses	25.7	25.7	25.8	0.5
Purchases of Supplies and Services	21.7	21.9	21.9	1.0
Depreciation	6.5	6.5	8.7	34.1
Capital Asset Charge	0.9	1.2	1.2	36.5
Other	1.5	2.1	1.3	na

Source: Department of Treasury and Finance

Note:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Privatisation Services

### Key Government Outcomes

- Value for taxpayers dollars;
- A competitive economy; and
- Economic growth.

### Description of the Output Group

Implement Government policy on privatisation of Government Business enterprises and private provision of public sector goods and services.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Privatisation of Government Business Enterprises</b>				
<i>Quantity</i>				
Public transport reform and privatisation completed	number	nm	nm	1
<i>Quality</i>				
Probity standards met	yes/no	nm	nm	yes
Ministerial satisfaction with the quality and usefulness of advice	per cent	80	80	80
Minimise the extent ongoing liabilities require intensive management	yes/no	nm	nm	yes
<i>Timeliness</i>				
Key milestones met	per cent	80	80	100
<b>Advice to Departments on Outsourcing of Government Services</b>				
<i>Quantity</i>				
The Department undertakes to deliver the following key initiatives:	number	nm	nm	2
<ul style="list-style-type: none"> <li>• assistance to departments in implementation of outsourcing and private provisioning initiatives</li> <li>• promotion of outsourcing through forums, publications and other activities</li> </ul>				

## Privatisation Services - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality</i>				
Ministerial satisfaction with the quality and usefulness of advice	per cent (annual)	80	80	80
<i>Timeliness</i>				
Ministerial satisfaction with the timely delivery of milestones	per cent (annual)	80	80	80
<b>Sale of Surplus Government Property</b>				
<i>Quantity</i>				
Sales target achieved	\$ million	50	50	60
<i>Quality</i>				
Ministerial satisfaction with the quality and usefulness of advice	per cent (annual)	80	80	80
<i>Timeliness</i>				
Ministerial satisfaction with the timely delivery of advice	per cent (annual)	80	80	80

Source: Department of Treasury and Finance

## Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>105.5</b>	<b>95.0</b>	<b>40.2</b>	<b>-61.9</b>
<i>Comprising:</i>				
Employee-related Expenses	5.0	5.0	4.5	-10.2
Purchases of Supplies and Services	99.8	89.4	34.8	-65.2
Depreciation	0.4	0.4	0.2	-48.5
Capital Asset Charge	0.2	0.2	0.7	na
Other	..	..	..	na

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Reform Services

### Key Government Outcome

- Value for taxpayers dollars.
- Competitive economy
- Economic growth

### Description of the Output Group

Implement major Government reforms including financial management reform, tax reform, energy industry reform, National Competition policy and Government Business Enterprises reform.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Financial Management Reform</b>				
<i>Quantity</i>				
Major policy proposals developed	number	nm	nm	5
<i>Quality</i>				
Policy papers endorsed	per cent	nm	nm	100
Alignment of resource allocation processes to MRP framework for this stage of the five year program	per cent	nm	nm	70
Resource managers in VPS agree MRP is beneficial at this stage of the five year program	per cent	nm	nm	80
<i>Timeliness</i>				
Delivery within 'next steps' strategy timetable	per cent	nm	nm	100
<b>Advice on Tax Reform</b>				
<i>Quantity</i>				
The Department undertakes to implement a national tax reform package which includes: <ul style="list-style-type: none"><li>• Whole of Government framework for compliance with national tax reform arrangements</li><li>• advice on business tax reform</li></ul>	number	nm	nm	1
Budget Estimates 1999-2000	Treasury and Finance			339

## Reform Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quantity (continued)</i>				
<ul style="list-style-type: none"> <li>• advice on reciprocal taxation and National Tax Equivalent Regime</li> <li>• advice on next priorities for Victorian tax reform</li> </ul>				
<i>Quality</i>				
Ministerial satisfaction with the quality and usefulness of advice	per cent (annual)	80	80	80
<i>Timeliness</i>				
Ministerial satisfaction with the timely delivery of milestones	per cent (annual)	80	80	80
<b>Energy Industry Reform</b>				
<i>Quantity</i>				
The Department undertakes to manage the State's post privatisation energy interests	number	nm	nm	1
<i>Quality</i>				
Significant benefits, risks and material options identified	per cent	100	100	100
Relevant parties receive appropriate consultation	per cent	100	100	100
<i>Timeliness</i>				
Ministerial satisfaction with the timely delivery of milestones	per cent (annual)	nm	nm	80
<b>National Competition Policy and Government Business Enterprise Reform</b>				
<i>Quantity</i>				
Programs for 1999-2000 will include: <ul style="list-style-type: none"> <li>• legislative review</li> <li>• continuing competitive neutrality complaints investigation and assessment</li> <li>• contestability and choice policy implementation</li> <li>• expansion of tax equivalent regime coverage to the non-metropolitan water sector</li> </ul>	number	nm	nm	1



## Reform Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Quality</i>				
Ministerial satisfaction with the quality and usefulness of advice	per cent (annual)	80	80	80
<i>Timeliness</i>				
Ministerial satisfaction with the timely delivery of milestones	per cent (annual)	80	80	80
<b>Water Reform</b>				
<i>Quantity</i>				
The Department undertakes to implement the Government's water reform program	number	nm	nm	1
<i>Quality</i>				
Ministerial satisfaction with the quality and usefulness of advice	per cent (annual)	nm	nm	80
<i>Timeliness</i>				
Ministerial satisfaction with the timely delivery of milestones	per cent (annual)	nm	nm	80
<b>Superannuation Reform</b>				
<i>Quantity</i>				
Implement approved reforms	number	nm	nm	1
<i>Quality</i>				
Ministerial satisfaction with implementation of reform	per cent	nm	nm	80
<i>Timeliness</i>				
Superannuation reform completed within target	date	nm	nm	June 2000

*Source: Department of Treasury and Finance*

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>35.3</b>	<b>42.5</b>	<b>42.9</b>	<b>21.5</b>
<i>Comprising:</i>				
Employee-related Expenses	5.2	5.1	6.1	18.8
Purchases of Supplies and Services	28.4	35.6	35.7	26.0
Depreciation	0.8	0.8	0.6	-23.0
Capital Asset Charge	0.8	0.8	0.4	-53.3
Other	0.2	0.2	0.1	-50.0

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## PART 2: FINANCIAL INFORMATION

Part 2 provides the financial statements that support the Department's provision of outputs. The information provided includes the operating statement, statement of financial position and cash flow statement for the Department as well as tables detailing the authority for resources and, where appropriate, the payments on behalf of the State made by the Department.

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 following three 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 are those resources for 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 three tables can be used to assess the Department's financial performance and use of resources.

- **Table 2.8.2 – Departmental Operating Statement** - provides details of the Department's revenue and expenses on an accrual basis reflecting the cost in providing its outputs;
- **Table 2.8.3 – Statement of Financial Position** – shows all assets and liabilities of the Department. The difference between these represents the net assets position, which indicates the financial health of the Department; and
- **Table 2.8.4 – Cash Flow Statement** – shows all movements of cash, that is cash received and paid. The cash impact of financing and investment activities on Departmental resources is highlighted in this statement.

**Table 2.8.2: Operating Statement**

	(\$ million)			
	1998-99	1998-99	1999-2000	Variation <sup>(a)</sup>
	Budget	Revised	Budget	%
<b>Operating Revenue</b>				
Revenue from State Government <sup>(b)</sup>	340.6	360.3	311.3	-8.6
Section 29 receipts - Commonwealth	..	..	..	..
- Other	2.9	2.8	2.7	-4.7
Other Commonwealth Grants	..	..	..	..
Other revenue <sup>(c)</sup>	- 49.5	- 21.6	- 29.3	-40.7
<b>Total</b>	<b>294.0</b>	<b>341.5</b>	<b>284.7</b>	<b>-3.2</b>
<b>Operating Expenses</b>				
Employee Related Expenses <sup>(d)</sup>	79.7	73.7	75.1	-5.9
Purchases of Supplies and Services <sup>(e)</sup>	207.1	212.1	164.8	-20.4
Depreciation <sup>(f)</sup>	32.6	43.9	33.7	3.2
Capital Asset Charge	14.1	38.3	42.0	na
Other Expenses	11.7	28.5	31.0	na
<b>Total</b>	<b>345.4</b>	<b>396.6</b>	<b>346.5</b>	<b>0.3</b>
<b>Operating Surplus/Deficit before Revenue for Increase in Net Assets</b>	<b>- 51.3</b>	<b>- 55.1</b>	<b>- 61.8</b>	<b>20.3</b>
<i>Add:</i>				
Revenue for Increase in Net Assets	21.2	..	20.2	-4.7
Section 29 receipts - Asset Sales	..	..	..	..
<b>Operating Surplus/Deficit</b>	<b>- 30.2</b>	<b>- 55.1</b>	<b>- 41.6</b>	<b>37.8</b>
<i>Administered Items</i>				
<b>Operating Revenue</b>				
Revenue from State Government <sup>(b)</sup>	2 964.9	8 736.4	2 144.9	-27.7
Other Commonwealth Grants	3 607.7	3 603.5	3 679.6	2.0
Other revenue <sup>(c)</sup>	10 794.0	16 558.3	10 638.0	-1.4
<b>Total</b>	<b>17 366.6</b>	<b>28 898.2</b>	<b>16 462.4</b>	<b>-5.2</b>
<b>Operating Expenses</b>				
Employee Related Expenses <sup>(d)</sup>	1 086.1	909.0	909.6	-16.2
Purchases of Supplies and Services <sup>(e)</sup>	183.5	50.7	151.4	-17.5
Depreciation <sup>(f)</sup>	1.4	1.4	1.4	..
Other Expenses	16 316.7	21 978.4	15 562.1	-4.6
<b>Total</b>	<b>17 587.7</b>	<b>22 939.6</b>	<b>16 624.6</b>	<b>-5.5</b>
<b>Operating Surplus/Deficit</b>	<b>- 221.1</b>	<b>5 958.6</b>	<b>- 162.2</b>	<b>-26.7</b>

Source: Department of Treasury and Finance

Notes:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.  
 (b) Includes estimated carryover of appropriation amounts. Actual carryover is subject to approval by the Treasurer prior to 30 June pursuant to Section 32 of the Financial Management Act, 1994.  
 (c) Includes revenue for services delivered to parties outside government.  
 (d) Includes salaries and allowances, superannuation contributions and payroll tax.  
 (e) Includes payments to non-government organisations for delivery of services.  
 (f) Includes amortisation of leased assets.

**Table 2.8.3: Statement of Financial Position**

	(\$ thousand)			
	Estimated as at 30 June			
	1999	1999	2000	Variation <sup>(a)</sup>
	Budget	Revised	Budget	%
<b>Assets</b>				
<b>Current Assets</b>				
Cash	2 479	2 479	1 829	-26.2
Investments	1 121	1 121	1 121	..
Receivables	2 807	2 807	2 807	..
Prepayments	1 441	1 441	1 441	..
Inventories	15 856	15 856	15 856	..
Other Assets	..	..	..	..
<b>Total Current Assets</b>	<b>23 704</b>	<b>23 704</b>	<b>23 054</b>	<b>-2.7</b>
<b>Non-Current Assets</b>				
Investments	..	..	..	..
Receivables	42 947	50 378	53 654	6.5
Fixed Assets	495 216	455 959	403 166	-11.6
Other Assets	..	..	..	..
<b>Total Non-Current Assets</b>	<b>538 163</b>	<b>506 337</b>	<b>456 820</b>	<b>-9.8</b>
<b>Total Assets</b>	<b>561 867</b>	<b>530 041</b>	<b>479 874</b>	<b>-9.5</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Payables	56 024	56 024	56 024	..
Borrowing	..	..	..	..
Employee Entitlements	10 811	10 811	10 153	-6.1
Superannuation	..	..	..	..
Other Liabilities	3 392	3 392	2 392	-29.5
<b>Total Current Liabilities</b>	<b>70 227</b>	<b>70 227</b>	<b>68 569</b>	<b>-2.4</b>
<b>Non-Current Liabilities</b>				
Payables	276 284	269 375	262 466	-2.6
Borrowing	..	..	..	..
Employee Entitlements	13 225	13 225	13 225	..
Superannuation	..	..	..	..
Other Liabilities	..	..	..	..
<b>Total Non-Current Liabilities</b>	<b>289 509</b>	<b>282 600</b>	<b>275 691</b>	<b>-2.4</b>
<b>Total Liabilities</b>	<b>359 736</b>	<b>352 827</b>	<b>344 260</b>	<b>-2.4</b>
<b>Net Assets</b>	<b>202 131</b>	<b>177 214</b>	<b>135 614</b>	<b>-23.5</b>

**Table 2.8.3: Statement of Financial Position - continued**

	(\$ thousand)			
	Estimated as at 30 June			
	1999 Budget	1999 Revised	2000 Budget	Variation <sup>(a)</sup> %
<i>Administered Items</i>				
<b>Assets</b>				
Current Assets				
Cash	230 684	223 733	224 146	0.2
Investments	377 832	91 370	41 555	-54.5
Receivables	251 738	293 831	215 724	-26.6
Prepayments	..	..	..	..
Inventories	12 922	12 922	12 922	..
Other Assets	..	..	..	..
<b>Total Current Assets</b>	<b>873 176</b>	<b>621 856</b>	<b>494 347</b>	<b>-20.5</b>
Non-Current Assets				
Investments	276 248	276 248	276 248	..
Receivables <sup>(b)</sup>	374 364	274 364	172 934	-37.0
Fixed Assets	35 600	35 600	49 800	39.9
Other Assets	..	..	..	..
<b>Total Non-Current Assets</b>	<b>686 212</b>	<b>586 212</b>	<b>498 982</b>	<b>-14.9</b>
<b>Total Assets</b>	<b>1 559 388</b>	<b>1 208 068</b>	<b>993 329</b>	<b>-17.8</b>
<b>Liabilities</b>				
Current Liabilities				
Payables	54 917	54 852	54 852	..
Borrowing	923 451	922 606	922 026	-0.1
Employee Entitlements	..	..	..	..
Superannuation	906 131	625 131	684 131	9.4
Other Liabilities	8 275	8 275	8 275	..
<b>Total Current Liabilities</b>	<b>1 892 774</b>	<b>1 610 864</b>	<b>1 669 284</b>	<b>3.6</b>
Non-Current Liabilities				
Payables	32 935	..	..	..
Borrowing	10 305 640	6 315 517	6 094 514	-3.5
Employee Entitlements	..	..	..	..
Superannuation	13 394 569	11 168 569	11 284 569	1.0
Other Liabilities	224 102	224 102	218 102	-2.7
<b>Total Non-Current Liabilities</b>	<b>23 957 246</b>	<b>17 708 188</b>	<b>17 597 185</b>	<b>-0.6</b>
<b>Total Liabilities</b>	<b>25 850 020</b>	<b>19 319 052</b>	<b>19 266 469</b>	<b>-0.3</b>
<b>Net Assets</b>	<b>-24 290 632</b>	<b>-18 110 984</b>	<b>-18 273 140</b>	<b>0.9</b>

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Revised and 1999-2000 Budget.

(b) Includes cash balances held in trust in the Public Account.

**Table 2.8.4: Cash Flow Statement**

	(\$ million)			Variation <sup>(a)</sup>
	1998-99 Budget	1998-99 Revised	1999- Budget	%
<b>Cash flows from operating activities</b>				
<i>Operating receipts</i>				
Receipts from State Government -provision of outputs	340.6	360.3	311.3	-8.6
Receipts from State Government - increase in net asset base	21.2	..	20.2	-4.7
Section 29 Receipts - Commonwealth	..	..	..	..
- Other	2.9	2.8	2.7	-4.7
- Asset Sales	..	..	..	..
Other Commonwealth Grants	..	..	..	..
Other	5.8	51.9	47.1	na
	370.5	415.0	381.3	2.9
<i>Operating payments</i>				
Employee-related expenses	- 79.4	- 73.4	- 75.7	-4.7
Purchases of supplies and services	- 209.4	- 232.7	- 182.3	-13.0
Interest and finance expenses	..	- 22.7	- 22.7	..
Capital Assets charge	- 14.1	- 38.3	- 42.0	na
Current grants and transfer payments	- 11.5	- 12.5	- 15.1	30.6
Capital grants and transfer payments	- 0.2	- 0.2	- 0.1	-50.0
<b>Net Cash flows from Operating Activities</b>	<b>55.8</b>	<b>35.2</b>	<b>43.5</b>	<b>-22.0</b>
<b>Cash flows from investing activities</b>				
Purchases of investments	..	..	..	..
Receipts from sale of land, fixed assets and investments (incl. S29 FMA)	..	..	..	..
Purchase of non-current assets	- 56.7	- 28.7	- 40.9	-27.9
<b>Net Cash flows from investing activities</b>	<b>- 56.7</b>	<b>- 28.7</b>	<b>- 40.9</b>	<b>-27.9</b>
<b>Cash flows from financing activities</b>				
Receipts from appropriations -increase in net asset base	..	..	..	..
Capital repatriation to Government	- 0.1	- 0.1	..	na
Net increase in balances held with Government	0.5	- 6.9	- 3.3	na
Net borrowings and advances	..	..	..	..
<b>Net Cash flows from financing activities</b>	<b>0.5</b>	<b>- 7.0</b>	<b>- 3.3</b>	<b>na</b>
Net Increase/Decrease in Cash Held	- 0.5	- 0.5	- 0.7	30.0
<b>Cash at beginning of period</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>..</b>
<b>Cash at end of period</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>..</b>

**Table 2.8.4: Cash flow statement - continued**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<i>Administered Items</i>				
<b>Cash flows from operating activities</b>				
<i>Operating receipts</i>				
Receipts from State Government	2 964.9	8 736.4	2 144.9	-27.7
Other Commonwealth Grants	3 607.7	3 603.5	3 679.6	2.0
Other	10 809.2	12 839.7	10 650.1	-1.5
	17 381.8	25 179.6	16 474.5	-5.2
<i>Operating payments</i>				
Employee-related expenses	-1 150.1	-3 480.0	- 734.6	-36.1
Purchases of supplies and services	-15 103.9	-20 913.1	-14 832.9	-1.8
Interest and finance expenses	- 826.9	- 705.6	- 515.7	-37.6
Current grants and transfer payments	- 393.3	- 243.0	- 308.1	-21.7
Capital grants and transfer payments	- 181.9	- 192.3	- 56.8	-68.8
<b>Net Cash flows from Operating Activities</b>	- 274.2	- 354.5	26.4	na
<b>Cash flows from investing activities</b>				
Purchases of investments	25.8	4 003.9	49.8	93.4
Receipts from sale of land, fixed assets and investments (incl. S29 FMA)	55.0	55.0	60.0	9.1
Purchase of non-current assets	- 37.0	- 37.0	- 15.6	-57.8
<b>Net Cash flows from investing activities</b>	43.7	4 021.9	94.2	na
<b>Cash flows from financing activities</b>				
Net borrowings and advances	230.9	-3 673.4	- 120.2	na
<b>Net Cash flows from financing</b>	230.9	-3 673.4	- 120.2	na

Source: Department of Treasury and Finance

Notes:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.



The Department's Operating Statement reports an increase of \$47.2 million in controlled operating revenue in 1998-99 from that budgeted. This reflects increased Revenue from State Government for the delivery of additional outputs (\$19.7 million) including whole of government monitoring of Y2K rectification plans. The increase in Other Revenue (\$27.6 million) results from revised accounting treatments for some motor vehicle and building finance leases. Other Revenue is shown as a negative because the value of assets sold by the department is shown as an offset to this revenue item. This treatment is to ensure consistency with accounting standards.

A slight decrease of \$9.6 million is estimated for operating revenue for the 1999-2000 budget over the 1998-99 budget. Revenue from State Government for the delivery of outputs is expected to reduce significantly (\$27.3 million). Following finalisation of most stages of the Government's privatisation program during 1998-99, the outputs delivered by the Department will be fewer in 1999-2000. This reduction in outputs delivered is offset partially by the output initiatives the Department will deliver on behalf of Government in 1999-2000 such as national tax reform and superannuation reform implementation. The increase in Other Revenue (\$19.9 million) reflects the revised accounting treatments for the motor vehicle and building finance leases.

The increase in controlled operating expenses for the 1998-99 Revised estimate compared to the 1998-99 Budget reflects the additional outputs delivered for Government referred to above and the revised accounting treatment for the motor vehicle and building finance leases. Whilst the new output initiatives to be delivered and the impact of the revised accounting treatment of the finance leases add to the Department's costs in 1999-2000, the wind-down of activity associated with the finalisation of most stages of the Government's privatisation program results in operating expenses in the 1999-2000 Budget to be only \$1.1 million higher than the 1998-99 Budget.

The operating result for the Department is estimated to be a deficit in 1998-99 and 1999-2000 – this reflects the accounting treatment adopted for the sale of assets referred to earlier.

The Statement of Financial Position shows a reduction in the value of the Department's controlled non-current fixed assets from \$495.2 million in the 1998-99 Budget to \$403.2 million in the 1999-2000 Budget. This reduction is the downwards impact of assets sales by the Department and depreciation offset by investment in new assets.

The main movements in the administered items in the Department's financial statements result from the impact of the State's privatisation program.

The 1998-99 Budget, as is normal convention, only included provision for those privatisations finalised at the time of the Budget. During 1998-99 a number of energy businesses, Aluvic, V/Line Freight and the Victorian Plantations Corporation were sold.

These sales have increased the revenue the Department collects on behalf of the State in 1998-99 over that estimated in the 1998-99 Budget.

These proceeds were subsequently applied to reduce the State's debt and superannuation liabilities. In the Operating Statement for the 1998-99 Revised, the receipt of Revenue from State Government by DTF is reported as well as the actual retirement of the debt and superannuation liabilities (as Other Expenses). Investments, borrowings and current and non-current superannuation liabilities revised for 30 June 1999 in the Statement of Financial Position are also impacted.

The Cash Flow Statement reflects the sales and the application of the proceeds to reduce liabilities.

## Authority for resources

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

**Table 2.8.5: Authority for Resources**

(\$ million)

	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
Annual Appropriations <sup>(b)</sup>	2 274.8	1 622.4	1 610.0	-29.2
Receipts Credited to Appropriations	2.9	2.8	2.7	-4.7
Unapplied previous years appropriation	59.6	52.2	12.1	-79.7
Gross Annual Appropriations	2 337.3	1 677.3	1 624.8	-30.5
Special Appropriations	992.3	7 422.2	854.2	-13.9
Trust Funds	0.2	75.6	25.7	na
Non Public Account and other sources	25.2	23.2	18.9	-24.9
<b>Total Authority</b>	<b>3 355.0</b>	<b>9 198.3</b>	<b>2 523.6</b>	<b>-24.8</b>

Source: Department of Treasury and Finance

Notes:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

(b) For 1998-99 Revised, includes the impact of approved Treasurer's Advances.

## Payments made 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 2.8.6: Payments made on behalf of the State**

(\$ million)

	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
Tattersalls duty payments to other jurisdictions	38.2	39.3	41.8	0.1
Superannuation and pension payments	98.6	45.9	45.3	-1.2
Interest	794.0	641.5	492.7	-0.6
Fiscal contribution payment to the Commonwealth	74.4	74.4	..	..
Water and sewerage rebate scheme	4.5	4.5	4.5	..
Winter power bonus	134.0	100.4	115.2	-0.2
Current and capital grants	313.0	227.8	167.0	-0.9
Operating Supplies and Consumables	61.6	50.4	33.0	-0.9
Other	95.3	81.4	-13.9	-14.5
<b>Total</b>	<b>1 613.6</b>	<b>1 265.6</b>	<b>-348.0</b>	<b>-21.6</b>

Source: Department of Treasury and Finance

Notes:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

# PARLIAMENT

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## 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 administrative support services for the two Houses are provided by five parliamentary departments – the Legislative Council, the Legislative Assembly, Parliamentary Debates (Hansard), the Parliamentary Library and the Department of Parliamentary Services. Their primary function is to service the two Houses and the Committees, as well as to provide administrative support for Members and electorate offices. 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 Joint Investigatory Committees. Their role is to inquire, investigate and report upon proposals or matters referred to them by either House or by the Governor in Council or, in certain circumstances, upon a self-initiated reference.

Amendments to the Audit Act 1994, effective 1 July 1998, involved significant changes to the role and responsibilities of the Auditor-General and the Victorian Auditor-General's Office. The amendments introduced a requirement for the Auditor-General to appoint external contractors, following a process of contestability, to assist in the carrying out of financial and performance audits. A new Government statutory body, Audit Victoria, initially staffed by personnel transferred from the Victorian Auditor-General's Office, was established within the legislation to participate in this contestability process along with private sector service providers.

While external contractors must now be engaged to conduct field audit work, the Auditor-General remains solely responsible and accountable for the quality of the final audit product and the reporting to Parliament of issues and recommendations arising from audits.

### **Review of 1998-99**

During the 1998-99 financial year, the Parliament of Victoria continued to implement changes in financial management and streamline its business and administrative processes. 1998-99 saw significant capital works undertaken in the area of Information Technology with the rolling out of the Parlynet communications network to Members of Parliament. Major water, security and fire protection upgrades were also undertaken during the year.

Transitional arrangements, incorporating assignment to Audit Victoria of all financial and performance audits (conducted by in-house resources) in progress or planned at 1 July 1998 and a program for progressive implementation of contestability across future audits, have been determined by the Auditor-General following consultation with the Public Accounts and Estimates Committee. These arrangements provide for the application of full contestability to performance audits from towards the end of 1998-99, and to financial audits on a more gradual basis over 3 years because of the current profile of existing contracts with external service providers.

### **1999-2000 Outlook**

In 1999-2000, the focus will be on further improving the efficiency of the parliamentary departments and electorate offices through information systems upgrades, including implementation of the second phase of the Parlynet project. Parlynet is the communications network linking electorate offices across the state and providing access to a new range of parliamentary, government and business services. Additionally, improvements to the Parliament House buildings and grounds will continue. Additional funds have been provided in the

special appropriation for the Joint Investigatory Committees to meet the costs of new investigations and research.

The Parliamentary departments operate in an environment where the sitting patterns of the Parliament, which impact directly on its major outputs, are unpredictable. The Victorian Auditor-General's Office aims to manage its new legislative framework in the most efficient and effective manner and ensure that the public interest is protected through provision of high quality reports on significant issues to the Parliament, Government and the community.

## Output Information

The following section provides details of the outputs to be provided to Government, including their performance measures and the costs for each output group. The table below summarises the total costs for each output group.

**Table 2.9.1: Output group summary**

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
Legislative Council	17.0	13.7	11.6	-32.1
Legislative Assembly	31.0	24.4	19.9	-35.8
Parliamentary Library	1.9	1.9	1.7	-8.3
Parliamentary Debates (Hansard)	2.6	2.5	2.2	-12.7
Department of Parliamentary Services	30.8	32.8	34.5	12.2
Auditor General's Office	19.9	20.0	20.3	1.8
<b>Total</b>	<b>103.2</b>	<b>95.3</b>	<b>90.3</b>	<b>-12.5</b>

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Legislative Council

### Key Government Outcomes

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

### Description of the Output Group

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

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Procedural Support, Document Preparation and Provision of Information</b>				
<i>Quantity</i>				
House related documents produced <sup>(a)</sup>	number	160	95	130
Papers tabled <sup>(b)</sup>	number	600	500	1 600
Questions processed	number	2 000	1 150	1 500
Bills and amendments processed	number	175	130	140
Visitors received <sup>(c)</sup>	number	80 000	80 000	80 000
Committee meetings serviced <sup>(d)</sup>	number	150	150	130
<i>Quality</i>				
Constitutional, parliamentary and statutory requirements met	per cent	100	100	100
Accuracy of Council records	per cent	nm	nm	100
Accuracy of procedural advice provided	per cent	100	100	100
Members satisfaction with the quality of information and documentation provided	level	nm	nm	high
Committee inquiries completed within budget <sup>(d)</sup>	per cent	100	100	100
<i>Timeliness</i>				
Statutory and parliamentary deadlines met	per cent	100	100	100
Minutes and Notice Papers produced and made available within deadlines	per cent	98	100	98



## Legislative Council - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Timeliness (continued)</i>				
Clients requests responded to within acceptable deadlines	per cent	nm	nm	98
Committee inquiries completed within deadlines <sup>(d)</sup>	per cent	100	100	100

Source: Parliament

Notes:

- (a) Comprising: Minutes, Notice papers, Unanswered Question Papers and Joint Investigatory Committees Progress on Investigations.
- (b) 1999-2000 comprises all papers tabled including annual reports, statutory rules planning schemes, proclamations, special reports, parliamentary committee reports and petitions.
- (c) Figure relates to both Houses of Parliament.
- (d) All committees are Joint Investigatory Committees comprising Members of both Houses and the costs are therefore apportioned.

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>17.0</b>	<b>13.7</b>	<b>11.6</b>	<b>-32.1</b>
Comprising:				
Employee-related Expenses	12.7	9.5	9.6	-24.6
Purchases of Supplies and Services	2.0	2.0	1.7	-14.5
Depreciation	..	..	..	..
Capital Asset Charge	2.1	2.1	..	na
Other	0.2	0.2	0.2	2.5

Source: Department of Treasury and Finance

Note:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Legislative Assembly

### Key Government Outcomes

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

### Description of the Output Group

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

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Procedural Support, Document Preparation and Provision of Information</b>				
<i>Quantity</i>				
House related documents produced <sup>(a)</sup>	number	165	150	140
Papers tabled <sup>(b)</sup>	number	600	630	1 600
Questions processed	number	200	180	300
Bills and amendments processed	number	190	130	160
Visitors received <sup>(c)</sup>	number	80 000	80 000	80 000
Committee meetings serviced <sup>(d)</sup>	number	150	150	120
<i>Quality</i>				
Constitutional, Parliamentary and statutory requirements met	per cent	100	100	100
Accuracy of Assembly records	per cent	nm	nm	100
Accuracy of procedural advice provided	per cent	100	100	100
Members satisfaction with the quality of information and documentation provided	level	nm	nm	high
Committee inquiries completed within budget <sup>(d)</sup>	per cent	100	100	100
<i>Timeliness</i>				
Statutory and parliamentary deadlines met	per cent	100	100	100
Votes and Notice Papers produced and made available within deadlines	per cent	98	100	98

## Legislative Assembly - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Timeliness (continued)</i>				
Clients requests responded to within acceptable deadlines	per cent	nm	nm	98
Committee inquiries completed within deadlines <sup>(d)</sup>	per cent	100	100	100

Source: Parliament

Notes:

- (a) Comprising: Minutes, Notice papers, Unanswered Question Papers and Joint Investigatory Committees Progress on Investigations.
- (b) 1999-2000 comprises all papers tabled including annual reports, statutory rules planning schemes, proclamations, special reports, parliamentary committee reports and petitions.
- (c) Figure relates to both Houses of Parliament.
- (d) All committees are Joint Investigatory Committees comprising Members of both Houses and the costs are therefore apportioned.

## Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>31.0</b>	<b>24.4</b>	<b>19.9</b>	<b>-35.8</b>
Comprising:				
Employee-related Expenses	24.2	17.7	17.5	-27.9
Purchases of Supplies and Services	2.8	2.6	2.5	-10.5
Depreciation	..	..	..	..
Capital Asset Charge	4.0	4.0	..	na
Other	..	..	..	..

Source: Department of Treasury and Finance

Note:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Parliamentary Library

### Key Government Outcomes

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

### Description of the Output Group

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

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Information Provision</b> - Delivery of services whereby information is collated for a client in response to a specific request.				
<i>Quantity</i>				
Service requests satisfied	number	5 000	7 000	10 000
Pages of information delivered	number	20 000	37500	41 000
<i>Quality</i>				
Clients rating service at expected level or above	per cent	80	80	80
Questions successfully answered	per cent	95	95	95
<i>Timeliness</i>				
Jobs completed within agreed client timeframes	per cent	92	92	92
<b>Information Access</b> - Creation of services to enable clients to access information themselves, both physically and electronically.				
<i>Quantity</i>				
Items processed for retrieval	number	30 000	33 000	30 000
Client visits to the Library	number	3 000	7 000	10 000
Searches on databases	number	5 200	5 200	5 200
Electronic Hansard records processed	number	nm	nm	70 000
<i>Quality</i>				
Availability of databases	per cent	90	90	90
<i>Timeliness</i>				
Availability of Daily Hansard by 10am following day of sitting	per cent	95	78	80

## Parliamentary Library - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Research</b> - Provision of statistical, analytical and research briefings and publications in support or anticipation of Members' parliamentary responsibilities.				
<i>Quantity</i>				
Briefings provided	number	70	70	70
<i>Quality</i>				
Clients rating service at expected level or above	per cent	80	80	80
<i>Timeliness</i>				
Requests completed within agreed timeframe	per cent	80	80	90
<b>Public Relations and Education</b> - Provision of quality learning experiences for students and visitors to Parliament. Development of materials and events that promote awareness and understanding of the Parliamentary processes.				
<i>Quantity</i>				
PR brochures distributed	number	17 500	20 800	17 500
Student visitors to Parliament	number	24 000	20 600	24 000
Teachers provided with in-service training	number	300	60	120
Teacher consultancies provided	number	200	260	200
Eligible interns placed with Members	per cent	95	95	95
PR events hosted/facilitated	number	15	14	15
Members guest visitors received	number	1 000	170	250
<i>Quality</i>				
Clients rating education service as satisfactory	per cent	90	90	90

*Source: Parliament*

### Output group costs

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
<b>Total cost of output group</b>	<b>1.9</b>	<b>1.9</b>	<b>1.7</b>	<b>-8.3</b>
Comprising:				
Employee-related Expenses	1.0	1.1	1.1	12.0
Purchases of Supplies and Services	0.6	0.6	0.6	-2.9
Depreciation	..	..	..	..
Capital Asset Charge	0.3	0.3	..	na
Other	..	..	..	..

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Parliamentary Debates (Hansard)

### Key Government Outcomes

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

### Description of the Output Group

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

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Hansard, Sessional Indexes and Committee Transcripts</b>				
<i>Quantity</i>				
Total number of printed pages	number	12 355	13 000	15 188
<i>Quality</i>				
Accuracy and legibility of printed pages of appropriately edited transcript	per cent	100	99	100
<i>Timeliness</i>				
Pages produced within agreed timeframe	per cent	100	100	100

Source: Parliament

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>2.6</b>	<b>2.5</b>	<b>2.2</b>	<b>-12.7</b>
Comprising:				
Employee-related Expenses	1.6	1.6	1.7	6.9
Purchases of Supplies and Services	0.6	0.5	0.6	-6.3
Depreciation	..	..	..	..
Capital Asset Charge	0.4	0.4	..	na
Other	..	..	..	..

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

Budget Estimates 1999-2000	Parliament	363
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## Department of Parliamentary Services

### Key Government Outcomes

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

#### Description of the Output Group

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

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Financial Management</b> - Provision of financial management and accounting services.				
<i>Quantity</i>				
Accounts processed	number	17 000	17 500	19 000
Financial reports produced	number	2 000	2 200	2 300
<i>Quality</i>				
Accounts paid within credit terms	per cent	95	95	97
<i>Timeliness</i>				
Reports prepared within required timelines	per cent	92	92	93
<b>Property Management</b> - Management of the property and service related issues of the State electorate offices.				
<i>Quantity</i>				
Leases current	number	97	95	97
<i>Quality</i>				
Electorate offices property and infrastructure requests satisfactorily resolved	per cent	85	85	90
<i>Timeliness</i>				
Electorate office fitouts completed on time and within budget	per cent	97	100	97
<b>Ground and Facilities Maintenance</b> – Maintenance of the grounds and facilities of Parliament of Victoria.				
<i>Quality</i>				
Users rating the grounds and facilities as excellent	per cent	85	85	85
<i>Timeliness</i>				
Users requests satisfied on time	per cent	80	81	83



## Department of Parliamentary Services - *continued*

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Personnel Services</b> - Provision of personnel services to the Parliament of Victoria and State electorate offices.				
<i>Quantity</i>				
Payroll adjustments processed	number	5 000	5 500	6 000
<i>Quality</i>				
Corrections required to salaries payments	number	<50	<50	<60
<i>Timeliness</i>				
Information requests satisfied within agreed timeframe	per cent	95	95	95

Source: Parliament

### Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>30.8</b>	<b>32.8</b>	<b>34.5</b>	<b>12.2</b>
Comprising:				
Employee-related Expenses	12.8	12.9	13.1	2.0
Purchases of Supplies and Services	12.4	14.0	19.0	52.8
Depreciation	1.4	1.8	1.8	30.1
Capital Asset Charge	4.2	4.2	0.7	-83.8
Other	..	..	..	..

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## Auditor-General's Office

### Key Government Outcomes

- Contributing to improved accountability and resource management across the Victorian public sector;
- Meeting the information needs of Parliament and the community on how efficiently and effectively government has used public sector resources and managed financial operations; and
- Effectively implementing contestability.

### Description of the Output Group

The Auditor-General, an independent officer of the Parliament, has responsibility for the audit of government agencies and reporting the results to the Parliament. External contractors are appointed by the Auditor-General, following a process of contestability to assist in the carrying out of performance and financial audits.

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<b>Performance Audits</b> - Provision of quality audit reports to the Parliament on significant resource management issues in the Victorian public sector.				
<i>Quantity</i>				
Performance audits to be worked upon during the year	number	10	10	12
Major reports tabled in Parliament	number	4	3	6
<i>Quality</i>				
Overall level of external satisfaction with audits	per cent	75	75	75
<i>Timeliness</i>				
Reports completed within timeframes agreed with Parliament	per cent	95	95	95
<b>Financial Audits</b> - Expression of audit opinions on the financial statements of audited agencies and on the Government's Annual Financial Statements within statutory deadlines and provision of quality audit reports to the Parliament on financial management and accountability issues in the Victorian public sector.				
<i>Quantity</i>				
Audit opinions issued to agencies	number	540	540	525
Audit opinion on Government's Annual Financial Statement	number	1	1	1
Major reports tabled in Parliament	number	2	2	2
<i>Quality</i>				
Overall level of external satisfaction with audits	per cent	70	70	70
366	Parliament	Budget Estimates 1999-2000		

## Auditor-General's Office - continued

Major Outputs/Deliverables Performance Measures	Unit of Measure	1998-99 Target	1998-99 Expected	1999-2000 Target
<i>Timeliness</i>				
Audits completed within statutory deadlines	per cent	95	95	95

Source: Parliament

## Output group costs

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Total cost of output group</b>	<b>19.9</b>	<b>20.0</b>	<b>20.3</b>	<b>1.8</b>
Comprising:				
Employee-related Expenses	17.5	17.5	17.6	1.0
Purchases of Supplies and Services	1.6	1.6	1.7	8.8
Depreciation	0.8	0.8	0.8	-2.5
Capital Asset Charge	0.1	0.1	0.1	56.4
Other	..	..	..	..

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

## PART 2: FINANCIAL INFORMATION

Part 2 provides the financial statements that support the Department's provision of outputs. The information provided includes the operating statement, statement of financial position and cash flow statement for the Department as well as tables detailing the authority for resources and, where appropriate, the payments on behalf of the State made by the Department.

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 following three 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 are those resources for 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 three tables can be used to assess the Department's financial performance and use of resources.

- **Table 2.9.2 –Operating Statement** - provides details of the Department's revenue and expenses on an accrual basis reflecting the cost in providing its outputs.
- **Table 2.9.3 – Statement of Financial Position** – shows all assets and liabilities of the Department. The difference between these represents the net assets position, which indicates the financial health of the Department; and
- **Table 2.9.4 – Cash Flow Statement** – shows all movements of cash, that is cash received and paid. The cash impact of financing and investment activities on Departmental resources is highlighted in this statement.

**Table 2.9.2: Departmental Operating Statement**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Operating Revenue</b>				
Revenue from State Government <sup>(b)</sup>	103.2	94.9	90.3	-12.5
Section 29 receipts - Commonwealth	..	..	..	..
- Other	..	..	..	..
Other Commonwealth Grants	..	..	..	..
Other revenue <sup>(c)</sup>	..	..	..	..
<b>Total</b>	<b>103.2</b>	<b>94.9</b>	<b>90.3</b>	<b>-12.5</b>
<b>Operating Expenses</b>				
Employee Related Expenses <sup>(d)</sup>	69.8	60.2	60.5	-13.2
Purchases of Supplies and Services <sup>(e)</sup>	20.0	21.3	26.1	30.3
Depreciation <sup>(f)</sup>	2.2	2.6	2.6	18.0
Capital Asset Charge	11.0	11.0	0.8	-92.5
Other Expenses	0.2	0.2	0.2	2.5
<b>Total</b>	<b>103.2</b>	<b>95.3</b>	<b>90.3</b>	<b>-12.5</b>
<b>Operating Surplus/Deficit before Revenue for Increase in Net Assets</b>	..	- 0.4	0.0	..
<i>Add:</i>				
Revenue for Increase in Net Assets	1.5	2.2	2.1	42.6
Section 29 receipts - Asset Sales	..	..	..	..
<b>Operating Surplus/Deficit</b>	<b>1.5</b>	<b>1.9</b>	<b>2.2</b>	<b>45.0</b>
<b>Administered Items</b>				
<b>Operating Revenue</b>				
Other revenue <sup>(c)</sup>	17.8	12.9	13.3	-25.4
<b>Total</b>	<b>17.8</b>	<b>12.9</b>	<b>13.3</b>	<b>-25.4</b>
<b>Operating Expenses</b>				
Other Expenses	17.8	12.9	13.3	-25.4
<b>Total</b>	<b>17.8</b>	<b>12.9</b>	<b>13.3</b>	<b>-25.4</b>
<b>Operating Surplus/Deficit</b>	..	..	..	..

Source: Department of Treasury and Finance

Notes:

- (a) Variation between 1998-99 Budget and 1999-2000 Budget.
- (b) Includes estimated carryover of 1997-98 appropriation amounts. Actual carryover is subject to approval by the Treasurer prior to 30 June pursuant to Section 32 of the Financial Management Act, 1994.
- (c) Includes revenue for services delivered to parties outside government.
- (d) Includes salaries and allowances, superannuation contributions and payroll tax.
- (e) Includes payments to non-government organisations for delivery of services.
- (f) Includes amortisation of leased assets.

Parliament's Operating Statement shows a decrease in Revenue from State Government impacting on the revised outcome for 1998-99. This reflects the removal of a budgeted \$10 million special payment relating to Members' unfunded superannuation which is no longer required following a revision of estimates by the Parliamentary Superannuation Fund.

This reduction also impacts on the 1999-2000 revenue estimate. In addition, a further reduction of \$10 million, representing a reassessment of the Capital Asset Charge incurred by Parliament is included. These reductions are in part offset by approximately \$4 million in funding for new initiatives such as the Parlynet communications network and grounds and facilities development, and an estimated carryover of approximately \$2 million.

There is a 25 per cent variation in Administered Items between 1998-99 and 1999-2000. This is largely as a result of a change in the way the Auditor-General's Office is funded for performance audits. Previously, the Auditor-General's Office charged the Parliament for performance audits for which the latter received an appropriation. Now that the Auditor-General's Office is part of the Parliament, the appropriation to fund these audits is made directly to the Auditor-General's Office.

**Table 2.9.3: Statement of Financial Position**

(\$ thousand)

	<i>Estimated as at 30 June</i>			<i>Variation<sup>(a)</sup></i>
	<i>1999</i>	<i>1999</i>	<i>2000</i>	<i>%</i>
	<i>Budget</i>	<i>Revised</i>	<i>Budget</i>	
<b>Assets</b>				
<b>Current Assets</b>				
Cash	1 028	1 028	1 028	..
Investments	..	..	..	..
Receivables	95	95	95	..
Prepayments	551	551	551	..
Inventories	48	48	48	..
Other Assets	..	..	..	..
<b>Total Current Assets</b>	<b>1 722</b>	<b>1 722</b>	<b>1 722</b>	<b>..</b>
<b>Non-Current Assets</b>				
Investments	..	..	..	..
Receivables <sup>(b)</sup>	2 335	2 415	3 074	27.3
Fixed Assets	144 002	144 372	145 459	0.8
Other Assets	..	..	..	..
<b>Total Non-Current Assets</b>	<b>146 337</b>	<b>146 787</b>	<b>148 533</b>	<b>1.2</b>
<b>Total Assets</b>	<b>148 059</b>	<b>148 509</b>	<b>150 255</b>	<b>1.2</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Payables	809	809	959	18.5
Borrowing	..	..	..	..
Employee Entitlements	3 847	3 547	2 284	-35.6
Superannuation	..	..	..	..
Other Liabilities	..	..	..	..
<b>Total Current Liabilities</b>	<b>4 656</b>	<b>4 356</b>	<b>3 243</b>	<b>-25.6</b>
<b>Non-Current Liabilities</b>				
Payables	..	..	..	..
Borrowing	..	..	..	..
Employee Entitlements	5 153	3 833	4 523	18.0
Superannuation	..	..	..	..
Other Liabilities	..	..	..	..
<b>Total Non-Current Liabilities</b>	<b>5 153</b>	<b>3 833</b>	<b>4 523</b>	<b>18.0</b>
<b>Total Liabilities</b>	<b>9 809</b>	<b>8 189</b>	<b>7 766</b>	<b>-5.2</b>
<b>Net Assets</b>	<b>138 250</b>	<b>140 320</b>	<b>142 489</b>	<b>1.5</b>

**Table 2.9.3: Statement of Financial Position - continued**

(\$ thousand)

	<i>Estimated as at 30 June</i>			
	1999 Budget	1999 Revised	2000 Budget	Variation <sup>(a)</sup> %
<b>Administered Items</b>				
<b>Assets</b>				
Current Assets				
Receivables	4 414	4 414	4 414	..
Total Current Assets	4 414	4 414	4 414	..
Non-Current Assets				
Receivables	- 1	- 1	- 1	..
Total Non-Current Assets	- 1	- 1	- 1	..
<b>Total Assets</b>	<b>4 413</b>	<b>4 413</b>	<b>4 413</b>	<b>..</b>
<b>Liabilities</b>				
Total Current Liabilities				
	..	..	..	..
Total Non-Current Liabilities				
	..	..	..	..
<b>Total Liabilities</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>..</b>
<b>Net Assets</b>	<b>4 413</b>	<b>4 413</b>	<b>4 413</b>	<b>..</b>

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Revised and 1999-2000 Budget.

(b) Includes cash balances held in trust in the Public Account.

The Statement of Financial Position shows a decrease in employee entitlement liabilities. This represents the reduction of leave liabilities following the transfer of a number of staff from the Auditor-General's Office to the recently established statutory authority, Audit Victoria.



**Table 2.9.4: Cash Flow Statement**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<b>Cash flows from operating activities</b>				
<i>Operating receipts</i>				
Receipts from State Government - provision of outputs	103.2	94.9	90.3	-12.5
Receipts from State Government - increase in net asset base	1.5	2.2	2.1	42.6
Section 29 Receipts - Commonwealth	..	..	..	..
- Other	..	..	..	..
- Asset Sales	..	..	..	..
Other Commonwealth grants	..	..	..	..
Other	..	..	..	..
	<b>104.7</b>	<b>97.2</b>	<b>92.5</b>	<b>-11.7</b>
<i>Operating payments</i>				
Employee-related expenses	- 69.0	- 61.0	- 61.1	-11.4
Purchases of supplies and services	- 19.9	- 21.1	- 25.9	30.6
Interest & finance expenses	..	..	..	..
Capital Assets charge	- 11.0	- 11.0	- 0.8	-92.5
Current grants and transfer payments	- 0.2	- 0.2	- 0.2	2.5
Capital grants and transfer payments	..	..	..	..
<b>Net Cash flows from Operating</b>	<b>4.7</b>	<b>3.8</b>	<b>4.3</b>	<b>-6.8</b>
<b>Cash flows from investing activities</b>				
Purchases of investments	..	..	..	..
Receipts from sale of land, fixed assets and investments (incl. S29 FMA)	..	..	..	..
Purchase of non-current assets	- 3.7	- 4.4	- 3.7	-0.4
<b>Net Cash flows from investing</b>	<b>- 3.7</b>	<b>- 4.4</b>	<b>- 3.7</b>	<b>-0.4</b>
<b>Cash flows from financing activities</b>				
Receipts from appropriations -increase in net asset base	..	..	..	..
Capital repatriation to Government	..	1.7	..	..
Net increase in balances held with Government	- 1.0	- 1.0	- 0.7	-31.5
Net borrowings and advances	..	..	..	..
<b>Net Cash flows from financing</b>	<b>- 1.0</b>	<b>0.7</b>	<b>- 0.7</b>	<b>-31.5</b>
Net Increase/Decrease in Cash Held	..	..	..	..
<b>Cash at beginning of period</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>..</b>
<b>Cash at end of period</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>..</b>

**Table 2.9.4: Cash Flow Statement - continued**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<i>Administered Items</i>				
<b>Cash flows from operating activities</b>				
<i>Operating receipts</i>				
Other	17.8	12.9	13.3	-25.4
	17.8	12.9	13.3	-25.4
<i>Operating payments</i>				
Purchases of supplies and services	- 17.8	- 12.9	- 13.3	-25.4
<b>Net Cash flows from Operating</b>	..	..	..	..
<b>Net Cash flows from investing</b>	..	..	..	..
<b>Net Cash flows from financing</b>	..	..	..	..

Source: Department of Treasury and Finance

Notes:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

The Cash Flow Statement for controlled items reflects the cash impact of those changes discussed above in relation to the Operating Statement, such as new initiative funding and revised superannuation and capital asset charge obligations.

## Authority for Resources

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

**Table 2.9.5: Authority for Resources**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
Annual Appropriations <sup>(b)</sup>	66.8	67.7	63.8	-4.5
Receipts Credited to Appropriations	..	..	..	..
Unapplied previous years appropriation	1.9	3.4	3.1	61.3
Gross Annual Appropriations	68.7	71.1	66.8	-2.7
Special Appropriations	36.0	26.0	25.6	-28.8
Trust Funds	..	..	..	..
Non Public Account and other sources	..	..	..	..
<b>Total Authority</b>	<b>104.7</b>	<b>97.2</b>	<b>92.5</b>	<b>-11.7</b>

Source: Department of Treasury and Finance

Notes:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

(b) For 1998-99 Revised, includes the impact of approved Treasurer's Advances.

**STATEMENT 3**

**STATE REVENUE**



## STATE REVENUE

### SUMMARY OF BUDGET SECTOR STATE REVENUE

In this statement, the term State Revenue is defined as both state source revenue and Commonwealth grants.

As shown in Table 3.1, budget sector revenue and grants received are expected to be 2.5 per cent higher in aggregate terms in 1999-2000 compared with the budget estimate for 1998-99. Taxation revenue is expected to be 2.3 per cent higher. Public authority income is expected to fall from \$941 million in the 1998-99 budget to \$647 million in 1999-2000. Commonwealth grants are expected to increase by 4.6 per cent compared with the 1998-99 Budget. Proceeds from the sale of goods and services are expected to grow by 7.4 per cent to \$1 813 million, while other revenue is expected to increase by 26.8 per cent to \$486 million.

A discussion of the 1999-2000 estimates and forward estimates to 2002-03, is presented in Chapter 8, *Revenue and Grants*, Budget Paper No. 2.

**Table 3.1: Budget sector revenue and grants received <sup>(a)</sup>**

	(\$ million)			Variation <sup>(b)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
Taxation	8 491.5	8 597.9	8 691.0	2.3
Regulatory fees and fines	244.1	245.0	246.6	1.0
Sale of goods and services	1 687.4	1 796.1	1 812.9	7.4
Public authority income	940.5	955.4	646.8	- 31.2
Other revenue	382.9	612.0	485.7	26.8
Grants received	7 275.1	7 448.6	7 606.6	4.6
<b>Total revenue and grants received</b>	<b>19 021.7</b>	<b>19 655.0</b>	<b>19 489.6</b>	<b>2.5</b>

Source: Department of Treasury and Finance

Notes:

(a) Excludes privatisation proceeds.

(b) Variation between 1998-99 Budget and 1999-2000 Budget.

## REVENUE

### Taxation

This section describes the most significant items of taxation.

**Table 3.2: Taxation estimates<sup>(a)</sup>**

	(\$ million)			Variation <sup>(b)</sup>
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	%
Payroll tax	2 236.0	2 192.5	2 231.5	- 0.2
Taxes on property:				
Land tax	365.0	380.0	387.6	6.2
Stamp duty on financial transactions				
Land transfers	973.0	970.0	911.0	- 6.4
Marketable securities	192.3	173.5	175.2	- 8.9
Other property stamp duty	162.7	166.0	168.5	3.6
Financial institutions duty	338.8	338.8	347.9	2.7
Debits tax	258.6	258.6	260.4	0.7
Metropolitan improvement levy	0.0	65.0	67.4	..
Financial accommodation levy	7.8	9.4	5.4	- 30.8
Other property taxes	0.2	1.4	0.3	88.2
Gambling taxes				
Private lotteries	288.9	294.7	296.3	2.6
Electronic gaming machines	754.6	806.1	843.0	11.7
Casino	162.8	156.1	145.0	- 10.9
Racing	131.5	135.3	139.9	6.4
Other	3.5	3.7	4.0	12.9
Taxes on insurance	364.3	352.2	365.6	0.4
Motor vehicle taxes:				
Vehicle registration fees	425.5	429.2	431.3	1.4
Stamp duty on vehicle transfers	394.3	403.2	400.0	1.4
Other motor vehicle taxes	53.5	52.5	52.6	- 1.7
Safety net revenues/franchise fees				
Safety net revenues				
Petroleum	435.6	435.6	457.4	5.0
Tobacco	639.8	669.6	680.0	6.3
Liquor	202.3	202.3	207.5	2.6
Electricity franchise fees	90.6	92.2	102.2	12.8
Other taxes	10.0	10.0	11.0	10.0
<b>Total</b>	<b>8 491.5</b>	<b>8 597.9</b>	<b>8 691.0</b>	<b>2.3</b>

Source: Department of Treasury and Finance

Notes:

(a) Excludes privatisation proceeds.

(b) Variation between 1998-99 Budget and 1999-2000 Budget.

### **Payroll tax**

Payroll tax is levied on taxable wages which are defined to include salaries and wages, commissions, bonuses, allowances, remunerations, employer superannuation contributions, relevant contracts and other benefits in cash or kind.

A single rate of payroll tax applies to the annual payments of payroll in excess of a tax-free threshold of \$515 000. When the tax base was broadened to include employer superannuation contributions from 1 July 1997, the rate of tax applying to taxable wages was reduced from 7 per cent to 6.25 per cent.

For taxable wages paid or payable from 1 July 1998, the tax rate was further reduced from 6.25 per cent to 6 per cent and with this Budget it will be cut further, on 1 July 1999, from 6 per cent to 5.75 per cent.

### **Land tax**

Land tax is collected annually from landowners and is based upon the total *unimproved site value* of taxable land. A number of exemptions apply, including one for land used in primary production and another for principal residences. Because municipal valuations are undertaken progressively over a cycle, not all valuations refer to the same date. To bring all valuations up to a common date, site values are adjusted by an equalisation factor determined by the Valuer-General. This factor represents the average movement in land values within a municipality between the last valuation date and the prescribed date for the year of assessment.

The 1999 land tax assessments for most metropolitan land were based on site values as at 30 June 1994 adjusted by equalisation factors reflecting changes in land values to June 1997.

Table 3.3 shows the current rates applying to 1999 land tax assessments, which are unchanged from those applying to 1998 assessments.

**Table 3.3: Land tax rates**

<i>Unimproved Value (\$)</i>	<i>1999 Land Tax Payable</i>
up to \$85 000	Nil
\$85 001 - \$200 000	\$85 plus 0.1% of excess over \$85 000
\$200 001 - \$540 000	\$200 plus 0.2% of excess over \$200 000
\$540 001 - \$675 000	\$880 plus 0.5% of excess over \$540 000
\$675 001 - \$810 000	\$1 555 plus 1.0% of excess over \$675 000
\$810 001 - \$1 080 000	\$2 905 plus 1.75% of excess over \$810 000
\$1 080 001 - \$1 620 000	\$7 630 plus 2.75% of excess over \$1 080 000
\$1 620 001 - \$2 700 000	\$22 480 plus 3.0% of excess over \$1 620 000
over \$2 700 000	\$54 880 plus 5.0% of the excess over \$2 700 000

*Source: Land Tax Act 1958*

### ***Duty on land transfers***

Stamp duty is payable on instruments of transfer involved in the change of ownership of land. The rates of stamp duty are shown in Table 3.4.

**Table 3.4: Stamp duty on land transfers**

<i>Value of Property Transferred (\$)</i>	<i>Stamp Duty Payable</i>
0 - 20 000	1.4 % of the value of the property
20 001 – 115 000	\$280 plus 2.4% of the excess over \$20 000
115 001 – 870 000	\$2 560 plus 6.0% of the excess over \$115 000
870 001 – plus	5.5% of the value of the property

*Source: Stamps Act 1958*

For first home buyers who have dependent children and satisfy the income criteria, a full exemption applies on homes up to \$115 000 in value, at which the maximum exemption of \$2 560 applies. A partial exemption applies thereafter on homes up to a value of \$165 000. To be eligible for relief, home buyers must have a combined annual taxable income under \$39 000 for a one child family or \$40 000 for a family with two or more children.

For pensioners, an exemption or refund applies fully on house and land packages up to \$100 000 in value, and partially on transfers in excess of \$100 000 and up to a value of \$130 000. No separate income test applies for eligible pensioners.



### **Duty on marketable securities**

With some exceptions, duty is levied on the transfer of any marketable security through the Australian Stock Exchange (ASX) or involving any company incorporated in Victoria. The most common types of marketable securities are shares in public companies and units in public trusts. In the case of on-market transactions, which occur through the ASX, duty is payable on all orders placed with Victorian brokers. In the case of transactions which do not occur through the ASX, duty is payable if the company is incorporated in Victoria, regardless of where the transaction takes place.

For securities listed on the ASX, the current rate of duty is 30 cents for every \$100 or part thereof for on-market or off-market transactions. The rate of duty for marketable securities not listed on the ASX is 60 cents for every \$100 or part thereof.

When the transaction is on-market, both the purchaser and seller pay 15 cents for every \$100 or part thereof. Duty on off-market transactions of listed marketable securities is usually payable by the purchaser.

No duty is payable on the transfer of corporate securities and mortgage-backed certificates traded in the secondary mortgage market.

Under national tax reform, it is proposed to abolish duty on marketable securities from 1 July 2001.

### **Other property stamp duty**

Stamp duty on other property is detailed in Table 3.5.

**Table 3.5 Taxes on property – other property stamp duty<sup>(a)</sup>**

	(\$ million)			Variation <sup>(b)</sup>	
	1998-99 Budget	1998-99 Revised	1999-2000 Budget		%
Duty on mortgages/debentures	92.5	90.0	91.0	- 1.6	
Duty on rental business	33.8	37.0	37.5	10.9	
Duty on leases	29.5	32.5	33.8	14.6	
Other miscellaneous stamp duties	6.9	6.5	6.2	- 9.5	
<b>Total</b>	<b>162.7</b>	<b>166.0</b>	<b>168.5</b>	<b>3.6</b>	

Source: Department of Treasury and Finance, Forward Estimates

Notes:

(a) Excludes privatisation proceeds.

(b) Variation between 1998-99 Budget and 1999-2000 Budget.

### *Duty on mortgages/debentures*

With some exceptions, such as loan refinancing, duty is payable on the issue of all mortgages, which are secured against real or personal property, and other generally unsecured bonds, debentures and covenants. The duty payable depends on the amount secured by the document. Further duty is payable when the amount secured under an existing mortgage is increased.

A flat \$4 is paid when the amount secured on an initial mortgage exceeds \$200 but not \$10 000. When an initial mortgage exceeds \$10 000, or the amount secured under an existing mortgage is increased, an additional 80 cents is payable for every additional \$200 or part thereof secured under the mortgage.

Under national tax reform, it is proposed to abolish duty on mortgages and debentures from 1 July 2001.

### *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 set at 0.75 per cent of gross rental income for rental agreements signed on or after 1 January 1997, and 1.5 per cent on agreements signed before that date.

Hire purchase agreements entered into by companies on or after 1 January 1997 are also subject to rental business duty with exemptions for some categories of commercial vehicles and farm machinery.

Under national tax reform, it is proposed to abolish rental business duty from 1 July 2001.

### *Duty on leases*

Stamp duty is imposed on all leases and assignments of leases on all property, other than property used solely for residential purposes. The rate of duty varies, depending on whether the lease is for a definite or an indefinite term. The rate of duty for a definite term lease exceeding \$130 per annum is 60 cents per \$100 or part thereof of the total rent payable over the full term of the lease.

Under national tax reform, it is proposed to abolish stamp duty on leases from 1 July 2001.

### *Other miscellaneous stamp duties*

This category includes receipts from minor stamp duties such as duty on instruments of settlement which is currently set at \$200.

### ***Financial Institutions Duty***

Financial institutions duty (FID) is levied on the receipts of financial institutions with annual deposits in excess of \$5 million. FID is levied at the rate of 0.06 per cent, with a maximum duty of \$1 200 per receipt for deposits of \$2 million and over.

Concessional rates apply to receipts relating to short-term money market dealings, as it is recognised that in this market FID charged at the primary rate could exceed interest earned. A rate of 0.005 per cent is levied on one-third of the average daily amounts during a month borrowed in Australia by financial institutions through short-term dealings. An exemption from the primary rate of duty is also available for short-term dealing accounts operated by persons not registered as financial institutions. This concession requires the payment of duty at the rate of 0.005 per cent of the average daily credit balance of the account.

There are a number of exemptions from FID, the main ones being:

- inter-bank transfers by bank customers forced to close their accounts due to the closure of a bank branch;
- receipts by banks for the credit of exempt accounts;
- pensions and benefits paid directly to accounts by the Commonwealth Departments of Social Security and Veterans' Affairs;
- receipts to accounts of religious or charitable institutions, or non-tertiary educational bodies; and
- receipts to accounts of local government bodies or government departments (not including boards, authorities, commissions or tribunals).

Under national tax reform, it is proposed to abolish FID from 1 January 2001.

### **Debits tax**

Debits tax is levied on debits to cheque accounts or to bank accounts with cheque facilities. The rate structure is outlined in Table 3.6.

**Table 3.6: Debits tax duty 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*

Exemptions from debits tax are available to charitable institutions, religious organisations, public hospitals and non-profit private hospitals, non-profit universities, colleges, schools, kindergartens, certain support groups for exempt organisations, Commonwealth Government departments, State Government departments, government authorities, and local government bodies which do not carry on activities of a business nature.

There is a full exemption from debits tax on inter-bank transfers by bank customers forced to close their accounts due to the closure of a bank branch.

Under national tax reform, it is proposed to abolish debits tax from 1 January 2001.

### **Metropolitan improvement levy**

During 1998-99, the Parks and Reserves Trust Fund was established within the budget sector to deposit the receipts of the metropolitan improvement levy collected by metropolitan water companies as part of annual water rates. These receipts are earmarked for expenditure on metropolitan parks and gardens by the Department of Natural Resources and Environment.

### **Financial accommodation levy**

The financial accommodation levy applies to public authorities declared by the Governor in Council to be leviable authorities for the purposes of the *Financial Management Act 1994*. The levy is determined using a credit rating approach to assess the competitive advantage a government business enterprise (GBE) receives in interest cost savings due to government ownership. The levy is an

important part of the reform of GBEs and is consistent with the competitive neutrality principles as prescribed by the National Competition Policy framework.

### ***Gambling taxes***

Gambling taxes are imposed on lotteries, electronic gaming machines, the casino, the racing industry, and some minor forms of gambling.

Most Government revenues from these forms of gambling are transferred by standing appropriation to the Hospitals and Charities Fund, the Mental Hospitals Fund and the Community Support Fund. The net addition to budget revenues from casino operations is dedicated to the funding of major civic projects under the Government's *Agenda 21* program.

### ***Private lotteries***

Lotteries in Victoria are conducted by Tattersall's, a private sector organisation, operating under a licence issued pursuant to the *Tattersall Consultations Act 1958*. The taxes on lotteries include a duty rate on subscriptions, a share of profits and a levy on ticket sales.

Tattersall's runs both lottery consultations and Soccerpools. On lottery consultations, the duty is 35.55 per cent of subscriptions. Sixty per cent of total subscriptions is returned to players as prizes. The Soccerpools duty rate is 34 per cent of subscriptions. Fifty per cent of Soccerpools subscriptions is returned to players as prizes.

Under a profit-sharing arrangement Tattersall's is required to pay 25 per cent of its net profit to the Government.

A 10 cent ticket levy applies to Tattersall's lottery games with the exception of Tatts 2, Super 66 and instant lotteries.

### ***Electronic gaming machines***

Tattersall's and TABCORP are licensed to operate up to 27 500 EGMs in hotels and clubs throughout Victoria. This excludes the 2 500 gaming machines in the casino.

After the return of not less than 87 per cent of EGM turnover to players, the remaining net cash balance is split between the venue operator, the gaming operator and the Government. In the case of clubs, the Government, the gaming operators and the venues each receive one third. In the case of hotels, the venue

operator receives only 25 per cent of the net cash balance, with 8.3 per cent being directed to the Community Support Fund.

### *Casino*

On being awarded the casino licence, Crown made a fixed payment of \$200 million to the Government in 1993-94 and further payments of \$57.6 million in 24 monthly instalments. Crown subsequently paid a further \$100.8 million to the Government in 36 monthly instalments of \$2.8 million each, ending in December 1998, as an additional licence fee payment in return for the Government agreeing to an increase in the number of tables in the permanent casino.

From the opening of the temporary casino in mid-1994 to 31 December 1995, all casino activity was taxed at a uniform rate of 20 per cent of gross gaming revenue. From 1 January 1996, a concessional tax rate of 9 per cent has applied to commission-based players, enabling the casino to compete internationally in attracting premium and junket players. The casino tax rate in respect of regular players was raised to 21.25 per cent from 1 July 1997.

A further levy of 1 per cent of gross gaming revenue is payable by the casino operator. This brings the total tax rate on ordinary players to 22.25 per cent and on commission-based players to 10 per cent. This levy, known as the Community Benefit Levy, is used to finance public health services through a standing appropriation to the Hospitals and Charities Fund.

At least 87 per cent of amounts wagered by players on EGMs in the casino is paid out as winnings to players. Amounts paid out as winnings on casino table games are determined by the rules of the individual games.

### *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. The racing industry holds 25 per cent of the equity in TABCORP and is responsible for providing the racing program.

Under the *Gaming and Betting Act 1994*, a minimum of 80 per cent of the investments in any one totalisator must be returned to punters as prizes. The average deduction from investments in all totalisators in any financial year cannot be less than 84 per cent. The tax rate is 28.2 per cent of the amount of commission deducted. The Government also receives 28.2 per cent of fractions, whereby fractions of 10 cents in a dividend calculation are rounded down to the nearest five cents.

Bookmakers, who provide a fixed-odds betting service, are subject to a turnover tax of 2 per cent at metropolitan racecourses and 1.5 per cent at country racecourses.

### ***Other gambling***

Other gambling taxes consist principally of:

- Club Keno, where gross gaming revenue is split equally between the Government, 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 at a rate of 20 per cent on net investments.

### ***Taxes on insurance***

Duty is payable on the value of premiums 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.

Duty is also payable on life insurance policies for the sum insured, at the following rates:

- 12 cents for every \$200 or part thereof, where the sum insured does not exceed \$2 000;
- \$1.20 plus 24 cents for every \$200 or part thereof in excess of \$2 000, or where the sum insured exceeds \$2 000; or
- 5 per cent of the first year's premium on fixed length policies.

### ***Motor vehicle registration fees***

Motor vehicle registration fees are paid on:

- heavy vehicles (over 4.5 tonnes in gross vehicle mass): there are nationally consistent registration charges to reflect high road wear and higher national mass limits;

- light vehicles (under 4.5 tonnes): there is an annual registration fee of \$140, except where exemptions or concessions (e.g. for pensioners) apply; and
- motor cycles and private trailers (less than 4.5 tonnes): there is an annual registration fee of \$28.

### ***Motor vehicle stamp duty***

Stamp duty is levied on the transfer and initial registration of motor vehicles, cycles or trailers in Victoria. The duty is levied on the market value of the vehicle, at a progressive rate on new passenger vehicles, and at a flat rate for other vehicles. The rate scale is shown in Table 3.7.

**Table 3.7: Stamp duty on motor vehicles**

Market Value of Vehicle	Stamp Duty Payable
For a passenger car not previously registered:	
\$	
0 - 35 000	\$5.00 per \$200 or part thereof
35 001 - 45 000	\$8.00 per \$200 or part thereof
45 001 or more	\$10.00 per \$200 or part thereof
For all other vehicles, not previously registered	
	\$5.00 per \$200 or part thereof
For a vehicle which has been previously registered, regardless of where	
	\$8.00 per \$200 or part thereof

*Source: Stamps Act 1958*

### ***Other motor vehicle taxes***

#### ***Drivers' licence fees***

The fee for a ten-year licence to drive on Victorian roads is \$133. Applicants who suffer financial hardship can obtain drivers' licences for three year periods at a fee of \$39.

#### ***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.



### ***Safety net revenues – petroleum, tobacco and liquor***

Since early August 1997, the Commonwealth has been collecting replacement revenues on the same products as previously covered by State franchise fees and returning them to the States and Territories in accordance with a formula based on the Commonwealth Grants Commission's assessment of their former franchise fee bases. As a result, Commonwealth tax rates on liquor, tobacco and petroleum have been increased. States and Territories have repealed the relevant sections of their business franchise fee Acts, with effect from the dates at which the increases in Commonwealth excise and wholesale sales taxes were imposed on each of the affected products. Victoria repealed relevant sections of these Acts in December 1997. Because the Constitution requires Commonwealth taxes to be applied uniformly across Australia, the increases in some jurisdictions were higher than some of the franchise fees they were replacing. This was necessary to prevent the loss of revenue in higher franchise fee States.

Revenues collected by the Commonwealth at the request of the States and Territories are returned to the States and Territories, with the Commonwealth only retaining sufficient revenue to meet its administrative costs. The States and Territories retain from the replacement revenues what they would otherwise have raised under their franchise fees. The balance - or excess revenues - is being returned to taxpayers to avoid, as far as possible, price increases for consumers.

Under national tax reform proposals, the current arrangements will cease on 1 July 2000.

### ***Electricity franchise fees***

Franchise fees are payable by the electricity distribution companies which are licensed to retail electricity to franchise customers. These fees are designed to capture the economic rent that would otherwise accrue to retailers as a result of maximum uniform tariffs being greater than the cost of supplying franchise customers. In February 1998, the Government introduced a winter power bonus initiative under which the winter electricity bills of households and small businesses are being reduced by \$60 in 1998, 1999 and 2000. This is being funded by a reduction in franchise fee revenue payable to the State and cash payments to the distribution businesses. Electricity franchise fees will cease to be payable once the market is fully contestable in January 2001.

### **Other taxes on use of goods and services**

The major item in this category is the land fill levy which is aimed at reducing the volume of non-recyclable waste disposed of at Victorian land fills.

### **Regulatory fees and fines**

**Table 3.8 Regulatory fees and fines**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
Regulatory fees				
Electricity sector licence fees	50.0	50.0	50.0	..
Wildlife licences	13.2	9.9	8.2	- 38.1
Environment protection fees	9.5	9.5	9.5	0.0
Business names and associated	7.4	7.4	7.6	2.9
Occupational based licence fees	5.8	7.3	4.6	- 20.0
Other regulatory fees	23.9	26.4	29.3	22.4
Fines				
Police fines	99.0	99.0	99.5	0.5
Court and other fines	35.3	35.5	37.9	7.2
<b>Total</b>	<b>244.1</b>	<b>245.0</b>	<b>246.6</b>	<b>1.0</b>

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

### **Fees**

Fees from regulatory services are levies which are associated with the granting of a permit to engage in a particular activity, or to regulate that activity. Electricity licence fees are payable by GPU PowerNet which owns and maintains Victoria's high voltage electricity transmission network and has a licence to transmit electricity.

### **Fines**

Revenue from fines is mainly derived from receipts related to traffic offences. This includes receipts from traffic infringement notices and the operations of the Traffic Camera Office, and from payment of penalties imposed by the courts.

## **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 received by TAFE institutes for courses delivered, car parking fees received by hospitals, park visitor fees collected by the Department of Natural Resources and Environment and fees received 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 be \$108.7 million more in 1998-99 than the estimate of \$1 687.4 million. This predominantly reflects improved estimates for TAFE institute course fee revenue offset by the exclusion of private revenue of non-budget sector entities such as denominational hospitals. These same reasons explain the increase in the 1999-2000 estimate from 1998-99.

## **Public authority income**

Public authority income includes the dividends and tax equivalent payments made to the State by Government Business Enterprises (GBEs). Table 3.9 contains information on the estimates of public authority income in 1999-2000.

### ***Dividends***

The payment of dividends by GBEs recognises that equity capital has alternative uses and therefore an appropriate return should be paid to the State for its investment in the GBEs. Because of the absence of contestable capital and equity market disciplines for GBEs compared with those faced by private sector firms, the Government has introduced a commercial dividend policy with two broad benchmarks. For GBEs under the tax equivalent regime, the relevant benchmark dividend payout rate is 50 per cent of after-tax profit (where tax payable is not significantly different from tax expense). For other GBEs, including those not under the tax equivalent regime, a secondary benchmark of total distributions to Government of 65 per cent of pre-tax profit is applicable.

Dividends are set each year with reference to the relevant benchmark, having regard to other commercial considerations, including the views of the GBE Board, retained earnings, gearing, forward cashflow projections and the budgetary requirements of the State. Prior to formal determination by the Treasurer, all dividend estimates are provisional.

Dividend payments are expected to be \$497 million in 1999-2000.

### **Tax equivalents**

The Victorian tax equivalent regime was established in 1993-94 to ensure competitive neutrality of GBEs with competing private sector firms and to strengthen the financial discipline of GBEs by factoring income tax payments into their business decisions. In 1994-95, the tax equivalent base was expanded to include a wholesale sales tax equivalent regime. During 1998-99, there were twenty-three GBEs under the tax equivalent regime. Since 1 July 1998, significant land-holding GBEs (including the Melbourne Water Corporation and the Urban Land Corporation) have also been subject to a local government rate equivalent system. In 1999-2000, tax equivalent payments are expected to be \$150 million.

Under national tax reform, it is anticipated that State administered tax equivalent payments will be replaced by a national tax equivalent regime for income tax from 1 July 2000. Wholesale sales tax equivalent payments will disappear with the proposed replacement of wholesale sales taxes by a goods and services tax.

**Table 3.9 Public authority income<sup>(a)</sup>**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(b)</sup> %
Electricity industry	85.7	57.7	24.0	- 72.0
Gas industry	450.4	333.8	281.0	- 37.6
Water industry	161.2	285.6	212.8	32.0
Port authorities	23.0	24.5	25.6	11.3
Public financial institutions	141.4	201.1	82.9	- 41.4
Miscellaneous	78.8	52.8	20.5	- 74.0
<b>Total</b>	<b>940.5</b>	<b>955.4</b>	<b>646.8</b>	<b>- 31.2</b>

Source: Department of Treasury and Finance

Notes:

(a) Excludes privatisation proceeds.

(b) Variation between 1998-99 Budget and 1999-2000 Budget.

### **Other revenue**

State revenues other than those discussed above are set out under the heading "Other Revenue" in Table 3.10 and include:

- revenue from State forests which is generated through the imposition of rents, royalties on forest produce, licence fees and the sale of forest produce;

- rent on leases of Crown land;
- royalties paid by private sector producers of brown coal, consistent with the efficient use of extractive minerals; and
- interest received mainly from earnings on investments, on outstanding advances to public enterprises and on cash balances held in the Public Account.

“Other” revenue in this table includes a number of trust funds with offsetting appropriations and revenue from unclaimed Government monies. The increases in 1998-99 and 1999-2000 largely reflect revised accounting treatments for certain finance leases, a debt assumption deed with the Director of Housing and the Better Roads (Victoria) Trust Fund.

**Table 3.10: Other revenue <sup>(a)</sup>**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(b)</sup> %
Land rent	26.5	31.2	31.3	18.1
Royalties				
Forestry and other	33.6	33.1	33.1	- 1.7
Brown coal	14.1	14.1	13.9	- 1.3
Total royalties	47.7	47.2	47.0	- 1.5
Interest received	102.3	120.5	54.0	- 47.2
Other	206.4	413.1	353.4	71.3
<b>Total</b>	<b>382.9</b>	<b>612.0</b>	<b>485.7</b>	<b>26.8</b>

Source: Department of Treasury and Finance

Notes:

(a) Excludes privatisation proceeds.

(b) Variation between 1998-99 Budget and 1999-2000 Budget.

## GRANTS RECEIVED

Grants received from the Commonwealth fall into three categories, namely:

- general purpose grants, comprising the financial assistance grants (FAGs), and the National Competition Policy (NCP) payments;
- specific purpose grants to be expended by the State Government; and

- specific purpose grants for on-passing by the State to the appropriate institutions, such as non-government schools and local government authorities.

From 1996-97, the States have made fiscal contribution payments to the Commonwealth to help address its fiscal position. These ceased in 1998-99.

Summary information on the amounts budgeted to be received under these categories (excluding grants for on-passing) in 1998-99 and 1999-2000 is set out below.

**Table 3.11: Commonwealth grants**

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
General purpose grants	3 602.0	3 589.3	3 672.7	2.0
Specific purpose grants	2 725.1	2 857.5	2 914.7	7.0
<b>Grants for own-purpose</b>	<b>6 327.1</b>	<b>6 446.8</b>	<b>6 587.4</b>	<b>4.1</b>
Grants for on-passing	948.0	1 001.8	1 019.2	7.5
Current	924.3	977.6	994.6	7.6
Capital	23.7	24.2	24.7	4.2
<b>Total Commonwealth grants</b>	<b>7 275.1</b>	<b>7 448.6</b>	<b>7 606.6</b>	<b>4.6</b>
Less: Fiscal contribution <sup>(b)</sup>	74.4	74.4	..	na
<b>Net Commonwealth grants</b>	<b>7 200.7</b>	<b>7 374.2</b>	<b>7 606.6</b>	<b>5.6</b>

Source: Department of Treasury and Finance

Note:

(a) Variation between 1999-2000 Budget from 1998-99 Budget

(b) Fiscal contribution is classified as an expense in the Budget operating statement.

In 1999-2000, total Commonwealth grants to Victoria are expected to increase by 4.6 per cent in nominal terms compared with the 1998-99 Budget estimate.

### General purpose grants

General purpose grants are estimated to increase by 2.0 per cent in nominal terms, and specific purpose grants for State Government programs (excluding those which are on-passed) are estimated to increase by 7.0 per cent in nominal terms.

### **Financial assistance grants**

Since 1942, the Commonwealth has been the sole income taxing authority, and has made annual reimbursement payments to the States under various arrangements. From the financial year 1985-86, these payments have taken the form of FAGs.

The size of the pool of FAGs to all States is subject to variation. At present it is increased each year to reflect population growth and inflation. This real per capita increase for FAGs is part of a guarantee provided by the Commonwealth to the States at the April 1995 meeting of the Council of Australian Governments. That guarantee is conditional on the States meeting competition policy reform obligations including competitive neutrality policy and legislation review.

The distribution of the pool is generally agreed annually at the Premiers' Conference, based on relativities recommended by the Commonwealth Grants Commission (CGC). Following a six-year review, the CGC has recommended new relativities which form the basis for distributing financial assistance grants and health care grants. The CGC released the recommended relativities in its *Report on General Revenue Grant Relativities* in February 1999. As agreed at the Premiers' Conference on 9 April 1999, the Commonwealth will apply the recommended relativities as the basis for distributing FAGs in 1999-2000.

The distribution favours the less populous States at the expense of the more populous ones, on the argument that their revenue-raising capacity is lower and their disabilities in providing services are greater than in the more populous States. Interstate differences in revenue-raising capacity and in factors affecting the cost of delivering government services, are claimed to be sufficiently pronounced to justify a complex system of horizontal fiscal equalisation as the basis for distributing grants.

It is estimated that the differences between the relativity distribution and an equal per capita distribution in 1999-2000 are as follows:

- New South Wales (-\$786 million);
- Victoria (-\$793 million);
- Queensland (\$29 million);
- Western Australia (-\$119 million);
- South Australia (\$375 million);
- Tasmania (\$347 million);
- Australian Capital Territory (\$39 million); and
- Northern Territory (\$908 million).

On a per capita basis, Victoria has the highest level of subsidy at \$167 per person, with New South Wales and Western Australian residents each contributing \$122 and \$63 respectively. On average, each resident in the Northern Territory, Tasmania and South Australia will benefit by \$4 659, \$738 and \$250 respectively. Despite the ACT having a less dispersed population and a relatively higher per capita household disposable income, some 24 per cent above that of Victoria, each ACT resident will benefit by \$126.

The Commonwealth's national tax reform agenda and its implications for accessing a broad-based revenue stream under a new revenue-sharing arrangement between the Commonwealth and the States are discussed in Chapter 9, *A New Era of Commonwealth-State Financial Relations*, Budget Paper No. 2.

### ***National Competition Policy payments***

As part of the National Competition Policy Agreement signed by the Commonwealth and all States and Territories at the April 1995 meeting of the Council of Australian Governments, States undertook to implement a competitive neutrality policy and review legislative restrictions on competition. Since the benefits to the wider economy are expected to be reflected in a strengthening of the Commonwealth's rather than the States' revenue base, it was agreed that the Commonwealth will make payments to the States, provided that they fulfil the agreed conditions. This payment commenced in 1997-98 at \$200 million in 1994-95 prices and will increase to an indexed \$400 million in 1999-2000 and then increase again to an indexed \$600 million in 2001-02. It is divided among the States and Territories on an equal per capita basis.

Victoria expects to receive its share of the 1999-2000 dividend, worth an estimated \$110 million.

### ***Fiscal contribution***

At the 1996 Premiers' Conference, it was agreed that the States would make payments to the Commonwealth to assist the Commonwealth in correcting its fiscal position. The size of this payment was set at \$619 million in 1996-97,

with further payments of \$640 million in 1997-98 and \$300 million in 1998-99. This arrangement was to be reviewed annually at the Premiers' Conference in light of the Commonwealth's fiscal position. Payments by the States and Territories are made on an equal per capita basis.

In 1998-99 the States will make their final fiscal contribution payment, of which Victoria's share is \$74 million, bringing Victoria's total contribution over the last three years to \$387 million.



## Specific purpose grants

The Commonwealth gives grants to the States for a large number of specific purposes under Section 96 of the Commonwealth Constitution. Such grants are made where the Commonwealth wishes to have some involvement in the direction of expenditure. However, the extent of such involvement varies significantly from one program to another. At one extreme there are programs, such as assistance for higher education, for which the Commonwealth provides the bulk of the funding. At the other, there are programs such as current funding for schools for which the States provide most of the funding.

### *Specific purpose grants for State Government programs*

Table 3.12 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.

**Table 3.12: Commonwealth specific purpose grants by Departments**

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
<b>Grants for Government Programs: Current</b>				
Education	511.9	529.6	525.2	2.6
Human Services	1 703.0	1 790.4	1 850.1	8.6
Infrastructure	2.8	2.8	2.8	..
Justice	41.2	42.4	41.2	0.1
Natural Resources and Environment	55.8	50.1	50.4	-9.8
Premier and Cabinet	..	5.0	10.0	..
State Development	3.1	3.3	1.7	-44.9
Treasury and Finance	5.7	14.2	6.9	19.4
<b>Total current grants</b>	<b>2 323.6</b>	<b>2 437.7</b>	<b>2 488.2</b>	<b>7.1</b>
<b>Grants for Government Programs: Capital</b>				
Education	94.5	95.1	94.5	0.0
Human Services	219.1	218.8	218.1	-0.4
Infrastructure	87.9	105.7	113.8	29.4
Natural Resources and Environment	0.1	0.1	0.1	..
<b>Total capital grants</b>	<b>401.6</b>	<b>419.7</b>	<b>426.5</b>	<b>6.2</b>
<b>Total specific purpose grants</b>	<b>2 725.1</b>	<b>2 857.5</b>	<b>2 914.7</b>	<b>7.0</b>

Source: Department of Treasury and Finance

Note:

(a) Variation between 1999-2000 Budget on 1998-99 Budget

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 11 May 1999 and, as a result, there are likely to be variations to some of the information published in this Statement.

## **Education**

**Table 3.13: Department of Education - Commonwealth specific purpose grants**

(\$ million)				
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<i>Current Grants</i>				
Primary and Secondary Education				
Commonwealth Literacy Program	28.2	29.5	28.3	0.4
General Recurrent Grant	247.8	257.5	254.7	2.8
English as a Second Language -New Arrivals	6.3	9.5	8.8	39.3
Special Education	8.3	8.3	8.5	2.0
Aboriginal Advancement	2.7	2.7	2.8	1.1
Vocational Education and Training	203.7	206.9	206.9	1.6
School Support	1.2	1.2	1.2	..
Other	13.8	13.8	14.1	2.0
	511.9	529.6	525.2	2.6
<i>Capital Grants</i>				
School Buildings	49.5	50.1	49.5	0.1
Vocational Education and Training	45.0	45.0	45.0	..
	94.5	95.1	94.5	
<b>Total Specific Purpose Grants</b>	<b>606.4</b>	<b>624.7</b>	<b>619.7</b>	<b>2.6</b>

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget

## **Schools**

Commonwealth funding is provided to a range of Commonwealth and State programs for government and non-government schools. Funds are also provided to support Victoria's participation in national priority programs.

## **Cost escalation allowances**

The Commonwealth legislates funding allocations quadrennially (1997-2000) without predicting likely cost movements over time. Supplementary funding is

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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 (this is known as the Average Government School Recurrent Cost Index). Capital funding is supplemented in accordance with movements in the Building Price Index.

### *Government schools*

#### *State Grants (Primary and Secondary Education Assistance) Act current grants program*

This program provides funds to help government schools with the recurrent costs of school education.

From calendar year 1997, this program is subject to a Commonwealth initiative known as the Enrolment Benchmark Adjustment (EBA). Consequent to any fall in the proportion of students attending government schools compared to the 1996 school census, the Commonwealth will adjust the General Recurrent Grant for government schools by formula to take a half share of notional savings accruing to the State through not having to provide educational services to new students in non-government schools. Even though enrolments rose in both government and non-government schools, a modest downward adjustment is expected for 1998 because non-government enrolments rose at a slightly faster rate.

#### *State Grants (Primary and Secondary Education Assistance) Act capital grants program*

This program seeks to improve educational outcomes by assisting in the provision of school facilities, particularly in ways that contribute most to raising the overall level of educational achievement of Australian school students.

#### *Other grants for targeted and national priority programs*

In the context of its 1996-97 Budget, the Commonwealth Government announced a new program structure aimed at improving the delivery of Commonwealth national priority programs for Australian schools. Funds from Commonwealth sources, including the *States Grants (Primary and Secondary*

*Education Assistance) Act*, flow to government and non-government schools via a number of programs:

- *Literacy*

This element aims to ensure that all students acquire appropriate literacy and numeracy skills, in particular for students from educationally disadvantaged backgrounds; and to identify, research and implement strategic national initiatives in literacy and numeracy;

- *Languages*

This component supports expansion and improvement in the learning of languages other than English and promotes participation and quality teaching and learning in Asian languages and Asian studies;

- *Special Learning Needs*

This element seeks to improve the educational participation and outcomes of young people with disabilities through the provision of assistance targeted at schools, organisations, community groups and non-school organisations; provides assistance for students newly arrived in Australia with minimal or no English language skills who are undertaking a specifically organised program of English language instruction; and assists primary and secondary schools and community groups to improve the educational participation, learning outcomes and personal development of rural and isolated students;

- *School to Work*

This component provides funding to support effective transition from schooling to work and further education or training;

- *Quality Outcomes*

This element provides funding for strategic projects which support the Government's key objectives of improving student learning outcomes in schools and its national leadership role in school education.

### *Vocational Education and Training*

This funding is received under the *Australian National Training Authority Act 1992* as amended and is subject to an annual agreement with the Australian National Training Authority (ANTA). It encompasses funding for recurrent programs, literacy, traineeships, national projects, capital works and equipment funding.

From 1 January 1994, ANTA payments have been made directly to the State Training Board rather than passing through the Consolidated Fund. Funds are also provided directly to TAFE institutes under service contracts for the conduct of courses and training in respect of DETYA programs.

### *Aboriginal Advancement - Commonwealth Trust contribution*

Victoria receives funding from the Commonwealth Government to provide assistance to Aboriginal people through various programs. These include grants under the Aboriginal Education Strategic Incentive Program provided to the Department of Education which then has the responsibility for the implementation of the National Aboriginal and Torres Strait Islander Educational Policy in Victoria.

### **Human Services**

The Department receives a large number of specific purpose payments from the Commonwealth for various programs. The major payments are shown below:

**Table 3.14: Department of Human Services - Commonwealth specific purpose grants**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<i>Current Grants</i>				
Hospital Funding Grant <sup>(b)</sup>	1 278.7	1 366.0	1 401.2	9.6
Aboriginal Pre-School Services	0.5	0.5	0.5	3.0
Aged Care Assessment Services	10.9	10.0	10.0	-8.7
Blood Transfusion Services	11.8	12.1	12.5	6.2
Child Care Services	0.9	0.9	0.9	-0.5
Compensation for Extension of Pensioner Benefits	36.8	36.8	37.9	3.0
Cytology Services	4.2	4.0	4.2	..
Disability Services	71.3	74.9	76.6	7.5
Specialist Blood Products	1.7	2.1	2.2	29.4
Specialist Drugs Program	50.0	57.0	60.0	20.0
Home and Community Care	146.6	145.3	151.5	3.4
Housing Interest Assistance	1.3	1.3	1.3	0.1
Artificial Limb Services	2.6	..	..	na
Bendigo Pathology Services	4.6	..	..	na
Bone Marrow Register	0.2	..	..	na
Cervical Cancer Screening	1.5	..	..	na
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**Table 3.14: Department of Human Services - Commonwealth specific purpose grants - *continued***

(\$ million)

	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
Drug Campaign Program	5.5	..	..	na
Funds to combat AIDS	5.9	..	..	na
Public Health Initiatives	2.0	..	..	na
Housing -Aboriginal Housing	0.4	..	..	na
Methadone	2.2	..	..	na
Alternative Birthing Services	0.5	..	..	na
Coordinating Unit for Rural Health Education	0.2	0.2	..	na
Nationally Funded Transplant Program	0.8	..	..	na
Immunisation Program	4.9	5.5	5.7	17.8
Innovative Health Services for Homeless Youth	0.6	0.6	0.6	3.1
Mammography Screening Project	9.7	..	..	na
National Equity Program for Schools	4.1	4.4	4.3	3.0
Australian Health Care Agreement	..	1.6	15.5	..
National High Security Unit	0.0	0.0	0.0	..
National Landcare Project	0.0	0.0	0.0	..
National Salmonella Surveillance Scheme	0.1	0.1	0.1	..
National Women's Health Program	2.2	..	..	na
Nuclear Magnetic Resonance Imaging Equipment	4.7	1.1	..	na
Out of School Hours	6.3	..	..	na
Public Outcomes Funding Agreement	..	36.7	35.1	..
Supported Accommodation Assistance	29.4	29.4	29.8	1.5
Unattached Refugee Children	0.1	0.1	0.1	3.4
	1 703.0	1 790.4	1 850.1	8.6
<i>Capital Grants</i>				
Australian Red Cross Society Building	1.3	1.3	1.3	..
Home and Community Care	1.0	..	..	-100.0
Blood Transfusion Services - Safe Trace	..	..	1.7	..
Housing -Aboriginal Housing	3.2	3.6	3.6	12.4
Housing -Crisis Accommodation	9.9	9.9	9.9	-0.2
Housing -Untied Capital Grants	203.7	204.1	201.7	-1.0
	219.1	218.8	218.1	-0.4
<b>Total Specific Purpose Grants</b>	<b>1 922.1</b>	<b>2 009.3</b>	<b>2 068.2</b>	<b>7.6</b>

Source: Department of Treasury and Finance

Notes:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

(b) Available under the Australian Health Care Agreement.

### *Australian Health Care Agreement*

A new five year AHCA was agreed with the Commonwealth Government commencing 1998-99. This replaced the Medicare Agreement which ended on 30 June 1998.

The Commonwealth payments under the AHCA will assist Victoria to meet the cost of providing public hospital services to eligible persons including inpatients, outpatients, casualty and emergency for acute, mental health and palliative care services. The new agreement also broadbands previous grants for artificial limbs, transplant services, pathology laboratories and the bone marrow service.

Key features of the funding arrangements under the new AHCA include:

- indexation of the base grant for population growth and ageing and the impact of additional demand growth and output costs;
- additional funding for health restructuring, quality improvement and enhanced service access; and
- adjustments for changes in private health insurance.

The basis for the hospital output cost indexation is still to be finalised. A working party has been formed to develop options including use of an input cost index as a proxy for output cost changes.

### *Public Health Outcomes Funding Agreement*

The Commonwealth has broadbanded funding for a range of public health programs under the 1997-98 and 1998-99 Public Health Outcomes Funding Agreement. The agreement specifies outcomes and 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. A new Public Health Outcomes Funding Agreement is being negotiated to take effect from 1 July 1999.

### *Compensation for extension of pensioner benefits*

The Commonwealth provides partial compensation to the States for the increased cost they incur in extending State concessions to cardholders eligible under broadened Commonwealth guidelines since 1993-94.

### *Aged care assessment*

The Commonwealth provides funds for a team of specialised geriatric medical, nursing and allied health professionals to assess clients for appropriate placement in residential accommodation and/or support and care for them in the home.

### *National Equity Program for Schools*

The Commonwealth provides funds to improve educational participation and outcomes for young people with disabilities in pre-schools, early intervention agencies and residential care and to encourage their integration into regular pre-schools, schools and other community based education/transition to work settings.

### *Home and Community Care*

This program is designed to develop a range of integrated home and community care services, to enable the frail, aged and disabled to remain in their own homes. In many instances services are provided through local government which also contributes financially to the program.

Services provided by the program include housekeeping, personal care, meals and visiting health services in the home, as well as a range of activities based around centres such as senior citizen's clubs.

Under the joint Commonwealth-State HACC Agreement, eligibility for additional Commonwealth funding requires the State and service providers to maintain existing levels of expenditure. Funds for expansion are provided by the Commonwealth on the basis that the State will provide matching funds on the 'prevailing ratio' for agreed services. In 1998-99 the prevailing ratio was approximately sixty per cent for the Commonwealth and forty per cent for the State.

### *Disability services*

The Commonwealth-State Disability Agreement (CSDA) is the main program for providing non-medical services to people with an intellectual, physical, sensory or psychiatric disability. From 1 July 1992, the State Government assumed responsibility for accommodation and support services, while the Commonwealth Government assumed responsibility for employment-related services for people with disabilities.



The CSDA was re-negotiated in 1998. The new CSDA includes two elements:

- A multilateral funding agreement between the Commonwealth Government and the State and Territory Governments; and
- A framework for these Governments to enter into bilateral agreements as a means of addressing strategic disability issues' relevant to a single State or Territory.

### *Victorian Cytology Services*

Under the Victorian Cytology Services program funds are provided to support free cervical cancer screening. Funds are adjusted according to the actual numbers of screening tests performed.

### *Specialist Drugs program*

The Commonwealth provides funds to the State to subsidise the expense of selected high cost drugs supplied to outpatients.

### *Blood Transfusion Service*

The Commonwealth offers a subsidy of approximately forty per cent for the cost of providing blood transfusion services. In Victoria, these are supplied by the Red Cross Blood Transfusion Service.

### *Supported Accommodation Assistance*

This joint Commonwealth-State funded program aims to assist homeless people to obtain access to accommodation and support services.

### *Crisis Accommodation Assistance*

Under this program, financial assistance is provided to improve the stock of emergency accommodation available to families in distress. This program is complementary to the Supported Accommodation Assistance Program.

### *Housing Assistance for Aborigines*

While Aborigines are eligible for assistance under any of the programs within the Commonwealth State Housing Agreement (CSHA), grants under this category are targeted to provide housing specifically for Aborigines and their communities.

### *Housing interest assistance*

Under the *States Grants (Housing) Act 1971*, the Commonwealth Government provides an annual interest subsidy of \$1.35 million to the State to reduce the interest cost of housing loans obtained through the Government's Works and Services Program during the years 1971-72.

This interest subsidy, which is available up to 2001-02 (30 years), effectively reduces the cost of Office of Housing borrowings from 6 per cent and 6.5 per cent per annum to 5 per cent per annum.

### *Public housing*

Since 1945-46, the States have received financial assistance from the Commonwealth to provide housing and other assistance with home ownership. Specific purpose payments are subject to the provisions of successive CSHAs, with requirements for the States to match certain Commonwealth assistance.

A ten year agreement commenced on 1 July 1989 and, under an interim agreement, funding is provided until June 1999.

In developing the new agreement it is recognised that the States are implementing wide-ranging reforms to the management and delivery of housing assistance and that these reforms will continue. Initial negotiations have endorsed guiding principles to continue reform. These relate to targeting assistance to those most in need, States' flexibility to cater for these issues and management effectiveness.

### **Infrastructure**

**Table 3.15: Department of Infrastructure - Commonwealth specific purpose grants**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<i>Current Grants</i>				
Interstate Road Transport	2.8	2.8	2.8	..
	2.8	2.8	2.8	..
<i>Capital Grants</i>				
Australian Land Transport Development Program	87.9	105.7	113.8	29.4
	87.9	105.7	113.8	29.4
<b>Total Specific Purpose Grants</b>	<b>90.7</b>	<b>108.5</b>	<b>116.6</b>	<b>28.5</b>

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

### *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.

The Commonwealth recently confirmed that FIRS will continue to operate until all of the national Road Transport Law (RTL) is implemented in all States and Territories. On the basis of current progress, the RTL may not be in place, in a form acceptable to the Commonwealth, before 2001.

With the cessation of FIRS, all registration revenue will be retained by the State or Territory in which the registration fees are collected.

### *Australian Land Transport Development Program*

Commonwealth grants for land transport are made through the Australian Land Transport Development Program (ALTD). 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 is the only declared RONI in Victoria. Victoria is seeking inclusion of the Geelong Road as a RONI.

Construction is well advanced on the duplication of the Goulburn Valley Highway between Seymour and Nagambie, as well as the Black Forest and Woodend sections of the Calder Highway. These projects will open to traffic in 2000-01. Budget allocations in 1999-2000 will enable completion of the Metropolitan Ring Road between the Hume Highway and Edgars Road Thomastown. Together with previously completed projects, this will provide a continuous circumferential freeway route from Greensborough in Melbourne's North East to the Westgate Freeway at Laverton North.

The Federal Road Safety Blackspot program announced in 1996, targets road locations where accidents are occurring and aims to fund cost effective safety-

oriented projects by focussing on locations where the greatest benefits can be achieved. The notional allocation to Victoria, which commenced in 1996-97, will be \$34 million over four years.

The inquiry into Federal Road Funding by the House of Representatives Standing Committee on Communication, Transport and Microeconomic Reform completed its report in November 1997. The inquiry report called for the development of a strategic national transport plan incorporating all forms of transport and all levels of government. The Victorian Government endorses this approach as it is consistent with its own robust and integrated approach to transport investment planning. The inquiry findings are to be considered by the Commonwealth Government in formulating its 1999-2000 Budget.

### **Justice**

**Table 3.16: Department of Justice - Commonwealth specific purpose grants**

	(\$ million)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
<i>Current Grants</i>				
National Institute of Forensic Science	0.8	0.8	..	na
Compensation For Revenue Forgone- Office of Fair Trading and Business Affairs	39.2	40.4	40.0	2.2
Emergency Management Council	0.8	0.8	0.8	..
Human Rights Commission	0.4	0.4	0.4	-1.2
<b>Total Specific Payment Grants</b>	<b>41.2</b>	<b>42.4</b>	<b>41.2</b>	<b>0.1</b>

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

#### *National Institute of Forensic Science*

The National Institute of Forensic Science, established in 1991, receives payments from the Commonwealth and other States for services provided. The main functions of the Institute include:

- research in forensic science;
- advice and assistance in the development and coordination of forensic sciences; and
- conduct of training and quality assurance programs.

### *Office of Fair Trading and Business Affairs - compensation for revenue forgone*

Until 31 December 1990, all States in Australia regulated their own corporate sector. The National Companies and Securities Commission (NCSC), a Commonwealth body, provided a cooperative national framework for corporate regulation.

On 1 January 1991, the NCSC was replaced by the Australian Securities Commission (ASC) and, to ensure uniformity and efficiency in company and security regulation, the States agreed to hand over their regulatory functions to the Commonwealth. Accordingly, since 1 January 1991, fees for the corporate regulatory function have been paid directly to the Commonwealth, but so that the States would not be financially disadvantaged by this new arrangement, it was agreed that they would be compensated by the Commonwealth for the resulting loss of revenues. This payment is recorded as a grant from the Commonwealth.

### *Emergency Management Council - State Support Package*

The Commonwealth Government, through Emergency Management Australia (EMA), provides special purpose funding to Victoria to:

- assist in the development of emergency awareness in local communities;
- assist municipal councils in emergency management planning;
- assist municipal councils with the raising of local volunteer SES units and with their administration and training; and
- assist with the delivery of decentralised emergency management training coordinated by EMA.

### *Human Rights Commission funding of Equal Opportunity Legislation*

Under the agreement between the State and Commonwealth governments, the Commonwealth Human Rights Commission provides funding to the Equal Opportunity Commission for its role in exercising legislative responsibilities under the Sex Discrimination Act and the Race Discrimination Act.

## Natural Resources and Environment

**Table 3.17: Department of Natural Resources and Environment - Commonwealth specific purpose grants**

(\$ million)				
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<i>Current Grants</i>				
National Heritage Trust	53.0	45.0	47.1	-11.0
Regional Development Programs	0.6	0.2	0.3	-47.3
National Forest Policy	1.0	3.6	1.0	..
Coastal Action Program	0.6	0.6	0.6	..
Domestic Animals Act - Municipal SPP <sup>(b)</sup>	..	..	0.8	..
Endangered Species Program	0.5	0.5	0.6	12.2
State Water Plan	0.2	0.2	..	na
	55.8	50.1	50.4	-9.8
<i>Capital Grants</i>				
Natural Heritage Trust	0.1	0.1	0.1	..
	0.1	0.1	0.1	..
<b>Total Specific Payment Grants</b>	<b>55.9</b>	<b>50.1</b>	<b>50.4</b>	<b>-9.8</b>

Source: Department of Treasury and Finance

Notes:

(a) Variation is between 1998-99 Budget and 1999-2000 Budget

(b) This is an inter-sector current grant received from local government. It is included to ensure consistency between tables within this document.

### Natural Heritage Trust (NHT)

The NHT is the Commonwealth Government's natural resources and environmental management program. The principle objective is to accelerate Australia's move to environmental sustainability and is designed to increase on-ground activities that address the causes of natural resource and environmental degradation. The NHT is jointly administered by the Commonwealth Departments of Primary Industries and Energy and Environment, Sports and Territories. The NHT program is based on approved projects submitted by Victoria. A brief description of the objectives of current programs is provided below.

- *Bushcare*

This program aims to reverse the long-term decline in the quality and extent of Australia's native vegetation cover. It will support conservation and restoration of remnant native vegetation and protect biological diversity. Funding will be made available for revegetation, improvement of

environmental values and the productive capacity of degraded land and water and for raised awareness and promotion of related research to encourage integrated approaches to fisheries, resource use and habitat conservation.

- *Coasts and Clean Seas*

Funding is made available to stimulate activities that achieve the conservation, sustainable use and repair of Australia's coastal and marine environments.

- *Endangered Species*

An initiative to accelerate the protection and conservation of Australia's native species and ecological communities in the wild.

- *Farm Forestry*

Funds are provided to encourage the incorporation of commercial tree growing and management into farming systems for the purpose of wood and non-wood production, increasing agricultural productivity and sustainable natural resource management.

- *Feral Animal Control*

An initiative to support, coordinate and catalyse control programs for designated priority feral animals.

- *Fisheries Action*

A program that aims to rebuild Australia's fisheries to more productive and sustainable levels through restoration and protection of fish habitat, encouragement of community participation in activities to improve fisheries ecosystems, control of aquatic pests, and encouragement of sustainable and responsible commercial and recreational fishing.

- MD2001

The provision of joint Commonwealth and State funding to assist with the rehabilitation of the Murray Darling Basin and help achieve a sustainable future for the Basin, its natural systems and its communities.

- *National Landcare*

The primary funding vehicle for Commonwealth financial support to develop and implement resource management practices which enhance our soil, water and biological resources and which are efficient, sustainable, equitable and consistent with the principles of ecologically sustainable development.

- *National Reserve System*  
An initiative to assist with the establishment and maintenance of a comprehensive, adequate and representative system of parks and reserves.
- *National Rivercare*  
Funding aimed at ensuring progress towards the sustainable management, rehabilitation and conservation of rivers outside the Murray Darling Basin and to improve the health of these river systems.
- *National Wetlands*  
An initiative to promote the conservation, repair and wise use of wetlands across Australia.
- *Waterwatch*  
A community based program to promote water quality monitoring as a means of creating and enhancing an ownership ethic for broadscale environmental management by the community.

#### *Sustainable Regional Development*

The Sustainable Regional Development Program is funded by the Commonwealth through the Murray-Darling Basin Commission's Irrigation Management Strategy. Funding has been provided for a best practice model in the Goulburn Valley and a land for water management project in the Sunraysia Irrigation Region. These projects aim to integrate rural area development with industry adjustment, microeconomic reform and sustainable resource management.

#### *National Forest Policy*

Funds are provided by the Commonwealth Australian Heritage Commission for the assessment of national estate forestry values in East Gippsland and the Central Highlands of Victoria.

#### *Coastal Action Program*

This program is funded by the Commonwealth Department of Environment, Sport and Territories and aims to ensure that coastal zone resources optimise long term benefits to the community. Specifically, the program aims to maintain coastal ecological and physical values, including the biological diversity and productivity of marine and terrestrial ecosystems.



### *Domestic (Feral and Nuisance) Animals Act*

Revenue is received from Local Governing authorities to implement the *Domestic (Feral and Nuisance) Animals Act 1994*. Funds are used for the promotion of responsible dog and cat ownership as well as animal welfare and the administration of the Act by the Department.

### **Premier and Cabinet**

**Table 3.18: Department of Premier and Cabinet - Commonwealth specific purpose grants**

(\$ million)				
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
National Gallery of Victoria	..	5.0	10.0	..

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

### *National Gallery of Victoria*

The Commonwealth Government is providing a one-off grant from the Federation Fund to the National Gallery of Victoria to assist their building redevelopment project.

### **State Development**

**Table 3.19: Department of State Development - Commonwealth specific purpose grants**

(\$ million)				
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<i>Current Grants</i>				
Indigenous Sports Program	0.2	0.2	0.2	..
Industry programs	2.2	2.2	0.7	-68.9
Australian Sports Commission Participation Program	0.6	0.6	0.6	-7.8
Supermarket to Asia Transport Chain Program	..	0.1	0.1	na
National Volunteer Involvement Program	0.1	0.1	0.1	-24.8
<b>Total Specific Payment Grants</b>	<b>3.1</b>	<b>3.3</b>	<b>1.7</b>	<b>-44.9</b>

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

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### *Indigenous Sports Program - Young Persons Sport and Recreation Development Program*

Funding under this program is provided to promote participation in sport and recreation for Aboriginal and Torres Strait Islander peoples.

### *Industry programs*

Assistance is provided to support investment and growth in the Textile Clothing and Footwear Sector under the TCF 2000 Development Package.

### *Australian Sports Commission Participation Program*

This is a joint Commonwealth-State program, which provides funds to the sport and recreation industry to work with communities to improve the quality, quantity and range of sporting experience for all Victorians.

### *Supermarket to Asia Transport Chain Program*

Under this program, funding is provided to support the Perishables Taskforce which reports to the Victorian Airfreight Council.

### *National Volunteer Involvement Program*

Under this program funding is provided to enhance the volunteer base of sport through promotion, training and management. The program also aims to improve planning at club and association level.

## **Treasury and Finance**

**Table 3.20: Department of Treasury and Finance - Commonwealth specific purpose grants**

	(\$ million)			
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	Variation <sup>(a)</sup> %
<i>Current Grants</i>				
Commonwealth Contribution to Debt	0.2	0.2	0.2	-1.5
Commonwealth Gas Emergency	..	8.5	..	..
Borrowing Cost Compensation	5.6	5.6	5.4	-2.3
Natural Disaster Relief	..	0.0	1.3	..
<b>Total Specific Payment Grants</b>	<b>5.7</b>	<b>14.2</b>	<b>6.9</b>	<b>19.4</b>

Source: Department of Treasury and Finance

Note:

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

### *Commonwealth Contribution to Debt Reduction*

Under the Financial Agreement, the Commonwealth and the State contribute to the Debt Retirement Trust Fund. The Commonwealth's annual contribution is 0.28 per cent of the net debt. The Commonwealth's contribution is paid directly into the Trust Fund. Although this money is not received by Victoria as a normal grant, the amount is credited to the Treasurer's portfolio for accounting purposes.

### *Commonwealth Gas Emergency Assistance*

In October 1998, the Commonwealth announced a funding assistance package for Victorians who had suffered significant hardship as a result of the interruption to gas supplies. Under this arrangement, the Treasurer of Victoria was given responsibility for administering the disbursement of Commonwealth funds for small business assistance and community recovery purposes in accordance with agreed eligibility criteria.

### *Borrowing cost compensation*

At the June 1990 Premiers' Conference and Loan Council Meeting, it was agreed that the States would progressively assume the management of debt raised by the Commonwealth on behalf of the States under the Financial Agreement. As a result, the States are required to issue securities through their respective borrowing authorities to fund the redemption of maturing Financial Agreement debt. Because the cost at which State borrowing authorities can raise funds exceeds that of the Commonwealth and so that the States are not disadvantaged, the Commonwealth will compensate them for the additional borrowing costs through a grant. The amount of compensation provided to the States is based on the average interest rate margins between Commonwealth and State debt over the period 1 January 1990 to 30 June 1990. Borrowing Cost Compensation is scheduled to continue until 2003-04.

### *Natural Disaster Relief*

Commonwealth payments under the Natural Disaster Relief Arrangements (NDRA) assist the States to meet the costs of providing relief and restoration following natural disasters. The NDRA recognise the States' primary responsibility under the Constitution for the administration, provision and financing of relief measures.

### *Commonwealth Treasury Trust Account*

A number of specific purpose payments are paid into the Commonwealth Treasury Trust Account. These projects are typically small in dollar terms and not of an ongoing nature.

### **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)			Variation <sup>(a)</sup> %
	1998-99 Budget	1998-99 Revised	1999-2000 Budget	
Education				
Non-Government Schools	615.1	677.9	688.1	0.1
Adult, Community and Further Education	1.6	1.6	1.6	..
Infrastructure	300.6	291.5	298.8	-0.5
Justice	30.7	30.7	30.7	..
<b>Total Commonwealth Grants for On- Passing</b>	<b>948.0</b>	<b>1 001.8</b>	<b>1 019.2</b>	<b>0.1</b>

*Source: Department of Treasury and Finance*

*Note:*

(a) Variation between 1998-99 Budget and 1999-2000 Budget.

### **Education**

#### *Non-government schools*

#### *State Grants (Primary and Secondary Education Assistance) Act current grants program*

This program provides funds to help non-government schools with the recurrent costs of school education.

Priorities also include support for the principles of access, choice, equity and excellence in schools by encouraging the provision of a strong, viable and diverse selection of schools from which parents can choose what is best for their children.

The Commonwealth is currently reviewing the Education Resources Index (ERI) which is the allocative mechanism used in this program. This review may result in changes to the future funding of non-government schools.

#### *State Grants (Primary and Secondary Education Assistance) Act capital grants program*

This program seeks to improve educational outcomes by assisting in the provision of school facilities, particularly in ways that contribute most to raising the overall level of educational achievement of Australian school students.

#### *Other grants for targeted and national priority programs*

Funds flow to non-government schools through the new Commonwealth Government program structure as described above in relation to government schools.

### **Infrastructure**

#### *General purpose financial assistance to local government*

General purpose financial assistance to local government has been in existence since 1974–75. An equal per capita basis of distributing total assistance to the States and Territories was phased in and has been in operation from 1989-90. This occurs pursuant to the *Local Government (Financial Assistance) Act 1995*.

Local government roads funding was part of specific purpose grants in 1990-91. From 1991–92 local roads funding was included in, but separately identified from, general purpose grants. This funding is paid under the *Local Government (Financial Assistance) Act 1995* and distributed through the Victorian Grants Commission.

Local government will retain certainty under the proposed national tax reform arrangements, with Victoria committing to maintain funding in real per capita terms. The distribution of funds to Councils within Victoria will be determined by the Victorian Grants Commission, taking into consideration issues of horizontal fiscal equalisation.

## ***Justice***

### ***Legal aid***

Commonwealth grants are paid to assist the functioning of legal aid schemes in every State. The Commonwealth provides funding for a share of the operating costs of State Legal Aid Commissions and for referrals to private practitioners on Commonwealth matters.

The grant provided to Victoria for the operating cost of Victoria Legal Aid is paid directly to Victoria Legal Aid. Funds for 40 Community Legal Centres are paid as a separate grant for distribution to the relevant centres.

**STATEMENT 4**

**PUBLIC ACCOUNT**





## **PUBLIC ACCOUNT**

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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 ended 30 June 1998  
and for the year ended 30 June 1999  
(\$ million)*

	1998-99 Budget	1999-2000 Budget	Variation %
<b>Receipts</b>			
Taxation	8 935	9 007	0.8
Fines and Regulatory Fees	233	235	1.0
Grants Received	6 065	6 319	4.2
Sales of Goods and Services (including S.29 FMA annotated)	409	437	6.7
Interest Received	90	14	- 84.2
Public Authority Income	953	726	- 23.9
Other Receipts	1 704	1 805	6.0
<b>Total Operating Activities</b>	<b>18 389</b>	<b>18 543</b>	<b>0.8</b>
Total Cash inflows from Investing and Financing	441	283	- 35.9
<b>Total Receipts</b>	<b>18 830</b>	<b>18 825</b>	<b>- 0.0</b>
<b>Payments -</b>			
Special Appropriations	2 238	2 195	- 1.9
Appropriations <sup>(a)</sup>			
Provision of Outputs	12 871	14 029	9.0
Additions to Net Asset Base	635	343	- 46.0
Payments made on behalf of State	2 096	1 344	- 35.9
Receipts credited to appropriation <sup>(b)</sup>			
Provision of Outputs	990	1 102	11.4
Additions to Net Asset Base	..	26	na
Payments made on behalf of State	..	..	..
<b>Sub Total</b>	<b>18 830</b>	<b>19 040</b>	<b>1.1</b>
less accrued appropriations		- 215	
<b>Total Payments</b>	<b>18 830</b>	<b>18 825</b>	<b>- 0.0</b>

*Source: Department of Treasury and Finance*

*Notes:*

*(a) Includes estimated unapplied carryover from previous year, pursuant to Section 32, Financial Management Act 1994.*

*(b) Pursuant to Section 29, Financial Management Act 1994.*

**Table 4.2: Consolidated Fund Receipts**

	(\$ thousand)		
	1998-99 Budget	1999-2000 Budget	Variation %
<b>Operating Receipts</b>			
<b>Taxation</b>			
Payroll Tax	2 521 921	2 518 230	-0.1
Property Tax	430 000	387 600	-9.9
<b>Stamp Duty</b>			
Financial and Capital Transactions	1 165 300	1 086 200	-6.8
Stamp Duties	161 650	167 500	3.6
Financial Accommodation Levy	7 800	5 400	-30.8
Financial Transaction Taxes	597 400	608 300	1.8
Other Property Taxes	170	320	88.2
<b>Gambling</b>			
Private Lotteries	327 100	338 100	3.4
Electronic Gaming Machines	754 600	843 000	11.7
Casino Taxes	162 000	144 400	-10.9
Racing	131 500	139 900	6.4
Other Gambling	3 500	3 950	12.9
Insurance	364 300	365 600	0.4
<b>Motor Vehicle</b>			
Road Safety Act (Registration Fees)	425 500	431 300	1.4
Stamp Duty on Vehicle Transfers	394 300	400 000	1.4
Drivers Licences	20 682	18 982	-8.2
<b>Franchise Fees</b>			
Petroleum	514 600	537 400	4.4
Tobacco	639 800	680 000	6.3
Liquor	223 300	229 500	2.8
Energy (Electricity)	89 676	101 577	13.3
<b>Total</b>	<b>8 935 099</b>	<b>9 007 259</b>	<b>0.8</b>
<b>Fines and Regulatory Fees</b>			
Fines	128 678	131 704	2.4
Regulatory Fees	104 004	103 332	-0.6
<b>Total</b>	<b>232 682</b>	<b>235 036</b>	<b>1.0</b>
<b>Grants Received</b>			
<b>Grants Received - Current</b>			
<i>General Commonwealth -Current</i>	4 970 560	5 165 717	3.9
<i>Commonwealth Specific Purpose Grants - Current</i>			
Education	285 579	295 041	3.3
Human Services	376 807	410 990	9.1
Infrastructure	2 800	2 800	0.0
Natural Resources and Environment	55 596	50 350	-9.4
State Development	3 682	2 236	-39.3

**Table 4.2: Consolidated Fund Receipts - continued**

	(\$ thousand)		
	1998-99 Budget	1999-2000 Budget	Variation %
<i>Other Government Entities</i>	..	..	
Grants Received - Capital			
<i>General Commonwealth -Capital</i>	..	..	
<i>Commonwealth Specific Purpose Grants - Capital</i>			
Education	49 480	49 510	0.1
Human Services	219 126	218 144	-0.4
Infrastructure	87 900	113 780	29.4
Natural Resources and Environment	50	50	0.0
<i>Other Government Entities</i>	13 300	10 000	-24.8
Total	<b>6 064 880</b>	<b>6 318 618</b>	<b>4.2</b>
Sales of Goods and Services (including S.29 FMA annotated)			
Sales of Goods and Services	409 301	436 785	6.7
Wholesale Sales to Victorian Government Entities	..	..	0.0
Other Sales of Goods and Services within the Victorian Govt Sector	..	..	0.0
Total	<b>409 301</b>	<b>436 785</b>	<b>6.7</b>
Interest Received	89 557	14 138	-84.2
Public Authority Income			
Public Authority Dividends	810 046	496 495	-38.7
Non Public Sector Dividends	..	..	0.0
Public Authorities Income Tax Equivalent Receipts	135 641	223 143	64.5
Public Authorities Wholesales Sales Tax Equivalent Receipts	7 800	4 452	-42.9
Public Authorities Local Government Tax Equivalent Receipts	..	1 750	0.0
Total	<b>953 487</b>	<b>725 840</b>	<b>-23.9</b>
Other Receipts			
Land Rent Received	18 797	23 988	27.6
Royalties Received	47 745	47 008	-1.5
Other	1 637 081	1 734 003	5.9
Total	<b>1 703 623</b>	<b>1 804 999</b>	<b>6.0</b>
Total Operating Activities	<b>18 388 628</b>	<b>18 542 675</b>	<b>0.8</b>
Cash inflows from Investing and Financing			
Loans to GBE's	52 826	149 750	na
Proceeds from Sale of Investments	17 500	..	na

**Table 4.2: Consolidated Fund Receipts - continued**

(\$ thousand)

	1998-99 Budget	1999-2000 Budget	Variation %
Other Loans	662	786	18.7
Proceeds from Sale of Property, Plant and Equipment	112 300	132 236	17.8
Purchases of Property, Plant and Equipment	..	..	..
Net Proceeds From/(Repayment of) Borrowings	257 908	..	na
Total Cash inflows from Investing and Financing	<b>441 196</b>	<b>282 772</b>	<b>-35.9</b>
<b>TOTAL CONSOLIDATED FUND RECEIPTS</b>	<b>18 829 824</b>	<b>18 825 447</b>	<b>0.0</b>

Source: Department of Treasury and Finance

**Table 4.3: Consolidated Fund Payments – Summary**

(\$ thousand)

	1998-99 Budget	1999-2000 Budget	Variation %
<b>Education</b>			
Special Appropriations	250	250	..
Annual Appropriations <sup>(a)</sup>	4 392 415	4 737 977	7.9
<b>Total</b>	4 392 665	4 738 227	7.9
<b>Human Services</b>			
Special Appropriations	1 057 775	1 143 500	8.1
Annual Appropriations <sup>(a)</sup>	4 879 256	5 167 188	5.9
<b>Total</b>	5 937 031	6 310 688	6.3
<b>Infrastructure</b>			
Special Appropriations	826	..	-100.0
Annual Appropriations <sup>(a)</sup>	2 026 032	2 207 428	9.0
<b>Total</b>	2 026 858	2 207 428	8.9
<b>Justice</b>			
Special Appropriations	74 997	91 671	22.2
Annual Appropriations <sup>(a)</sup>	1 542 921	1 641 563	6.4
<b>Total</b>	1 617 918	1 733 234	7.1
<b>Natural Resources And Environment</b>			
Special Appropriations	..	..	..
Annual Appropriations <sup>(a)</sup>	750 077	808 446	7.8
<b>Total</b>	750 077	808 446	7.8
<b>Premier And Cabinet</b>			
Special Appropriations	75 618	79 616	5.3
Annual Appropriations <sup>(a)</sup>	384 213	352 525	-8.2
<b>Total</b>	459 831	432 141	-6.0
<b>State Development</b>			
Special Appropriations	505	505	..
Annual Appropriations <sup>(a)</sup>	210 647	237 970	13.0
<b>Total</b>	211 152	238 475	12.9
<b>Treasury And Finance</b>			
Special Appropriations	992 297	854 241	-13.9
Annual Appropriations <sup>(a)</sup>	2 337 391	1 624 834	-30.5
<b>Total</b>	3 329 688	2 479 075	-25.5
<b>Parliament</b>			
Special Appropriations	36 021	25 630	-28.8
Annual Appropriations <sup>(a)</sup>	68 703	66 831	-2.7
<b>Total</b>	104 724	92 461	-11.7
<b>Total Special Appropriations</b>	<b>2 238 289</b>	<b>2 195 413</b>	<b>-1.9</b>
<b>Total Annual Appropriations <sup>(a)</sup></b>	<b>16 591 655</b>	<b>16 844 762</b>	<b>1.5</b>
<b>Total Appropriations</b>	<b>18 829 944</b>	<b>19 040 175</b>	<b>1.1</b>

Source: Department of Treasury and Finance

Notes:

(a) Includes receipts credited to appropriation and unapplied previous year appropriation carried over.

**Table 4.4: Consolidated Fund Payments: Special Appropriations**

(\$ thousand)

	1998-99 Budget	1999-2000 Budget	Variation %
<b>Special Appropriations</b>			
<b>Education</b>			
Education Act No. 6240, Section 34 - Volunteer Workers Compensation	250	250	..
	<b>250</b>	<b>250</b>	<b>..</b>
<b>Human Services</b>			
Casino Control Act No. 47 of 1991, Section 114 - Community Support Fund	8 043	7 700	na
Club Keno Act No. 56 of 1993, Sec 7(5) -Hospitals and Charities Fund	2 500	2 400	na
Gaming Machine Control Act No. 53 of 1991, Sections 137 & 138 -Hospitals and Charities Fund	596 032	660 500	10.8
Financial Management Act, No 18 of 1994, Section 10	..	..	..
Tattersalls Consultations Act No. 6390	327 100	338 100	3.4
Gaming and Betting Act No. 6353, Section 103 - Hospitals and Charities Fund	124 100	134 800	8.6
	<b>1 057 775</b>	<b>1 143 500</b>	<b>8.1</b>
<b>Infrastructure</b>			
Marine Board Act No. 52 of 1988	89	..	na
Planning Schemes - Panels Act No. 6849, Section 28	737	..	na
	<b>826</b>	<b>..</b>	<b>na</b>
<b>Justice</b>			
Compensation to Jurors - Act No. 7651	15	20	33.3
Constitution Act No. 8750 - Chief Judges	215	242	12.6
Constitution Act No. 8750 - Judges Court of Appeal	2 075	2 352	13.3
Constitution Act No. 8750 - President Court of Appeal	204	228	11.8
Constitution Act No. 8750 - Puisine Judges	4 080	5 160	26.5
County Court Act No. 6230 - Judges	8 000	9 924	24.1
Crown Proceedings - Act No. 6232	2 000	2 000	..
Defence Reserves Re-Employment Act No. 1 of 1995	35	38	8.6
Lay Observer - Act No. 6291	..	..	..
Magistrates Court Act No. 51 of 1989	12 230	15 417	26.1
Patriotic Funds Act No. 6331	111	174	56.8
Police Assistance Compensation Act No. 7722	5	..	na
Police Service Board - Act No. 6338	30	..	na
Solicitor's Board - Act No. 6291	..	..	..
The Constitution Act Amendment Act No. 6224, Section 315 -Electoral Expenses	19 601	34 110	74.0
Victims of Crime Assistance Act No. 81 of 1996, Section 69 Expenses	1 240	1 240	..
Victims of Crime Assistance Act No. 81 of 1996, Section 69 Awards	25 014	20 560	-17.8
Victorian State Emergency Services Volunteer Workers Compensation - Act No. 57 of 1987	142	206	45.1
	<b>74 997</b>	<b>91 671</b>	<b>22.2</b>
Budget Estimates 1999-2000	Public Account		427

**Table 4.4: Consolidated Fund Payments: Special Appropriations -  
continued**

	(\$ thousand)		
	1998-99 Budget	1999-2000 Budget	Variation %
<b>Premier and Cabinet</b>			
Constitution Act No. 8750 -Executive Council	50	50	..
Constitution Act No. 8750 -Governor's Salary	104	106	1.9
Gaming Machine Control Act No. 53 of 1991, Sections 137 & 138 -Community Support Fund	71 502	75 400	5.5
Ombudsman -Act No. 8414	187	191	2.1
Parliamentary Salaries and Superannuation Act No 7723	3 775	3 869	2.5
	<b>75 618</b>	<b>79 616</b>	<b>5.3</b>
<b>State Development</b>			
Racing Act No. 6353, Section 119 - Direct Drawdowns	505	505	..
	<b>505</b>	<b>505</b>	<b>..</b>
<b>Treasury and Finance</b>			
Business Franchise Fees (Safety Net) Act 1997	100 000	102 000	2.0
Co-Operative Housing Societies Act No. 6226, Section 77(2) - Indemnities	1 600	1 000	-37.5
Constitution Act No. 8750 -Governor's Pension	360	380	5.6
Constitution Act No. 8750 -Judges - Supreme Court	2 600	2 800	7.7
County Court Act No. 6230 -Judges	3 200	3 500	9.4
Financial Management Act No.18 of 1994, Sec 39 - Appropriation. Borrow	..	..	..
Financial Management Act No.18 of 1994, Sec 39 - Interest on Advances	10 000	8 000	-20.0
Gaming and Betting Act No. 37 of 1994, Section 94 - Expenses of Victorian Casino and Gaming Authority	19 168	18 455	-3.7
Chairman - General Sessions - Act Nos 6282/7705/8731	39	40	2.6
Taxation (Interest on Overpayments) Act, No. 35 of 1986, Section 11	340	1 000	na
The Mint -Act No. 6323, Section 3	90	90	..
The Superannuation Fund - Contributions Act 50 of 1988, Section 90(2)	854 900	496 000	-42.0
Treasury Corporation of Victoria Act 80 of 1992, Section 38 - Appropriation for Debt Retirement	..	220 976	na
	<b>992 297</b>	<b>854 241</b>	<b>-13.9</b>
<b>Parliament</b>			
Audit Act No. 2 of 1994, Part 4 - Audit of Auditor- General's Office	10	10	..
Auditor General - Act No. 2 of 1994	208	213	2.4
Constitution Act No. 8750 -Clerk of the Parliaments	1	1	..
Constitution Act No. 8750 - Legislative Assembly	275	275	..
Constitution Act No. 8750 - Legislative Council	100	100	..
Parliamentary Committees - Act No. 7727	4 157	3 931	-5.4
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**Table 4.4: Consolidated Fund Payments: Special Appropriations -  
continued**

(\$ thousand)

	1998-99 Budget	1999-2000 Budget	Variation %
Parliamentary Salaries and Superannuation Act No 7723	13 170	13 000	-1.3
Parliamentary Salaries and Superannuation Act No 7723, Section 13	18 100	8 100	-55.2
	<b>36 021</b>	<b>25 630</b>	<b>-28.8</b>
<b>Total Special Appropriations</b>	<b>2 238 289</b>	<b>2 195 413</b>	<b>-1.9</b>

*Source: Department of Treasury and Finance*

**Table 4.5: Consolidated Fund Payments: Total Annual Appropriations**

Details of total annual appropriations for 1999-2000, including amounts of estimates of unspent 1998-99 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 1999-2000 Budget, **Black** figures; Estimates for 1998-99 Budget, *Italic* figures

(\$ thousand)

	<i>Provision of Outputs</i>	<i>Additions to Net Asset Base</i>	<i>Payments made on behalf of State</i>	<i>Total</i>
<b>Education</b>				
Appropriation <sup>(a)</sup>	<b>4 627 076</b>	<b>20 011</b>	..	<b>4 647 087</b>
	<i>4 259 388</i>	<i>95 061</i>	..	<i>4 354 449</i>
Receipts credited to appropriation <sup>(b)</sup>	<b>41 490</b>	<b>14 400</b>	..	<b>55 890</b>
	<i>37 966</i>	..	..	<i>37 966</i>
Unspent previous year appropriation carried over <sup>(c)</sup>	<b>35 000</b>	..	..	<b>35 000</b>
	..	..	..	..
<b>Total Appropriation</b>	<b>4 703 566</b>	<b>34 411</b>	..	<b>4 737 977</b>
	<i>4 297 354</i>	<i>95 061</i>	..	<i>4 392 415</i>
<b>Human Services</b>				
Appropriation <sup>(a)</sup>	<b>4 252 957</b>	<b>73 147</b>	..	<b>4 326 104</b>
	<i>4 005 702</i>	<i>86 223</i>	..	<i>4 091 925</i>
Receipts credited to appropriation <sup>(b)</sup>	<b>786 834</b>	<b>6 250</b>	..	<b>793 084</b>
	<i>711 068</i>	..	..	<i>711 068</i>
Unspent previous year appropriation carried over <sup>(c)</sup>	<b>40 500</b>	<b>7 500</b>	..	<b>48 000</b>
	<i>66 263</i>	<i>10 000</i>	..	<i>76 263</i>
<b>Total Appropriation</b>	<b>5 080 291</b>	<b>86 897</b>	..	<b>5 167 188</b>
	<i>4 783 033</i>	<i>96 223</i>	..	<i>4 879 256</i>
<b>Infrastructure</b>				
Appropriation <sup>(a)</sup>	<b>2 006 110</b>	<b>79 564</b>	<b>1 321</b>	<b>2 086 995</b>
	<i>1 738 218</i>	<i>154 602</i>	<i>1 321</i>	<i>1 894 141</i>
Receipts credited to appropriation <sup>(b)</sup>	<b>116 580</b>	..	..	<b>116 580</b>
	<i>90 700</i>	..	..	<i>90 700</i>
Unspent previous year appropriation carried over <sup>(c)</sup>	<b>3 853</b>	..	..	<b>3 853</b>
	<i>41 191</i>	..	..	<i>41 191</i>
<b>Total Appropriation</b>	<b>2 126 543</b>	<b>79 564</b>	<b>1 321</b>	<b>2 207 428</b>
	<i>1 870 109</i>	<i>154 602</i>	<i>1 321</i>	<i>2 026 032</i>

**Table 4.5: Consolidated Fund Payments: Total Annual Appropriations -  
continued**

(\$ thousand)

	<i>Provision of Outputs</i>	<i>Additions to Net Asset Base</i>	<i>Payments made on behalf of State</i>	<i>Total</i>
<b>Justice</b>				
Appropriation <sup>(a)</sup>	<b>1 532 622</b>	<b>24 685</b>	..	<b>1 557 307</b>
	1 422 830	49 864	..	1 472 694
Receipts credited to appropriation <sup>(b)</sup>	<b>71 116</b>	..	..	<b>71 116</b>
	61 085	..	..	61 085
Unspent previous year appropriation carried over <sup>(c)</sup>	<b>11 233</b>	<b>1 907</b>	..	<b>13 140</b>
	8 010	1 132	..	9 142
<b>Total Appropriation</b>	<b>1 614 971</b>	<b>26 592</b>	..	<b>1 641 563</b>
	1 491 925	50 996	..	1 542 921
<b>Natural Resources and Environment</b>				
Appropriation <sup>(a)</sup>	<b>636 675</b>	<b>19 285</b>	<b>32 958</b>	<b>688 918</b>
	510 728	35 664	86 205	632 597
Receipts credited to appropriation <sup>(b)</sup>	<b>80 943</b>	<b>5 600</b>	..	<b>86 543</b>
	82 234	..	..	82 234
Unspent previous year appropriation carried over <sup>(c)</sup>	<b>28 428</b>	<b>4 557</b>	..	<b>32 985</b>
	25 064	7 428	2 754	35 246
<b>Total Appropriation</b>	<b>746 046</b>	<b>29 442</b>	<b>32 958</b>	<b>808 446</b>
	618 026	43 092	88 959	750 077
<b>Premier and Cabinet</b>				
Appropriation <sup>(a)</sup>	<b>256 039</b>	<b>90 953</b>	..	<b>346 992</b>
	207 942	112 161	..	320 103
Receipts credited to appropriation <sup>(b)</sup>	<b>533</b>	..	..	<b>533</b>
	533	..	..	533
Unspent previous year appropriation carried over <sup>(c)</sup>	<b>5 000</b>	..	..	<b>5 000</b>
	4 619	58 958	..	63 577
<b>Total Appropriation</b>	<b>261 572</b>	<b>90 953</b>	..	<b>352 525</b>
	213 094	171 119	..	384 213

**Table 4.5: Consolidated Fund Payments: Total Annual Appropriations - continued**

(\$ thousand)

	Provision of Outputs	Additions to Net Asset Base	Payments made on behalf of State	Total
<b>State Development</b>				
Appropriation <sup>(a)</sup>	<b>230 915</b>	..	..	<b>230 915</b>
	180 034	..	9 840	189 874
Receipts credited to appropriation <sup>(b)</sup>	<b>1 855</b>	..	..	<b>1 855</b>
	3 094	..	..	3 094
Unspent previous year appropriation carried over <sup>(c)</sup>	<b>5 200</b>	..	..	<b>5 200</b>
	12 680	956	4 043	17 679
<b>Total Appropriation</b>	<b>237 970</b>	..	..	<b>237 970</b>
	195 808	956	13 883	210 647
<b>Treasury and Finance</b>				
Appropriation <sup>(a)</sup>	<b>288 063</b>	<b>12 858</b>	<b>1 309 077</b>	<b>1 609 998</b>
	307 745	881	1 966 282	2 274 908
Receipts credited to appropriation <sup>(b)</sup>	<b>2 736</b>	..	..	<b>2 736</b>
	2 870	..	..	2 870
Unspent previous year appropriation carried over <sup>(c)</sup>	<b>4 800</b>	<b>7 300</b>	..	<b>12 100</b>
	12 343	20 270	27 000	59 613
<b>Total Appropriation</b>	<b>295 599</b>	<b>20 158</b>	<b>1 309 077</b>	<b>1 624 834</b>
	322 958	21 151	1 993 282	2 337 391
<b>Parliament</b>				
Appropriation <sup>(a)</sup>	<b>62 540</b>	<b>1 223</b>	..	<b>63 763</b>
	66 801	..	..	66 801
Receipts credited to appropriation <sup>(b)</sup>	..	..	..	..
	..	..	..	..
Unspent previous year appropriation carried over <sup>(c)</sup>	<b>2 157</b>	<b>911</b>	..	<b>3 068</b>
	1 902	..	..	1 902
<b>Total Appropriation</b>	<b>64 697</b>	<b>2 134</b>	..	<b>66 831</b>
	68 703	..	..	68 703

Source: Department of Treasury and Finance

Notes:

(a) Appropriation (1999/2000) Act.

(b) Financial Management Act, 1994 Section 29.

(c) Financial Management Act, 1994 Section 32.

(d) Appropriation (Parliament 1999/2000) Act.

**Table 4.6: The Trust Fund**

(\$ thousand)

	1998-99 Budget	1999-2000 Budget	Variation %
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Taxation	13 029	81 969	na
Regulatory Fees and Fines	1 376	7 062	na
Grants Received	1 274 833	1 297 537	1.8
Sale of Goods and Services	66 874	63 887	-4.5
Interest Received	12 063	37 814	na
Public Authority Income	..	..	..
Other Receipts	3 597 125	3 900 143	8.4
<b>Payments</b>			
Employee Entitlements	- 15 619	- 1 109	-92.9
Superannuation	292	1 602	na
Interest Paid	..	..	..
Grants Paid	4 585 338	4 643 421	1.3
Supplies and Consumables	160 240	572 554	na
Other Payments	260 594	16 547	-93.7
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>25 545</b>	<b>- 155 397</b>	<b>na</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net Proceeds from Customer Loans	..	..	..
Net Proceeds from/(Purchases of) Investments	50	- 486	na
Net Proceeds from Privatisations	..	..	..
Proceeds from Sale of Property, Plant & Equipment	..	..	..
Purchases of Property, Plant & Equipment	11 353	- 19 982	na
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>11 403</b>	<b>- 20 468</b>	<b>na</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net Proceeds from/(Repayment of) Borrowings	- 22 878	170 830	na
Other	- 667	27 898	na
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>- 23 545</b>	<b>198 728</b>	<b>na</b>
<b>NET CASH INFLOW/(OUTFLOW)</b>	<b>13 403</b>	<b>22 863</b>	<b>70.6</b>
<b>Represented By:</b>			
Cash and Deposits Held at Beginning of Reporting Period	- 12 409	- 10 183	-17.9
<b>Cash and Deposits Held at 30 June 1998</b>	<b>994</b>	<b>12 680</b>	<b>na</b>

Source: Department of Treasury and Finance



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