



**PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

**2012-13 BUDGET ESTIMATES QUESTIONNAIRE**

**DEPARTMENT OF PRIMARY INDUSTRIES**

## 1. Strategic priorities

### Question 1.1

- (a) What are the Department's key strategic priorities underpinning its budget for 2012-13 and over the forward estimates to 2015-16?

The Department of Primary Industries key strategic priorities informing the department's 2012-13 budget and over the forward estimates to 2015-16 are:

- Competitive businesses and efficient markets, through increased productivity, access to global trade and investment, and improved market structure and function.
- Sustainably managed natural resources, through efficient and sustainable allocation, use and management of natural resources.
- Engaged, safe and responsible communities, through improved community engagement, recreation and capacity building, and enhanced human safety and animal welfare.

- (b) If applicable, how do these priorities differ from the previous year?

The Department's high level strategic priorities do not differ materially from those of 2011-12.

- (c) What are the impacts of any differences in the Department's strategic priorities between 2011-12 and 2012-13 on funding and resource allocation in the 2012-13 Budget?

The Department's high level strategic priorities have not changed materially since 2011-12, however the approach to achieving them has been reinvigorated, and supported through funding provided for Agriculture and Food Industry and securing energy supplies and investment initiatives in Victoria.

- (d) Please identify any programs or initiatives (asset or output) over \$2 million relevant to the Department that have been curtailed, deferred, discontinued or completed as a result of changes in strategic priorities between 2011-12 and 2012-13. In describing the programs or initiatives, please use the same names as are used in the budget papers where applicable.

No programs or initiatives were curtailed, deferred, discontinued or completed as a result of changes in strategic priorities.

***Question 1.2***

Please identify any programs or initiatives that have lapsed in 2011-12 (i.e. will not be continued in 2012-13). For each program or initiative, please indicate the impact on the community of the lapsing. In describing the programs or initiatives, please use the same names as are used in the budget papers where applicable.

It is not possible to provide detail as requested in respect of the effect of lapsing programs because of a variety of factors. These factors include that the programs may have been for a specific purpose which has been achieved; the programs may have been merged with other continuing programs; the particular function may have been transferred through Machinery of Government changes; or where the program might be worthwhile but cannot this year be funded because of the challenging fiscal environment the Government faces, with lower GST receipts and non-renewing National Partnership payments. However, the Future Farming Strategy has been reinvigorated through new funding for the Growing Food and Fibre (GFF) initiative.

**Question 1.3**

- (a) What are the key sectoral policies applicable to the Department upon which budget allocations to new initiatives are based?

Key sectoral policies applicable to the Department on the allocation of new initiatives include:

- Productivity through innovation in agriculture
  - Accelerated productivity growth
  - New modes of service delivery
  - Reduction in cost of doing business
  - Enhanced regional engagement
- Securing energy supplies and investment
  - Investing in innovation
  - Developing Victoria as a Carbon Capture & Storage (CCS) hub - CarbonNet
  - Moderating cost of living pressures
  - Responding to the impact of energy sector transition
  - Stimulating new energy and earth resources investment
- Managing emergencies effectively

(b) For the five largest initiatives released for your department in the 2012-13 Budget, please identify:

- (i) to which of the policies detailed above does each initiative relate; and  
(ii) whether linkages are explicitly identifiable in the 2012-13 Budget Papers.

Please ensure that the initiatives are described using the same names as are used in the budget papers.

<b>Initiative</b>	<b>Related policies</b>	<b>Where links are identifiable in the budget papers</b>
Safer Electricity Assets Workplan	Managing emergencies effectively	New performance measure on delivery of milestones for the Safer Electricity Asset Fund work program
Biosecurity – underpinning productivity and securing market access for Victoria	Accelerated productivity growth Reduction in cost of doing business Enhance regional engagement	Reflected in a number of existing performance measures, including: Animal pest, disease and residue control programs maintained to ensure Victorian agricultural produce complies with food safety and biosecurity standards required to access markets.
Realising the Benefits of the Advanced Metering Infrastructure (AMI) Program	Responding to the impact of energy sector transition	New performance measure for 2012-13 to reflect the Advanced Metering Infrastructure Program initiative
Boosting the productivity and profitability of the Victorian dairy industry	Accelerated productivity growth New modes of service delivery Enhance regional engagement	Reflected in a number of existing performance measures, including: Postgraduate level/PhD students in training by DPI, and Scientific and technical publications in international and/or peer review journals that promote productive and sustainable farming (including aquaculture) and fisheries systems
Accelerating innovation in Victoria's grains industry	Accelerated productivity growth New modes of service delivery Enhance regional engagement	Reflected in a number of existing performance measures, including: Applications for intellectual property protection

## 2. Budget preparation

### *Question 2.1*

Please identify any reviews, inquiries, studies, audits or evaluations specifically requested by the new Government after the 2010 election relating to your department, indicating for each the impact that it has had on the formulation of the 2012-13 Budget for the Department.

<b>Review, inquiry, study, audit or evaluation</b>	<b>Impact</b>
Advanced Metering Infrastructure	The review informed the decision to continue the roll out of advanced meters resulting in funding in the 2012-13 Budget.

### *Question 2.2*

Please describe the five most significant projects or programs that the Department considers would have been worthwhile to undertake in 2012-13 but which cannot be undertaken due to resources being allocated elsewhere.

There are no projects or programs scheduled to be undertaken in 2012-13 which are required by the Government which will not be undertaken as a consequence of resource re-allocation. Departments do not set work priorities as distinct from that set by the Government of the day, consistent with the practice under successive governments.

### 3. Spending

#### *Question 3.1*

For your department, please explain any variations of more than 10 per cent (or greater than \$100 million) between the revised estimate for 2011-12 and the target for 2012-13 for expenses from transactions (as presented in the Department's operating statement in the Statement of Finances budget paper) that relate to the following line items:

- (a) 'Employee benefits';
- (b) 'Grants and other transfers'; and
- (c) 'Other operating expenses'.

	<b>2011-12 (Revised estimate)  (\$ million)</b>	<b>2012-13 (Budget)  (\$ million)</b>	<b>Explanation for any variances greater than <math>\pm 10\%</math> (or greater than \$100 million)</b>
Employee benefits	195.10	184.17	-
Grants and other transfers	56.78	126.31	This 125% variance is mainly due to cash flow rephasings of Energy and Resources portfolio projects in line with revised program schedules.
Other operating expenses	182.36	173.28	-

**Question 3.2**

As the line item 'other operating expenses' in the Department's operating statement (as presented in the Statement of Finances budget paper) constitutes a large proportion of expenditure, please provide a break-down of the major components of this item, providing for each component:

- (a) the current estimate of expenditure for 2011-12;
- (b) the estimated expenditure for 2012-13; and
- (c) an explanation for any variations greater than  $\pm 10$  per cent (or greater than \$100 million) between the estimated expenditure for 2011-12 and the estimated expenditure for 2012-13.

	<b>2011-12 (estimate) (\$ million)</b>	<b>2012-13 (estimate) (\$ million)</b>	<b>Explanation for any variances greater than <math>\pm 10\%</math> (or greater than \$100 million)</b>
Intra government supplies and consumables	0.35	0.35	-
Purchases of supplies and services	181.95	173.87	-
Finances expenses and fees	0.06	0.06	-

If the Department is unable to provide estimates for the expenditure on these components in 2012-13, please explain how the amount of 'other operating expenses' listed for 2012-13 in the budget papers was calculated.

Not applicable

**Question 3.3**

For each of the items listed in the table below, please provide details of:

- (a) the current estimate of expenditure for 2011-12;
- (b) the estimated expenditure for 2012-13; and
- (c) an explanation for any variations greater than  $\pm 10$  per cent (or greater than \$100 million) between the expected outcomes for 2011-12 and the estimated expenditure for 2012-13.

Please provide details on the same basis of consolidation as is used to create the departmental operating statement in the budget papers.

	<b>Current estimate of expenditure 2011-12 (\$ million)</b>	<b>2012-13 (\$ million)</b>	<b>Explanation for any variances greater than <math>\pm 10\%</math> (or greater than \$100 million)</b>
Entertainment expenses	0.20	0.20	-
Overseas travel	1.00	1.00	-
Legal expenses	2.00	1.98	-
Consultants*	1.50	1.30	Reduction to reflect the achievement of government savings.
Contractors*	40.00	38.00	-
Grants to non-government organisations	39.69	39.69	-

\* *for the difference between consultants and contractors, please see FRD 22B – Standard Disclosures in the Report of Operations*

If the Department is unable to provide estimates for the expenditure on any of these items, please explain why.

NA

**Question 3.4**

If there are any output or asset initiatives released in the 2012-13 Budget for the Department where less than 20 per cent of the total funding is to be spent in 2012-13, please explain the reasons in each instance. In describing the initiatives, please use the same names as are used in the budget papers.

<b>Initiative</b>	<b>Explanation</b>
Safer Electricity Assets Workplan	Funding for the Safer Electricity Assets Workplan will occur from 2013-14. The strict funding conditions and oversight arrangements currently in development will ensure the most cost effective technologies are utilised and that taxpayer dollars do not fund upgrades that should be paid for by the electricity businesses.

**4. Efficiencies and savings****Question 4.1**

Please outline how the concept of ‘operational efficiency’ has been addressed in formulating the Department’s budget for 2012-13.

The Department has addressed the concept of operational efficiency in formulating its budget for 2012-13 by undertaking a rigorous process to identify savings and efficiencies across the Department, with a focus on corporate and back of office efficiencies. These areas were then utilised as priorities in meeting savings for the 2012-13 budget.

**Question 4.2**

For each of the savings initiatives detailed in the table below, please detail (on the same basis of consolidation as the budget papers):

- (a) what actions the Department will take in 2012-13 to meet the savings targets;
- (b) any impact that these actions will have on the delivery of services; and
- (c) please identify the savings target for 2012-13, with an explanation for any variances between the current target and what was originally published in the budget papers when the initiative was released.

<b>Initiative</b>	<b>Actions the Department will take in 2012-13</b>	<b>Impact of these actions on service delivery</b>	<b>Savings target for 2012-13 (\$ million)</b>	<b>Explanation for variances to the original target</b>
General efficiencies (2010-11 Budget)	The department has focussed on strategic priorities and consolidated corporate transactional services into a service delivery unit.	The modernisation of service delivery through investment in technology; sharing of support services and reviewing corporate service delivery aims to provide levels of service through scale, specialisation, technology and re-engineering processes.	6.00	N/A
Government election commitment savings (2011-12 Budget)	Savings for 2011-12 will continue to be achieved, through implementation of efficiency drives and corporate reform.	No material impact on service delivery.	0.14	N/A

<b>Initiative</b>	<b>Actions the Department will take in 2012-13</b>	<b>Impact of these actions on service delivery</b>	<b>Savings target for 2012-13 (\$ million)</b>	<b>Explanation for variances to the original target</b>
Measures to offset the GST reduction (2011-12 Budget)	These measures will continue to be achieved through implementation of efficiency drives and corporate reform.	No material impact on service delivery.	0.15	N/A
Capping departmental expenditure growth (2011-12 Budget update).	Expenditure escalation is to be constrained and there will be management of cost categories undertaken.	No material impact on service delivery.	6.50	N/A
Maintain a sustainable public service (2011-12 Budget Update)	DPI will reduce the number of public servants in non-service delivery and back-office roles	No material impact on service delivery.	10.99	N/A
General savings or efficiency initiatives in the 2012-13 Budget	DPI will focus on strategic service delivery, Government priorities and continue to drive efficiency.	DPI will review its service delivery to provide the right services in the right places.	13.20	N/A

### **Question 4.3**

For each of the expenditure areas targeted for savings in the 'Government election commitment savings' initiative released in the 2011-12 Budget, please detail the actual expenditure for 2009-10 and 2010-11 and the estimated expenditure for each year of 2011-12 to 2014-15. Please provide figures on the same basis of consolidation as the budget papers. Please provide explanations for any category that does not decrease by the savings target over the five-year period.

Specific Government savings are reported in the Budget Papers, and will be reported to Parliament in future Budget Papers. For example, there has been a significant saving in government advertising across portfolio areas.

## 5. Asset and output initiative funding

### Question 5.1

Please break down the Department's total output funding for 2012-13 (as provided in the Service Delivery budget paper) according to the amounts from:

- (a) output initiatives in the 2012-13 Budget;
- (b) non-ongoing initiatives released in previous budgets; and
- (c) base funding/ongoing funding.

<b>Funding for initiatives released in the 2012-13 Budget</b>	<b>Funding for non-ongoing initiatives released in previous budgets</b>	<b>Base funding/ongoing funding</b>	<b>Total output cost (as in Service Delivery budget paper)</b>
<b>(\$ million)</b>	<b>(\$ million)</b>	<b>(\$ million)</b>	<b>(\$ million)</b>
28.98	124.60*	300.60**	565.49

\*Excludes externally co-funded initiatives and future internal reprioritisations.

\*\* Recurrent appropriation and ongoing initiatives, including Capital Asset Charge and Depreciation

### Question 5.2

If the Department's total output cost (as detailed in the Service Delivery budget paper) differs from the Department's total expenses from transactions (as detailed in the Statement of Finances budget paper), please explain the difference.

There is no difference between the two totals.

### Question 5.3

The Department of Treasury and Finance has indicated to the Committee that '*the service benefits delivered through the asset investment are reflected in changes to the Budget Paper 3 Performance Measures*'.<sup>1</sup> Please list all performance measures that have been adjusted in 2012-13 as a result of recent asset investment by the Department.

Not applicable, as there has been no asset investment requiring adjustment to performance measures for 2012-13.

1 Department of Treasury and Finance, response on the Committee's 2009-10 and 2010-11 financial and performance outcomes Questionnaire — Part Two, received 24 January 2012, p.9

***Question 5.4***

In relation to any unapplied output and asset funding carried forward to 2012-13, please provide:

- (a) a break-down 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
- (c) the intended revised timing for use of the carried forward funds, including project-specific details for asset initiatives.

Information on carry forward for 2012-13 is unable to be provided at this time. Carry forward funding will be finalised in July 2012.

## 6. Revenue initiatives, departmental income (fees, fines, taxation measures, concessions and subsidies) and tax expenditures

### *Question 6.1*

In relation to 2012-13, please outline any new revenue-raising initiatives and/or major changes to existing revenue initiatives. For each initiative/change, please explain:

- (d) the reasons for the initiative/change;
- (e) the assumptions underlying the analysis;
- (f) alternative scenarios considered;
- (g) the impact of any changes on service delivery (i.e. please detail all programs/projects that have been revised as a result of changes to existing revenue initiatives);
- (h) any performance measures or targets altered as a result of the initiative/change; and
- (i) the anticipated total value of revenue gained/foregone as a result of the initiative/change.

In describing initiatives, please use the same names as are used in the budget papers where applicable.

The Department has no new revenue-raising initiatives and/or major changes to existing revenue initiatives.

**Question 6.2**

In relation to 2012-13, please outline any new tax expenditures or concession/subsidy initiatives and/or major changes to existing tax expenditures or concession/subsidy initiatives. For each initiative/change, please explain:

- (a) the reasons for the initiative/change;
- (b) the assumptions underlying the analysis;
- (c) alternative scenarios considered;
- (d) the impact of any initiatives/changes on service delivery (i.e. please detail all programs/projects that have been revised as a result of changes to existing revenue initiatives);
- (e) any performance measures or targets altered as a result of the initiative/change; and
- (f) the anticipated total value of revenue gained/foregone as a result of the initiative/change.

In describing initiatives, please use the same names as are used in the budget papers where applicable.

Not applicable as there are no new tax expenditures or concession/subsidy initiatives and/or major changes to existing tax expenditures or concession/subsidy initiatives.

**Question 6.3**

- (a) Please provide a list of any revenue measures (taxation, fees, fines etc.) or any concessions (or subsidies) where the rate has been changed for reasons other than keeping up with inflation.
- (b) Please provide an explanation for the changes.

DPI's revenue measures and concessions will only increase to keep up with inflation.

**Question 6.4**

For the Department's income categories (as appear in the Department's operating statement in the Statement of Finances budget paper), please provide an explanation for any items that have a variance of greater than 10 per cent between the revised estimate for 2011-12 and the budget for 2012-13.

<b>Income category</b>	<b>Explanation</b>
Output appropriations	The increase is due to new funding associated with the Agriculture and Food Industry and cash flow re-phasing associated with the Energy and Resources Portfolio.
Special Appropriation	The reduction is due to a borrow forward in 2011-12 against the future appropriations to enable the management of program related cash flows.
Sales of Goods and Services	The Department received higher than normal revenues in 2011-12 due to the recognition of receipts for the Emergency Flood Recovery Program from the Department of Treasury and Finance and the Department of Sustainability and Environment. This revenue is not expected in 2012-13.

## 7. Grants from the Commonwealth

### *Question 7.1*

- (a) What impact have developments at the Commonwealth level, including initiatives under the COAG Reform Agenda, had on the Department's component of the 2012-13 State Budget?

Not applicable.

The department does not have responsibility for implementing any of the COAG Reform Agenda initiatives.

- (b) In describing the impact of these developments for 2012-13, please outline the Department's progress to date in transitioning to the COAG Reform Council's new performance reporting framework.

Not applicable.

The department has no obligations under the COAG Reform Council's new performance reporting framework.

### *Question 7.2 – 7.3 (Department of Treasury and Finance only)*

## 8. Net debt

### *Question 8.1- 8.3 (Department of Treasury and Finance only)*

## 9. Geographic considerations

### Question 9.1

Please complete the following table for up to five of the Department's largest projects (in terms of expenditure) benefiting regional and rural Victoria:

Project	Budget allocation for 2012-13 (\$ million)	New or existing project	Purpose of the project	How is the funding to be spent?	What performance measures are in place?	Expected net benefits	Net present value (in 2012 dollars), where applicable
Securing and Developing Better Services to Farmers	17.9	Existing	To develop innovation technologies for the sustainable development of Victoria's food and agriculture.	Broadly, funding for this initiative is to be spent on delivering a refreshed baseline government service offer to Victorian farmers in light of the urgent challenges and emerging opportunities facing the farm sector; and recommending a new model of investment, to better enable the effective delivery of required services.	Reflected in a number of performance measures, including: <ul style="list-style-type: none"> <li>• New key enabling technologies and core science capacity established/ upgraded by DPI</li> <li>• Postgraduate level/PhD students in training by DPI</li> </ul>	Benefits include: <ul style="list-style-type: none"> <li>• Increased productivity and competitiveness for the sector;</li> <li>• Access to new markets;</li> <li>• Improved response to climate, water and biosecurity risks;</li> <li>• Improvements in animal welfare; and</li> <li>• Increased effectiveness at enabling sector adjustment.</li> </ul>	Not available

Project	Budget allocation for 2012-13 (\$ million)	New or existing project	Purpose of the project	How is the funding to be spent?	What performance measures are in place?	Expected net benefits	Net present value (in 2012 dollars), where applicable
Safer Electricity Assets Workplan	0.0 (\$62.5m funding in forward estimates, \$10m in 2013-14)	New	The project will progressively replace the most high risk powerlines with insulated cables and install new technology. This will implement recommendations of the Victorian Bushfires Royal Commission and reduce the risks of bushfire starts due to powerlines.	The main aspect of the project will involve the progressive replacement of the most high risk powerlines with new technology.	New performance measure on delivery of milestones for the Safer Electricity Asset Fund work program	Will reduce the risk of bushfire starts due to powerlines.	Up to \$200 million
Biosecurity – underpinning productivity & securing market access for Victoria	4.8	New	To help manage the potential risks posed by harmful plants and animals that can significantly impact the agricultural sector.	Funding will build industry capability in livestock disease surveillance, strengthen community led action on management of wild dogs and established weeds, and improve forestry biosecurity and emergency response capability.	Reflected in a number of existing performance measures, including: <ul style="list-style-type: none"> <li>Animal pest, disease and residue control programs maintained to ensure Victorian agricultural produce complies with food safety and biosecurity standards required to access markets.</li> </ul>	Improved industry capability, strengthened community led action and management of wild dogs and established weeds, and improved forestry biosecurity and emergency response capability.	Not available

Project	Budget allocation for 2012-13 (\$ million)	New or existing project	Purpose of the project	How is the funding to be spent?	What performance measures are in place?	Expected net benefits	Net present value (in 2012 dollars), where applicable
Boosting the productivity & profitability of the Victorian dairy industry	3.5	New	To improve the productivity and profitability of the Victorian dairy industry	Targeted research and development	Reflected in a number of existing performance measures, including: <ul style="list-style-type: none"> <li>Postgraduate level/PhD students in training by DPI</li> <li>Scientific and technical publications in international and/or peer review journals that promote productive and sustainable farming (including aquaculture) and fisheries systems</li> </ul>	Will increase the rate of genetic improvement in dairy cattle, develop new feeding systems to improve feed conversion efficiency, mitigate methane gas emissions and improve water use efficiency in dairy production systems.	Not available
CarbonNet	1.0	Existing	To explore the development of an integrated network to capture and transport carbon emissions (captured from different technologies) to storage sites in the Gippsland Basin.	Broadly, the total funding of \$30 million for this initiative is to be spent on: <ul style="list-style-type: none"> <li>feasibility studies;</li> <li>a storage characterization work program for offshore storage locations; and</li> <li>establishment of CCS Innovation Victoria.</li> </ul>	Facilitate delivery of milestones for the feasibility stage of the CarbonNet (Carbon Capture and Storage) project.  Facilitate delivery of the implementation plan for the CarbonNet geoscience evaluation program by 2014.	CarbonNet could generate substantial regional employment in the construction phase (1,000+ jobs over 5-10 years). CarbonNet also has the potential to underpin new ongoing jobs in new low emissions coal based industries such as coal-to-liquids, which could be attracted to the Latrobe Valley to leverage Victoria's abundant, low cost coal resource.	Not available

**Question 9.2**

Please complete the following table for up to five of the Department's largest projects (in terms of expenditure) benefiting metropolitan Melbourne:

<b>Project</b>	<b>Budget allocation for 2012-13 (\$million)</b>	<b>New or existing project?</b>	<b>Purpose of the project</b>	<b>How is the funding to be spent?</b>	<b>What performance measures are in place?</b>	<b>Expected net benefits</b>	<b>Net present value (in 2012 dollars), where applicable</b>
Modernising Farm Service and Science Assets – Melbourne Metropolitan Consolidation Strategy Project (Consolidating Accommodation – Metro)	18.2	Existing	Funding will be utilised from divested property and land to create a consolidated metropolitan site for a biosecurity centre of excellence and service activities not conducted at the Biosciences Research Centre at Bundoora.	Development of a consolidated metropolitan site at Attwood.	There are no direct performance measures in place as the funding provided for this initiative is asset funding.	The project will create operational efficiencies, improved staff interactions, reduction of DPI's property and environmental footprint, and better utilisation of the owned property portfolio.	Not available

## 10. Performance measures

### *Question 10.1*

For each initiative (asset or output) in the 2012-13 Budget with a total cost over the forward estimates greater than \$20 million (or a TEI over \$20 million), please list all new and existing performance measures in the budget papers related to the initiative. In describing initiatives, please use the same names as are used in the budget papers.

The only initiative in the 2012-13 Budget with a total cost over \$20 million is the Safer Electricity Assets Workplan.

This is reflected in the new performance measure 'Delivery of milestones for the Safer Electricity Asset Fund work program'.

### *Question 10.2*

Please indicate any changes that the Department has made since the 2011-12 Budget to increase the number of its performance measures that are outcomes-based.

DPI reviews its performance measures on an annual basis to ensure that all performance measures are still relevant and appropriate and have taken into account historical performance and any new funding approved through the annual BEREC budget process, in accordance with guidance provided by the Department of Treasury and Finance. No outcomes-based material changes were made to performance measures in 2012-13.

### *Question 10.3 – 10.5 (Department of Treasury and Finance only)*

## 11. Staffing matters

### *Question 11.1*

Please fully complete the table below, providing actual FTE staff numbers at 30 June 2011 and estimates of FTE staff numbers (broken down by the categories listed below) at 30 June 2012 and 30 June 2013 for the Department. Please provide figures consolidated on the same basis as the expenditure for the department in the budget papers.

<b>Grade</b>	<b>30 June 2011 (FTE number)</b>	<b>30 June 2012 (estimate) (FTE number)</b>	<b>30 June 2013 (estimate) (FTE number)</b>
Secretary	1.0	1.0	NA
EO-1	-	-	NA
EO-2	14.8	13.0	NA
EO-3	9.0	8.9	NA
VPS Grade 7 (STS)	3.5	4.5	NA
VPS Grade 6	199.1	197.1	NA
VPS Grade 5	248.6	241.1	NA
VPS Grade 4	256.4	266.1	NA
VPS Grade 3	326.7	298.4	NA
VPS Grade 2	269.3	230.9	NA
VPS Grade 1	34.3	28.8	NA
Principal Scientist 1	54.5	59.0	NA
Science D	106.7	102.0	NA
Science C	191.1	171.6	NA
Science B	261.3	248.5	NA
Science A	336.6	286.3	NA
WDC 2	16.0	15.0	NA
WDC 3	7.0	7.0	NA
Other	2.6	2.6	NA
<b>Total</b>	<b>2,338.8</b>	<b>2,181.7</b>	<b>NA</b>
<p><i>Note: FTE numbers as at the end of June 2013 cannot be accurately provided at this stage because of progress with the Government's Sustainable Government initiative relating to non-front line staff. These figures will be reported to Parliament in the 2012-13 annual report of the Department.</i></p>			

**Question 11.2**

Please break down the actual staff numbers in your department as at 30 June 2011 and the estimates as at 30 June 2012 and 2013 according to the number of staff that are ongoing, fixed-term or casual

	<b>30 June 2011</b>	<b>30 June 2012 estimate</b>	<b>30 June 2013 estimate</b>
	<b>(FTE number)</b>	<b>(FTE number)</b>	<b>(FTE number)</b>
Ongoing	1,904.4	1,863.7	NA
Fixed-term	384.8	295.8	NA
Casual	49.1	22.2	NA
<b>Total</b>	<b>2,338.3</b>	<b>2,181.7</b>	<b>NA</b>
<i>Note: FTE numbers as at the end of June 2013 divided into ongoing, fixed-term and casual categories cannot be accurately provided at this stage because of progress with the Government's Sustainable Government initiative relating to non-front line staff..</i>			

**Question 11.3**

Given the Government's 'Maintain a sustainable public service' initiative, which is expected to reduce Victorian public service positions by around 3,600 between 2011-12 and 2014-15,<sup>2</sup> please indicate for each year:

- (a) the number of VPS positions (including VPS Grades 1-6, STS level, EO level and Secretary level) and non-VPS positions that the Department expects to have as at 30 June;

Reduction in VPS positions in the Department to meet the Government's targets will vary over the forward estimates and will be reported to Parliament both in the annual report and the State of the Public Sector Report. It would be inaccurate to provide information at the level of changes in particular grades of FTE staff, as these will change according to the needs of the entity and progress with separations.

- (b) any strategies other than reducing the number of VPS staff that the Department plans to implement in order to meet the savings target established by this initiative, and the amount of savings for each year anticipated to be achieved by these strategies.

The department plans to constrain expenditure escalation and make reductions in consultants and procurement. The target for these strategies is \$6.50 million in 2012-13 and \$7.70 million per annum from 2013-14 onwards.

**Question 11.4**

Please detail the actual amount that the Department spent on contractors and consultants in 2010-11 and the estimated expenditure in 2012-13 and each of the outyears (for a definition on the difference between consultants and contractors, see FRD 22B – Standard Disclosures in the Report of Operations). Please provide figures on the same basis of consolidation for the Department as used in the budget papers.

	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
	<b>(\$ million)</b>					
Consultants	0.52	1.50	1.30	1.20	1.10	1.00
Contractors	44.60	40.00	38.00	37.00	36.00	35.00

If the estimates for consultants provided above do not match the estimates provided in response to Question 4.3, please explain why.

Not applicable

## 12. Other

### *Question 12.1*

For any recommendation from the Committee's 2011-12 budget estimates reports where the response was that further action would be considered, investigated or reviewed, please provide an update of the results of the consideration, investigation or review.

102<sup>nd</sup> Report on the 2011-12 Budget Estimates

#### **Recommendation 6 (Page 19 of Chapter 3: Performance Measures in the 2011-12 Budget)**

The Department of Treasury and Finance work with those departments with the highest proportions of quantity measure and the lowest proportions of quality measures to examine whether, on the basis of their responsibilities, there is scope for increasing the proportion of appropriate quality measure.

*The Department of Primary Industries supports in principle.*

#### *Response*

DPI has a relatively low proportion of quality performance measures (14.1% of DPI's total), which are mainly reflected in the department's Strategic and Applied Scientific Research and Primary Industries Policy outputs. Quantitative measures in these outputs have historically been a good indicator to Parliament and the public on the department's performance, however there may be scope to increase the proportion of qualitative measures in these areas.

#### *Action taken to Date*

DPI reviews its performance measures on an annual basis to ensure that all performance measures are still relevant and appropriate and have taken into account historical performance and any new funding approved through the annual BEREC budget process. This review is done in accordance with guidance provided by the Department of Treasury and Finance (DTF).

#### *Commitment to Further Action*

DPI will continue to work with DTF to examine if there is scope for increasing DPI's proportion of quality performance measures.

#### **Recommendation 7 (Page 21 of Chapter 3: Performance Measures in the 2011-12 Budget)**

DTF examine whether there is scope for appropriate measures to be developed to assess the quality of service delivery for those outputs which currently do not have quality measures.

*The Department of Primary Industries supports in principle.*

#### *Response*

DPI has no quality measures in its Strategic and Applied Scientific Research (SASR) output. Table 3.5 of PAEC Report No. 102, reports that measures could be developed in the SASR output "around the extent to which the productivity, profitability, sustainability, international competitiveness and export value of the relevant industries are improved".

The challenge will be to identify and attribute qualitative measures about DPI's SASR to higher order outcomes (e.g. productivity, sustainability) which are impacted and influenced by other factors external to DPI i.e. Commonwealth Government, industry, economic and

environmental forces.

*Action taken to Date*

DPI reviews its performance measures on an annual basis to ensure that all performance measures are still relevant and appropriate and have taken into account historical performance and any new funding approved through the annual BEREC budget process. This review is done in accordance with guidance provided by the Department of Treasury and Finance (DTF).

*Commitment to Further Action*

DPI will continue to work with DTF to explore appropriate quality performance measures in the SASR output.

**Recommendation 80 (Page 228 of Chapter 9.4.1 Bushfire response)**

Once the details and priorities for the Safer Electricity Fund are established, the Government develop appropriate performance indicators for this initiative.

*The Department of Primary Industries supports the recommendation.*

*Response*

The Government announced on the 29<sup>th</sup> December 2011, that it had accepted the recommendations of the Powerline Bushfire Safety Taskforce and that up to a further \$700 million in additional investment to reduce the risk of bushfires caused by powerlines will be delivered. This will be achieved through \$500 million invested by Victoria's electricity distribution businesses in new generation electrical asset protection and control equipment. plus up to \$200 million by the State Government, to be used to progressively replace the most dangerous powerlines in the State.

*Action taken-to-date*

DPI reviews its performance measures on an annual basis to ensure that all performance measures are still relevant and appropriate. This review takes into account historical performance and any new funding approved through the annual BEREC process in accordance with guidance provided by the Department of Treasury and Finance (DTF).

*Commitment to further action*

DPI has developed a new performance measure for the Safer Electricity Assets Fund to apply for the 2012-13 State Budget. The measure is described as follows:

*100 percent delivery of milestones for the Safer Electricity Asset Fund work program.*