

DEPARTMENT OF ENVIRONMENT, LAND, WATER AND PLANNING  
(email rcvd 22/06/2015)



**PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

**2015-16 BUDGET ESTIMATES QUESTIONNAIRE**

## 1. Strategic priorities

### Question 1

If the Department has been affected by machinery-of-government changes, please:

- (a) outline the machinery-of-government changes which have affected the Department.

On 1 January 2015, the Department of Environment, Land, Water and Planning (the Department) was formally established bringing together the following portfolios from the former Department of Environment and Primary Industries and the former Department of Transport, Planning and Local Infrastructure:

- Environment, Climate Change and Water
- Local Government
- Planning

- (b) estimate the anticipated benefits of these changes (such as improved service delivery, savings in accommodation costs, reduced employee expenses). Please quantify these benefits where possible.

The Department's focus is on managing and protecting Victoria's natural and built environment to ensure economic growth and liveable, sustainable and inclusive communities.

By bringing together the three portfolios of: Environment, Climate Change and Water; Planning; and Local Government, the Department is able to provide improved service delivery across all levels of government and the broader Victorian community.

In particular, the Department is in a better position to seize opportunities to:

- partner with all levels of government to respond to climate change through risk mitigation and adaptation strategies;
- work to accommodate population growth while maintaining world class liveability and protecting our heritage for future generations; and
- assist local governments to support people, communities and growth at the local level.

- (c) estimate the anticipated costs of carrying out the changes. Please include all costs of the changes, such as IT-related costs or relocation costs, excluding staff costs.

The Department does not track the costs associated with machinery-of-government changes. However, updating the signage and other related material has cost approximately \$70,000. This was funded from within the Department's existing replacement and maintenance budget.

- (d) identify the anticipated staff impacts of the machinery-of-government changes, quantifying expected redeployments, redundancies (including targeted redundancies), non-renewal of contracts and any other means of reducing staff numbers. Please identify estimated staff costs and savings arising from each means. Please also identify the areas within the Department where staff reductions are anticipated.

	Number (FTE)	Resulting costs (\$ million)	Resulting savings (\$ million)
Redeployment	There are no anticipated reductions in staff as a result of the machinery-of-government changes.  The creation of the new Department is not about reducing staff or achieving cost savings; it is about better meeting the needs of Victorian communities.		
Redundancies			
Non-renewal of contracts			
Staff reductions through other means			
Areas where reductions are anticipated			

- (e) detail any expected closures of offices, depots or other public service points as a result of the machinery-of-government changes, quantifying the number of each type of location to be closed.

There are no expected closures of offices, depots or other public service points as a result of the machinery-of-government changes.

## Question 2

- (a) What are the Department's key strategic priorities underpinning its budget for 2015-16 and over the forward estimates to 2018-19?

The Department's key strategic priorities underpinning its budget for 2015-16 and over the forward estimates to 2018-19 are:

- A quality built environment
- Healthy, resilient and biodiverse environment
- Productive and effective land management
- Safe and sustainable water resources
- Sustainable and effective local governments
- Reduced impact of major bushfires and other emergencies on people, property and the environment.

- (b) If applicable, how do these priorities differ from the previous year?

The Department's 2015-16 priorities reflect machinery-of-government changes which came into effect on 1 January 2015.

- (c) What are the impacts of any differences in the Department's strategic priorities between 2014-15 and 2015-16 on funding and resource allocation in the 2015-16 Budget?

The 2015-16 Budget reflects the Department's responsibilities resulting from the recent machinery-of-government changes in 2015.

- (d) Please identify any programs or initiatives (asset or output) over \$2.0 million relevant to the Department that have been curtailed, deferred, discontinued or completed as a result of changes in strategic priorities between 2014-15 and 2015-16. In describing the programs or initiatives, please use the same names as are used in the budget papers where applicable.

No programs or initiatives over \$2 million were curtailed, deferred, discontinued or completed as a direct result of changes in strategic priorities between 2014-15 and 2015-16.

Note that in line with the commitment made by the Government during the election, the Office of Living Victoria was abolished on 12 December 2014 and its functions assumed by the Water and Catchments Group within the Department of Environment, Land, Water and Planning.

### Question 3

Please identify any programs or initiatives (including asset or output initiatives) that have lapsed in 2014-15 (that is, they will not be continued in 2015-16). For each program or initiative, please indicate the expenditure on this program/initiative in 2014-15. Please also identify the impact on the community of the lapsing (including rescheduling of service provision or commencement of service provision). If there is no impact, please detail the actions undertaken by the Department to ensure that there is no impact. In describing the programs or initiatives, please use the same names as are used in the budget papers where applicable.

Program or initiative	Expenditure in 2014-15 (\$ million)	Impact on the community of lapsing or actions taken by the Department to ensure there is no impact
Water efficiency rebates	10.0	The Department is investigating options to continue to support and reward Victorian households to take-up water efficiency measures.
Frankston Activities Area revitalisation	0.8	Funding was provided to undertake improvement works within the central Frankston activity area. These works have been completed.
Planning for Melbourne and regional Victoria	0.2	Funding was provided to deliver a new outcomes based metropolitan planning strategy for Melbourne. This has been completed.

The Victorian Adaptation Sustainability Partnership, ResourceSmart Schools and ResourceSmart Business initiatives were due to lapse in 2014-15. As part of the 2015-16 Budget, \$12 million in funding was provided for the Climate Change Action Package. Part of this funding will maintain momentum on local climate change action through local government working with businesses and communities on mitigation and adaptation activities.

The Communities for Nature initiative and the Victoria Environment Partnerships Program were due to lapse in 2014-15. As part of the 2015-16 Budget, \$6 million in funding was provided for threatened species. Part of this funding will maintain momentum around onground practical works to support threatened species management.

#### Question 4

What are the key Government policies applicable to the Department in 2015-16 and how are these policies addressed in this budget?

There are a range of Government policies applicable to the Department which have been addressed in the 2015-16 Budget:

- **Our Environment Our Future**
  - The Government has allocated \$10 million to deliver onground riparian works in regional Victoria, in partnership with catchment management authorities and local communities.
  - The Government has allocated \$2.5 million in the 2015-16 Budget to deliver environmental works and community engagement to protect the health of the Gippsland Lakes.
  - Funding of \$8 million has been provided in the 2015-16 Budget to improve the health and resilience of waterways, wetlands and estuaries.
- **Keeping it Liveable**
  - The Budget provides \$1 million to introduce a Yarra River Protection Act to guard the river corridor from inappropriate development.
- **Plan Melbourne**
  - This is an integrated transport and land use plan that provides implementation directions as Melbourne moves toward a city of 5 million people and beyond. In March 2015, the Victorian Government announced a refresh of Plan Melbourne to ensure it is a long term plan for our city with bipartisan support.
- **Victoria's Plan for Jobs and Growth**
  - Funding of \$50 million has been provided in the 2015-16 Budget to establish a dedicated fund to support the infrastructure needs of interface communities.
- Implementing the recommendations of the **Hazelwood Mine Fire Inquiry**
  - Funding of \$3.4 million TEI and \$1.7 million in output funding has been provided in the 2015-16 Budget to ensure that relevant air monitoring data is collected and used to inform decision-making within 24 hours of the incident occurring.
- The Department has committed to developing a new state-wide **biodiversity strategy**.
  - This will ensure the right actions are taken now to protect threatened species and native vegetation for future generations. This will complement the \$6 million allocated in the 2015-16 Budget to the Threatened Species Protection initiative.

#### Question 5

- (a) Please provide details of the Department's progress at developing corporate plans and long-term plans as detailed in the Department of Treasury and Finance's *A Guide to Corporate and Long-Term Planning* (April 2014).

The Department is developing a 2015-19 Corporate Plan in line with the current guidelines *A Guide to Corporate and Long-Term Planning* (April 2014).

Long-term plans are currently not required by Government.

- (b) If your corporate plan is online, please provide the address below. If it is not online, please provide a copy and explain why it is not online.

In accordance with *A Guide to Corporate and Long-Term Planning*, publication of corporate plans is optional. At the discretion of the previous Treasurer and Minister for Finance the Department's 2014-18 Corporate Plan was not published. It therefore remained Cabinet-in-Confidence and in line with the caretaker conventions, is no longer available.

- (c) Please supply a copy of your department's long-term plan. This will not be published on the PAEC's website. If you are unable to supply a long-term plan, please explain why.

The Department did not prepare a 2014-2024 long-term plan as long-term planning requirements are under review.

## 2. Budget preparation

### Question 6

In relation to the Department's budget across the forward estimates period, please indicate:

- (a) major areas of risk identified by the Department for its income estimates

The major area of risk in relation to income estimates is any future changes in Commonwealth policy which could result in a reduction in income to the Department.

- (b) major areas of risk identified by the Department for its expenses estimates

The major risk for the Department in relation to expense estimates would be any unexpected costs associated with emergency response.

- (c) what measures have been put in place to manage these risks.

The Department undertakes a number of programs which are designed to manage risks associated with emergency response faced by the Department.

For example, the Department works with communities, land managers and fire agencies to manage bushfire risk by balancing local knowledge and expertise with the latest research and modelling technologies to protect people, property and biodiversity. Bushfire management activities include planned burning, fuel management and computer modelling to show how fire spreads under different conditions, terrain and vegetation.

In addition, the Department leads the Victorian government's response to climate change, covering both mitigation of risks and adaptation to the impacts of climate change. DELWP works with local governments, businesses and the community to develop effective climate change adaptation and mitigation strategies to transition to a sustainable future, along with partners such as Sustainability Victoria.

In addition, the Department has in place formal monthly status reports to monitor risks and potential risks faced by the Department.

**Question 7**

Please list all agreements or contracts with a total value of \$10 million or greater entered into in the three-month period prior to the 2014 State election. Please also provide the total value of each agreement/contract and a description of the agreement/contract). Include agreements/contracts for both asset and output expenditure and related to either your department or its controlled entities.

<b>Agreement/contract</b>	<b>Total value (\$ million)</b>	<b>Description</b>
	25.050	Design, supply and integration of Fire Tanker Bodies
	24.400	The procurement of a new fleet of light and ultra-light 4x4 fire tankers to support fire suppression and controlled burning operations.
	17.538	The lease of a single engine air tanker aircraft.
	12.660	The lease of a single engine air tanker aircraft.
	10.000	Provision of legal services in relation to various land compensation matters.

**Question 8**

Please describe any expected sources of income or expenses where the Department anticipates that the actual amount is likely to be more than 10 per cent greater than what has been estimated in the budget papers (for example, where the amount is difficult to predict so the budget paper estimates are zero or a low amount). Please also identify any items for which the budget estimates are zero but income or expenses are expected. Examples might include 'fair value of assets and services received free of charge or for nominal consideration' or grants from new national partnerships that the Commonwealth might announce at some point during the forward estimates period.

<b>Source of income/expenses</b>	<b>Affected line item</b>	<b>Details</b>
There are no expected variances of income and expenses that are greater than 10 per cent.		

### 3. Spending

#### Question 9

Please explain any variations of more than  $\pm 10$  per cent (or greater than \$100 million) between the revised estimate for 2014-15 and the budget for 2015-16 for the following line items in the Department's operating statement in the Statement of Finances budget paper:

- 'employee benefits'
- 'grants and other transfers'
- 'other operating expenses' in aggregate
- the major components of 'other operating expenses' for your department (please supply categories as appropriate).

	<b>2014-15 (revised estimate)</b>  <b>(\$ million)</b>	<b>2015-16 (Budget)</b>  <b>(\$ million)</b>	<b>Explanation for any variances greater than <math>\pm 10\%</math> (or greater than \$100 million)</b>
Employee benefits	401.5	379.1	N/A
Grants and other transfers	524.4	672.6	The increase predominantly relates to the recent machinery-of-government (MOG) change between the Department and the Department of Economic Development, Jobs, Transport and Resources (DEDJTR). The grants predominantly relate to the payments to local government and new initiative funding announced as part of the 2015-16 Budget.
Other operating expenses	645.0	626.3	N/A
Major components of 'other operating expenses' (please supply categories):			
Supplies and Services	510.4	408.8	The reduction predominantly relates to the transfer of functions to DEDJTR as part of the recent MOG announcement.
Other Expenses	134.4	217.2	The increase predominantly relates to the change in the accounting treatment of the Goulburn-Murray Water (GMW) Connections project.

If the Department is unable to provide estimates for the components of 'other operating expenses' in 2015-16, please explain how the amount of 'other operating expenses' listed for 2015-16 in the budget papers was calculated.

N/A

**Question 10**

Please provide the following information regarding maintenance costs and other costs intended to increase the function or service capacity of assets (such as upgrading, improvement, refurbishment, etc.). Do not include capital expenditure.

(a) estimated expenditure for 2015-16 and over the forward estimates period

	2015-16	2016-17	2017-18	2018-19
Maintenance	\$10,839,636	\$10,737,848	\$10,628,592	\$10,633,425
Other costs to increase function/service capacity of assets	-	-	-	-

(b) the Department's method for estimating these costs

The above estimates are for the maintenance costs associated with the Department's buildings (offices and depots), as well as costs associated with plant and equipment and motor vehicles.

The maintenance costs associated with buildings is based on detailed works program provided by a number of third party providers including Five D and the Shared Service Provider.

Five D was successful in tendering for the new Facilities Management Services Provider contract for DELWP regional sites. The Five D Help Desk provides a range of services for owned and leased office buildings including:

- repairs and maintenance (urgent and/or minor repairs and maintenance, planned and preventative maintenance);
- building services (cleaning, pest control, grounds maintenance, signage);
- essential services (fire services, air conditioning, lift maintenance and compliance);
- general services (incident and crisis management, OH&S, emergency and evacuation planning, planning business continuity and insurance);
- emergency evacuation (planning and management); and/or
- compliance (property inspections, monitoring and resolution).

The Shared Service Provider provides facilities, accommodation, car pools and library services across 10 government departments and four agencies. It aims to increase efficiency and innovation in whole of government shared services so that more public funds can be directed to frontline services for Victorian communities.

Note: these estimates relate to the Department's budgeted expenditure associated with maintenance of core departmental assets. This does not include maintenance expenditure undertaken by departmental agencies and related entities.

(c) details, including cost provisions, of any formal asset maintenance strategies or plans developed by the Department.

The Department engages external contractors to undertake external condition audits of sites. These audits are conducted to ensure the Department's buildings are Occupational, Health and Safety (OH&S) compliant. They are undertaken on a yearly basis with external providers conducting these audits on the departments behalf to ensure an arms-length independent evaluation.

These condition audit findings are used to create a schedule of works to ensure that Departmental properties are appropriately maintained and OH&S compliant. This schedule of works is the Department's Strategic Accommodation Masterplan.

**Question 11**

For the line item 'payments for non-financial assets' for 2015-16 in the departmental cash flow statement in the Statement of Finances budget paper, please identify the amount that is expected to be funded using funds carried over from 2014-15.

The amount of \$0.1 million was estimated to be carried from 2014-15 into 2015-16 for the payments for non-financial assets in the 2015-16 departmental cash flow statement.

**Question 12**

In relation to the break-down of expenses from transactions disaggregated by government purpose classification in the budget papers (Note 12(a) to the general government sector consolidated operating statement the Statement of Finances budget paper, p.34), please provide details of the Department's component of the expenses in each category for 2014-15 and 2015-16. Please explain any variations between the years that are greater than  $\pm 10$  per cent or greater than \$100 million.

<b>Government purpose classification</b>	<b>2014-15 revised estimate (\$ million)</b>	<b>2015-16 Budget (\$ million)</b>	<b>Explanation for any variances greater than <math>\pm 10\%</math> (or greater than \$100 million)</b>
General public services	1.0	1.7	
Public order and safety	303.2	253.0	The variance is mainly due to the MOG changes that took place on 1 January 2015.
Education	..	..	
Health	..	..	
Social security and welfare	..	..	
Housing and community amenities	1,663.6	2,228.0	The variance is mainly due to the MOG changes that took place on 1 January 2015.
Recreation and culture	..	..	
Fuel and energy	..	..	
Agriculture, forestry, fishing and hunting	198.7	0.0	The Agriculture portfolio was transferred to DEDJTR on 1 January 2015.
Transport and communications	..	..	
Other economic affairs	..	..	
Other purposes	..	..	

**Note: the Department's share of expenses from transactions by government purpose classification have been provided by DTF.**

## 4. Expenditure reduction measures

### Question 13

For each of the savings initiatives detailed in the table below, please detail (on the same basis of consolidation as the budget papers):

- what actions the Department will take in 2015-16 to meet the various savings targets
- any impact that these actions will have on the delivery of services during 2015-16
- the Department's savings target for 2015-16, with an explanation for any variances between the current target and what was originally published in the budget papers when the initiative was released.

Initiative	Actions the Department will take in 2015-16	Impact of these actions on service delivery in 2015-16	Savings target for 2015-16 (\$ million)	Explanation for variances to the original target
Savings (2012-13 Budget)	These measures will continue to be achieved through implementation of efficiency initiatives and corporate reform.	The cumulative impact of the savings imposed since 2012-13 has contributed to a decrease in investment in the Department, and in particular, the environment portfolio.	38.8	No variation.
Efficiency measures (2012-13 Budget Update)	These measures will continue to be achieved through implementation of efficiency initiatives and corporate reform.	This included no new funding being provided for climate change initiatives between 2011-12 and 2014-15.	16.7	No variation.
Efficiency measures (2013-14 Budget)	These measures will continue to be achieved through implementation of efficiency initiatives and corporate reform.	Parks Victoria was also subjected to a reduction in annual funding provided for annual maintenance, renewal and upgrades.	31.0	No variation.
Efficiency measures (2013-14 Budget Update)	N/A		0.0	N/A

Efficiency and expenditure reduction measures (2014-15 Budget)	These measures will continue to be achieved through implementation of efficiency initiatives and corporate reform.		6.3	No variation.
Efficiency and expenditure reduction measures (2015-16 Budget)	These measures will focus on achieving efficiencies in administrative support areas, or through sourcing more efficient procurement options, rather than cutting service delivery or job losses.	No material impact on service delivery.	1.4	No variation.

#### **Question 14**

In relation to any funding from reprioritisation of existing resources in the 2015-16 Budget (as noted in Table 4.4 of Budget Paper No.2, p.58) for your department, please provide the following information in relation to each initiative, program or project from which \$2.0 million or more of funding has been reprioritised. In describing initiatives, please use the same names as are used in the budget papers.

<b>Initiative, program or project for which funding was initially provided</b>	<b>Amount reprioritised for 2015-16 (\$ million)</b>	<b>Amount reprioritised for 2016-17 (\$ million)</b>	<b>Amount reprioritised for 2017-18 (\$ million)</b>	<b>Amount reprioritised for 2018-19 (\$ million)</b>
There are no initiatives above \$2 million for the Department which are disclosed in Table 4.4 of Budget Paper No. 2 as being funded through reprioritisation of existing resources.				

## 5. Output and asset initiative funding

### Question 15

In regard to adjustments to the Department's base funding (as set out in *BFMG-06 – Departmental Funding Model*), please indicate:

- (a) the Department's base funding for 2014-15
- (b) the Department's base funding for 2015-16
- (c) the major factors driving the variance between 2014-15 and 2015-16.

Departmental base funding 2014-15 (\$ million)	Departmental base funding 2015-16 (\$ million)	Major factors driving the variance
N/A	N/A	The original base year for 2014-15 would have been created some four years ago as part of the creation of the new financial year, and since that time it would have been varied in accordance with output decisions made by Government as part of ongoing budgetary processes.

### Question 16

Please provide the following details of any outputs for which output resources allocation reviews or base reviews (as described in *BFMG-05*) were completed in 2014-15:

- (a) output resources allocation reviews

Output	Changes as a result	Reasons for the change
N/A	-	-

- (b) base reviews

Output	2014-15 base funding (\$ million)	2015-16 base funding (\$ million)	Reasons for the change
N/A	-	-	-

**Question 17**

In relation to the asset initiatives released in the 2015-16 Budget for the Department (as detailed in the Service Delivery budget paper), please quantify the amount of funding for those initiatives that is expected to come from the Department's own sources (such as depreciation, applied appropriations which have not been spent or other sources) and the amount of new funding provided specifically for these initiatives in this budget.

	<b>2014-15</b> (\$ million)	<b>2015-16</b> (\$ million)	<b>2016-17</b> (\$ million)	<b>2017-18</b> (\$ million)	<b>2018-19</b> (\$ million)	<b>TEI</b> (\$ million)
Funding from the Department's own sources	-	-	-	-	-	-
New funding specifically for these initiatives in 2015-16 Budget	0.4	20.9	10.4	1.3	1.7	34.7
Total asset initiatives (as in Service Delivery budget paper)	0.4	20.9	10.4	1.3	1.7	34.7

Please note that the table above is sourced from 2015-16 Service Delivery Budget Paper 3, page 15 and page 61.

**Question 18**

- (a) Please quantify the Department's balance of applied appropriations unspent as at 30 June 2014 (as defined in the notes to note 39(a) of the 2013-14 Financial Report for the State), along with estimates for the equivalent figures as at 30 June 2015 and 2016.

	<b>2014</b> (\$ million)	<b>2015</b> (\$ million)	<b>2016</b> (\$ million)
Applied appropriations unspent as at 30 June – Output	153.8	56.4	To be determined
Applied appropriations unspent as at 30 June – Capital	61.2	0.1	To be determined
Applied appropriations unspent as at 30 June – On behalf of the state	18.1	8.7	To be determined

Please note that the figures for the Department's balance of applied appropriations unspent as at 30 June 2014 above reflect the former Department of Environment and Primary Industries. (This excludes the impact of machinery of government changes effective from 1 January 2015.)

- (b) Please indicate the intended use of these amounts.

Applied appropriations unspent as at 30 June 2014 has been fully spent on the purposes as requested. The amount forecasted for the applied appropriations as at 30 June 2015 is expecting to be fully spent in 2015-16.

## 6. Public private partnership expenditure

### Question 19

For each line item in the Department's comprehensive operating statement or statement of cash flows (as indicated in the Statement of Finances budget paper) which includes expenditure on commissioned PPP projects in 2015-16 or across the forward estimates period, please identify:

- the line item
- the value of expenditure on PPP projects included within that line item
- what the expenditure is for (for example, payment of interest, payment of capital, purchases of services, payment of contracted penalties etc.).

Line item	2014-15 revised (\$ million)	2015-16 (\$ million)	2016-17 (\$ million)	2017-18 (\$ million)	2018-19 (\$ million)	Explanation
Payments made on behalf of the State – Victorian Desalination Project finance lease liability	40.4	44.3	33.2	40.4	45.7	This reflects the Desalination project's finance lease liability estimate.
Payments made on behalf of the State – Victorian Desalination Project finance lease Interest	467.0	462.9	458.8	454.9	450.4	This reflects the Desalination project's interest payment estimate.
Payments made on behalf of the State – Victorian Desalination Project Contractor cost	123.7	112.8	116.0	120.7	131.9	This reflects the Desalination project's contractor cost estimate.

## 7. Revenue

### **Question 20**

In relation to 2015-16, please outline any new revenue-raising initiatives and/or major changes to existing revenue initiatives. For each initiative/change, please explain:

- (a) the reasons for the initiative/change
- (b) the assumptions underlying the reasons
- (c) alternative scenarios considered
- (d) the impact of any changes on service delivery (that is, please detail all programs/projects that have been revised as a result of changes to existing revenue initiatives)
- (e) any performance measures or targets altered as a result of the initiative/change
- (f) the anticipated total value of revenue gained/foregone as a result of the initiative/change.

In describing initiatives, please use the same names as are used in the budget papers where applicable.

Initiative/change	Reasons for the initiative/change	Underlying assumptions	Alternative scenarios	Impact of changes on service delivery	Performance measures or targets altered	Anticipated total value of revenue gained/foregone
Metropolitan Planning Levy	The levy will support better planning in Melbourne and Victoria through the Department and the Metropolitan Planning Authority, and support the <i>Plan Melbourne</i> refresh and its implementation	The Metropolitan Planning Levy is \$1.30 per \$1,000 of total estimated development value for planning permit applications in the Melbourne metropolitan area that exceed the initial threshold estimated development value of \$1,000,000 (adjusted annually by consumer price index)	N/A	N/A	Plan Melbourne refresh prioritised  Planning short term actions implemented	Total revenue estimated to be \$51.3 million over three years (2015-16 to 2017-18)

**Question 21**

In relation to 2015-16, please outline any new tax expenditures or concession/subsidy initiatives and/or major changes to existing tax expenditures or concession/subsidy initiatives. For each initiative/change, please explain:

- (a) the reasons for the initiative/change
- (b) the assumptions underlying the reasons
- (c) alternative scenarios considered
- (d) the impact of any initiatives/changes on service delivery (that is, please detail all programs/projects that have been revised as a result of changes to existing revenue initiatives)
- (e) any performance measures or targets altered as a result of the initiative/change
- (f) the anticipated total value of revenue gained/foregone as a result of the initiative/change.

In describing initiatives, please use the same names as are used in the budget papers where applicable.

<b>Initiative/change</b>	<b>Reasons for the initiative/change</b>	<b>Underlying assumptions</b>	<b>Alternative scenarios</b>	<b>Impact of changes on service delivery</b>	<b>Performance measures or targets altered</b>	<b>Anticipated total value of revenue gained/foregone</b>
In relation to 2015-16, the Department is not aware of any new tax expenditure or concession/subsidy initiatives, or any major changes to existing expenditure or concession/ subsidy initiatives at this time.						

**Question 22**

For the Department's income categories (as appear in the Department's operating statement in the Statement of Finances budget paper), please provide an explanation for any items that have a variance of greater than  $\pm 10$  per cent or \$100 million between the revised estimate for 2014-15 and the budget for 2015-16.

<b>Income category</b>	<b>Revised estimate for 2014-15 (\$ million)</b>	<b>Estimate for 2015-16 (\$ million)</b>	<b>Explanation</b>
Output appropriations	1,242.5	1,172.3	N/A
Special appropriations	108.8	14.1	The reduction predominantly relates to the one-off payment in 2014-15 for the Goulburn Murray Water (GMW) Connections project. This is offset by Special Appropriation funding provided for the Growth Area Improvement Contribution project.
Interest	17.8	21.6	N/A
Sale of goods and services	69.1	73.3	N/A
Grants	216.7	259.9	The increase is largely due to the funding increase of GMW in 2015-16.
Other Income	270.7	267.9	N/A

**Question 23**

What impact have developments at the Commonwealth level had on the Department's component of the 2015-16 State Budget?

As part of the 2015-16 Commonwealth Budget, approximately \$850 million in funding for Victorian environment and water related programs was announced.

Of this, approximately \$822 million is considered existing funding as it is already accounted for in the Department of Environment, Land, Water and Planning's forward estimates.

## 8. Performance measures

### **Question 24**

For each initiative (asset or output) in the 2015-16 Budget with a total cost over the forward estimates greater than \$20 million (or a TEI over \$20 million), please list all new and existing performance measures in the budget papers related to the initiative. In describing initiatives, please use the same names as are used in the budget papers.

<b>Initiative</b>	<b>Related performance measures</b>
Planned burning and fuel management	Bushfire management completed to protect key assets
Interface Councils Infrastructure Fund	N/A

## 9. Staffing matters

### Question 25

Please fully complete the table below, providing actual FTE staff numbers at 30 June 2014 and estimates of FTE staff numbers (broken down by the categories listed below) at 30 June 2015 and 30 June 2016 for the Department. Please provide figures consolidated on the same basis as the expenditure for the Department in the budget papers.

Grade	30 June 2014 (Actual FTE number)	30 June 2015 (Expected FTE number)	30 June 2016 (Forecast FTE number)
Secretary	1.0	1.0	The Government has historically not provided forecasts of future VPS levels.
EO-1	1.0	2.0	
EO-2	37.6	34.8	
EO-3	23.4	26.3	
VPS Grade 7 (STS)	21.0	27.2	
VPS Grade 6	385.5	454.0	
VPS Grade 5	527.4	603.7	
VPS Grade 4	597.9	609.9	
VPS Grade 3	556.9	583.2	
VPS Grade 2	309.4	183.1	
VPS Grade 1	19.0	5.2	
Government Teaching Service	-	-	
Health services	-	-	
Police	-	-	
Allied health professionals	-	-	
Child protection	-	-	
Disability development and support	-	-	
Custodial officers	-	-	
Other*	1,058.5	443.9	
<b>Total</b>	<b>3,538.6</b>	<b>2,974.3</b>	

\* Other includes Field Staff, Project Fire Fighters, Principal Scientists, Ministerial Drivers, Wild Dog Controllers, Science Adaptives, Legal Adaptives, Trainees and Cadets.

Consistent with previous years, a comparison is made between the actual FTE staff numbers as at 30 June 2014 and the forecast staff numbers for 30 June 2015.

There is a variance of 564.3 FTE employees between the actual figure of 3,538.6 FTEs as at 30 June 2014 and the estimated FTE for 30 June 2015 of 2,974.3.

This variation is due to areas within the previous Department of Environment and Primary Industries (DEPI) transferring out to other departments, along with areas transferring in from another department as part of the MOG changes. These MOG changes took effect from 1 January 2015 with the subsequent creation of the new Department of Environment, Land, Water and Planning.

From the previous Department of Environment and Primary Industries, the Agriculture portfolio (approximately 1,270 FTE) moved to the new Department of Economic Development, Jobs, Transport and Resources.

From the previous Department of Transport, Planning and Local Infrastructure, the Local Infrastructure and Planning Groups moved to the new Department of Environment, Land, Water and Planning (Approximately 610 FTE).

From the previous Department of State Development, Business and Innovation approximately 30 Regional Planners moved to the new Department of Environment, Land, Water and Planning.

When the MOG changes are taken into consideration, the net variation between 30 June 2014 and the estimated 30 June 2015 FTE figure is approximately 30 FTEs (0.8%).

### **Question 26**

Please break down the actual staff numbers in your department as at 30 June 2014 and the estimates as at 30 June 2015 and 2016 according to the number of staff that are ongoing, fixed-term or casual.

	<b>30 June 2014</b> <b>(Actual FTE number)</b>	<b>30 June 2015</b> <b>(Expected FTE number)</b>	<b>30 June 2016</b> <b>(Forecast FTE number)</b>
Ongoing	3,222.8	2,692.9	The Government has historically not provided forecasts of future VPS levels.
Fixed-term	303.0	265.4	
Casual	12.7	16.0	
Total	3,538.5	2,974.3	

**Question 27**

Please detail the actual amount that the Department spent on contractors and consultants in 2013-14 and the estimated expenditure in 2014-15 and 2015-16 (for a definition on the difference between consultants and contractors, see FRD 22E – Standard Disclosures in the Report of Operations). Please provide figures on the same basis of consolidation for the Department as used in the budget papers.

	<b>2013-14 Actual</b>	<b>2014-15 Expected</b>	<b>2015-16 Forecast</b>
	<b>(\$ million)</b>	<b>(\$ million)</b>	<b>(\$ million)</b>
Consultants	1.86	1.01	0.15
Contractors	251.66	315.28	346.41

**Note:**

2013-14 amounts are for the Department of Environment and Primary Industries and sourced from the annual report.

2014-15 amounts take into account the impacts of machinery-of-government changes which took effect from 1 January 2015.

The Department employs contractors, contract staff, and a small number of consultants on an one-off basis to provide services where the Department does not have the necessary expertise or capacity to service internally.

The Department engages contractors to undertake on ground works including: bridge construction, fencing, and fire roles (for example - hire of external plant/aircraft and operators to provide additional fire response capacity).

The amount spent on contractors is mainly attributable to the re-classification of the Goulburn-Murray Water Connections Project funding agreement as a 'contract for the provision of services' rather than a grant funding arrangement.