

# Entity-specific questionnaire – Department of Environment, Land, Water and Planning

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## 1. Unapplied previous years appropriation

The 2017-18 Budget papers state there is a revision to the Department's 2016-17 unapplied previous years appropriation from \$85.2 million to \$134.4 million.<sup>1</sup> What has caused the revision to the unapplied appropriation figure?

The movement is due to the 2016-17 budget for unapplied previous years appropriations being revised upwards following the release of the 2016-17 Budget. This is predominantly due to:

- delays relating to the complex nature of the funding agreements for the Bendigo Ground Water Project and the Sustainable Water Management – Thomson River initiative. In addition, the 2015-16 Natural Disaster Resilience Grants Scheme (NDGRS) Agreement with the Commonwealth was not signed until late in 2015-16, resulting in a delay of payments associated with the Climate Change Action Package initiative;
- the timing of commercial and legal advisory service commitments with external parties associated with the Victorian Desalination Project. The expenditure will be incurred in 2016-17 instead of 2015-16; and
- underspends in the 2015-16 year arising from savings from the refinancing of Aquasure's external debts in March 2016.

## 2. Planning Building and Heritage output

The 2017-18 Budget figure for the Planning Building and Heritage output has increased by 24.7 per cent to be \$194.6 million compared to \$156.1 million in the 2016-17 Budget due to 'additional Government investment ... related to *Fishermans Bend - Planning for a city's future*, *Revitalising central Geelong*, and increases in the *Growth Area Public Transport Fund* and *Building New Communities Fund* expenditure profiles'.<sup>2</sup> Please provide:

- (a) further details regarding the expenditure profiles for the *Growth Area Public Transport Fund* and the *Building New Communities Fund* for 2017-18 and over the forward estimates.

	2017-18 (\$m)	2018-19 (\$m)	2019-20 (\$m)	2020-21 (\$m)
Building New Communities Fund	55.9	22.4	22.4	19.4
Growth Areas Public Transport Fund	24.5	24.5	24.5	19.4

These are the current forecast expenditure amounts for the above funds. As additional projects are identified as part of the new annual process, these expenditure amounts will increase over time.

<sup>1</sup> Department of Treasury and Finance, *Budget Paper No.3: Service Delivery* (2017), p.200

<sup>2</sup> Department of Treasury and Finance, *Budget Paper No.3: Service Delivery* (2017), p.199

- (b) an update of the projects and programs that will be eligible for funding under these two initiatives.

Following the establishment of the new Suburban Development portfolio, the Minister for Planning's role in recommending projects for Growth Area Infrastructure Contribution (GAIC) funding is now shared with the Minister for Suburban Development. Together they recommend a package of projects to the Treasurer for approval.

To ensure appropriate allocation of GAIC funds, and provide a strong pipeline of projects that can be delivered when and where it is required, a new annual process was implemented. This includes guidelines that outline eligibility, the assessment criteria and process for submitting projects for GAIC funding. Only State Government departments or agencies can apply for funding to deliver important infrastructure projects that address the needs of communities within the urban growth boundary. To ensure coordination of priorities, applications must be authorised by the relevant portfolio Minister. This provides a robust approach to the allocation of GAIC funds, recognising that the funds have specific legislative purposes, distinct from the broader state revenue allocated through the budget process.

The Office for Suburban Development (OSD) in the Department of Environment, Land, Water and Planning (DELWP) is responsible for developing and administering GAIC guidelines, receiving and assessing applications and monitoring and managing revenue and expenditures. OSD undertakes this role in consultation with an inter-departmental panel, including the Planning Group in DELWP, the Department of Treasury and Finance (DTF) and the Victorian Planning Authority (VPA).

Under the legislation, GAIC funds are to be used to deliver state funded infrastructure (and related land acquisition), including public transport infrastructure, other transport infrastructure (e.g. walking or cycling) and regional, community, environmental or economic infrastructure. GAIC funds must be spent in and for the benefit of growth areas. The funds are intended to be distributed to growth areas in proportion to the amount received from that growth area over time. However, there may be short to medium term variations in allocations depending on individual project priorities and revenue collected.

GAIC funds can only be used for the purposes of state-funded infrastructure projects.

#### **Growth Areas Public Transport Fund (GAPTF):**

The GAPTF may be used for public transport in a growth area including:

- capital works for state funded public transport infrastructure
- the acquisition of land and other infrastructure necessary or required for the establishment, operation or maintenance of the state funded public transport infrastructure
- payment of recurrent costs relating to the provision of a new public transport service in any growth area for a maximum of five years after the commencement of that service.

#### **Building New Communities Fund (BNCF):**

Projects funded from the BNCF may be used for capital works for state funded infrastructure in growth areas, including the following:

- community infrastructure, such as health, education, justice and emergency facilities, regional libraries and major recreation facilities
- environmental infrastructure, such as regional open space, trails and creek protection

- economic infrastructure, such as the provision of access to information and technology, and infrastructure supporting the development of commerce and industry
- transport infrastructure, such as walking and cycling but excluding major public transport infrastructure
- the acquisition of land and other infrastructure necessary or required for the establishment or maintenance of these types of infrastructure.

**Attachment 2** provides further details on the GAIC application guidelines. There is also more information on the website <https://www.suburbandevlopment.vic.gov.au/partnerships/growth-areas-infrastructure-contribution-fund>.

### 3. *Local Government* output

In the 2017-18 Budget the *Local Government* output has had funding decreased by 19.5 per cent, from \$114.4 million in the 2016-17 Budget to \$92.1 million in 2017-18 due to 'a restructured *Growing Suburbs Fund*. The Fund is allocated across 2017-18 and 2018-19 to focus on medium and long term projects'.<sup>3</sup> Please provide further detail regarding the restructure of *Growing Suburbs Fund*, including:

- (a) The restructured budget for the fund over 2017-18, 2018-19 and the remainder of the forward estimates period.

The fund has been allocated \$25 million to spend in 2017-18 and a further \$25 million in 2018-19.

- (b) The nature of the medium to long term projects that will now be the focus of the fund and how these may have differed to projects that received support from the *Growing Suburbs Fund* in the past.

The initial two years of funding has enabled councils to begin a program of construction works that improves access to community facilities for residents. 60 per cent of the projects previously funded are still in construction. The Department will work closely with councils in the 2017-19 funding round to identify community infrastructure projects that improve the amenity, liveability and resilience of interface communities, support connections, enhance services and provide local jobs.

### 4. Environmental Contribution Levy

In relation to the Environmental Contribution Levy (ECL), please

- a) Provide a copy of the Environmental Contribution Definition Statement referred to by the Department in its responses to the Committee's 2017-18 Budget Estimates Questionnaire (pp.38-9)

The Definition Statement is an internal document which assists to provide a common understanding of the objectives set out in Part 9 of the *Water Industry Act 1994* and assists to provide guidance to ensure that proposed Environmental Contributions (EC) investments are developed to align to these objectives.

The Definition Statement is provided in **Attachment 3**.

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<sup>3</sup> Department of Treasury and Finance, *Budget Paper No.3: Service Delivery* (2017), p.199

- b) Indicate the methodology undertaken by the Department to select and prioritise the projects funded by the ECL. Please, provide examples of these.

The methodology used has been adapted to address concerns raised in the Victorian Auditor General's report of 2014 that consideration of the objectives of the EC was not adequately or systematically documented in early internal planning stages for subsequent State Budget consideration of funding proposals.

In initial planning, before proceeding for consideration through the State budget process, all proposals for EC funding must include as part of department templates:

1. how the proposed investment specifically aligns with and will help achieve the EC's legislated objectives, specifically substantiated with linkages between the proposed program and the sub-components of the objectives outlined in the Definition Statement.
2. provide an assessment of the strength of this alignment as either strong, moderate or weak. These two pieces of documentation provide a rationale for EC funding based on alignment with the objectives, and forms the initial and principal gateway for assessment of whether a proposal is suitable for EC funding.
3. score and provide a rationale on each proposal's merit against a set of defined standardised broader investment criteria used to prioritise investments, which are designed to accord with DTF business case requirements, including:
  - alignment with state endorsed policy commitments
  - responds to a problem that is clearly defined
  - demonstrated public benefit and need
  - demonstrated value for money
  - feasibility of implementation
  - capacity to effect transformational and enduring outcomes and improvements in water system management.

This documentation is required to be approved by the Executive Director responsible for each proposal and is then reviewed and agreed by the broader Water and Catchments Executive team, with agreed prioritisation determined prior to development of business cases for the State Budget process. This initial assessment process has helped to ensure that proposed investment packages are focussed on fulfilling the purposes of the EC.

As any specific current examples are part of early planning of input into a Cabinet process, it would not be appropriate to provide these. However, examples of investments made in the past can be found in State Budget Papers, with public reporting of delivery of EC initiatives provided on DELWP's website.

- c) Provide a copy of the evaluation framework (to monitor, evaluate and report the management of the ECL) referred to by the Department in its responses to the Committee's 2017-18 Budget Estimates Questionnaire (p.41)

As outlined in the questionnaire, DELWP has established an evaluation framework which aims to establish a consistent basis on which the effectiveness of the fourth tranche of the EC can be evaluated over the next three years.

The framework requires the completion of evaluation plans to cover all EC investment. The template and guidance provided to project managers to assist with this is provided in [Attachment 4](#) and [Attachment 5](#).

All plans are required to be approved and monitored by the Environmental Contribution Project Control Board.

Since these standards were established, work has focussed on continuing to implement and improve the framework and DELWP is currently conducting a quality review of evaluation plans and the framework as a whole for the fourth tranche, using external evaluation expertise, to ensure that plans are consistent, reasonable and robust, and to ensure that the framework as a whole is robust.

- d) Provide the data for ECL's tranches 1, 2, 3 and 4 based on the Minister's presentation at the Estimated hearings (Hon Lisa Neville MP, Minister for Water, *2017-18 Budget Estimates Hearing Water Portfolio*, 1 June 2017, p.4)

Tranche	Year	Revenue (\$m)	Expenditure (\$m)
EC1	2004-05	44.6	44.6
	2005-06	60.2	48.6
	2006-07	60.2	44.1
	2007-08	61.5	69.9
	2008-09	-	10.2
<b>Tranche 1 TOTAL</b>		<b>226.5</b>	<b>217.4</b>
EC2	2007-08	-	60.9
	2008-09	69.4	68.9
	2009-10	69.4	68.2
	2010-11	69.4	47.0
	2011-12	69.4	41.9
	2012-13	-	2.2
<b>Tranche 2 TOTAL</b>		<b>277.6</b>	<b>289.1</b>
EC3	2012-13	69.4	29.6
	2013-14	112.0	68.7
	2014-15	111.9	99.8
	2015-16	112.0	129.8
	2016-17	-	44.7
	2017-18	-	21.2
	2018-19	-	9.4
	2019-20	-	2.3
<b>Tranche 3 TOTAL</b>		<b>405.3</b>	<b>405.5</b>
EC4	2016-17	112.0	112.0
	2017-18	112.0	145.1
	2018-19	156.6	134.5
	2019-20	156.6	116.4
<b>Tranche 4 TOTAL</b>		<b>537.1</b>	<b>508.0</b>
Unallocated EC4*	2018-19	-	14.6
	2019-20	-	14.6
<b>Unallocated EC4 TOTAL</b>		<b>-</b>	<b>29.2</b>

*Note: Actual amounts used for 2004-05 to 2015-16. Budgeted amounts used for 2016-17 to 2019-20.*

*\* There is \$29.2 million in unallocated EC4 revenue. This has been notionally cash flowed equally over 2018-19 and 2019-20. The actual allocation will be determined as part of the State Budget Process.*

- e) What is the status of the dedicated project office (including staffing) as noted in *Water for Victoria* section 10.6, action 10.13?

The Project Office was established in 2016 to implement stronger governance, monitoring and reporting of the implementation of the fourth tranche of EC funding and the delivery of Water for Victoria. This is in addition to existing Departmental controls, governance and reporting of financial management and business performance.

The Project Office is an internal team of two staff members located within the Water and Catchments area of DELWP, but draws on work by project managers and existing business support staffing and systems in place within DELWP, to provide support, reports and advice to a formal Environmental Contribution Project Control Board that has been established. Meetings are held bi-monthly, and provide an additional forum to the ongoing oversight and management of delivery of EC initiatives through DELWP's existing reporting structures.

#### 4. Telecommunications expenditure figures for 2016-17 financial year

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

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

Year	Data (\$)	Fixed Voice (\$ (a))	Mobile (\$)	Internet (\$ (b))	Unified Communications (\$)
2016-17 (a)	7,588,517	1,646,393	745,925	799,894	120,416

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

Year	Data (\$)	Fixed Voice (\$)	Mobile (\$)	Internet (\$)	Unified Communications (\$)
2016-17	7,868,426	1,684,854	909,373	882,778	120,311

#### 5. Managing telecommunications usage and expenditure

- (a) DELWP advises that the department has a Device usage policy which outlines acceptable use and protocol - Ref: response to Q26(a)
- Please provide a copy of the Department's Device Usage Policy.

Provided in [Attachment 6](#).

- (b) In managing fixed voice and mobile service expenditures, DELWP advises that a quarterly consumption report is distributed to business groups for review - Ref: response to Q26(b)
- What processes and actions are to be taken following distribution of these reports?

Business groups review the distributed reports and may request cancellation of services, update charge codes or change to user names to ensure correct charging. Issues relating to billing are followed up through the centralised support team.

## 6. Managing the use of Mobile phones

- (a) DELWP refers to guidelines set out in the Mobile Device Policy - Ref: response to Q27(a)  
Please provide a copy of the Mobile Device Policy.

Provided in [Attachment 6](#).

- (b) Are DELWP staff required to formally agree to the terms and conditions of usage of a mobile phone? - Ref: response to Q27(b)

If so, please provide a copy of the agreement/acknowledgement form which staff are required to complete.

Staff are required to acknowledge their acceptance of the mobile device policy and computer facilities acceptable usage policy on a digital form prior to provision of a variety of technology devices and services such as computer, mobile phone or tablet. A sample is provided in [Attachment 7](#).

- (c) DELWP advises that a model of self-regulation and local discretion is applied in relation to the personal use of mobile phones provided to staff – Ref: response Q27(c) and (d)
- How does DELWP enforce compliance with its policy and guidelines?

Staff are required to read and agree to the terms and conditions of the 'Mobile device policy' and the 'Acceptable usage policy' before receiving a device or service related to mobile or computing technology. Regular consumption reports are provided to business groups for review and to prompt further investigation if required.

Acceptable personal usage is subject to interpretation of the policies and is not defined in value across DELWP.

A breach of policy may result in the removal of the service or the staff member being sanctioned via the staff performance management process.

- How is “excess personal use” defined by DELWP?

The department allows for reasonable personal use of the department’s computer facilities, including mobile telephones, in accordance with the Conditions for Personal Use of Computer Facilities, shown below.

**Personal use of the department's computer facilities is a privilege and must not:**

- breach this Policy, or any other departmental or Victorian Public Service (VPS) Procedure or Policy or any Commonwealth or Victorian laws, for example, anti-discrimination legislation
  - interfere with any legitimate business use by the individual or others using the department's computer facilities
  - affect the work output of the user or others using the computer facilities
  - affect the performance of any departmental computer facilities or networks
  - affect the department's recordkeeping operations
  - have a negative impact on the department or be offensive towards its people or clients
  - expose the department to any risk or liability associated with being in breach of any law.
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- Is there any senior management oversight of the use of mobile phones in line with the DELWP policy and guidelines or is the onus only on individuals to self-regulate and verify the accuracy and appropriateness of costs incurred?

Mobile phone consumption reports are centrally verified and provided to business groups for review and confirmation on a regular basis. Business groups can investigate cost anomalies and take action in response to breaches of the mobile device policy or computer facility acceptable usage policy. This includes referral to the departments People and Culture investigations unit if required.

## 7. Identifying cost savings in telecommunications

- (a) TPAMS2025 – DELWP advises it is currently reviewing the new WoVG telecommunications arrangements – Ref: response to Q28(b)
- Please advise the status of the Department's review of the TPAMS2025 offerings.

A review of plans under TPAMS2025 Mobility Tower has been completed. Based on a 'like for like' plan this will see estimated savings of approximately 32 per cent per device. The new agreement has been executed and transition is in progress.

- What advantages/benefits are expected to be achieved through the new arrangements?

Benefits of the TPAMS agreement will offset costs associated with improved mobile services across the department.

- (b) DELWP advises that VoIP phones are being deployed to replace analogue lines as sites are refurbished – Ref: response to Q28(e)
- Please advise the anticipated benefits of VoIP solutions for the Department.

A VOIP solution will provide access to localised unified communications solutions, such as follow my phone number. It is anticipated it will reduce internal communication costs although the quantum of savings is yet to be established.

- Does the Department have a target date for refurbishment of all analogue lines?

Melbourne CBD sites will be migrated over during refurbishment works being carried out during 2017-18 and all remaining services being migrated over by June 2019.