



Minister for Water

Ref: DSE083319

File:

“*DSE083319*”

Mr Philip R Davis MP
Chairman
Public Accounts & Estimates Committee
Parliament House
Spring Street
EAST MELBOURNE VIC 3002

1 Spring Street
GPO Box 4440
Melbourne Victoria 3001
Telephone: (03) 9938 5954
Facsimile: (03) 9658 4191
DX 210404

Dear Mr Davis

2012-13 BUDGET ESTIMATES FURTHER INFORMATION - WATER PORTFOLIO

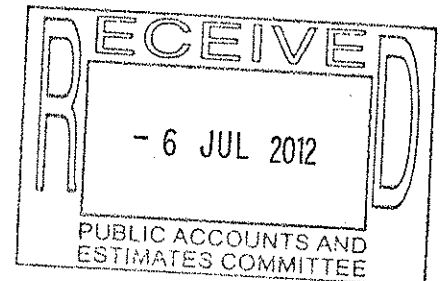
Thank you for your letter of 7 June 2012 regarding the questions taken on notice following the Water portfolio budget estimates hearing of 17 May 2012.

Please find attached the response to the questions taken on notice.

Yours sincerely

PETER WALSH MLA
Minister for Water

Encl.



Privacy Statement

Any personal information about you or a third party in your correspondence will be protected under the provisions of the Information Privacy Act 2000. It will only be used or disclosed to appropriate Ministerial, Statutory Authority, or departmental staff in regard to the purpose for which it was provided, unless required or authorised by law. Enquiries about access to information about you held by the Department should be directed to the Manager Privacy, Department of Sustainability & Environment, PO Box 500, East Melbourne, 8002.



Briefing for the Minister for Water

Subject:	2012-13 BUDGET ESTIMATES FURTHER INFORMATION - WATER PORTFOLIO
Timing:	Due to PAEC on Thursday 28 June 2012

Core message:

Following the Water portfolio budget estimates hearing held on Thursday 17 May 2012, PAEC has requested a response to three questions that were taken on notice. This response is due to PAEC by Thursday 28 June 2012.

Recommendation/s:

1. That you approve the responses (Attachment 1) to the questions taken on notice at the recent 2012-13 Budget Estimates Hearing for the Water portfolio.
2. That you sign the attached letter (Attachment 2) to the Parliamentary Accounts and Estimates Committee.

Recommendation 1: Approved Not Approved Noted Returned for Review

Recommendation 2: Approved Not Approved Noted Returned for Review

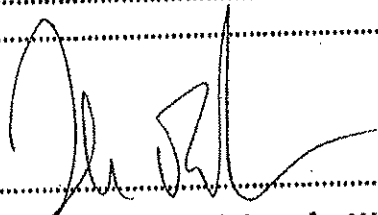
Office of the
Minister for Water

25 JUN 2012

Comments:

Yes 5/7/12

Signed:



Date: 5/7/12

Peter Walsh MLA, Minister for Water

Approved by:



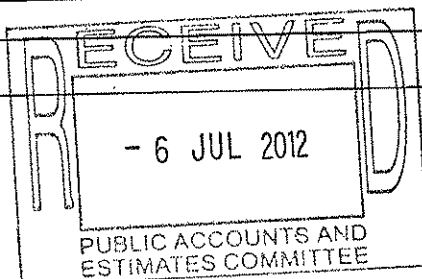
Date:

22/6/12

Greg Wilson, Secretary, ☎ 03 9637 8765

Reference:

DSE083319





Department of Sustainability and Environment

TO: Minister for Water

Ref: DSE083319

FROM: Finance and Resources

File:

SUBJECT: 2012-13 Budget Estimates Further Information - Water Portfolio

KEY ISSUES

1. On 7 June 2012, Philip R. Davis, Chairman of the Public Accounts and Estimates Committee (PAEC) wrote to you regarding questions taken on notice at the recent 2012-13 Budget Estimates Hearings.
2. PAEC has requested a response to three questions taken on notice in relation to the Water portfolio.
3. The three questions include a break-down of the water authorities that contribute to dividends, rate equivalent and income tax equivalent revenue, the amount allowed in the Budget for the depreciation of dams and details of the impact of savings and efficiency initiatives on program expenditure and employment levels in 2012-13 within your portfolio.
4. With regard to the dividends question, the response provided relates to the 2012-13 dividends estimated in the 2012-13 budget papers. The response notes the recent price freeze by Melbourne Water and that the Department of Treasury and Finance will update the dividends estimate as part of the next budget update.
5. A response to the questions is due to PAEC by Thursday 28 June 2012.

CONTEXT

6. The questions on notice relate to the Water portfolio budget estimates hearing held on Thursday 17 May 2012.

CONSULTATION

7. Finance consulted with the relevant divisions within the Department to compile the response to the request for further information from PAEC.

ATTACHMENTS

8. Attachment 1 is the Department's response to the questions taken on notice at the recent 2012-13 Budget Estimates Hearing for the Water portfolio.
9. Attachment 2 is your letter of response to PAEC regarding the questions on notice.

Endorsed by: Matthew Clancy, A/ Chief Finance Officer ☎ 9637 8807

Signature: 

Date: 22/06/12

Endorsed by: Carolyn Jackson, A/ Deputy Chief Finance Officer ☎ 9637 8696

Signature: 

Date: 22/6/12

Reviewed by: James Atkinson, Finance Manager - Budget Coordination Strategy ☎ 9637 8464

Prepared by: Fiona McLaughlin, Senior Budget Analyst ☎ 9637 9882

Department of Primary Industries
PARLIAMENT OF VICTORIA
Public Accounts & Estimates Committee



MAIL SERVICE CENTRE

7 June 2012

The Hon. Peter Walsh MP
Minister for Agriculture and Food Security
Minister for Water
Level 20, 1 Spring Street
Melbourne Victoria 3000

RECEIVED
14 JUN 2012
CORRESPONDENCE

Office of the Minister for
Agriculture & Food Security
13 JUN 2012

ASP Microcomputers
DSE083319

Dear Minister,

**2012-13 BUDGET ESTIMATES FURTHER INFORMATION -
AGRICULTURE AND FOOD SECURITY PORTFOLIO
WATER PORTFOLIO**

On behalf of the Public Accounts and Estimates Committee, I would like to thank you and your departmental officers for attending the recent budget estimates hearings. The Committee appreciates the time and effort that are put into the preparation for and attendance at the hearings.

As discussed at the hearing, the Committee would like to receive information on any outstanding matters. The Committee's Secretariat has compiled a list of questions taken on notice and any further information that was agreed to be supplied at your hearings (see Attachment). For each matter, the relevant page of the transcript has been noted. The transcripts can be checked on our website if any clarification is needed.

The Committee asks that all responses be provided at a high standard, with relevant detail, and that each response directly answers the question.

The Committee would appreciate all responses by **5.00pm, Thursday 28 June 2012.**

The Committee would also be grateful if you could provide copies of any overheads that were used in the course of the hearings that have not yet been supplied to the Secretariat.

If you or your officers require any further information, please contact the Committee's Executive Officer, Valerie Cheong, on 8682 2863.

Yours sincerely,

Philip R. Davis MP
Chairman

Encl.

**ATTACHMENT: QUESTIONS TAKEN ON NOTICE AND
FURTHER INFORMATION AGREED TO BE
SUPPLIED AT THE HEARINGS**

AGRICULTURE AND FOOD SECURITY PORTFOLIO

1. Please outline the programs that have lapsed or have had their funding reduced for 2012-13 due to savings that are required of the portfolio.

(Page 8 of the portfolio transcript)

2. What provisions are being made in the Budget, if any, to tackle the black slug?

(Pages 23-4 of the portfolio transcript)

WATER PORTFOLIO

1. Please provide a break-down of the water authorities that contribute to 'dividends, rate equivalent and income tax equivalent revenue'. Please name the authorities and quantify the contribution of each.

(Page 4 of the portfolio transcript)

2. Please detail the amount allowed in the Budget for the depreciation of dams.

(Page 5 of the portfolio transcript)

3. Please provide details of the impact of savings and efficiency initiatives on program expenditure and employment levels in 2012-13 within your portfolio. Please list any programs that have lapsed due to these savings and efficiencies.

(Page 9 of the portfolio transcript)



Minister for Water

Ref: DSE083319

File:



Mr Philip R Davis MP
Chairman
Public Accounts & Estimates Committee
Parliament House
Spring Street
EAST MELBOURNE VIC 3002

1 Spring Street
GPO Box 4440
Melbourne Victoria 3001
Telephone: (03) 9938 5954
Facsimile: (03) 9658 4191
DX 210404

Dear Mr Davis

2012-13 BUDGET ESTIMATES FURTHER INFORMATION - WATER PORTFOLIO

Thank you for your letter of 7 June 2012 regarding the questions taken on notice following the Water portfolio budget estimates hearing of 17 May 2012.

Please find attached the response to the questions taken on notice.

Yours sincerely

PETER WALSH MLA
Minister for Water

Encl.

Privacy Statement

Any personal information about you or a third party in your correspondence will be protected under the provisions of the Information Privacy Act 2000. It will only be used or disclosed to appropriate Ministerial, Statutory Authority, or departmental staff in regard to the purpose for which it was provided, unless required or authorised by law. Enquiries about access to information about you held by the Department should be directed to the Manager Privacy, Department of Sustainability & Environment, PO Box 500, East Melbourne, 8002.



**PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE
QUESTIONS TAKEN ON NOTICE**

MR DAVIS – To ask the Minister for Water:

1. Please provide a break-down of the water authorities that contribute to 'dividends, rate equivalent and income tax equivalent revenue'. Please name the authorities and quantify the contribution of each.
2. Please detail the amount allowed in the Budget for the depreciation of dams.
3. Please provide details of the impact of savings and efficiency initiatives on program expenditure and employment levels in 2012-13 within your portfolio. Please list any programs that have lapsed due to these savings and efficiencies.

REPLY:

The Minister for Water: I am informed that:

1. **Please provide a break-down of the water authorities that contribute to 'dividends, rate equivalent and income tax equivalent revenue'. Please name the authorities and quantify the contribution of each.**

In consultation with the Minister for Water, the Treasurer determines the policy and level of dividend payments by water corporations in Victoria.

As estimated in the 2012-13 Budget, the following water corporations 2012-13 financial year dividends were estimated to be:

- Melbourne Water - \$ 42.6 million
- City West Water - \$ 24.6 million
- South East Water -\$ 65.5 million
- Yarra Valley Water - \$ 50.0 million

In relation to Melbourne Water, the dividend amount indicated above was an estimate at the time of the 2012-13 Budget.

However, following Melbourne Water's recent announcement of 19 June 2012 regarding a water price freeze, the Department of Treasury and Finance will provide a revised figure for the estimated 2012-13 dividend as part of the 2012-13 Budget Update.

2. **Please detail the amount allowed in the Budget for the depreciation of dams.**

The State Budget does not break down depreciation expense data to individual categories of water industry infrastructure such as dams.

3. **Please provide details of the impact of savings and efficiency initiatives on program expenditure and employment levels in 2012-13 within your portfolio. Please list any programs that have lapsed due to these savings and efficiencies.**

A strong fiscal position is fundamental to improving service delivery and securing Victoria's economic future. Therefore spending needs to be well targeted and government debt kept at a sustainable level.

The 2012-13 Budget includes around \$30 million in 2012-13 in efficiencies for the environment and water portfolios. Savings measures will be focused on head office and non-service delivery administrative savings, therefore minimising the impact to the community and to the environment.

The Water portfolio will also focus on ensuring that any new initiatives or grant programs do not overlap with existing programs or commitments. For example, the Department will look at the existing water management grants in light of the new "Living Melbourne, Living Victoria" grants for integrated water cycle management. It is expected that this reduction will result in minimal impacts to the community and to the environment.

The impact of 2012-13 budget savings and efficiency measures on staff numbers within the Water portfolio is not yet known and will depend on the number of staff who elect to take a voluntary redundancy and normal attrition factors.