

Date: Tuesday 30 October 2020
Time: 10:30 – 11:30
Location: 1 William Street, room 29.02
Attendees: Tony Keyes (TK) – Chair, Julia Sheedy (JS), Leighton Craig (LC), Filly Morgan (FM), Mark Cridland (MC), Kerry Petersen (KP), Elizabeth Buckby (EB),
Apologies: Libby Gregoric (LG)
Secretariat: Steve Previtera (SP), Rosie Turnbull (RT), Michael Phillips (MP)

Meeting Commenced at 10:30	
Item 1. Chair's Opening Presenter: TK	
Discussion:	<ul style="list-style-type: none"> • Item 1.1 - Welcome and declarations of interest • Item 2.2 - Minutes from 17 March 2020 • Item 3 – Action Log – items arising from meeting on 17 March 2020 <ul style="list-style-type: none"> ○ 2 open items: Review of Departmental oversight of procurement and contracting processes ○ Updated 2020-21 Budget position following SDS process • 2020-21 Budget process. SDS is now likely to include notes around performance measures following Treasury's consultation with Performance Unit.
Decision:	<ul style="list-style-type: none"> • No declarations of interest • Minutes from previous meeting on 17 March 2020 were accepted.
Action:	<ul style="list-style-type: none"> • Noted • Procurement and contracting item remains open – policy framework and procedures has been revised and going through approval channels. This is planned to be finalised before next meeting in March 2021. • 2020-21 Budget – has been drafted, however finalisation will occur once election outcome is determined. A returning government has committed to the completion of a Budget in 2020 and a new government has committed to the completion of a Budget within 100 days (early February 2021) of forming the government.
Item 2. Committee Governance Presenter: MP	
Discussion:	<ul style="list-style-type: none"> • Item 2 Committee Plan – 2021 Update <ul style="list-style-type: none"> ○ Plan outlined along with 2021 timetable ○ Centralised invoicing ○ look at more seamless measure to track performance measures
Decision:	<ul style="list-style-type: none"> • Approve the proposed Committee work plan for 2020-21
Action:	<ul style="list-style-type: none"> • Noted
Item 3. Operational Matters Presenter: MP	
Discussion:	<p>Item 3.1. Financial Performance Update</p> <ul style="list-style-type: none"> • As at September 2020, the department has a YTD surplus of \$1.81M • Overall expenditure is \$1.654M (5%) under budget as at end of September, primarily due to: <ul style="list-style-type: none"> ○ Employee expenditure underspend (\$1.26M – 8%), mainly through vacant roles across the department as a result of FTEs dropping from 457 (30 June 2020) to 441 (25 September 2020). ○ Continuation of savings in employee related expenditure is expected through the current financial year. ○ Grants underspend (\$0.41M – 33%), largely due to timing of grants for Office of Veterans.

	<ul style="list-style-type: none"> Underspend Bushfire Royal Commission (original funding of \$1.8M) and Covid-19 Response and Recovery Taskforce underspend (\$1.5M) and final position will be reviewed prior to SDS in 2021-22. <p>Item 3.2. On-Time Payment Reporting as at 30 September 2020</p> <ul style="list-style-type: none"> 1 late payment for quarter that was outside the 20-day limit i.e. 1 out of 72 (1.37%). This is from the Covid-19 Response and Recovery Taskforce. There has been good engagement across department, tracking on-time payments system (TOPS) to pay businesses within the 20-day period.
Decision:	<ul style="list-style-type: none"> Financial performance noted Report to be published to open data
Actions:	<ul style="list-style-type: none"> MP to send particulars (i.e. supplier, how many days overdue, invoice amount) to Committee after meeting and speak to KP who had a question on this. <ul style="list-style-type: none"> Payment was for the Covid-19 Response and Recovery Taskforce for 2M Communications (\$12.5k) originally issued in May 2020, which was identified through the end of financial year process. Invoice had been issued to a Communications team member in oversight and was prior to the rollout of the TOPS. TOPS has been rolled out to the core units across the department.
<p>Item 4. Strategic Initiatives Presenter – MP</p>	
Discussion:	<p>Item 4.1. 2020-21 Budgets: Assumptions and Rates, Timeframes</p> <ul style="list-style-type: none"> The Department participated in Agency review in May 2020 to return excess funding in 2019-20. The Budget allocation was reduced by \$3.391M made up of supplies and services (\$1.815M) and employee expenses (\$1.576M). Funding for employee expenses was reduced following adoption of 24 April 2020 FTE cap 458 FTEs (\$0.603M) and deferral of enterprise bargaining (EB) arrangements (\$0.973M). Subsequently, funding was returned to the department following the State Wage Case outcome (1.75% wage increase to AO & PO stream only of \$0.495M). Divisional FTE Budget allocations were reset following the April 2020 FTE freeze, including the reallocation of 6.7 FTE from the Public Sector Reform Program Management Office (PSR PMO). Divisions have distributed their FTE Budget allocations internally, with positions fully funded at 100% occupancy, the highest increment level and allowing for backfilling of accountable roles (Director-General, Parliamentary Counsel, Cabinet Secretary, DDGs etc.). Normal budget assumptions include leave loading, BYOD, Professional Development (\$500 per FTE) and maternity leave etc. <p>Item 4.2. 2020-21 Internal Budget Summary</p> <ul style="list-style-type: none"> Returned balanced Budget across department i.e. all divisions fully funded 2020-21. Department FTEs fully funded 2020-21. SED – Regional Forums have current funding shortfall, however, can fund this from savings already recognised in 2020-21. There is a funding shortfall in 2021-22 for Regional Forums. \$1.8M savings across Department in the September quarter. <p>Item 4.3. External Budget Summary</p>

	<ul style="list-style-type: none"> Proposed 2020-21 Budget includes limited life funding of \$11.6M for the Covid-19 Response & Recovery Taskforce and Bushfire Royal Commission and funding accounts for 10% of the total budget, resulting in a 2% growth from 2019-20 published budget. Only change will be due to election commitments e.g. if government is returned is in Office of Veterans (controlled) and SQ (administered). Treasury direction – current SDS FTEs reported at Department level, not divisional level – 2 FTEs transferred on 12 October 2020 from Domestic Family Violence Communications and Engagement to the Department of Child Safety, Youth and Women (DCSYW). Following this transfer the DPC cap is 456 FTEs. Current draft calculations on performance measures in the SDS are based on interim 2020-21 budget.
Decision:	<ul style="list-style-type: none"> Approve the proposed Interim Budget for Department for 2020-21, noting the assumptions used in the budget formulation process. Note current Performance Measures and FTEs based on the Department's current resourcing profile, pending completion of the State Budget process.
Action:	<ul style="list-style-type: none"> Noted 2020-21 Budget has been drafted and finalised post election.
Item 5. Other Business	
Presenter – TK	
Discussion:	Item 5.1 Other Business
	Date of next meeting – March 2021
Decision:	Nil
Action:	Next meeting – March 2021
Meeting concluded – 10:49am	

Released under
 the
 Official Information Act

Released under RTI - DPC

Department Finance Committee
30 October 2020
Room 29.02, Level 29, 1WS

	Presenter	Page
Item 1. Preliminary		
1.1	Tony Keyes	4
1.2	Michael Phillips	
1.3	Michael Phillips	5
1.4	Michael Phillips	
Item 2. Committee Plan		6
2.1	Michael Phillips	7
Item 3. Operations		8
3.1	Michael Phillips	9
3.2	Michael Phillips	11
Item 4. Strategic Initiatives – 2020-21 Budget		13
4.1	Michael Phillips	14
4.2	Michael Phillips	15
4.3	Michael Phillips	17
Item 5. Other Business		19
5.1	Tony Keyes	
	Date of next meeting – March 2021	