

3.10 Department of Sustainability and Environment

3.10.1 Departmental assumptions and performance measures

3.10.1.1 Question

Please list the key assumptions (up to five) that have been used to develop the department's budget projections for 2008-09.

Response

The following assumptions have been made in the development of the Department's 2008-09 budget:

- specific initiative funding likely to be provided under the 2008-09 State Budget;
- the Commonwealth is likely to alter Specific Purpose Payments (SPP's) contributions made to the Department's operations; and
- fire management, water supply, drought management and tackling climate change remaining priority issues for the department.

3.10.1.2 Question

What have been the key budget themes/issues that have had to be taken into account in framing the department's budget?

Response

As noted above, the Department's key focus in framing the budget for 2008-09 relates to water supply, fire management, the impact of climate change on the environment and managing the impacts of Victoria's ongoing drought.

3.10.1.3 Question

What impact have developments at the Commonwealth level had on preparing the department's component of the 2008-09 state budget?

Response

The main impact for the Department arising from developments at the Commonwealth level is the lack of early advice on funding for a number of projects or programs. This means that there is some uncertainty for the Department as to expected Commonwealth revenue for 2008-09, including the level of the Department's Special Purpose Payments (SPP's) for 2008-09.

For example, the Commonwealth is changing the way in which the existing National Action Plan for Salinity and Water Quality (NAP) and the Natural Heritage Trust (NHT) programs are run. In previous years, the Commonwealth has provided SPP funding under the NAP/NHT to match the State's contribution.

The Department understands that up to 40% of the Commonwealth's total contribution to States and Territories may potentially now be held centrally by the Commonwealth, with jurisdictions to 'bid' for a proportion of this funding.

3.10.1.4 Question

Please provide the rationale for any change in performance measures presented in the budget papers for 2008-09 (including new and discontinued measures).

Response

The 2008-09 Budget Paper 3 provides a summary of all Departmental performance measures, including explanations for those measures which have been added, amended or discontinued. Information on the Department's outputs for 2008-09 can be found on pages 227 to 245. Information on discontinued performance measures is located on pages 452 to 458.

3.10.1.5 Question

For any performance measures where there is a variance of over 10 per cent between the expected outcome for 2007-08 and the target for 2008-09, please provide the reasons for the variance.

Response

Major outputs/Deliverables	Units of Measure	2008-09 Target	2007-08 Expected Outcome	Comment
Sustainable Water Management and Supply				
Expected water savings through water recovery projects currently being implemented	mega litres	210 300	152 000	The 2007-08 Expected Outcome is lower than anticipated due to delays in the confirmation of savings from the Mokoan project and further reviews of some projects. The 2008-09 Target is in line with the initial 2007-08 Target.
Cumulative water savings realised through water recovery projects	mega litres	429 600	219 300	The 2008-09 Target is reflective of the water savings realised as at the end of 2008-09, whereas the 2007-08 Expected Outcome reflects the end of 2007-08.
Number of rivers with improved environmental flow regimes being delivered	number	20	1	The outcome for 2007-08 is significantly below the initial target, and was adversely affected by continuous dry conditions.
Public Land				
Critical Local Port assets replaced or undergoing major maintenance	per cent	15	17	In 2008-09, the projects to be undertaken involve significant, higher cost works. Therefore, a smaller number will be completed as compared to the 2007-08 Expected Outcome.
Biodiversity				
Land for Wildlife Properties which include habitat under-represented in the reserve system	per cent	30	39	High community awareness and participation has resulted in a better than anticipated annual outcome for 2007-08. The 2008-09 Target is based on historical outcomes for this performance measure.
Land and Fire Management				
Community engagement plans developed and implemented	number	5	10	In 2008-09 the community engagement plans will be consolidated at a regional

				level, with five regions across the state.
Personnel with accreditation in a fire role	number	1500	1993	The 2008-09 Target reflects normal outcomes. The 2007-08 Expected Outcome is higher than normal due to training of additional fire fighters to meet the demand for early commencement, and anticipation of a severe fire season.
Proportion of personnel accredited to serve in a senior capacity (level 2 or 3) in a fire role	per cent	15	11	The accreditation process is currently under review. The 2008-09 Target reflects the training and accreditation programs scheduled for 2008-09.
Fires controlled at First attack	per cent	75	90	The 2008-09 Target reflects normal outcomes. The Expected Outcome for 2007-08 was high due to a range of operational and community engagement initiatives that have been put in place.
Land Administration and Property Information				
Land Channel page impressions	number ('000)	5000	8000	The new provider of web statistics uses a different method of measurement, resulting in a reduction of expected page impressions in 2008-09 compared to 2007-08.

3.10.2 Asset funding

3.10.2.1 Question

Please provide a list of the asset investment projects for which capital expenditure is budgeted to occur in 2008-09.

Response

As at 8 May, the Department has budgeted the following capital expenditure for 2008-09:

2008-09 Capital Expenditure Initiatives	(\$million)
Foodbowl Modernisation Projects	74.1
Wimmera-Mallee Pipeline (State) – Additional Funding	58.0
Wonthaggi Desalination Project Stage 1 – Procurement Activities	30.0
Fire Protection – Access: Bridge Replacement in Parks and Forests	15.0
Victorian Water Trust (VWT) – Country Towns Water Supply and Sewerage Program	11.6
Sustainable Management of Victoria's Parks – Asset renew – (State-wide)	8.4
Australian Garden Stage 2, Royal Botanic Gardens, Cranbourne	7.1
Melbourne Zoo Seal Pool Redevelopment	7.0
Barwon Water Shell/Recycling	6.1
National Parks Upgrades	5.0
Bushfire Recovery	4.0
Upgrades of Piers and Jetties in Port Phillip and Westernport Bays	3.9
Public Land Fire Initiative (various)	3.6

Water Augmentation Projects – Hamilton to Grampians	3.5
Water Augmentation Projects – Melbourne to Geelong	3.0
TOTAL	240.4

Note:

- (1) As the Department has a large number of capital projects, many with only small amounts of funding, the above list only includes the 15 projects which have the highest budgeted capital expenditure for 2008-09.
- (2) The above list excludes estimated carryover from 2007-08.
- (3) Further information will be provided by the Department as part of the Budget Information Paper (BIP) No. 1.

3.10.2.2 Question

- (a) What are the future infrastructure challenges (immediate and long-term) facing Victoria that relate to the department's responsibilities?

Response

The two most significant infrastructure challenges currently impacting the department relate to securing Victoria's water supply and addressing climate change. Both of these challenges will also impact the Department for the foreseeable future.

- (b) Has the department undertaken (or plans to undertake) any forward looking assessment of infrastructure demand and future needs as they relate to the department's operations? If so, please provide details of the findings.

Response

The Department undertakes a range of forward looking assessments, such as mapping expected asset investment over the next ten years. This asset mapping assists the Department in determining the composition of annual asset budget bids to ERC.

Furthermore, the release of a number of Government strategies and policies, such as the *Our Water Our Future* statement, clearly identify how future needs will be addressed. A list of the key statements and policies for the Department are set out below:

Strategy or Statement	Year of release
Land and Biodiversity at a Time of Climate Change	2007-08
Northern Region Sustainable Water Strategy (Discussion Paper - Final Strategy due in early 2009)	2007-08
Central Region Sustainable Water Strategy	2006-07
Our Environment, Our Future - Sustainability Action Statement	2006-07
Our Water Our Future: The Next Stage of the Government's Water Plan (Victoria's Water Plan)	2006-07
Alpine Resorts 2020 Strategy	2003-04
Our Water Our Future: Securing Our Water Future Together	2003-04
Victorian River Health Strategy	2002-03
Victorian Coastal Strategy	2001-02

- (c) Please outline any asset investment projects of the department to be undertaken in 2008-09 that are linked to whole of government infrastructure initiatives.

Response

The Department has no asset investment projects in 2008-09 linked to whole of government infrastructure initiatives, following the Machinery of Government changes which transferred the responsibility of the Transit Cities initiative to the Department of Planning and Community Development.

3.10.2.3 Question

In relation to the unapplied output and asset funding carried forward to 2008-09, please provide:

- (a) a breakdown of the carried forward funding for both output and asset initiatives;
- (b) the underlying reasons for the department's funding carryover for each category; and

Response

The Department cannot yet advise of the actual amount of funding to be carried forward to 2008-09. This information can be provided at the end of the 2007-08 financial year.

However, it is the Department's intention to minimise the amount to be carried forward, and is continuing to work on projects to achieve this aim.

- (c) the intended revised timing for use of the carried forward funds.

Response

Pursuant to the *Financial Management Act 1994*, funds which are carried forward are required to be spent in that following year. Therefore, any funds carried forward into 2008-09 will be spent by the Department in 2008-09.

3.10.3 Efficiencies and savings

3.10.3.1 Question

In relation to the estimated efficiencies to be derived in 2008-09 (including from the various measures that fall under the umbrella of the *Efficient Government* policy and the other targeted initiatives, as initially presented in the 2007-08 State Budget), please provide:

- (a) a breakdown of the planned efficiency savings according to the various measures of efficiency that apply to the department's operations;
- (b) an explanation of:
- (i) how decisions regarding applicable savings measures are to be made;
 - (ii) the nature of their expected impact on programs such programs accelerated or deferred; and
 - (iii) the basis for estimating the savings target to be achieved for each measure; and

Response

The Department has, and will continue to implement appropriate actions to achieve efficiencies as determined by Government.

As per the 2008-09 Budget Paper 3 page 352, the Department is required to achieve savings of \$8.3 million in 2008-09. These savings will be applied on a pro-rata basis across the Department on its discretionary expenditure base.

The Department will also undertake continued monitoring to ensure that these efficiencies are achieved.

- (c) particulars of any changes to the department's allocated savings for 2008-09 from the data shown in the 2007-08 Budget.

Response

As part of the 2007-08 Budget, departments were required to achieve savings through the implementation of the *Efficient Government* policy, which was announced as part of the 2006 *Labor's Financial Statement*, in the areas of Buying Smarter, Shared Services, Best Practice Grant Administration and Fleet Management.

For this Department, these savings totalled \$14.4 million in 2007-08. At this time, the Department was also expected to achieve additional efficiencies in these areas of \$4.6 million in 2008-09.

In addition to the savings initiatives announced in the 2007-08 Budget, this Department is required to achieve further savings in the areas of Head Office functions, State Purchase Contracts, VMIA insurances and WorkCover premiums. These additional initiatives will save a further \$2.6 million in 2008-09.

Since the 2007-08 Budget, the Department of Treasury and Finance has reviewed the basis of the calculation of all savings initiatives and determined that an adjustment of \$1.5 million, primarily in the area of grants, was appropriate. Therefore, the net additional savings to be achieved by this Department in 2008-09 is \$5.7 million.

3.10.4 Economic impacts, initiatives and improvements

3.10.4.1 Question

Please explain how the following economic related factors and the impact on departmental initiatives have been addressed in framing the department's budget for 2008-09:

- (a) interest rates
- (b) inflation
- (c) productivity improvement
- (d) National Reform Agenda initiatives

Response

Economic projections for Victoria are prepared by the Department of Treasury and Finance, and can be found in the annual Budget Papers (BP2). As a result, the impacts of interest rates, inflation and productivity improvements are addressed through the Departmental Funding Model (DFM), which is also managed by the Department of Treasury and Finance.

In regards to National Reform Agenda initiatives, the area which primarily impacts this Department is Climate Change.

In February 2006, the Council of Australian Governments (CoAG) agreed to adopt a new national Climate Change Plan of Action and to establish a high-level inter-jurisdictional Climate Change Group to oversee implementation of the Plan's recommendations. CoAG released a National Adaptation Framework in April 2007.

This Department has a number of climate change programs which align with the CoAG framework, and which will continue under the 2008-09 budget. These projects and programs include:

- The *Our Water Our Future: The Next Stage of the Government's Water Plan (Victoria's Water Plan)*, which includes the construction of the Wonthaggi desalination plant, which will source additional water for Victoria, commencing operations in 2011;
- the *Land and Biodiversity at a Time of Climate Change Green Paper* - the second stage in the development of a White Paper which will set the direction for future Government policy and priorities in this area; and
- the *Future Coasts: Preparing Victoria's Coast for Climate Change* project, which will assist the Government to obtain an accurate understanding of the risks climate change presents to Victoria's coastline.

3.10.5 Environmental challenges

3.10.5.1 Question

- (a) What are the key environmental issues that are predicted to have an impact on services delivered by the department's portfolios in 2008-09?

Response

As previously noted, the key environmental issues that are expected to have an impact on the Department in 2008-09 relate to water supply, fire management, the impact of climate change on the environment and managing the impacts of Victoria's ongoing drought.

- (b) How have these issues been addressed in the department's budget estimates for 2008-09?

Response

The Department will continue to take the lead role in implementing a number of the Government's commitments relating to the environment, such as the *Our Water Our Future: The Next Stage of the Government's Water Plan (Victoria's Water Plan)* statement and the *Our Environment Our Future – Sustainability Action Statement (ESAS)*.

These statements include significant investment in a range of programs aimed at addressing key environmental issues:

- Victoria's Water Plan - \$4.9 billion to be spent in major water infrastructure projects to provide the biggest boost to Victoria's water supplies in 25 years; and
- ESAS - new investment of more than \$200 million and 150 initiatives, in areas such as Responding to Climate Change and Maintaining and Restoring Our Natural Assets.

Of these new initiatives and projects, a large proportion is being led by this Department, including significant budgeted expenditure in 2008-09.

- (c) Please list five projects or programs worth over \$1million (new and/or existing) where increased funding has been provided in the budget to address environmental issues (including responding to climate change) (please provide a comparison of funding levels for 2007-08 and 2008-09 for existing projects if applicable).

Response

There are a large number of existing projects or programs within the Department which focus on environmental issues. Many of these programs will receive funding in 2008-09 in line with the impact of the DFM, as discussed in section 5.

The 2008-09 State Budget also included new funding for a significant number of initiatives for this Department to address environmental issues. Details of these initiatives can be found on pages 290 to 302 and pages 352 to 356 of Budget Paper 3.

As an example, the Department received \$15 million per annum over four years (total TEI of \$60 million). This funding will be used to upgrade or replace 300 degraded bridges and stream crossings through Victoria's parks and forests system.

This initiative will provide safe and improved access to public land for a range of activities including fire protection, water catchment management, timber harvesting and public recreation.

3.10.5.2 Question

What initiatives are planned to be implemented by the department in 2008-09 in order to enhance energy reporting?

Response

The Department will continue to adhere to FRD 24C – Reporting of Office-based Environmental Data by Government Entities, which became operational as of reporting periods commencing 1 July 2007.

This direction requires the Department’s Annual Report to disclose information on energy use, waste production, paper use, water consumption, transportation fuel consumption, greenhouse gas emissions and sustainable procurement.

Progress against FRD 24C (previously FRD 24B) is included in the Department’s Annual Report.

In line with the 2002 Victorian Government commitment, the Department also has an Environmental Management System (EMS). This system includes an Environmental Policy: Office-based activities, which sets out the Department’s objectives for reducing the environmental impacts of its office-based operations, and includes practices to minimise the use of energy, water, paper and the generation of waste.

3.10.6 Financial information

3.10.6.1 Question

In relation to output costs, please explain any variations of more than 10 per cent between the expected outcome for 2007-08 and the target for 2008-09 for individual outputs.

Response

Output	2007-08 Expected Outcome (\$ million)	2008-09 Estimate (\$ million)	Variance (\$ million)	Variance%	Note
Sustainable Water Management and Supply	414.8	277.0	- 137.8	- 33.2	1
Biodiversity	41.7	48.6	+ 6.9	+ 16.5	2
Environment Policy & Climate Change	48.0	77.6	+ 29.6	+ 61.7	3
Statutory Activities and Environment Protection	103.1	132.8	+ 29.7	+ 28.8	4
Land Administration and Property Information	115.9	127.6	+ 11.7	+ 10.0	5

Reference: 2008-09 Budget Paper No.3 pages 227 to 245

- (1) The variance is primarily attributable to the provision of one-off funding in the 2007-08 year. The major items are:
- \$55.0 million – Water Rate Rebates for irrigators and stock and domestic farmers as announced in the 2007-08 Budget Update;
 - \$36.3 million – for procurement activities associated with the Wonthaggi Desalination Project;
 - \$35.0 million - Early commencement (Rephasing) of projects being funded from the second tranche of the Environmental Contribution Levy;
 - \$10.0 million – for commencement of the Foodbowl Modernisation Project; and
 - \$7.2 million - for Environmental Flows and River Health.

The 2008-09 estimate includes further funding for the procurement activities for the Wonthaggi Desalination Project.

- (2) The 2008-09 estimate includes \$3.6 million to develop the White Paper on Land and biodiversity at a time of climate change.
- (3) The 2008-09 estimate reflects funding for new initiatives as part of the Climate Change Package, including Solar Hot Water Rebates for Regional Victoria.
- (4) The 2008-09 estimates reflects additional funding raised through the Landfill and Prescribed Industrial Waste Levies and other regulatory fees payable to the Environment Protection Agency.
- (5) Both estimates reflect funding being carried forward from 2007-08 into 2008-09 relating to implementation of Electronic Conveyancing and Landata projects.

3.10.6.2 Question

In relation to expenses from transactions that relate to 'Employee Benefits', if a variation of more than 10 per cent arises between the Estimated Actual for 2007-08 and the budget for 2008-09, please provide an explanation.

Response

No variations above 10 per cent are currently expected between the estimated actual for 2007-08 for 'Employee Benefits' and the budget for 2008-09 for 'Employee Benefits'.

3.10.6.3 Question

Please provide a tabular dissection of the department's 2008-09 budget and expected expenditure for 2007-08 under the Government's key themes presented annually in the Victorian Budget Overview (see pp.5-7 of 2007-08 document) differentiating between new funding initiatives and ongoing funding.

Response

The Department's 2008-09 budget and expected expenditure for 2007-08 contributes to the “Tackling Climate Change and Securing Water Supplies” theme in the 2008-09 Budget Overview. This theme includes new funding for the Department to:

- secure water for Victoria;
- assist households to reduce their greenhouse gas emissions; and
- investigate the impacts of climate change and identify strategies to help Victoria identify to climate change.

3.10.7 Regional and rural considerations

3.10.7.1 Question

- (a) What are the critical issues facing regional and rural communities in 2008-09 that depend on services provided by the department (please provide comment relating to particular areas of the state where applicable)?

Response

Issues facing regional and rural communities that relate to this Department are also the key issues for the Department as a whole – namely water supply, fire management, the impact of climate change on the environment and managing the impacts of Victoria’s ongoing drought.

- (b) How does the department’s 2008-09 budget address these issues?

Response

Section 3.10.5 above addresses this question.

- (c) Please provide a table showing for up to ten of the department’s largest projects (in terms of expenditure) the:
- (i) budget allocation for 2008-09 dissected between new and existing projects
 - (ii) the purpose of each project
 - (iii) how the funding is to be spent
 - (iv) the performance measures in place to assess performance

Response

As noted above, the Department has a number of projects which are focussed on regional and rural Victoria. Key projects for the Department are outlined below.

Foodbowl Modernisation Project (Stage One)

The Foodbowl Modernisation project (Stage One) is a \$1 billion works project to modernise Victoria's food bowl region and upgrade its ageing irrigation infrastructure. The Victorian Government is contributing \$600 million to the first stage of this project, with \$74.1 million of capital expenditure expected in 2008-09.

On average, around 800 billion litres of water is being lost through leaks, system inefficiencies and evaporation each year. The Foodbowl Project will recover an estimated 225 billion litres of lost water by 2012, with water savings to be shared equally between irrigators, the environment and Melbourne.

Expansion of Victoria's Water Grid

Victoria has a collection of water storage dams and pipes based on the rainfall patterns of the past hundred years or more. These systems are unlikely to be sufficient in an era of extreme weather events and climate change

The Victorian Government, in conjunction with water corporations, is therefore expanding and improving Victoria's Water Grid – a network of rivers, channels and pipes linking Victoria's major water systems. New Victorian Water Grid projects will result in the construction of over 250 kilometres of new pipe.

The expansion of Victoria's Water Grid includes a commitment to construction of the Wimmera-Mallee pipeline, of which \$266 million has been provided by the Victorian Government. This new pipeline will address the current situation whereby around 85 per cent of water is lost through evaporation and seepage, meaning a more reliable and better quality water supply to farms, towns and business, and additional water available for the environment.

Fire Operations

This Department manages fire on Victoria's 7.6 million hectares of public land – roughly one third of the State. On an ongoing basis, the Department undertakes a range of activities associated with the management, suppression and prevention of, and recovery from, fire.

The Department is unable to advise of the budget allocation towards fire related activities for 2008-09, as this is largely dependent on the intensity of the fire season. However, as per pages 354 to 355 of the 2008-09 Budget Paper 3, new funding of \$15 million has been provided in 2008-09 (\$60 million TEI) for fire protection activities across Victoria.

For example, the Great Divide Fires were the primary cause of fire related expenditure of \$288.9 million in 2006-07. At the height of the fires, in excess of 2,200 fire fighters were at the fire line, along with multiple fire tankers, more than 180 slip on units and 100 bulldozers and the entire State Aircraft unit.

The Department will continue to plan and undertake a number of activities in 2008-09 aimed at preventing and reducing the impact of any fires. This includes continuing to construct and maintain around 600 kilometres of strategic firebreaks to protect Melbourne's water catchments, fire reduction burns and the training of project fire fighters.

3.10.8 Communication, advertising and promotion

3.10.8.1 Question

- (a) What is the communication, advertising and promotion budget for 2008-09? Please also provide the expected actual expenditure for 2007-08.

Response

The communication, advertising and promotion budget for 2008-09 is not yet known, as the 2008-09 budget development process for the Department is currently underway.

Actual expenditure for communications, advertising and promotions in 2007-08 is currently \$2.953 million. This expenditure constitutes advertising costs for the first six months of 2007-08 and communications and promotions for the first eight months of the 2007-08 financial year.

It should be noted that this expenditure excludes costs associated with the *Our Water Our Future* behavioural change campaign, as it is funded by Melbourne's water retailers and Melbourne Water.

The total actual expenditure for 2007-08 will not be known until the end of the financial year.

- (b) How does the 2008-09 budget compare with the estimated expenditure to be incurred on communications, advertising and promotion during 2007-08 (due to machinery of government changes relating to the structure of departments, if applicable please break down according to like agencies where possible for comparative purposes)?

Response

In comparison with previous years, expenditure on communications, advertising and promotions in 2007-08 is less than expected due to a less intense fire season.

It is expected that, pending any major Government initiatives that arise during the 2008-09 year and need to be communicated, expenditure in 2008-09 on communication, advertising and promotion will be similar to the 2007-08 financial year.

As noted on pages 290 and 297 of the 2008-09 Budget Paper 3, \$5 million has been provided for an extension of the 'Black Balloons' energy conservation campaign.

3.10.9 Non government sector

3.10.9.1 Question

- (a) Please provide a summary of the funding provided through the budget that will be disseminated by the department through to the non-government sector in 2008-09
- (b) Please provide a brief description of the performance monitoring framework that will be in place during 2008-09 to enable the department to monitor whether government funding is spent efficiently and effectively by non-government organisations for the intended purpose

Response

The Department cannot yet advise the level of funding to be provided to the non-government sector in 2008-09. This information will not be available until the 2008-09 Budget is finalised.

In addition, there are some grant programs managed by the Department which require applications to be made prior to funding being approved and provided. These grant processes will occur throughout the 2008-09 financial year.

In the interim, based on the 2007-08 financial year, it is expected that funding provided by this Department to the non-government sector will be to various Local Governments, community organisations, committees of management and non-for-profit organisations.

As at 9 April, the Department has provided approximately \$ 63.0 million in grants to the non-government sector in 2007-08. The table below shows a breakdown of the key groups to which funding has been provided:

Group	Grant Funding Provided in 07-08 (1)
Local Government	\$5.4 million
Committees of Management & Community Organisations	\$24.9 million
Non-Victorian Government entities (2)	\$20.2 million
Universities	\$1.2 million
Other	\$11.3 million
TOTAL	\$63.0 million

Notes:

- (1) This table shows funding provided in 2007-018 up to 9 April 2008 only. A list of all funding provided in 2007-08 cannot be provided until the end of the financial year.
- (2) This category is primarily made up of Victoria's contribution to the Murray Darling Basin Commission.

3.10.10 Revenue initiatives/departmental income

3.10.10.1 Question

- (a) In relation to 2008-09, please outline any new revenue raising initiatives and/or major changes to existing revenue initiatives? If applicable, please provide details of these initiatives together with anticipated revenue collections.

Response

No new revenue raising initiatives are planned for 2008-09.

- (b) Please outline the actual and expected financial impact in 2008-09 of any revenue foregone initiatives (such as tax relief measures) falling within the responsibility of the department.

Response

No initiatives that forgo revenue are expected in 2008-09.

3.10.10.2 Question

For the department's income categories shown in its operating statement, please provide an explanation for any items that have a variance of greater than 10 per cent between the revised estimate for 2007-08 and the budget for 2008-09.

Response

Income Category	2007-08 Revised (\$ million)	2008-09 Budget (\$ million)	Variance (\$ million)	Variance %	Note
Special Appropriations	15.2	0.0	- 15.2	- 100.0	1
Sale of Goods and Services	55.5	28.3	- 27.2	- 49.0	2
Fines and Fees	33.9	39.5	+ 5.6	+ 16.5	3

Reference: 2008-09 Budget Paper No.4 page 157

- (1) The 2007-08 Revised estimate comprises \$14.6 million received from the Commonwealth and appropriated pursuant to S.10 of the Financial Management 1994 and \$0.6 million brought forward from future appropriations pursuant to S.28 of the Financial Management Act 1994 to fund Water Smart Showers / Toilets. Both amounts are non-recurring in 2007-08.
- (2) The reduction in 2008-09 estimated revenue reflects once off project funding being received in 2007-08 for natural resource management programs from a range of organisations.
- (3) The estimates reflect anticipated receipts by the Environment Protection Agency, primarily relating to existing regulatory fees, such as permits and licenses.

3.10.11 Fees, fines, concessions and subsidies

3.10.11.1 Question

Please provide a list of fees, fines, charges etc. administered by the department and the expected revenue from each of these in 2008/09. What is the expected increase for each of these (eg. in dollars and percentage terms), if any?

Response

The Department administers over 1600 individual fees and charges. Consistent with other State Government departments with a very large number of such fees and charges, the revenue generated from each individual fee and charge is not recorded or reported.

However, a list of those fees and penalties administered by this Department which will increase in 2008-09, due to the Victorian Government policy of automatically indexing certain fees and fines each year for inflation, can be found on the Department's website.

3.10.11.2 Question

Please provide a detailed list of subsidies and concessions (both direct and indirect) to be provided by the department in 2008/09 (including, for example, estimated number, average subsidy or concession, estimated cost).

Response

The Department provides a number of licenses and permits, and offers concession rates for applicants with an approved concession card. As noted above, the Department does not collect specific information on each fee or charge associated with these licences and permits.

Furthermore the Department is not yet able to advise the estimated number and cost of concessions to be provided in 2008-09.

However, based on the 2007-08 financial year, it is expected that the Department will provide around 5000 concessions, at a cost of around \$0.3 million.

3.10.12 Staffing matters

3.10.12.1 Question

Using the format below, please provide actual EFT staff numbers at 30 June 2007 and estimates of EFT staff numbers (non-executive officers, executive officers and departmental secretary classifications) at 30 June 2008 and 30 June 2009 for the department and its major budget funded agencies.

Employment — Equivalent full-time staff (1)

Classification	30 June 2007 (Actual) (EFT)					30 June 2008 (3) (Estimate) (EFT)					30 June 2009 (Estimate) (EFT)				
	On-going	Fixed term	Casual	Funded vacancy	Total	On-going	Fixed term	Casual	Funded vacancy	Total	On-going	Fixed term	Casual	Funded vacancy	Total
Secretary	1.0	0.0	0.0	0.0	1.0	1.0	0.0	0.0	0.0	1.0	1.0	0.0	0.0	0.0	1.0
Executive Officer 1	1.0	0.0	0.0	0.0	1.0	1.0	0.0	0.0	0.0	1.0	1.0	0.0	0.0	0.0	1.0
Executive Officer 2	17.0	0.0	0.0	0.0	17.0	15.0	0.0	0.0	1.0	16.0	15.0	0.0	0.0	1.0	16.0
Executive Officer 3	31.0	0.0	0.0	4.0	35.0	24.8	0.0	0.0	1.0	25.8	24.8	0.0	0.0	1.0	25.8
Principal Scientist	3.0	3.0	0.0	0.0	6.0	5.0	1.0	0.0	0.0	6.0	5.0	1.0	0.0	0.0	6.0
STS	9.6	2.0	0.0	0.0	11.6	5.0	1.0	0.0	0.0	6.0	5.0	1.0	0.0	0.0	6.0
VPS 6	309.5	16.7	1.0	11.0	338.2	266.9	25.6	0.0	10.0	302.5	266.9	25.6	0.0	12.0	304.5
VPS 5	432.7	35.0	0.0	18.0	485.7	373.4	44.7	1.0	15.0	434.1	373.4	44.7	1.0	20.0	439.1
VPS 4	470.6	45.6	0.0	13.0	529.2	403.7	53.3	0.0	20.0	477.0	403.7	53.3	0.0	25.0	482.0
VPS 3	596.2	66.1	2.8	14.0	679.0	520.4	73.6	3.0	20.0	617.0	520.4	73.6	3.0	25.0	622.0
VPS 2	252.1	58.3	13.3	8.0	331.7	201.6	77.0	12.0	10.0	300.6	201.6	77.0	12.0	20.0	310.6
VPS 1	4.3	13.0	4.3	0.0	21.6	4.2	1.4	5.0	0.0	10.6	4.2	1.4	5.0	0.0	10.6
Science D	3.0	0.0	0.0	0.0	3.0	7.0	0.0	0.0	0.0	7.0	7.0	0.0	0.0	0.0	7.0
Science C	2.8	0.0	0.0	0.0	2.8	12.9	3.0	0.0	3.0	18.9	12.9	3.0	0.0	3.0	18.9

Science B	10.0	2.0	0.0	0.0	12.0	15.0	3.0	0.0	3.0	21.0	15.0	3.0	0.0	3.0	21.0
Science A	8.0	3.0	0.0	0.0	11.0	14.4	7.0	0.0	3.0	24.4	14.4	7.0	0.0	3.0	24.4
Field Staff	221.8	94.0	0.5	0.0	316.3	224.0	16.0	0.0	5.0	245.0	224.0	16.0	0.0	3.0	243.0
Other (2)	23.0	6.0	0.0	0.0	29.0	2.0	4.5	0.0	0.0	6.5	2.0	4.5	0.0	0.0	6.5
Total	2396.6	344.7	21.8	68.0	2831.0	2097.3	311.1	21.0	91.0	2520.4	2097.3	311.1	21.0	116.0	2545.4

Notes:

- (1) All numbers in the table are FTE, and have been rounded to one decimal place. As an example, for the purposes of the above table, a person at 0.95 FTE is considered to be 1 FTE.
- (2) The use of an 'Other' category reflects cadets and trainee valuers.
- (3) The June 2008 estimate is based on workforce numbers as at 28 March 2008, and excludes project fire-fighters, as the Department does not expect to be engaging these staff as at 30 June. The reduction in FTE from 30 June 2007 to 30 June 2008 is due to the Machinery-of-Government changes between this Department and the Department of Planning and Community Development.
- (4) These estimates have not taken into account the impact of the 2008-09 State Budget outcomes.