



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

**2015-16 FINANCIAL AND PERFORMANCE OUTCOMES
GENERAL QUESTIONNAIRE**

**DEPARTMENT OF ENVIRONMENT, LAND, WATER AND
PLANNING**

SECTION A: Output variances and program outcomes

Question 1 (all departments) Completed initiatives from past budgets

For the following initiatives that were due to be completed in 2015-16, please provide details of the outcomes expected to be achieved in the community¹ and the outcomes actually achieved to date. Please quantify outcomes where possible.

Initiative	Source	Actual date of completion (month and year)	Expected outcomes	Actual outcomes
Interface Councils Infrastructure Fund	2015-16 BP3 p.56	Mid 2018	Thirty-four projects have been allocated funding to improve access to critical community infrastructure and associated services.	To date, seven projects have been completed improving opportunities for social connections, access to social services and improved facilities increasing the participation of communities in physical activity.
Securing Priority Waterways – regional on ground works	2012-13 BP3 p.60	June 2016	This program sought to improve the environmental condition of Victoria's priority waterways via two inter-linked program components: on-ground physical works across regional Victoria and statewide policy coordination and planning.	<p>Significant improvements to Victoria's waterways has been achieved with the funding that, in conjunction with the environmental watering program, provide the necessary basis for long term improvements in the health of Victoria's waterways.</p> <p>There have been tangible social outcomes in the form of strengthened landholder engagement, as well as trust and acknowledgement of the benefits of improved land management practices.</p> <p><i>Further information on the achievements and outcomes of this initiative can be found at:</i></p> <p><i>http://www.depi.vic.gov.au/water/governing-water-resources/environmental-contribution/securing-priority-waterways-regional-on-ground-works</i></p>

¹ 'Outcomes' are the impact of service delivery on the community rather than a description of the services delivered.

<p>Implementation of the Fire Services Property Levy <i>(DELWP's contribution to this initiative is the Valuer-General providing valuations to Councils)</i></p>	<p>2012-13 BU p.127</p>	<p>June 2013</p>	<p>The Fire Services Property Levy (FSPL) was introduced to transition from an insurance-based levy to a property based levy, representing a major tax reform to ensure that the budgeted cost of delivering fire services is more equitably spread among Victorian property owners.</p> <p>Valuations are to be provided by the Valuer-General to the Councils for the collection of a FSPL based on the land use and valuation for all non-rateable properties eligible in accordance with FSPL Act.</p>	<p>The councils, as collection agencies, received the valuations in the required time frames and issued FSPL notices to eligible non-rateable properties.</p> <p>The total number of eligible non-rateable properties was approximately 80,000 statewide of which 156 objections were received representing 0.2%.</p>
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Question 2 (departments only) Treasurer’s advances and other budget supplementation

Please identify all outputs (and relate them to departmental programs) for which the department received additional funding after the initial budget (as described in *BFMG-42: Budget Supplementation*) in 2015-16. For each output, please quantify the additional funding, indicate the source of the additional funding (e.g. ‘Treasurer’s Advance’, ‘appropriations that would otherwise be unapplied’, ‘accumulated surplus’) and explain why additional funding was required:

Output	Program	Additional funding (\$ million)	Source of funding	Reasons why additional funding was required
Environment, Biodiversity and Climate Change	Blue-Green Algae Outbreak	0.270	Treasurer’s Advance	Funding was provided for the costs associated with the outbreak of blue-green algae in River Murray and a number of surrounding lakes.
Environment, Biodiversity and Climate Change	Staff transfer from DEDJTR	0.227	Treasurer’s Advance	Funding was provided for staff costs associated with a Machinery of Government staff transfer from DEDJTR.
Environment, Biodiversity and Climate Change	EPA Litigation Costs	1.000	Treasurer’s Advance	Funding was provided for the Environment Protection Authority’s litigation costs.
Management of Forests, Parks and Public Land	Junction Oval Redevelopment	2.000	Treasurer’s Advance	Funding was provided for the Junction Oval redevelopment project.
Management of Forests, Parks and Public Land	Small Alpine Resorts	5.500	Treasurer’s Advance	Funding was provided to assist with operational shortfalls at Lake Mountain and Mount Baw Baw alpine resorts.
Fire and Emergency Management	Emergency Response	66.293	Treasurer’s Advance	Additional funding was provided for costs associated with an extended 2015-16 fire season.
Fire and Emergency Management	Integrated Predictive Model and smoke detection infrastructure	0.316 (\$0.153m is attributable to output funding)	Treasurer’s Advance	Funding was provided for hazard prediction tools for bushfires, floods, bushfire smoke and toxic atmospheric release.
Fire and Emergency Management	Aviation Resources	8.593	Treasurer’s Advance	Additional funding was provided for five new firefighting aviation resources – two large air tankers, two Helitaks (firefighting equipment) and a fixed wing aircraft, which will enhance the State’s firefighting capability and ability to prepare for the higher fire risks expected for the 2015-16 summer period.

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Fire and Emergency Management	Additional Aviation Resources	1.818	Treasurer's Advance	Additional funding was provided for 2015-16 to meet the costs of leasing more aviation resources.
Effective Water Management and Supply	Drought Support	0.672	Treasurer's Advance	Additional funding was provided for costs associated with an extended 2015-16 drought season.
Planning, Building and Heritage	Planning for Melbourne and Regional Victoria	0.200	Treasurer's Advance	Funding was provided for the coastal planning program component of the Planning for Melbourne and Regional Victoria initiative.
Planning, Building and Heritage	Regional Planners	0.339	Treasurer's Advance	Additional funding was provided for accommodation costs for regional planners.
Land Victoria	Site Valuation Legal Costs	2.000	Treasurer's Advance	Additional funding was provided for the costs associated with Land Victoria's 2015-16 litigation activity.
Land Victoria	Torrens Guarantee Costs	3.100	Treasurer's Advance	Additional funding was provided for the costs associated with Land Victoria's 2015-16 land title compensation.
Local Government	Colac Otway Shire	0.400	Treasurer's Advance	Funding was provided for the following projects in the Colac Otway Shire Council: <ul style="list-style-type: none"> • Colac Otway Central Reserve project finalisation; and • Revitalisation of the Colac Central Business District main road.
Planning, Building and Heritage	Growth Areas Infrastructure Contributions.	58.746	Special Appropriation (sec 30 GAIC Act No. 23/2010)	On an annual basis the department receives a special appropriation from the State to recognise payments made from Growth Areas Infrastructure Contributions.
Effective Water Management and Supply	Goulburn Murray Water (GMW) Connections Project	72.954	Access to Surplus	Due to a warrant not in place in 2014-15, it was agreed for the department to fund the GMW Connections project with its 2014-15 appropriation. Access to \$73 million was required to fund the 2015-16 carryover.

Question 3 (Department of Treasury and Finance only) Revenue certification

BFMG-51 explains that ‘Revenue claimed by Departments is rejected when outputs do not meet their performance measures and service delivery has not occurred. This means that revenue certified will be less than the invoice received from departments.’ Please detail all outputs which DTF assessed as not having met their measures for 2015-16, indicating for each:

- (a) the amount of the initial invoice;
- (b) any adjusted invoice amount;
- (c) the amount of revenue certified; and
- (d) if the full amount of the invoice was paid, why.

Department	Outputs which were considered not to meet their measures	The amount of the department’s initial invoice (\$ million)	The amount of the department’s final invoice (\$ million)	The amount of revenue certified (\$ million)	If the full amount of the initial invoice was paid, why
Not applicable to DELWP.	-	-	-	-	-

SECTION B: Asset investment (departments only)

Question 4 Details of actual investment and variance against budget – current projects

Please provide the following details about each of the selected asset investment projects:

Project	Estimated expenditure in 2015-16 (2015-16 budget papers) (\$ million)	Actual expenditure in 2015-16 (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million between estimated and actual expenditure	Estimated practical completion date in 2015-16 budget papers	Estimated practical completion date in 2016-17 budget papers	Explanation for any changes to the estimated practical completion date	Estimated TEI in 2015-16 budget papers (\$ million)	Estimated TEI in 2016-17 budget papers (\$ million)	Explanation for any changes to the estimated TEI
Reducing Fire Risk: expanding the Planned Burning Program to 390 000 hectares (statewide)	3.601	1.882	The Department requires a 'fit-for-purpose' Fire Vehicle Fleet as part of the Victorian Government's long-term fire and emergency management objectives on public land. The project was delayed due to the complexities of the procurement process and the need to source the vehicles overseas. It is expected that the last batch of fire vehicles will be delivered in 2016-17.	Qtr 4 2016-17	Qtr 4 2016-17	Not applicable.	10.730	10.730	Not applicable.
Melbourne strategic assessment (metro various)	5.000	1.052	The underspend was due to the complexity of land purchases. As expected revenue from land developers did not eventuate, cash was not available for land purchases.	Qtr 2 2053-54	Qtr 2 2053-54	Not applicable.	334.300	334.300	Not applicable.

Portarlinton Safe Harbour (Portarlinton)	6.082	6.040	Not applicable.	Qtr 4 2016-17	Qtr 4 2016-17	Not applicable.	12.000	12.000	Not applicable.
Projects administered by Goulburn-Murray Rural Water Corporation									
Connections project (non-metro various)	103.588	92.267	Landholder agreements regarding changing metered supply points took longer to achieve than originally planned (for farming business). Several thousand landholdings are involved. This is a key finding of the Commonwealth & State Mid-Term review of the project, and is being addressed through the project Re-set Business Plan. Delays in agreements consequently slowed capital works and related asset/capital expenditure.	Qtr 4 2017-18	Qtr 4 2017-18	Not applicable.	822.836	927.357	The mix between the capital component (shown as the TEI) and the output / operating expenditure component has changed. This is due to the Connections Implementation Plan 2 having fewer farm-related special connections projects (SCPs) utilising output and more pipe solution asset/capital projects than Plan 1.
Linear programme (non-metro various)	12.906	11.173	Good weather and site conditions from July 2015 through April 2016 enabled the programme to be delivered below its estimated cost. This allowed additional scope to be delivered prior to the start of winter 2016. Wet weather from May 2016 meant that the remaining linear works pushed some expenditure into 2016-17.	Ongoing.	Qtr 4 2021-22	The linear programme is an ongoing programme targeting capital works on the State's 4,500km of irrigation channels. The programme is expected to end in 2021-22 however ongoing expenditure will	86.011	65.070	Good weather and site conditions from July 2015 through April 2016 enabled savings to be delivered.

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						be required as assets will continue to age and require investment or replacement.			
Embankment - downstream - filters - rock buttress (Tullaroop)	5.227	6.236	The original annual budget for the Project in 2015-16 (\$5.2 million) was based on a construction program commencing in October 2015 and being completed by August 2016. Construction progress exceeded expectations, with the entire construction phase completed by May 2016 (approx. 3 months early). As a result, the majority of the construction budget was spent in 2015-16.	Qtr 4 2016-17	Qtr 4 2016-17	Not applicable.	10.328	11.442	The TEI has now been reduced to \$7.9 million as a result of good weather and an accelerated construction phase.
Project administered by Gippsland and Southern Rural Water Corporation									
Macalister Irrigation District 2030: Modernising the Macalister Irrigation District (Gippsland)	12.659	10.866	Below expected expenditure due to land acquisition delays within the Balancing Storage project. The rationalisation of regulators on certain channels was deferred to enable an extended customer consultation period. Additional sub-projects need to be scoped before delivery.	Qtr 4 2016-17	Qtr 4 2016-17	Not applicable.	31.997	31.997	Not applicable.

Question 5 Details of actual investment and variance against budget – projects completed (or expected to be completed)

Please provide the following details for all of the asset projects listed below, which were reported as ‘completed or expected to be completed’ prior to 30 June 2016 in the 2016-17 budget papers:

Project	TEI in the 2015-16 budget papers	Total actual investment	Actual expenditure in 2015-16	Explanation for any variances greater than ±10 per cent or \$100 million	Impact of any variances	Estimated practical completion date	Actual practical completion date	Explanation for any variance in practical completion date
	(\$ million)	(\$ million)	(\$ million)					
Strategic fuel management (Statewide)	10.000	10.000	6.729	Variance not greater than ±10 per cent or \$100 million – No change from TEI in 2015-16 budget papers to total actual investment.	Not applicable.	Qtr 4 2015-16	Qtr 4 2016-17	<p>Funding provides for upgraded infrastructure to support fire suppression efforts. Underspend in 2015-16 primarily relates to the Corryong and Victoria Valley Airbase upgrade.</p> <p>A large number of tenders received meant extended timeframes associated with governance processes were required in selecting a preferred contractor. Significant levels of feedback from the local council and community stemming from community engagement processes meant that design and procurement processes will now move into the next financial year. The revised delivery schedule will be 2016-17.</p>

Question 6 Major Projects Victoria and high-value high-risk projects

- (a) Please list all projects included in the 2015-16 budget papers that were allocated to your department, and had an involvement from Major Projects Victoria. Please give a brief description of the involvement that Major Projects Victoria had in the project.

Project	Involvement of Major Projects Victoria
Not applicable	-

- (b) Please list all projects included in the 2015-16 budget papers that were allocated to your department, and were classified as high-value and high-risk. Please also specify which gateway reviews, if any, were undertaken or completed.

Project	Gateway review(s) undertaken	Gateway review(s) completed
Not applicable	-	-

Question 7 PPP expenditure and line items

Please indicate the amount included in the following line items in your financial statements for 2015-16 (using the budget portfolio outcomes for departments) which related to payments for commissioned public private partnerships (PPPs).

Line item	Amount within this line item reflecting payments for PPPs (\$ million)
	2015-16
<i>Operating statement</i>	
Interest expense	0
'Other operating expenses'	0
Other line items within expenses from transactions	0

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<i>Cash flow statement</i>	
Payments to suppliers and employees	0
Interest and other costs of finance paid	0
Repayment of finance leases	0
Other line items in the cash flow statement	0
<i>Administered items statement</i>	
Expenses on behalf of the State	613.3
Interest and depreciation expense	452.5
Other line items within 'administered expenses'	107.0

Question 8 Net cash flows from investments in financial assets for policy purposes – GGS

Regarding the ‘net cash flows from investments in financial assets for policy purposes’ in the general government sector cash flow statement for 2015-16, please provide the following details about any sources of cash inflows and cash outflows included in that line item which are connected with your department or its controlled entities:

- (a) the project related to the cash flow (using the same project names as are used in Budget Paper No.4 where possible)
- (b) the initial budget estimate (**not** the revised estimate) for cash flow in 2015-16
- (c) the actual cash flow in 2015-16
- (d) explanation for variances between estimates and actuals cash flows; and
- (e) for cash flows associated with projects in BP4, provide the capital contribution made through the Department and the actual expenditure made by the PNFC entity.

Cash inflows

Project	Estimated cash inflow in 2015-16	Actual cash inflow in 2015-16	Explanation for any variances greater than ± 10 per cent or \$100 million between estimated and actual cash inflows	Capital contribution made through the Department	Capital expenditure made by the PNFC entity
	(\$ million)	(\$ million)		(\$ million)	(\$ million)
The Department does not have any projects funded for which funding is included in the ‘net cash flows from investments in financial assets for policy purposes’.					

Cash outflows

Project	Estimated cash outflow in 2015-16	Actual cash outflow in 2015-16	Explanation for any variances greater than ± 10 per cent or \$100 million between estimated and actual cash outflows	Capital contribution made through the Department	Capital expenditure made by the PNFC entity
	(\$ million)	(\$ million)		(\$ million)	(\$ million)
The Department does not have any projects funded for which funding is included in the ‘net cash flows from investments in financial assets for policy purposes’.					

Question 9 Net cash flows from investments in financial assets for policy purposes – SoV

Regarding the ‘net cash flows from investments in financial assets for policy purposes’ in the State of Victoria cash flow statement for 2015-16, please provide the following details about any sources of cash inflows and cash outflows included in that line item which are connected with your department or its controlled entities:

- (a) the project related to the cash flow (using the same project names as are used in Budget Paper No.4 where possible)
- (b) the initial budget estimate (**not** the revised estimate) cash flow in 2015-16
- (c) the actual cash flow in 2015-16
- (d) explanation for variances between estimates and actuals cash flows; and
- (e) for cash flows associated with projects in BP4, provide the capital contribution made through the Department and the actual expenditure made by the PNFC entity.

Cash inflows

Project	Estimated cash inflow in 2015-16 (\$ million)	Actual cash inflow in 2015-16 (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million between estimated and actual cash inflows	Capital contribution made through the Department (\$ million)	Capital expenditure made by the PNFC entity (\$ million)
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The Department does not have any projects funded for which funding is included in the ‘net cash flows from investments in financial assets for policy purposes’.

Cash outflows

Project	Estimated cash outflow in 2015-16 (\$ million)	Actual cash outflow in 2015-16 (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million between estimated and actual cash outflows	Capital contribution made through the Department (\$ million)	Capital expenditure made by the PNFC entity (\$ million)
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The Department does not have any projects funded for which funding is included in the ‘net cash flows from investments in financial assets for policy purposes’.

Question 10 (DTF only) Purchases of non-financial assets – government purpose classification

Regarding the ‘purchases of non-financial assets’ by the general government sector in 2015-16, please compare the initial budget estimate for each of the government purpose classifications (note 19a in Budget Paper No.5) to the actual value of ‘purchases of non-financial assets’ in each classification, explaining any variances greater than ±10 per cent or \$100 million (please fill all blank spaces).

Government purpose classification	Initial budget estimate for 2015-16 (BP5 p.39) (\$ million)	Actual for 2015-16 (AFR p.48) (\$ million)	Variance from budget estimate (per cent)	Explanation for any variance greater than ±10 per cent or \$100 million
General public services	127.5	52	-59	Not applicable to DELWP.
Public order and safety	799.0	677	-15	
Education	493.4	355	-28	
Health	692.4	919	33	
Social security and welfare	114.0	75	-34	
Housing and community amenities	42.3	44	4	
Recreation and culture	120.9	78	-35	
Fuel and energy	3.0	15	400	
Agriculture, forestry, fishing, and hunting	17.5	6	-66	
Transport and communications	2,365.6	2046	-14	
Other economic affairs	131.2	129	-2	
Other purposes	1.0	0	-100	

SECTION B: Asset investment (non-departments only)

Question 11 Details of actual investment and variance against budget for projects

Please provide the following details for any asset investment project where actual expenditure in 2015-16 varied by \$±10 million or more from the initial budget estimate at the start of the relevant year (**not** the revised estimate).

If there were no asset investment projects for your agency where the actual expenditure varied by \$±10 million or more from the budget estimate, you do not need to answer this question. If this is the case, please indicate ‘no relevant projects’ in the table(s) below.

Project	Estimated expenditure in 2015-16 (2015-16 budget papers) (\$ million)	Actual expenditure in 2015-16 (\$ million)	Explanation for any variance	Estimated financial completion date in 2015-16 budget papers	Estimated financial completion date in 2016-17 budget papers	Explanation for any changes to the estimated financial completion date
Not applicable to DELWP.	-	-	-	-	-	-

Question 12 Details of actual investment and variance against budget for entities

Please detail the initial budget estimates (**not** the revised estimate) for ‘purchases of non-financial assets’ for 2015-16 (or equivalent line items in the cash flow statements) for your entity, the actual amounts of those line item in your annual reports and an explanation for any variances greater than ±10 per cent or \$100 million. Initial budget estimates for departments are listed in Department of Treasury and Finance, *Budget Paper No.5: 2015-16 Statement of Finances* (2015), p.40

Initial budget estimate for 2015-16 (\$ million)	Actual for 2015-16 (\$ million)	Explanation for any variance greater than ±10 per cent or \$100 million
-	-	Not applicable.

SECTION C: Revenue and appropriations

Question 13 (all departments and entities) Changes from previous year by revenue/income category

Please explain any changes greater than ± 10 per cent or \$100 million between the actual result for 2014-15 and the actual result for 2015-16 for each revenue/income category detailed in your operating statement. Please also indicate what any additional revenue was used for or how any reduced amounts of revenue affected service delivery.

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

If there were no revenue/income categories for your department/agency for which the 2015-16 expenditure changed from the prior year's expenditure by more than ± 10 per cent or \$100 million, you do not need to answer this question. If this is the case, please indicate 'no relevant line items' in the table(s) below.

Revenue category	2014-15 actual (\$ million)	2015-16 actual (\$ million)	Explanations for any variance greater than ± 10 per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
CONTROLLED				
Output appropriation	1,340.6	1,223.2	Variance relates primarily to machinery of government changes – the 2014-15 figures included 6 months of former DEPI figures as DELWP was only formed on 1 January 2015. The variance is predominantly due to the full year effect of the machinery of government changes.	Reduction relates to the transfer of outputs, in accordance with machinery of government changes.
Interest	21.8	32.3	Variance mainly due to interest earned from investing surplus funds from the GMW Connections Trust Account.	Additional revenue is invested in the GMW Connections Project, and reduces the contribution required by the Commonwealth.
Sales of goods and services	101.1	91.9	Not applicable.	Not applicable.
Grants	218.5	64.3	Variance is primarily due to less funding from the Commonwealth for the GMW Connections Stage 2 project due to a delay in achieving milestones.	Smaller grant payments made to GMW Connections Project.

Fair value of assets received free of charge or for nominal consideration	0.1	0.0	Not applicable.	Not applicable.
Other Income	364.3	301.8	<p>Decrease relates primarily to machinery of government changes – the 2014-15 figures included 6 months of DEDJTR figures as DELWP was only formed on 1 January 2015.</p> <p>The transfer of the Agriculture output to DEDJTR as part of the machinery of government change offset some of the full year impact of Local Infrastructure being transferred to DELWP.</p>	Reduction relates to the transfer of outputs, in accordance with machinery of government changes.
ADMINISTERED				
Appropriations – Payments made on behalf of the State	628.1	636.9	Not applicable.	Not applicable.
Fair value of assets and services received free of charge or for nominal consideration	36.5	21.8	<p>Amount represents Impairment Reversals in the Murray Darling Basin Authority (MDBA) Joint Venture and the share of assets still being distributed by the Commonwealth under the relevant agreements.</p> <p>At inception, the Commonwealth withheld \$500 million of unspent cash assets to contribute to the Joint Venture as needs arise. The majority of this has now been returned to the Joint Venture and consequently the State's share of those assets is dwindling.</p>	Reduction in revenue/asset to the State was due to the return of unspent cash assets to the Joint Venture.
Sale of goods and services	338.2	488.8	<p>Increase relates primarily to machinery of government changes and in particular, to Land Victoria. The 2014-15 DELWP figures only included six months of transactions as the first six months were included in the former Department of Transport, Planning and Local Infrastructure's (DTPLI's) financial results.</p> <p>The transfer of the Agriculture output to DEDJTR as part of the machinery of government change offset some of the full year impact of Local Infrastructure being transferred to</p>	Additional revenue relates to the transfer of outputs, in accordance with machinery of government changes.

			DELWP.	
Grants	576.7	296.2	Grants received from the Commonwealth and passed on directly to local government were lower in 2015-16, as 50% of the 2015-16 funding was brought forward by the Commonwealth into late June 2015.	Not applicable – due to timing only.
Interest	466.8	452.7	Not applicable.	Not applicable.
Other income	141.5	203.0	Variance primarily relates to revenue received from the Goulburn Murray Water Trust (controlled), as a result of the new accounting treatment for the GMW Connections Project.	Invested in the GMW Connections Project.

Question 14 (all departments and entities) Variances from budget/target by revenue/income category

Please explain any variances greater than ± 10 per cent or \$100 million between the initial budget estimate (**not** the revised estimate) and the actual result for 2015-16 for each revenue/income category detailed in your operating statement. Please also identify any actions taken in response to the variations, either to mitigate or take advantage of the impact.

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

If there were no revenue/income categories for your department/agency for which the 2015-16 expenditure varied from the initial budget estimate by more than ± 10 per cent or \$100 million, you do not need to answer this question. If this is the case, please indicate ‘no relevant line items’ in the table(s) below.

Revenue category	2015-16 budget estimate (\$ million)	2015-16 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Actions taken in response
CONTROLLED				
Output appropriation	1,186.4	1,223.2	Not applicable.	Not applicable.
Interest	21.6	32.3	Variance mainly due to interest earned from investing surplus funds from the GMW Connections Trust Account.	Additional revenue is invested in the GMW Connections Project, and reduces the contribution required by the Commonwealth.

Sales of goods and services	73.3	91.9	Variance was the result of the full year impact of machinery of government changes and of better-than-expected property markets for External User Charges – in particular from Land Victoria.	Fees earned by Land Victoria are driven by the property market. These fees were reset as a result of a regulatory impact statement. These have been reflected in the 2016-17 Budget. Land Victoria estimates revenue on the basis of long term trends in the property market.
Grants	259.9	64.3	Variance was mainly due to less funding from the Commonwealth (via DTF) for the GMW Connections Stage 2 project due to a delay in achieving milestones.	Funding received will be spent in the forward years, as agreed with the Commonwealth Government.
Fair value of assets received free of charge or for nominal consideration	0.0	0.0	Not applicable.	Not applicable.
Other Income	267.9	301.8	Variance primarily relates to a general increase in the Landfill Levy.	Will be incorporated into 2016-17 Budget update.
ADMINISTERED				
Appropriations – Payments made on behalf of the State	650.5	636.9	Not applicable.	Not applicable.
Fair value of assets and services received free of charge or for nominal consideration	0.0	21.8	Amount represents Impairment Reversals in the Murray Darling Basin Authority (MDBA) Joint Venture and the share of assets still being distributed by the Commonwealth under the relevant agreements. This line item was not budgeted for in 2015-16.	Will be incorporated into 2016-17 Budget update.
Sale of goods and services	417.1	488.8	Variance primarily due to an upturn in the property market resulting in more fees being collected by Land Victoria.	Will be incorporated into 2016-17 Budget update.
Grants	573.3	296.2	Capital grants received from DEDJTR for local government was lower in 2015-16, as 50% of the 2015-16 funding was brought forward into late June 2015.	Not applicable – due to timing only.

Interest	462.7	452.7	Not applicable.	Not applicable.
Other income	202.1	203.0	Not applicable.	Not applicable.

Question 15 (departments only)

Please provide a break-down of the Department's total parliamentary authority (as calculated for the Department's comprehensive operating statement in the departmental financial statements in Budget Paper No.5 and in the budget portfolio outcomes in the annual report) into the following sources. If the variance between any budget and actual exceeds ± 10 per cent or \$100 million, please provide reasons for the variance. Part of the budget column table has been pre-filled from the 2015-16 budget papers – please fill all blank spaces, including zero where appropriate.

	2015-16 initial budget estimate (\$ million)	2015-16 Actual (\$ million)	Explanation for variance (please relate these changes to the 'summary of compliance with annual parliamentary appropriations' note in your department's annual report).
Annual appropriations	1,671.0	1,638.4	
<ul style="list-style-type: none"> • Provision of outputs 	996.7	984.8	Not applicable.
<ul style="list-style-type: none"> • Additions to the net asset base 	32.5	25.4	Variance primarily relates to carryover of Addition to Net Asset Base (ATNAB) – available in 2016 for use in 2017, predominantly for: <ul style="list-style-type: none"> • The underspend in a minor capital works program due to a combination of seasonal weather factors; delays in finding suitable land for the Forest, Orbost and Swifts Creek redevelopments; and delays in finalising the negotiation with the landlord for the Horsham office. • Funding required to carry out Recommendation 5 and Affirmation 18 of the 2014 Hazelwood Mine Fire inquiry. • The Land Compensation initiative which funds the compulsory acquisition of land. Due to the nature of legal processes involved in settling compulsory acquisitions, lengthy delays between the start and end of an acquisition can occur.
<ul style="list-style-type: none"> • Payments made on behalf of the State 	641.8	628.2	Not applicable.

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Receipts credited to appropriations	146.8	117.7	
<ul style="list-style-type: none"> Provision of outputs 	119.3	100.7	Variance predominantly relates to carryover of output appropriation into 2016-17 to complete projects with 2015-16 finish dates – e.g. the 2015-16 Environmental Contributions 3 funding; GMW Connections project; and the Victorian Desalination project.
<ul style="list-style-type: none"> Additions to the net asset base 	27.5	17.0	As per above comment on ATNAB.
<ul style="list-style-type: none"> Payments made on behalf of the State 	0.0	0.0	Not applicable.
Unapplied previous year's appropriation	65.2	113.5	
<ul style="list-style-type: none"> Provision of outputs 	56.4	79.0	<p>Variance predominantly due to adverse weather conditions across the State during much of 2015-16, as this reduced the output levels of some core services as well as delayed various base funded projects – i.e. weed and pest management (e.g. wild dogs), koala and kangaroo management programs, a range of critical IT related projects and of Planning portfolio-related projects which were delayed for varying reasons including machinery of government integration into DELWP and project approval delays.</p> <p>A large number of other small but important projects were also delayed once the DELWP restructure was initiated. Carryover was required to ensure these projects are achieved and contractual obligations with service providers are met in 2016-17.</p>
<ul style="list-style-type: none"> Additions to the net asset base 	0.1	25.8	<p>Variance is primarily due to a combination of seasonal weather factors and delays in finding suitable land for the Forrest, Orbost and Swifts Briagolong and Erica projects to align with changes to regional requirements. Funding was also needed to carry out Recommendation 5 and Affirmation 18 of the 2014 Hazelwood Mine Fire Inquiry.</p> <p>Recommendation 5 and Affirmation 18 requires the State to equip itself to undertake rapid air quality monitoring in any location in Victoria. This is being managed by the Environmental Protection Agency (EPA). EPA are currently reviewing the requirements of the system and as a result, funding is required to be carried over into the next financial year.</p> <p>Another contributing factor is the Land Compensation initiative which funds the compulsory acquisition of land. Due to the nature of legal</p>

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			processes involved in settling compulsory acquisitions, lengthy delays between the start and end of these acquisitions can occur. These legal processes are outside the jurisdiction and control of the department. Therefore, carryover was sought to fund compensation claims expected to be settled in 2016-17.
<ul style="list-style-type: none"> • Payments made on behalf of the State 	8.7	8.7	No variance.
Total (new) appropriation (sum of above three)	1,883.0	1,869.5	
<ul style="list-style-type: none"> • Provision of outputs 	1,172.3	1,164.4	As per above comments on outputs.
<ul style="list-style-type: none"> • Additions to the net asset base 	60.1	68.2	As per above comment on ATNAB.
<ul style="list-style-type: none"> • Payments made on behalf of the State 	650.5	636.9	Not applicable.
Accumulated surplus – previously applied appropriation	0.0	73.0	Variance relates to the drawdown of \$73 million in 2015-16 via section 33 of the FMA to fund the department's 2015-16 carryover relating to the GMW Connections project.
Gross annual appropriation	1,883.0	1,869.5	
Special appropriations	14.1	58.7	
<ul style="list-style-type: none"> • Provision of outputs 	14.1	58.7	Variance relates to the increase in Growth Area infrastructure contributions as a result of continued significant population growth in Melbourne and the strong demand for new development in growth areas.
<ul style="list-style-type: none"> • Additions to the net asset base 	0.0	0.0	No variance.
<ul style="list-style-type: none"> • Payments made on behalf of the State 	0.0	0.0	No variance.
Funds received through Trust funds	1,230.8	1,105.6	
<ul style="list-style-type: none"> • Provision of outputs 	1,230.8	1,105.6	Variance primarily due to the delivery of the GMW Connections project tracking behind schedule.
<ul style="list-style-type: none"> • Additions to the net asset base 	0.0	0.0	No variance.

• Payments made on behalf of the State	0.0	0.0	No variance.
Total parliamentary authority	3,127.9	3,106.8	
• Provision of outputs	2,417.2	2,401.7	Not applicable.
• Additions to the net asset base	60.1	68.2	As per above comment on ATNAB.
• Payments made on behalf of the State	650.5	636.9	Not applicable.

Information regarding the last three rows can be found in the following pages of the department's annual report:

- Provision of outputs - page 203, Note 26(a) and page 205, Note 26(b), and so Page 99, "Comprehensive operating statement"
- Additions to the net asset base - page 203, Note 26(a)
- Payments made on behalf of the State - page 203, Note 26(a) and page 140, Note 3(a)

Question 16 Revenue from trust accounts passed to other bodies

Regarding funds received through trust accounts, please identify any payments that were passed directly to other bodies without being counted in your entity's comprehensive operating statement. For each payment, please identify:

- (a) the value of payments;
- (b) the recipients of the payments; and
- (c) the purpose of the payments.

Trust account	Total payments from the account to bodies other than the Department, 2015-16 (\$ million)	Recipient of the payment	Purpose of the payment
Not applicable.			

Question 17 (Department of Treasury and Finance only) Revenue initiatives

Regarding the Absentee Landowner Surcharge and the Land Transfer Duty Surcharge on Foreign Buyers of Residential Property:

- (a) Please advise how much revenue was raised via each of these initiatives in 2015-16

Not applicable to DELWP.

- (b) Please provide a breakdown of the surcharge payees' country of origin.

Not applicable to DELWP.

SECTION D: Expenses

Question 18 Expenses changed from previous year

Please explain any changes greater than ± 10 per cent or \$100 million between the prior year's actual result and the actual result for 2015-16 for each category of expenses detailed in your operating statement. Please also detail the outcomes in the community² achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

If there were no categories of expenses for your department/agency for which the 2015-16 expenditure differed from the prior year's expenditure by more than ± 10 per cent or \$100 million, you do not need to answer this question. If this is the case, please indicate 'no relevant line items' in the table(s) below.

Expenses category	2014-15 actual (\$ million)	2015-16 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Employee benefits	408.8	405.4	Not applicable.	Not applicable.
Depreciation	61.3	45.8	Variance relates primarily to the full impact of machinery of government changes, and in particular to the Showgrounds Project and Biosecurity Research Centre Public-Private Partnerships (PPPs), which were transferred to DEDJTR. 2014-15 figures included 6 months of DEDJTR figures as DELWP was only formed on 1 January 2015. Agriculture's output was transferred to DEDJTR under the same machinery of government.	Reduction relates to the transfer of outputs, in accordance with machinery of government changes.
Interest expense	11.1	1.1	Variance relates primarily to the full impact of machinery of government changes, and in particular to the Showgrounds Project and Biosecurity Research Centre PPPs, which were transferred to DEDJTR.	Reduction relates to the transfer of outputs, in accordance with machinery of government changes.

² That is, the impact of service delivery on the community rather than a description of the services delivered.

			2014-15 figures included 6 months of DEDJTR figures as DELWP was only formed on 1 January 2015. Agriculture's output was transferred to DEDJTR under the same machinery of government.	
Grants and other transfers	510.8	631.7	Variance is primarily due to increase in grant payments to local government for the Growing Suburbs project and the Public Libraries Funding.	Delivery of Local Government output is achieved.
Capital asset charge	102.4	91.3	Variance relates primarily to full-year impact of the assets transferred as part of the machinery of government changes – in particular, the Showgrounds Project and Biosecurity Research Centre Project were transferred to DEDJTR).	Reduction relates to the transfer of outputs, in accordance with machinery of government changes. This is consistent with the budget.
Other operating expenses	496.5	497.2	Not applicable.	Not applicable.
ADMINISTERED				
Expenses on behalf of the State	107.3	197.1	Variance predominantly relates to Land Given Free of Charge to Level 1 Committees of Management.	Land transferred to Committees of Management as their financial statements are now audited by the Victorian Auditor General's Office.
Grants and other transfers	558.7	293.1	The amount of capital grants received from DEDJTR for Local Government was lower in 2015-16, as 50% of 2015-16 funding was brought forward and paid in late June 2015.	Not applicable – due to timing only.
Payments into Consolidated Fund	1,017.5	1,144.0	Variance relates primarily to the full year impact of machinery of government changes (in particular, Land Victoria) for fees received and paid into the consolidated fund due to the improved property market.	Increase relates to the transfer of outputs, in accordance with machinery of government changes.
Interest and Depreciation expense	477.3	463.0	Variance is not greater than ±10 per cent or \$100 million.	Not applicable.

Question 19 Expenses varying from budget

Please explain any variances greater than ± 10 per cent or \$100 million between the initial budget estimate (**not** the revised budget) and the actual result for 2015-16 for each category of expenses detailed in your operating statement. Please also detail the outcomes in the community³ achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

If there were no categories of expenses for your department/agency for which the 2015-16 expenditure varied from the initial budget estimate by more than ± 10 per cent or \$100 million, you do not need to answer this question. If this is the case, please indicate 'no relevant line items' in the table(s) below.

Expenses category	2015-16 budget estimate (\$ million)	2015-16 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
CONTROLLED				
Employee benefits	379.1	405.4	Variance in salaries and wages is associated with additional planned burning works, as a result of an increased focus on fire resources in the <i>Safer Together</i> initiative.	Achievement of Safer Together initiative targets.
Depreciation	55.1	45.8	Variance predominantly relates to the depreciation of plant, equipment, furniture and fittings, and of vehicles that have reached the end of their useful lives.	Improved asset management.
Interest expense	1.3	1.1	Not applicable.	Not applicable.
Grants and other transfers	672.7	631.7	Variance in the published budget is mainly due to the EPA ceasing responsibility for issuing grants from the Sustainability Fund, and for distributing municipal and industrial landfill levy monies to waste agencies (including itself) from July 2015. These functions were transferred under legislation to DELWP from 1 July 2015.	Not applicable.

³ That is, the impact of service delivery on the community rather than a description of the services delivered.

Capital asset charge	91.4	91.3	Not applicable.	Not applicable.
Other operating expenses	626.3	497.2	Variance is attributable mainly to the re-phasing of payments to Goulburn Murray Water for the GMW Connections project, due to a delay in the project.	Delay in the GMW Connections project.
ADMINISTERED				
Expenses on behalf of the State	121.6	197.1	Variance predominantly relates to Land Given Free of Charge to Level 1 Committees of Management.	Land transferred to Committees of Management as their financial statements are now audited by the Victorian Auditor General's Office.
Grants and other transfers	560.7	293.1	Capital grants received from DEDJTR for local government was lower in 2015-16, as 50% of the 2015-16 funding was brought forward into late June 2015 (2014-15 year). Hence, grant payments to Local Governments were correspondingly lower in 2015-16.	Not applicable – due to timing only.
Payments into Consolidated Fund	1,108.1	1,144.0	Not applicable.	Not applicable.
Interest and Depreciation expense	462.9	463.0	Not applicable.	Not applicable.

Question 20 (departments only) Expenditure reduction targets

Please provide the following details about the realisation of expenditure reduction targets in 2015-16. In providing targets, please provide the cumulative target rather than the change in savings from one year to the next (i.e. provide the target on the same basis as the budget papers). Please provide figures for the Department including its controlled entities.⁴

Initiative	Total value of efficiencies/savings expected to be realised from that initiative in 2015-16 (\$ million)	Explanation for any variances greater than ±10 per cent between estimated and actual expenditure reductions	How the efficiencies/savings have been achieved (i.e. what measures or changes have been introduced)
'Total savings' line item in 2012-13 Budget	35.0	No variance.	Savings were achieved through: <ul style="list-style-type: none"> • reductions in back office agency staff, consultants, procurement costs and other non-service delivery operational costs; • the management of recruitment alongside the Labour Sustainability Cap; and • the lapsing of fixed-term positions, corporate reform, natural attrition, and the Voluntary Departure Program through the Sustainable Government Initiative.
Efficiency measures (2012-13 Budget Update)	44.4	No variance.	
Efficiency and expenditure reduction measures (2013-14 Budget)	2.4	No variance.	
Efficiency measures (2013-14 Budget Update)	0	No variance.	
Application of an efficiency dividend to non-frontline departmental expenditure (2014-15 Budget)(BP3 p.79)	11.5	No variance.	
Better Services Implementation Taskforce Savings (2014-15 Budget)	23.0	No variance.	

⁴ That is, please provide this information for the Department on the same basis of consolidation as is used in the budget papers.

PEBU Savings (2014-15 Budget)	0.7	No variance.	
Efficiency and expenditure reduction measures (2015-16 Budget)(BP3 p.105)	2.5	No variance.	
Other	0	Not applicable.	

Question 21 Changes to service delivery from expenditure reduction initiatives

- (a) Please detail any changes to your department’s/agency’s service delivery as a result of expenditure reduction initiatives, e.g. changes to the timing and scope of specific programs or discontinued programs in 2015-16:

Expenditure reduction initiatives are focused on head office and non-service delivery areas of the Department. This includes the management of recruitment alongside the Labour Sustainability Cap, lapsing of fixed term positions, corporate reform, natural attrition, and a Voluntary Departure Program through the Sustainable Government Initiative. There have been no changes to the Department’s front line service delivery as a result of expenditure reduction initiatives.

- (b) As a result of the expenditure reduction initiative ‘Reduce the use of labour hire firms’ for 2015-16 (BP3 p.105), please detail any changes to your department’s/agency’s service delivery

There have been no changes to the Department’s front line service delivery as a result of the reduction initiative ‘Reduce the use of labour hire firms’ for 2015-16.

Question 22 (departments only) Achievement of reprioritisation of existing resources

The 2015-16 budget papers include targets for ‘funding from reprioritisation of existing resources’ to fund new initiatives (2015-16 Budget Paper No.2, p.58). This is in addition to any savings or efficiencies resulting from expenditure reduction measures. For your department (including all controlled entities),⁵ please indicate:

- (a) what areas of expenditure (including projects and programs if appropriate) the funding was reprioritised from (i.e. what the funding was initially provided for);
- (b) for each area of expenditure (or project or program), how much funding was reprioritised in each year; and
- (c) the impact of the reprioritisation on those areas.

Area of expenditure originally funded	Value of funding reprioritised in 2015-16	Impact of reprioritisation of funding
	(\$ million)	
Local Government portfolio	1.0	This funding was provided for the Review of <i>Local Government Act 1989</i> initiative and was generated through efficiencies.

⁵ That is, please provide this information for the Department on the same basis of consolidation as is used in the budget papers.

Question 23 (Department of Treasury and Finance only) Expenses by government purpose classifications

Regarding expenses of the general government sector in 2015-16, please compare the initial budget estimates (**not** the revised estimate) for each of the government purpose classifications (note 12a in Budget Paper No.5) to the actual expenses in that classification, explaining any variances greater than ± 10 per cent or \$100 million (please fill all blank spaces).

Government purpose classification	Initial budget estimate for 2015-16 (BP5 p.34) (\$ million)	Actual for 2015-16 (AFR p.48) (\$ million)	Variance from budget estimate (per cent)	Explanation for any variance greater than ± 10 per cent or \$100 million
General public services	1,150.0	2,662	131	Not applicable to DELWP.
Public order and safety	6,128.3	6,269	2	
Education	14,041.7	13,424	-4	
Health	15,264.5	15,331	0	
Social security and welfare	4,352.2	4,539	4	
Housing and community amenities	3,169.7	2,611	-18	
Recreation and culture	647.4	800	24	
Fuel and energy	184.5	128	-31	
Agriculture, forestry, fishing, and hunting	375.9	414	10	
Transport and communications	6,312.8	6,245	-1	
Other economic affairs	819.6	857	5	
Other purposes	1,870.3	1,350	-28	

Question 24 (PNFC and PFC entities only) Dividends paid to the general government sector

Please detail the value of dividends paid by your agency to the general government sector over the last three years, explaining the reasons for any significant changes over that period and the impact of any changes on the agency.

Total dividends paid in 2013-14 (\$ million)	Total dividends paid in 2014-15 (\$ million)	Total dividends paid in 2015-16 (\$ million)	Explanation for any variance greater than ±10 per cent or \$100 million	Impact of changes to dividends on the agency
-	-	-	Not applicable to DELWP.	-

SECTION E: Public sector workforce

Question 25 Full-time equivalent staff by level

Please fully complete the table below, providing actual FTE staff numbers at 30 June 2016, at 30 June 2015 and 30 June 2014 (broken down by the categories listed below) 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 (Actual FTE number)	30 June 2016 (Actual FTE number)
Secretary	1	1	1
EO-1	1	2	2
EO-2	35	34	36
EO-3	23	26	23
VPS Grade 7 (STS)	18	24	24
VPS Grade 6	358	462	495

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VPS Grade 5	507	602	670
VPS Grade 4	587	614	659
VPS Grade 3	552	588	621
VPS Grade 2	308	168	156
VPS Grade 1	19	3	-
Government Teaching Service	-	-	-
Health services	-	-	-
Police	-	-	-
Allied health professionals	-	-	-
Child protection	-	-	-
Disability development and support	-	-	-
Custodial officers	-	-	-
Other	1061	436	405
Total	3470	2960	3092

Question 26 FTE staff numbers by employment type

In the table below, please detail the salary costs for 2013-14, 2014-15 and 2015-16, broken down by ongoing, fixed-term and casual, and explain any variances greater than ±10 per cent or \$100 million between the years for each category.

Employment category	Gross salary 2013-14 (\$ million)	Gross salary 2014-15 (\$ million)	Gross salary 2015-16 (\$ million)	Explanation for any year-on-year variances greater than ±10 per cent or \$100 million
Ongoing	346.4	334.2	320.8	Not applicable.
Fixed-term	29.0	33.9	41.4	Not applicable.
Casual	2.2	1.7	1.5	Not applicable.
Total	377.6	369.7	363.7	Not applicable.

Question 27 Executive salary increases

Please detail the number of executives who received increases in their base remuneration in 2015-16, breaking that information down according to what proportion of their salary the increase was, and explaining the reasons for executives' salaries increasing in each bracket.

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2015-16	Reasons for these increases
0-3 per cent	Nil reported.	-
3-5 per cent	Nil reported.	-
5-10 per cent	Nil reported.	-
10-15 per cent	Nil reported.	-
greater than 15 per cent	Nil reported.	-

Question 28 Enterprise bargain agreements (EBA)(Department of Treasury and Finance only)

Please list the EBAs concluded in 2015-16 that had an impact for each department/agency. For each EBA, please show the number of employees affected and the growth in employee expenses attributable to the EBA

Enterprise bargain agreement	Number of employees affected	Growth in employee expenses attributable to the EBA (\$ million)
Not applicable to DELWP.	-	-

SECTION F: Inter-sector flows

Question 29 (Department of Treasury and Finance only) Inter-sector flows

For each of the following line items in the general government sector comprehensive operating statement (or its notes), please quantify the amount of the line item that is received from or provided to the PNFC sector or PFC sector. Please also identify any other line items in the revenue from transactions or expenses from transactions or their notes in which more than \$100 million flows from the general government sector to the PNFC or PFC sector or vice versa.

(a) revenue from transactions

Line item	Amount coming from PNFC sector (\$ million)	Amount coming from the PFC sector (\$ million)
	2015-16	2015-16
Taxation revenue	Not applicable to DELWP.	
Interest revenue		
Dividends		
Income tax equivalent and local government rate equivalent revenue		
Grants		
Sales of goods and services – inter-sector capital assets charge		
Sales of goods and services – provision of services		
Total revenue from transactions		
Other line items with >\$100 million coming from the PNFC or PFC sector (please specify)		

(b) expenses from transactions

Line item	Amount going to PNFC sector (\$ million)	Amount going to the PFC sector (\$ million)
	2015-16	2015-16
Interest expense	Not applicable to DELWP.	
Grants and other transfers		
Other operating expenses – purchase of supplies and consumables		
Other operating expenses – purchase of services		
Total expenses from transactions		
Other line items with >\$100 million going to the PNFC or PFC sector (please specify)		

SECTION G: Government decisions impacting on the finances

Question 30 Machinery-of-government changes

- (a) Please detail the final costs incurred in the following categories as a result of machinery-of-government changes. Also provide a description of any relevant machinery-of-government changes during 2015-16.

	Final costs as a result of machinery-of-government-changes (\$ million)
Consultants and contractors (including legal advice)	-
Relocation	0.02
Telephony	-
IT and records management	0.89
Rebranding	0.31
Furniture and fit-out	-
Other	-

Note: The above amounts relate to the final total costs incurred by DELWP as a result of the machinery of government changes announced by the Premier on 4 December 2014.

- (b) If these costs were met out of existing budgets, please indicate what projects, programs or areas the money was originally budgeted for.

No projects or programs were not undertaken as a result of the machinery of government changes.

- (c) Please identify any benefits achieved during 2015-16 as a result of machinery-of-government changes, quantifying the benefits where possible.

Not applicable.

- (d) Please provide a description of any relevant machinery-of-government changes during 2015-16.

There were no machinery of government changes in 2015-16.

Question 31 Commonwealth Government decisions

Please identify any Commonwealth Government decisions during 2015-16 which had not been anticipated in the State budget but which impacted on your entity's finances or activities during those years (including new funding agreements, discontinued agreements and changes to funding levels). Please quantify the impact on income and expenses where possible.

Commonwealth Government decision	Impact in 2015-16	
	on income (\$ million)	on expenses (\$ million)
No material variations.	-	-

Question 32 COAG decisions

Please identify any COAG decisions during 2015-16 which had not been anticipated in the State budget but which impacted on your entity's finances or activities during those years (including new funding agreements, discontinued agreements and changes to agreements). Please quantify the impact on income and expenses where possible.

COAG decision	Impact in 2015-16	
	on income (\$ million)	on expenses (\$ million)
Not applicable.	-	-

SECTION H: Fiscal and financial management strategies (Department of Treasury and Finance only)

Question 33 Financial measures

Please comment on what evidence for 2015-16 indicates the achievement of the three financial measures and targets for the 2015-16 Budget:

Goal	Evidence	2015-16 result	How the results indicate achievement
General government net debt as a percentage of GSP to be maintained at a sustainable level over the medium-term.	Not applicable to DELWP.	-	-
Fully fund the unfunded superannuation liability by 2035	Not applicable to DELWP.	-	-
A net operating surplus consistent with maintaining general government net debt at a sustainable level over the medium term.	Not applicable to DELWP.	-	-

Question 34 Long-term financial management objectives

Please provide any quantified results from 2015-16 which indicate progress towards the four goals of the Government’s long-term financial objectives, and discuss what these and other results indicate about progress towards the long-term objectives:

Objectives	2014-15 result	2015-16 result	What the results indicate
Sound financial management Victoria's finances will be managed in a responsible manner to provide capacity to fund services and infrastructure at levels consistent with maintaining a triple-A credit rating	-	-	Not applicable to DELWP.
Improving services Public services will improve over time	-	-	Not applicable to DELWP.
Building infrastructure Public infrastructure will grow steadily over time to meet the needs of a growing population.	-	-	Not applicable to DELWP.
Efficient use of public resources Public sector resources will be invested in services and infrastructure to maximise the economic, social and environmental benefits	-	-	Not applicable to DELWP.

SECTION I: Economic environment

Question 35 (Department of Treasury and Finance only) Economic variables

Where not pre-filled in the tables below, please indicate the estimated and actual result for the following economic variables. For the estimate, please use the initial estimate used in preparing the 2015-16 budget papers (**not** revised estimates). For any variance equal to or greater than ± 0.5 percentage points, please provide an explanation for the variance. Please fill all blank spaces.

Economic variable	Initial 2015-16 budget estimate	Actual 2015-16 result	Variance	Explanation for variances equal to or greater than ± 0.5 percentage points
Real gross state product growth	2.50	-	-	Not applicable to DELWP.
Employment growth	1.50	-	-	
Unemployment rate	6.25	-	-	
Consumer price index growth	2.75	-	-	
Wage price index growth	3.25	-	-	
Population growth	1.8	-	-	
Interest rates ^(a)		-	-	
Household consumption growth		-	-	
Property prices growth ^(a)		-	-	
Property transaction volume growth ^(a)		-	-	
Enterprise bargaining agreement increases ^(a)		-	-	
Exchange rate		-	-	

(a) As defined for the sensitivity analysis in Budget Paper No.2.

Question 36 (Department of Treasury and Finance only) Actual impact on GGS of variances in economic variables

Please quantify the impact on the revenue and expenses for 2015-16 and net debt at 30 June 2016 for the general government sector of any variances equal to greater than ± 0.5 percentage points identified in response to Question 36:

Economic variable	Variance between budget estimate and actual (from Question 33)	Impact on revenue (\$ million)	Impact on expenses (\$ million)	Impact on net debt (\$ million)
Real gross state product growth	Not applicable to DELWP.			
Employment growth				
Unemployment rate				
Consumer price index growth				
Wage price index growth				
Population growth				
Interest rates				
Household consumption growth				
Property prices growth				
Property transaction volume growth				
Enterprise bargaining agreement increases				
Exchange rate				

Question 37 (Department of Treasury and Finance only) Impact on PFC net result of variances in economic variables

Please quantify the impact on the net result of the public financial corporations sector of any variances equal to greater than ± 0.5 percentage points identified in response to the Question 36 in relation to the following factors. Please also describe major decisions that had not been anticipated at the time of the initial budget that were made in response to the impact (either to mitigate the impact of the variance or take advantage of it).

Economic variable	Variance between budget estimate and actual (from Question 36)	Impact on net result (\$ million)	Major decisions taken in response
Interest rates	-	-	Not applicable to DELWP.
Exchange rate	-	-	Not applicable to DELWP.

Question 38 (Department of Treasury and Finance only) Impact on PNFC net result of variances in economic variables

Please quantify the impact on the net result from transactions of the public non-financial corporations sector of any variances equal to greater than ± 0.5 percentage points identified in response to the Question 36 in relation to the following factors. Please also describe major decisions that had not been anticipated at the time of the initial budget that were made in response to the impact (either to mitigate the impact of the variance or take advantage of it).

Economic variable	Variance between budget estimate and actual (from Question 36)	Impact on net result from transactions (\$ million)	Impact on asset investment (\$ million)	Major decisions taken in response
Real gross state product growth	-	-	-	Not applicable to DELWP.
Consumer price index growth	-	-	-	Not applicable to DELWP.
Population growth	-	-	-	Not applicable to DELWP.

Household consumption growth	-	-	-	Not applicable to DELWP.
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Question 39 (all entities) Effects of variances in economic variables

Please identify any key economic variables for which there were variances in 2015-16 between what was estimated in the initial budget for each year (**not** the revised estimate) and what actually occurred which had a significant impact on your department's/agency's finances, service delivery or asset investment. For each variance, please indicate:

- (a) what had been expected at budget time
- (b) what actually occurred
- (c) how the variance impacted on the budget outcomes (quantifying the impact where possible)
- (d) what decisions were made in response (including changes to service delivery, asset investment, borrowings etc.).

Expected economic result in 2015-16	Actual result in 2015-16	Impact of the variance on budget outcomes	Impact of the variance on service delivery
Not applicable	-	-	-

