

Entity-specific questionnaire – DEDJTR

1. Commercial Passenger Vehicle reform

Question:

The funding for the 'Taxi and Hire Vehicle Services' output increased by 202 per cent, from \$89.2 million in the 2016-17 Budget to \$269.4 million for 2017-18.¹ The Budget Papers note this increase 'reflects the funding profile for the Commercial Passenger Vehicle Reform'.² Please provide a further breakdown of the funding profile for the Commercial Passenger Vehicle Program for 2017-18 and the forward estimates period.

Response:

The difference between the 2016-17 budget for the 'Taxi and Hire Vehicle Services' output of \$89.2 million and the 2017-18 budget of \$269.4 million is \$180.4 million which was **primarily** due to the Commercial Passenger Vehicle reforms.

The figures provided in the table below reflect what is currently in the forward estimates for the Commercial Passenger Vehicle reforms, as at the 2017-18 State Budget.

Table 1

	2016-17	2017-18	2018-19	2019-20	2020-21	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Transition payments – Taxi ³	153.3	153.3	0.0	0.0	0.0	306.6
Transition payments – Hire car ⁴	25.1	0.0	0.0	0.0	0.0	25.1
Fairness Fund ⁵	35.0	15.0	0.0	0.0	0.0	50.0
Disability/accessibility services	5.0	5.0	5.0	5.0	5.0	25.0
Refund of 2016-17 licence fees	3.1	0.0	0.0	0.0	0.0	3.1
Implementation costs	5.3	2.8	0.0	0.0	0.0	8.1
Total ⁶	226.8	176.1	5.0	5.0	5.0	417.9

¹ Department of Treasury and Finance, *Budget Paper No.3: Service Delivery* (2017), p.121

² Department of Treasury and Finance, *Budget Paper No.3: Service Delivery* (2017), p.122

³ The delay of the passage of the Commercial Passenger Vehicle Industry Bill 2017 (CPVI Bill) has meant that all of the 2016-17 transition payments to taxi and hire car licence holders will be delayed until 2017-18. The table does not reflect this delay.

⁴ The delay of the passage of the Commercial Passenger Vehicle Industry Bill 2017 (CPVI Bill) has meant that all of the 2016-17 transition payments to taxi and hire car licence holders will be delayed until 2017-18. The table does not reflect this delay.

⁵ Note that commitments made by the Government and amendments suggested by the Legislative Council to the CPVI Bill since the 2017-18 State Budget have not been included.

⁶ The revenue impact of the removal of taxi and hire car licence fees and the introduction of the commercial passenger vehicle service levy are not included.

2. Agriculture Industry and Jobs Fund

Question:

The funding for the *Agriculture* output has increased by 14 percent in the 2017-18 Budget, from \$351.9 million in 2016-17 to \$401.3 million for 2017-18 due to 'the funding profile of the Agriculture, Infrastructure and Jobs Fund and new funding included in the 2017-18 Budget.'⁷ Please provide further details regarding the Agriculture Industry and Jobs Fund including:

- a) The amount of money that has been distributed from the program since it was first announced in August 2015.
- b) The nature of the programs that have received funding from the initiative.
- c) The budget for the program for 2017-18 and the forward estimates period.

Response:

- a) While the Agriculture Infrastructure and Jobs Fund (the Fund) was originally announced in August 2015, the timing of the passage of the Port of Melbourne Lease Bill meant the Fund was launched (i.e. open for applications) in July 2016. As a result, funding allocated in 2015-16 was carried forward into 2016-17 for a total of \$100 million.

- Total funding committed (as at 30 June 2017) - \$113.3 million
- Expenditure to date (as at 30 June 2017) - \$29.8 million

- b) The Fund has two funding streams – Infrastructure and Program.

The **Infrastructure** Stream will enhance the performance and resilience of the agriculture sector through investing in enabling infrastructure along agriculture supply chains.

The Infrastructure Stream provides \$150 million to support major capital works and \$25 million to improve local roads to markets.

Projects supported to date through the Infrastructure Stream's two grant programs include:

- Macalister Irrigation District (Stage 1B) upgrade - \$20 million contribution to this \$60 million project, which will replace 39kms of open channel with a modern piped system that will deliver water savings and boost productivity.
- 30 local road and bridge projects – in round one of the Local Roads to Market program, 27 Councils will receive \$11.5 million funding for projects valued at \$22.2 million and \$122,000 for six design works.
- An \$8.5 million contribution to GrainCorp's Project Regeneration to fund upgrades of State-owned rail sidings assets at nine Victorian grain terminals.
- \$5 million to develop a Doppler weather radar station in the Wimmera Southern Mallee.
- \$3 million for another round of the cattle underpass program to be administered by the VFF.
- \$4.9 million to assist Steritech establish a fresh produce irradiation facility at the Melbourne Market site in Epping.

⁷ Department of Treasury and Finance, Budget Paper No.3: Service Delivery (2017), p.122

The **Program** Stream supports farmers and local communities to capture market opportunities, support market access development, enhance product traceability and build business capabilities.

Projects supported through the Program Stream include:

- \$12.1 million to support implementation of electronic identification tags for sheep and goats in Victoria.
- \$6.7 million to tackle Queensland Fruity Fly.
- \$1 million to secure and support establishment of the SproutX Agri-tech Accelerator in Victoria. SproutX assists entrepreneurs develop new technologies for agriculture.

c) The budget for the program for 2017-18 and the forward estimates period is:

- 2017-18 - \$115.7 million (includes carry forward of \$44.2 million)
- 2018-19 - \$54.5 million

3. Unapplied previous years appropriation

Question:

The 2017-18 Budget papers state there is a \$154.9 million revision to the Department's 2016-17 unapplied previous years' appropriation.⁸ What has caused the revision to the unapplied appropriation figure?

Response:

The \$154.9 million revision to the Department's 2016-17 unapplied previous years' appropriation relates to funding that was carried over from 2015-16 to 2016-17.

At the time of developing the 2016-17 original budget, the 2015-16 carryover into 2016-17 was not known and is only finalised at the completion of the financial year and reflected in the 2016-17 Revised Budget. The carryover amount is due to changes in cashflows for various capital projects and grants programs.

4. Regional Rail Revival Plan

Question:

- a) Has the Victorian Government established specific timelines for the delivery of the regional rail upgrades funded in the Plan and advised commuters when the benefits in terms of improved performance will flow?
- b) Are any of the regional rail upgrades being funded from the \$731.4m special appropriation from the Victorian Transport Trust Fund containing funds received from the lease of the Port of Melbourne (ref. BP3 page 123)?
- c) Does the Victorian Government have contingency plans in terms of other funding options to address the lack of Commonwealth funding for the Regional Rail Revival Plan?
- d) What funding has the Commonwealth allocated to Victorian rail in its announcement on 27 June 2017?

⁸ Department of Treasury and Finance, Budget Paper No.3: Service Delivery (2017), p.123

Response:

- a) The timeline for the delivery of infrastructure upgrades is dependent on the phasing of Commonwealth Government funding to be provided for the Regional Rail Revival initiative, which has not yet been finalised.

The Ballarat Line Upgrade Stage 1 is well progressed, with the preferred bidder for the main construction works contract announced on 4 July 2017. Major construction is scheduled to commence in early 2018 and be completed in late 2019.

Key stakeholders, including the community and users of the regional rail network, will be involved in the progression of these infrastructure initiatives and kept informed of key milestones and dates.

- b) There were no regional rail upgrades funded from the \$731.4 million reported in Table 2.3 Parliamentary authority for resources in the 2017-18 Budget Paper No. 3 p.123. This funding related to non-regional projects only. The Government set aside \$973 million or ten per cent of the proceeds of the sale of the Port of Melbourne to fund regional projects. These projects are listed in the 2017-18 Budget Paper No. 4, p.10.
- c) The Commonwealth Government has agreed to provide Victoria \$1.42 billion for the Regional Rail Revival program. As part of this agreement, the Victorian Government will also be contributing \$150 million towards a total \$1.57 billion package that will fully deliver the Regional Rail Revival Plan.
- d) The Commonwealth Government has agreed to provide Victoria \$1.42 billion towards the \$1.57 billion Regional Rail Revival program.

5. Major periodic maintenance on the regional rail network

Question:

- a) Please provide any further details about the works totalling \$103.4m to be undertaken in the 2017-18 financial year?
- b) Provide a full listing of these major maintenance works for the regional rail network
- c) Will a schedule of prioritised works be made publicly available?

Response:

- a) To support regional train punctuality and reliability, high priority major periodic maintenance works will be undertaken on the regional rail network to replace network critical assets that affect passenger and freight services. The four-year program of works will enable V/Line to deliver current service expectations safely and reliably and enable a more preventative maintenance program. This maintenance will support the delivery of capital upgrades as part of the Regional Network Development Plan (RNDP).
- b) The 2017-18 Major Periodic Maintenance Program on the regional rail network is still being finalised.
- c) A summary of the works will be available once the program is completed.

6. Regional trains

Question:

- a) Is it intended that the new carriages will include the improved design features?
- b) Can the Department provide any further detail about the timing of the delivery of the 39 new carriages over the forward estimates?

Response:

- a) The funding of \$311.1 million provided in the 2017-18 State Budget for 39 new VLocity carriages includes a package of design works for options to enhance the existing VLocity design to improve accessibility and amenity, increase carrying capacity, and enable them to run on long-haul services. The 39 new carriages will include improved design features.
- b) The timing of delivery of the 39 new VLocity carriages is forecast to occur from 2018-19 to 2020-21.

7. 2017-18 Federal Budget funding for transport infrastructure

Question:

- a) The 2017-18 Victorian Budget includes \$10 million for planning of a rail line from Southern Cross Station to Melbourne Airport. Is Commonwealth funding being provided for this planning initiative?
- b) Can the Department advise details of other Commonwealth infrastructure funding provided to Victoria for regional rail as part of the 2017-18 Federal Budget?

Response:

- a) The 2017-18 Commonwealth Budget included \$30 million towards the development of a business case for a rail link to the Melbourne Airport.
- b) The 2017-18 Commonwealth Budget included \$520.2 million for regional rail projects in Victoria. The Commonwealth and Victorian Governments have subsequently agreed a \$1.57 billion Regional Rail Revival program that comprises \$1.42 billion in Commonwealth funding that supersedes the regional rail Budget announcements.

8. New E-Class Trams

Question:

The Budget provides \$218.5 million funding over four years for ten new E-Class trams for metropolitan Melbourne. BP3 page 49 indicates that the initiative is aimed at improving service amenity through increasing accessibility, reducing overcrowding and congestion and improving reliability and punctuality. It is noted that the funding is provided over the forward estimates and beyond (note on page 42 BP3 refers to

\$5.4 million beyond 2020-21). Can the Department provide details to the Committee of the expected timelines for the delivery of these 10 trams?

Response:

Continuing the roll-out of Melbourne's E-Class trams, \$218.1 million was allocated in the 2017-18 State Budget for ten more high-capacity E-Class trams and supporting infrastructure, delivering a total of 80 new E-Class trams on the network. The first of the additional ten trams is expected to be delivered onto the network in November 2018, with all ten trams in service by mid-2019. Funding for supporting infrastructure continues beyond delivery of the ten trams.

9. Melbourne Metro Rail Tunnel

Question:

According to BP5 page 75, the Melbourne Metro Tunnel will be built via a series of 'work packages'.

The 'Tunnel and Stations Package' has been valued at \$6 billion and will be procured as an 'availability-based PPP project'. The PPP will operate over a 25-year period from 'Provisional Acceptance', with regular payments made to the successful consortium over that period. Three bids have been received for evaluation with construction expected to commence in 2018. Is the \$131 million increase announced in the 2017-18 Budget to the Metro Rail Tunnel budget for high-capacity signalling on the new Sunbury-Pakenham line an addition to the project?

Response:

The 2016-17 Budget (BP4, page 114) lists the Total Estimated Investment (TEI) for the Metro Tunnel Project as \$10.9 billion.

In the 2015-16 Budget, \$131.0 million was allocated for the High Capacity Signalling Trial. The High Capacity Signalling Trial will now be delivered as part of the Metro Tunnel Project. Consequently, the 2017-18 Budget (BP4, page 122) confirms the new TEI for the Metro Tunnel Project is \$11.03 billion.

The Melbourne Metro Rail Authority will deliver the initial implementation of high capacity signalling on the network via the Metro Tunnel - Rail Systems Alliance.

The preferred proponent for the Rail Systems Alliance was announced on 18 July 2017.

The location of the High Capacity Signalling initial implementation will support operational development including critical early engagement of drivers, assist the train operator to integrate the new technology into their operations as well as de-risking the delivery and commissioning of High Capacity Signalling for the Metro Tunnel.

10. Port of Melbourne operations lease

Question:

- a) Now that the lease has been signed and paid for, please outline the activities that the Government and its authorities are committed to in order to regulate the activities in the Port and monitor additional issues such as pollution, safety, etc.
- b) How will the performance of activities that remain with the Government be measured?

Response:

- a) Under the signed 50 year Port Lease and Port Concession Deed, the Private Operator ('Lonsdale Consortium') has assumed responsibility for all activities relating to the port's ongoing commercial operations relating to managing, operating, maintaining and developing the Port. These responsibilities include managing and maintaining port assets, developing the leased area for future port growth, managing existing tenancies, and complying with all relevant statutory obligations relating to safety and environmental, landside emergency management and pollution response.

Melbourne Port Lessor ('Port Lessor'), as a public body, was created to oversee the compliance of the Private Operator with all contractual and regulatory obligations detailed within the Port Lease and Port Concession Deed.

The Port Lessor role is landlord as the owner of all port land and associated assets and contract manager overseeing compliance with all contract terms and conditions it is a party to. The Port Lease requires the Private Operator to keep Port Lessor informed of all performance conditions under the Lease.

The State, under the Victorian Ports Corporation Melbourne ('VPCM'), has retained responsibility for the Harbour Master, Station Pier, relevant safety and environmental regulation, waterside emergency management and marine pollution response

- b) Port Lessor, as a public body, is governed by a Board. The Port Lessor reports to the Board on a quarterly basis on all matters relating to the Port Lease and Port Concession Deed compliance and performance.

The measurement of VPCM's performance is undertaken through the standard planning and reporting processes for government business entities.

11. Port rail shuttle project

Question:

Last year's budget papers noted that this project was on hold pending the lease of the Port of Melbourne's operations.⁹ The latest budget papers reveal that the TEI of the project has not changed, but does not include information on scheduled expenditure or expected date of completion.¹⁰ When does the Department expect to have a budget prepared for the project?

Response:

The Department is in the process of recommencing the Port Rail Shuttle Project and, subject to approval by State and Commonwealth ministers, expects to be in a position to have a budget prepared, including scheduled expenditure and expected date of completion, by the end of 2017.

⁹ Department of Treasury and Finance, *Budget Paper No.4: 2016-17 State Capital Program* (2016), p.26

¹⁰ Department of Treasury and Finance, *Budget Paper No.4: 2017-18 State Capital Program* (2017), p.28

12. Mordialloc Bypass

Question:

The 2017-18 Budget includes \$300 million for the Mordialloc Bypass.¹¹

- a) What are the causes of the traffic problems in the area e.g. commuters, freight movements, commercial deliveries, or other factors?
- b) What alternatives to the bypass did the Department consider to address traffic problems in the area?
- c) How does the Department plan to communicate whether the project has achieved its objectives?

Response:

- a) A competing set of mobility demands, that is, freight, public transport and private vehicle movements, are creating barriers to the movement of people and goods in Melbourne's South East.

The northern terminal of the Mornington Peninsula Freeway transitions into arterial roads. These arterial roads are under significant pressure, as they are catering to commuter movements between:

- the South Eastern suburbs and the CBD,
- the South Eastern suburbs and National Employment Clusters, and also between
- local residential areas and amenities.

Better north-south and east-west links to facilitate movements through the middle south-eastern suburbs, will assist roads within this area to meet a high volume of competing demands in this area.

Importantly, it will help with traffic volumes on secondary arterial and local roads accessing employment at Monash and Dandenong, easing bottlenecks and delays, particularly during peak periods (i.e. from 7am to 9am and 4pm to 6pm).

- b) Alternative options to the bypass considered include alternative transport choices for the south-east, introducing network management systems and latest technologies to improve traffic and increasing existing road network capacity.
- c) VicRoads will complete a Post Completion Evaluation (approximately 12 months from the completion) to consider how efficient and effective the project has been in realising its objectives and identifying learnings from the planning and delivery stages. A report summarising the results of the Post Completion Evaluation will be available on the VicRoads' website.

13. Ballarat GovHub

Question:

The budget papers include \$19.3 million in capital funding and \$28.4 million in recurrent funding for this project over the forward estimates period.¹² Some functions and agencies will be relocated from Melbourne, with 600 government employees intended to be employed at the facility.

- a) Is this project shared between the Major Projects and Regional Development portfolios?
- b) What will Development Victoria's input into this project be?

¹¹ Department of Treasury and Finance, *Budget Paper No.3: 2017-18 Service Delivery* (2017), p.41

¹² Department of Treasury and Finance, *Budget Paper No.3: 2017-18 Service Delivery* (2017), p.27, 33, 41

c) How will Development Victoria measure its success in relation to this project?

Response:

- a) Yes.
- b) It is intended for Development Victoria to be the developer of the building.
- c) Development Victoria will measure its success across a variety of performance indicators and project milestones, including:
- the build being completed to schedule and to budget;
 - ensuring the design of the project meets the needs of the client;
 - contributing to urban renewal within Ballarat's CBD; and
 - generating economic impact and job creation within the Central Highlands region economy.

14. Public private partnership projects

Question:

For those PPP projects that Development Victoria has an involvement with:

- a) Does Development Victoria have a greater level of involvement in these projects than for non-PPP projects?
- b) If there is a higher level of involvement, what does this entail?

Response:

- a) Development Victoria is not currently involved in any PPP projects.
- b) N/A

15. Value capture in infrastructure projects

Question:

- a) Is the Department considering the value capture model as a potential practical means of financing projects in 2017-18 and the future?
- b) Which projects does the Department consider to be appropriate for this financing method?
- c) How might the Government handle some of the difficulties with this approach, such as landowners who may not sell their properties and realise the capital gains for decades after the project is complete?

Response:

- a) The Government is examining opportunities to apply its recently released Value Creation and Capture Framework (VCCF) to eligible projects. An interdepartmental committee (IDC) has already been established to lead and oversight its application.
- b) The application of value capture to projects will be decided on a case-by-case basis.
- c) The application of value capture mechanisms to projects will be guided by principles as set out in the VCCF. This includes ensuring that value capture mechanisms are fair, equitable, transparent and easily understood.

16. Melbourne Park Stage 3

Question:

The Budget includes funding of \$271.6 million for this project,¹³ as well as \$0.1 million each year in recurrent funding.¹⁴

- a) What type of financing model will be utilised?
- b) Will the cost/benefit analysis be publicly released?
- c) How will Development Victoria be contributing to this project?
- d) How will Development Victoria be measuring its success?
- e) How does the project guarantee the Australian Open will be held in Melbourne until 2036?

Response:

- a) This project was fully funded in the 2017-18 Budget.
- b) The business case is a Cabinet in Confidence document.
- c) Development Victoria is providing project delivery services.
- d) In providing project delivery services, Development Victoria will be measured in accordance with agreed scope, timelines and budget.
- e) The Framework Agreement between Tennis Australia, Melbourne Olympic Parks Trust and the State guarantees that Tennis Australia will hold the Australian Open at Melbourne Park until 2036.

17. Ballarat Station precinct redevelopment project

Question:

The Ballarat Station precinct redevelopment project involves the development and operation of an integrated hotel and exhibition/convention centre in partnership with the private sector consortium (the Pellicano Group).¹⁵ The Government allocated \$25 million from the Regional Jobs and Infrastructure Fund to this project, with construction expected to commence in mid 2017.¹⁶ The aim is to attract more visitors to Ballarat and stimulate the local community's economic growth and development.¹⁷

- a) Has public sector comparator modelling¹⁸ been done for this project? If so, what were the results and key findings?
- b) What would be the expected capital investment costs incurred for this project?
- c) If this is a public private partnership (PPP) project:
 - What is the reference within the 2017-18 budget papers to the project?
 - How long will this project be privately operated?
 - What are the key PPP terms and conditions?
 - What are the expected performance standards for the Pellicano Group?

¹³ Department of Treasury and Finance, *Budget Paper No.3: 2017-18 Service Delivery* (2017), p.90

¹⁴ Department of Treasury and Finance, *Budget Paper No.3: 2017-18 Service Delivery* (2017), p.78

¹⁵ Regional Development Victoria, 'Regional Development', available at <http://economicdevelopment.vic.gov.au/what-we-do/regional-development>

¹⁶ Daniel Andrews MP, media release, 29 November 2016, 'Transforming Ballarat's Historic Station Precinct', available at <http://www.premier.vic.gov.au/transforming-ballarats-historic-station-precinct/>; Regional Development Victoria, 'Ballarat Station Precinct Redevelopment Project', available at <http://www.rdv.vic.gov.au/regional-projects/ballarat-station>

¹⁷ BP3 pp.27, 34

¹⁸ The public sector comparator modelling allows governments to determine if a public-private partnership or other arrangements would be more cost effective.

- d) If this is not a PPP project:
- What type of partnership model did the Government enter into with the Pellicano Group?
 - What is the reference within the 2017-18 budget papers for this project?
- e) As this project has two construction stages, what is the expected completion date?

Response:

- a) Public sector comparator modelling was completed for this project. It identified a net benefit in private sector delivery.
- b) Total capital investment of the site is expected to be \$44 million comprised of a \$25 million state contribution and \$19 million from the private developer (Pellicano).
- c) This project is not a PPP.
- d) The Government has a Development Agreement with Pellicano Group.

This is part of the Regional Development output cost. The \$25 million state contribution is sourced from the Regional Infrastructure Fund which Regional Development Victoria administers.

- e) Expected project completion is September 2019 with Stage 1 – Commuter carpark and associated works expected to be completed in April 2018 and Stage 2 – Hotel and convention centre in September 2019.

18. Level Crossing Removal Program (LXRP)

Question:

The Level Crossing Removal Program (LXRP) TEI (BP4 2017-18, p.24) is projected to be approximately \$6.9 billion.

- a) Please explain the reasons contributing to the increase of approximately \$200 million more than the LXRP TEI (specifically, the two LXRP projects: *Level Crossing Removal Program* and *Level Crossing Removal Projects*) in the 2016-17 budget (BP4 2016-17 p.24).
- b) Please explain the reasons why this figure is significantly different from the LXRP business case executive summary which states an estimated project cost of \$6.6 billion (p.10). What are the reasons that contributed to this difference?

Response:

- a) The 2017-18 State Budget shows the Government has spent nearly \$2 billion (\$1.94 billion) to date on removing dangerous and congested level crossings. This is the result of decisions throughout the year to fast-track the removal of level crossings across Melbourne, with ten crossings now removed and a further 13 currently under major construction. The 2017-18 State Budget also brings forward \$846 million across the forward estimates that will be spent to speed up level crossing removals. As a result of this funding, the Government is set to exceed the promise to remove 20 level crossings up to 28 by the end of 2018. In addition to the 50 grade separations in the original commitment, the Government has expanded the project scope of the LCRP to include an additional level crossing removal at Park Street in Cheltenham and an additional level crossing closure at Mascot Street, Carrum.
- b) Since the development of the 2016-17 State Budget TEI in May 2016 and the Business Case TEI in February 2016, the Level Crossing Removal Authority has undertaken extensive community consultation and detailed technical and engineering assessments for many of the 50 level crossing removal sites. This has led to having more refined designs and a clearer understanding of what the program will deliver, and being able to cost

the projects accordingly. The fast tracking of delivery, additional scope and improved community and technical information have contributed to the revised LCRP TEI in the 2017-18 State Budget.

19. Telecommunications expenditure figures for 2016-17 financial year

Question:

The figures provided by DEDJTR in its response to the general questionnaire (ref: Q25) are presented below.

Year	Data (\$m)	Fixed Voice (\$m)	Mobile (\$m)	Internet (\$m)	Unified Communications (\$m)
2016-17 ^(a)	12.3	11.7	3.5	2.0	0.3

(a) Estimate based on March 2017 year-to-date expenditure.

Please provide updated figures for the 2016-17 financial year (or best estimate of the full year costs).

Response:

There is no variance to the original full-year estimates as there have been no additional charges or material variances to the expected payments.

20. Managing telecommunications usage and expenditure

Question:

- a) DEDJTR advises that a device usage policy outlines acceptable use and protocol to be followed - Ref: response to Q26(a)
- Please provide a copy of this policy.
- b) DEDJTR advises that fixed voice and mobile usage is '*monitored regularly through audits and reviews of detailed invoices*' - Ref: response to Q26(b)
- Please provide further explanation of what is meant by "regularly" i.e. are there specific intervals for review?
- c) To what extent are the Executive/Senior management of the Department apprised of telecommunications expenditure and at what intervals this information is reported to the Department's Executive? - Ref: Response to Q26(a)
- d) With regard to the reporting regime and oversight of telecommunications usage and expenditure, DEDJTR advises that the Department's central IT functions undertakes this role and that 'regional locations undertake this oversight in a number of cases.' - Ref: response to Q26(e)
- Please provide further details in relation to the management and oversight of telecommunications usage and expenditure in regional locations. What Departmental policies and procedures are in place to guide Regional offices in managing this expenditure?

Response:

- a) A copy of the Mobile telephones, smart phones and tablet devices policy is at Attachment 1.
- b) Fixed-line telephony expenditure is monitored at monthly intervals.

A tool provided by NEC (MA 4000) identifies unused services (lines) at DEDJTR's two VoIP-enabled CBD sites (1 Spring Street and 121 Exhibition Street Melbourne).

A Telstra Blitz report is produced quarterly and used by management to identify unused mobile services and areas for potential savings.

- c) The Chief Information Officer is briefed on updates and trends relating to telecommunications usage on a quarterly basis.

The DEDJTR Executive Board is briefed quarterly on Departmental ICT expenditure, including fixed-voice telephony expenditure.

A single monthly vendor invoice covering charges for all DEDJTR mobile services in DEDJTR is received and reviewed by Technology Services for overall trends and/or unexpected changes. Any issues are addressed with the vendor and the Chief Information Officer is briefed on trends.

- d) Regional offices manage telecommunications expenses in line with other expenses directly managed by the office. The review and payment of telecommunications bills for these locations is managed in line with DEDJTR's fiscal policy framework (eg the Financial code of practice, Financial delegations policy and Expenditure policy and procedures).

21. Managing the use of Mobile phones

Question:

DEDJTR advises that, with regard to the provision of mobile devices, staff are required to acknowledge Department policy and their usage obligations by signing the *Mobility Request form* for a device. - Ref: response to Q27(b)

Please provide a copy of the agreement/acknowledgement form which DEDJTR staff are required to complete.

Response:

A copy of the DEDJTR Mobility Request form is at Attachment 2.

22. Identifying cost savings in telecommunications

Question:

DEDJTR advises that it is currently in the process of replacing all analogue and digital PABX infrastructure in the CBD with VoIP technology and is assessing the feasibility of applying the technology in regional locations - Ref: response to Q28(e)

- Please advise when the Department expects to complete its replacement program.
- Please advise when the feasibility study re: regional locations is expected to be completed and a decision made on future strategy for VoIP technology in those locations?

Response:

The CBD program ran from January 2017 to June 2017. Approximately 3,000 VoIP handsets were deployed.

The feasibility study of regional locations was completed in June 2017.

It has been agreed to implement VoIP in DEDJTR's regional locations (pending funding approval).

Three metro offices (Dandenong, Ringwood and Bundoora Victorian Government Business Offices) have been connected to the DEDJTR VoIP system.

No further analogue voice services will be provisioned. Any new sites and locations will be connected to VoIP.