



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

2011-12 BUDGET ESTIMATES QUESTIONNAIRE

DEPARTMENT OF PRIMARY INDUSTRIES

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PART A: Non-Budget-sensitive information

Responses to questions in Part A are due by 5.00 pm, Thursday 28 April 2011

1. Strategic priorities

Question 1.1

What are the Department's key strategic priorities that underpin its budget for 2011-12 and over the forward estimates to 2014-15?

DPI's current interim Strategic Plan 2010-13 describes the outcomes the Department seeks to achieve and how the department intends to deliver these outcomes. The Strategic Plan is reviewed annually to ensure that activities undertaken are in alignment with current demands, challenges and opportunities impacting on Victoria's primary and energy industries.

In addition to the Strategic Plan, the Department's service and asset strategies detail the department's strategic directions beyond 2012-13.

DPI's key strategic priorities informing the Department's 2011-12 Budget and its work activities include:

- **Agriculture: driving productivity and enabling adjustment** - developing new technologies and farm practices will be critical to boosting agricultural productivity and export potential, as will early detection and management of biosecurity threats to minimise their impact and enhance market access. Policy settings, research, development and practice change will enable farm businesses to adapt to change and remove barriers to careers for young people in food and fibre production.
- **Forestry: securing investment and jobs** - Providing long-term security for the forest industry and maximising the value of Victoria's timber resources is a priority, as is assisting the industry to adapt to environmental, social and economic change.
- **Fisheries: sustainably managing the resource** – Improving fisheries management decisions by conducting research into sustainable management of Victorian fisheries, developing national reforms and improving consultation with industry are key priorities, as is improving recreational opportunities from fishing.
- **Energy: transformation of Victoria's energy sector** – Ensuring a policy environment conducive to investment in a range of energy generation sources and distribution is critical to the transformation that would be required under carbon constraints, as is achieving an efficient national energy market, facilitating greater energy use efficiency and quantifying the costs and benefits for a full range of options to reduce the risks of catastrophic bushfires from electricity infrastructure.

- **Earth Resources: capturing the value** – Building Victoria’s international profile as a highly prospective state with some globally significant resource endowments and providing a robust, predictable and responsive policy and regulatory framework will be critical to attracting and securing investment in Victoria’s earth resources. Moderating cost of living pressures through access to competitively priced and secure energy sources and technological opportunities that exist with respect to coal and carbon capture and storage is a priority, along with developing new earth resource contributions to power generation.

The Department’s key strategic priorities align with new funding sought through the annual budget process and existing funded projects and/or programs which may not be published in the 2011-12 State Budget Papers.

Question 1.2

If applicable, how do these priorities differ from the previous year?

DPI’s strategic priorities for 2011-12 build on its 2010-11 strategic priorities, with a continuing focus on ensuring that the Department designs and delivers government policies and programs which enable Victoria’s primary industries (agriculture, forestry, fisheries, energy and earth resources) to sustainably maximise employment, wealth and wellbeing for Victorian families, regions and communities. Implicit in the Department’s 2011-12 strategic priorities is an increased emphasis on delivering the Government’s policy commitments.

2. Budget preparation

Question 2.1

- (a) Does your Department estimate the cost of providing input into the process of developing the State Budget?

DPI does not formally estimate the cost of providing input into the process of developing the State Budget, as it does not undertake costing by detailed activity. The State Budget process is a core annual support activity of the department and involves numerous staff and effort across the department.

DPI has a small central team (Budget Strategy) who coordinate the Department’s role in the annual State Budget process on behalf of the Department. A major component of Budget Strategy’s role includes liaising with Divisional, central agency and senior DPI staff as part of the coordination of initiatives and submission process.

The cost and time of Budget Strategy’s effort has been reasonably estimated, and is answered in Question 2.1(c) below.

- (b) If so, what are the cost centres involved e.g. preparation of budget bids; preparation, internal reviews and approvals of business cases; servicing the Budget Expenditure Review Committee?

Not applicable.

- (c) If it is possible to do so, what is the Department's estimate of the cost of work undertaken as part of the preparation of the 2011-12 Budget (please provide a breakdown according to key tasks if possible). For the Department of Treasury and Finance, please provide a breakdown that differentiates between the part of the Department that provides input as a department and the part of the Department that manages the budget process as a whole on behalf of the Government.

It is not possible to estimate the cost of work undertaken by the **entire department** in preparation for the 2011-12 State Budget. This is because there are a number of staff undertaking work, including policy development and engagement, which may support budget bids but which cannot be reliably estimated. However an estimate is provided for the work undertaken by DPI's central team (Budget Strategy) who coordinate the State Budget process on behalf of the Department.

The Budget Strategy team employs three staff who are engaged in budget preparation activities throughout the year. Key activities undertaken by Budget Strategy include:

- Planning in preparation for the State Budget (e.g. internal coordination of initiatives to be put forth for funding);
- Coordination of DPI's 2011-12 Submission (e.g. communicating central agency requirements and quality assurance of submission); and
- Development of the DPI's sections of the State Budget Papers.

It is estimated that the cost of their time and effort in undertaking these activities for the 2011-12 State Budget is approximately \$100,000.

- (d) What is the estimated expenditure incurred for the engagement of consultants by the Department to assist in the preparation of items considered for the State Budget for 2011-12?

DPI is required to prepare a submission for every initiative it puts forth for consideration as part of the 2011-12 State Budget. The information to be covered in the submission is determined by the Department of Treasury and Finance (DTF). Submissions for larger or more complex initiatives are generally accompanied by a business case.

For the 2011-12 State Budget, all submissions and two out of three business cases submitted were prepared by DPI staff. DPI incurred expenses of \$6,000 for the engagement of consultants to prepare one business case.

Question 2.2-2.3 (Department of Treasury and Finance only)

3. Performance measures

Question 3.1 (Department of Treasury and Finance only)