



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

**2011-12 FINANCIAL AND PERFORMANCE OUTCOMES
GENERAL QUESTIONNAIRE**

DEPARTMENT OF PRIMARY INDUSTRIES

SECTION A: Output variations**Question 1**

Please provide copies of all of your department's/agency's annual plans, business plans, strategic plans, corporate plans or similar relating to 2011-12 (these are requested in accordance with Section 28(1) of the *Parliamentary Committees Act 2003*) unless they are online. If they are online, please specify the document name and web address:

Copies of the DPI Interim Strategic Plan 2010-13 and Interim Strategic Plan 2010-13 Annex are attached in electronic versions.

Question 2 (departments only)

In relation to the departmental outputs listed in the budget papers, please provide a detailed explanation for all instances where an output cost for 2011-12 varied from the initial target (**not** the revised estimate) by greater than ± 10 per cent:

Output	Budget estimate for 2011-12 (2011-12 budget papers)	Actual expenditure 2011-12 (2011-12 annual report)	Explanation	Impact on the community of reduced/increased expenditure compared to budget
	(\$ million)	(\$ million)		
Strategic and Applied Scientific Research	254.0	218.5	<p>Actual 2011-12 expenditure was less than Budgeted 2011-12 expenditure due to:</p> <ul style="list-style-type: none"> • Deferment of completion date for the BioSciences Research Centre; • The appropriation of the CarbonNet project being re-phased as a result of delays in securing Commonwealth approval to progress the CarbonNet project as a Carbon Capture Storage (CCS) Flagships project through to the feasibility stage. 	<p>No significant impacts on the community (budgets for these projects have not been reduced):</p> <ul style="list-style-type: none"> • The BioSciences Research is now fully operational; and • CarbonNet project is in the process of being delivered.

Question 3 (departments only)

In relation to the following performance measures where there was a substantial difference between the 2011-12 expected outcome published in the 2012-13 budget papers (May 2012) and the actual outcome for 2011-12, please explain:

- (a) why these figures vary (i.e. why was it not possible to provide a more accurate estimate in May 2012); and
- (b) how the 2011-12 expected outcome was calculated.

While detailed reasons for the differences between the 2011-12 expected outcome and the 2011-12 actual result are provided below, it should be noted that in the majority of cases expected outcomes are projected early in the calendar year in order to meet the timelines for the preparation of the annual Budget Papers.

Performance measure	2011-12 expected outcome (2012-13 budget papers)	Actual outcome for 2011-12 (2011-12 annual report)	Why do these figures vary?	How was the 2011-12 expected outcome calculated?
Mining industry work plans not processed in one month	<5	11	The target performance measure was not met due to processing delays caused by unanticipated requests for additional information from the licensees.	The 2011-12 estimate was based on previous years averages and target estimations.
Minerals and petroleum exploration licence applications not determined after three months	<5	9	The target performance measure was not met due to processing delays caused by the need to secure additional information from clients and in the resolution of complaints raised.	The 2011-12 estimate was based on previous years averages and target estimations.

Mining licence applications not determined after four months	<5	9	<p>The mining license applications were processed outside the target time frames due to:</p> <ul style="list-style-type: none"> • delays in resolving a competing application; • delays in resolving complex regulatory issues; • requirement for legal advice to guide processing of some applications; and • Native Title requirements. 	The 2011-12 estimate was based on previous years averages and target estimations.
Applications for intellectual property protection	8	12	The annual target for new IP applications of eight (8) was exceeded by four (4) as a strategic decision was made to split several new technologies (that were originally broadly-defined) into discrete IP applications to provide future flexibility for their commercialisation opportunities and hereby potential impact in the Australian marketplace. (for farmer benefit)	Based on previous years rates of new technology development together with informed estimates of the commercial sectors likely approach to taking the new technologies to market.
Water savings plans progressed in the Goulburn Murray Irrigation District	304	412	The actual outcome is significantly higher than the target outcome as within the reporting period an additional round of funding was provided ie. water savings plans were completed as part of the scheduled Australian Government Department of Sustainability, Environment, Water, Population and Communities funded On-Farm Irrigation Efficiency Program (Round 2) and an unscheduled State Priority Project funded round. The State Priority Project funding was secured by the Victorian Water Minister through negotiations with the Australian Government on the \$1billion for implementation of NVIRP Stage 2. The State Priority Project guidelines requested a separate call for new projects hence more water savings plans were undertaken to ensure funding would be matched to eligible irrigator projects.	The 2011-2012 expected outcome is based on an open call for one (1) round of funding and expected demand from eligible irrigators for the opportunity to upgrade their farm irrigation systems.

Audits completed at mineral and petroleum sites on specific high risk issues	80	101	The target measure was exceeded and a greater number of audits were completed than estimated.	A revised target of 80 for 2011-12 was determined to allow for diverting regulation resources to support two incidents management - the Yallourn Mine flooding due to Morwell River Diversion breach in 2012 and the Hazelwood Northern Batter Movement in 2011. An internal redistribution of resources between the district offices ensured that the historical target of 100 was met.
Commercial technology licence agreements finalised	20	25	The annual target for commercial technology licence agreements of twenty (20) was exceeded by five (5) as projects and commercialisation negotiations delivered more new DPI-bred pulse varieties than were originally projected to be commercially licensed and released.	Based on scale of DPI intellectual property portfolio available for commercialisation, number of commercialisation collaborators, resources available to support commercialisation negotiations and the status of current negotiations.
Compliance with international and national quality assurance standards by meeting certification authorities' required performance audits on animal and plant health programs and agriculture/veterinary chemical use	3	2	No external fruit fly compliance audits were conducted by AQIS in Victoria during 2011-2012.	Number of external audits conducted demonstrating compliance with certification authorities' required performance standards.

Question 4 (departments only)

Regarding the Department's performance measures in the budget papers:

- (a) How did the Department's 2011-12 results influence departmental planning in 2012-13?

Each year the Department reviews the Output Performance Measures to determine whether they are still appropriate and relevant. Changes are made where they will improve the information the performance measure is designed to highlight.

The Department considers program results and effectiveness overall when planning and prioritising for future years, not just specifically performance measure results.

- (b) Please detail all changes planned for 2012-13 as a consequence of actual results for any performance measures not meeting the targets in 2011-12.

Major output deliverables Performance Measures	Unit of measure	2012-13 target	2011-12 Expected outcome	2011-12 Target	Explanation
Number of structured management arrangements in place for fisheries	number	21	21	23	The lower 2012-13 Target and 2011-12 Expected Outcome is a result of an improved approach to fisheries management planning. DPI is implementing this approach with close consultation with the fishing community.
Enhance levels of community participation in achieving fisheries compliance through calls to the 13FISH reporting line	number	1500	1500	1700	The lower 2012 13 Target reflects the fact that the fisheries compliance program is increasingly using an intelligence led approach to direct effort to the times of peak fishing activity and to the highest risks to the fisheries resource. The 2011 12 Expected Outcome is lower than the 2011 12 Target, which may be attributable to the high public profile generated by uniformed Fisheries Officers patrolling target locations at peak fishing times over the busy summer period. This, when coupled with a high volume of positive media messages on compliance issues over the same period, may have reduced public focus on using 13FISH to report suspected offences.
Known state prohibited weed sites monitored and treated in line with the relevant weed action plan	per cent	90	92	95	This performance measure renames the 2011 12 performance measure 'State prohibited weeds monitored and where present, treated.' The 2012 13 performance measure measures the same activity as the previous measure. However, its title has been amended to increase clarity. The 2012 13 Target has been reduced due to changes to program scope.
Minerals and petroleum licences, permits and authorities administered by DPI	number	1 700	1 700	1 800	This performance measure renames the 2011 12 performance measure 'Minerals and petroleum licences, permits and authorities under administration.' The 2012 13 performance measure measures the same activity as the previous measure. However, its title has been amended to increase clarity. The lower 2012 13 Target reflects the decrease in titles administered by DPI from 1 January 2012 due to the transfer of administrative responsibilities for 90 petroleum titles to the Commonwealth as part of agreed national changes. The 2011 12 Expected Outcome is lower than the 2011 12 Target due to increased expiry of licences and market conditions.

Technical Review Board to complete the review of stability reports for Latrobe Valley coal mines	number	3	3	6	The lower 2012 13 Target reflects a shift in approach from six monthly assessments by the Technical Review Board (TRB) to an annual comprehensive report for each coal mine. The 2011 12 Expected Outcome is lower than the 2011 12 Target due to a shift in approach from six monthly assessments by the TRB to an annual comprehensive report for each coal mine.
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Question 5 (departments only)

Please provide explanations for the results in the following outputs, where the cost performance and the non-cost performance measures have varied from targets in different directions.

Output	Issue	Explanation
Strategic and Applied Scientific Research	The expenditure on this output for 2011-12 was 14.0 per cent below budget levels. However, none of the 13 non-cost performance measures for the output indicates lower-than-expected activity in the area. By contrast, four non-cost performance measures indicate higher-than-expected activity.	<p>Expenditure for the Strategic and Applied Scientific Research (SASR) output was below budget due mainly to the deferment of completion date for the BioSciences Research Centre project and the appropriation for the CarbonNet project being re-phased (refer to answer in question 1). However, all of DPI's SASR non-cost performance measures have been met in 2011-12 as:</p> <ul style="list-style-type: none"> • There are no direct performance measures for the Joint Venture BioSciences Research Centre project as it is a capital project, with output funding representing the regular quarterly concessionaire payments which is passed on to the joint venture; and • There are no performance measures for the CarbonNet project in 2011-12 as a result of delays in securing approval (and funding) from the Commonwealth to progress the project. Two new performance measures for the CarbonNet project have been incorporated for 2012-13 reporting. <p><i>Note: For 2011-12, DPI only had only 11 performance measures within the Strategic and Applied Scientific Research output.</i></p>

Question 6 (Department of Treasury and Finance only)

This question does not apply to your department.

SECTION B: Asset investment (departments only)**Question 7**

This question does not apply to your department.

Question 8

For each of the following asset investment projects, please provide:

- (a) the total expenditure to 30 June 2012 (using actual figures, rather than the estimate in the budget papers);
- (b) the actual expenditure in 2011-12;
- (c) explanations for any variations greater than ± 10 per cent between the actual expenditure and what was estimated in the Budget at the start of the year;
- (d) details of any funding carried forward from 2011-12 to 2012-13;
- (e) the completion date as estimated at 30 June 2011;
- (f) the completion date as estimated at 30 June 2012; and
- (g) an explanation for any changes to the estimated completion date between 2011 and 2012.

Project	Total actual expenditure to 30/06/2012	Estimated expenditure in 2011-12 (2011-12 budget papers)	Actual expenditure in 2011-12	Explanation for any variations greater than ±10 per cent between estimated and actual expenditure	Funding carried over from 2011-12 to 2012-13	Estimated completion date as at 30/6/2011	Estimated completion date as at 30/6/2012	Explanation for any changes to the estimated completion date
	(\$ million)	(\$ million)	(\$ million)		(\$ million)			
Advanced Computing for Biological and Farm Systems Research – system replacement (various)	2.9	2.0 ^(a)	1.6	The variance is due to delays procuring network data links between DPI facilities (provided by Telstra) required to deliver the project.	1.5	Jun-12	Nov-12	The estimated completion date has been adjusted to reflect the delays experienced.
Consolidating accommodation Metro – accommodation (Bundoora)	5.7	9.8 ^(a)	4.0	The variance is due to the delay in the completion of AgriBio preventing the relocation of staff and laboratories from Attwood, which has resulted in delays to the contractor's program.	1.6	Jun-14	Jun-14	Not applicable - The estimated completion date did not change.
Consolidating accommodation Warrnambool – accommodation (Warrnambool)	2.7	5.0 ^(a)	2.7	The variance is due to delays in the land acquisition. This resulted in a cashflow rephase for \$2.8M being approved by the Treasurer.	0.0	Jun-13	Jun-13	Not applicable - The estimated completion date did not change.
Controlled environments for developing New Crops – development (various)	1.5	3.5 ^(a)	0.2	The variance is due to delays in contract and tender finalisation for the Horsham glasshouse, and final scoping and location of the Bundoora glasshouse was delayed due to awaiting the finalisation of the AgriBio project.	5.5	Jun-13	Jun-13	Not applicable - The estimated completion date did not change.

Project	Total actual expenditure to 30/06/2012	Estimated expenditure in 2011-12 (2011-12 budget papers)	Actual expenditure in 2011-12	Explanation for any variations greater than ± 10 per cent between estimated and actual expenditure	Funding carried over from 2011-12 to 2012-13	Estimated completion date as at 30/6/2011	Estimated completion date as at 30/6/2012	Explanation for any changes to the estimated completion date
Replacement of fisheries catch and effort data and information system	2.6	N/A	0.7	N/A	N/A	Aug-11	Jun-12	The Catch and Effort Data and Information System went live in September 2011. Work on the project continued until June 2012 to complete implementation, including progressive updates of software, interfaces and data conversion and transfer.
Lysterfield Lake Park – land purchase (Lysterfield)	1.6	0.1	0.1	N/A - Variance not greater than ± 10 per cent.	0.0	Jun-35	Jun-35	Not applicable - The estimated completion date did not change.
Natural Disaster Emergencies – system development (Melbourne)	0.4	2.3	0.4	The variance is due to the project still recovering from the diversion of key specialised staff to other priorities such as locust emergency and flood recovery responses in 2011. This resulted in a cashflow rephase for \$1.9M being approved by the Treasurer.	0.0	Jun-14	Jun-14	Not applicable - The estimated completion date did not change.
Resource Rights Allocation and Management Capability – system replacement (Melbourne)	11.7	2.4	2.4	Not applicable - Variance not greater than ± 10 per cent.	0.0	Jun-12	Jun-12	Not applicable - The estimated completion date did not change.

Project	Total actual expenditure to 30/06/2012	Estimated expenditure in 2011-12 (2011-12 budget papers)	Actual expenditure in 2011-12	Explanation for any variations greater than ± 10 per cent between estimated and actual expenditure	Funding carried over from 2011-12 to 2012-13	Estimated completion date as at 30/6/2011	Estimated completion date as at 30/6/2012	Explanation for any changes to the estimated completion date
Systems for enhanced farm services – system development (various)	0.0	1.3	0.0	Work priorities and key staff changes hampered progress on this project. In response to changing operating environment and the release of the Growing Food and Fibre strategy in mid-2012, the project's objectives and deliverables are under review to ensure they continue to align with Victorian government priorities and those of key stakeholders across research, development and practice change.	0.3	Jun-15	Jun-15	Not applicable - The estimated completion date did not change.

^(a) Note that the quoted 2011-12 Budget Papers estimated expenditure does not include cashflow rephases or final carryover approved after the publication of the 2011-12 Budget, and therefore does not represent the revised 2011-12 budget.

Question 9

- (a) Please detail (in aggregate for each of the following categories) the expenditure of the Department (including any controlled entities)¹ on asset projects not listed in the 2011-12 Budget Paper No.4:

Category of projects	Expenditure in 2011-12 (\$ million)
Projects with a TEI less than \$250,000	\$1.5
Projects with a TEI greater than \$250,000 but planned expenditure in 2011-12 under \$75,000	Not Applicable
Capital grants paid to other sectors of government	Not Applicable
Other projects included in 'payments for non-financial assets' on the cash flow statement for the Department but not listed in Budget Paper No.4 for 2011-12	Not Applicable

- (b) If the total of expenditures listed in response to part (a) plus the total of actual expenditures for 2011-12 identified in Question 6 is not equal to the 'payments for non-financial assets' in the Department's budget portfolio outcomes statement in the annual report, please explain why:

Capital expenditure listed in response to part (a) and Question 6 only captures expenditure from capital initiatives that were specifically published in the Budget Papers, whereas the Department's budget portfolio outcomes statement "payments for non-financial assets" captures expenditure from **all** the department's activities, such as payments for vehicle lease which is not a specific capital initiative.

¹ i.e. please provide this information for the Department on the same basis of consolidation as is used in the budget papers

Question 10

Please provide the total actual investment (i.e. how much the project actually cost) for each of the following asset projects which were completed in 2011-12 and explain any differences between that and the TEI published in the 2011-12 budget papers:

Project	TEI in the 2011-12 budget papers	Total actual investment	Explanation for any variations greater than ± 10 per cent	Impact of any variations
Resource Rights Allocation and Management Capability – system replacement (Melbourne)	11.7	11.8	Not applicable - Variance not greater than ± 10 per cent.	Not applicable

Question 11

This question does not apply to your department.

Question 12

For each of your entity's public private partnership projects in 2011-12, please detail the entity's expenditure in 2011-12 in the following categories:

- the amount paid that was classified as 'finance charges on finance leases' and a description of what that money was for;
- the amount paid as 'operating lease payments' and a description of what that money was for; and
- any other expenses and a description of what that money was for.

Project	Finance charges on finance leases in 2011-12		Operating lease payments in 2011-12		Any other expenses in 2011-12	
	(\$ million)	What that money covered	(\$ million)	What that money covered	(\$ million)	What that money covered
Royal Melbourne Showgrounds Redevelopment project	\$11.945m	Service payments by the Department	\$0.000m	See note below	\$0.000m	See note below
Biosciences Research Centre (AgriBio) project	\$0.000m	See note below	\$0.000m	See note below	\$0.000m	See note below

Royal Melbourne Showgrounds Redevelopment project

- The Redevelopment of the Royal Melbourne Showgrounds project is a joint venture between the State and the Royal Agricultural Society of Victoria Limited (RASV).
- The State's contribution to the joint venture is \$100.7 million (expressed in 2004 dollars), while RASV contributed its goodwill and intellectual property in running the Royal Melbourne Show for over 100 years, as well as its freehold land and Crown Land under management at the showgrounds valued at \$51 million (in June 2005). In February 2011 the overall Showgrounds land across three titles was valued for accounting purposes at \$100 million.
- Service payments to the concessionaire (PPP Solutions (Showgrounds) Nominee Pty Ltd) commenced from August 2006 (date of commercial acceptance) for the project operating term of 25 years. Total Government liability as at 30 June 2012 reported in the department's 2011-12 Annual Financial Statement is \$68.976 million in line with accounting recognition principles.

Biosciences Research Centre (AgriBio) project

- The Biosciences Research Centre (AgriBio) project is a joint venture between the State and La Trobe University (La Trobe). The State's contribution to the joint venture is \$227.340 million while La Trobe's contribution is \$60.44 million (expressed in May 2009 dollars).
- On 30 April 2009, Biosciences Research Centre Pty Ltd (on behalf of the State and La Trobe) entered into a project agreement with Plenary Research Pty Ltd (the concessionaire) to design, construct, finance and maintain the facility over the operating term of the project (25 years).
- Service payments to the concessionaire will begin from the date of commercial acceptance of completed works, which is expected to occur in 2012. Given this, no Government liability has been reported as at 30 June 2012 in the department's 2011-12 Annual Financial Statement in line with accounting recognition principles.

Question 13

Please list each project funded by the Department (including controlled entities)² for which the funding is included in the 'net cash flows from investments in financial assets for policy purposes' in the general government sector cash flow statement, detailing for each:

- (a) the estimated expenditure in 2011-12;
- (b) the actual expenditure in 2011-12; and
- (c) for any project completed in 2011-12, what policy purposes were achieved.

The general government sector cash flow statement is not prepared by the Department of Primary Industries. During 2011-12, the Department did not fund any projects that would be classified as an investment in a financial asset.

² i.e. please provide this information on the same basis of consolidation as the budget papers

SECTION C: Revenue and revenue foregone

Question 14

Please explain and detail the impact of any variances greater than ± 10 per cent between the prior year's actual result and the actual result for 2011-12 for:

- each revenue/income category detailed in your operating statement; and
- the total revenue/income in your operating statement.
- For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

Revenue category	2010-11 actual \$'m	2011-12 actual \$'m	Explanations for variances greater than ± 10 per cent	Impact of variances
Output appropriations	491.0	436.5	Variance represents reduced output appropriation revenue applied, mainly due to reduced grant expenditure in 2011-12 due to the cessation of the Exceptional Circumstance Interest Rate Subsidy program.	Not applicable
Special appropriations	9.0	6.0	Variance represents reduced special appropriation applied, due to the change in expenditure relating to the Large Scale Integrated Drying and Gasification Combined Cycle (IDGCC) Demonstration Project.	Not applicable
Interest	3.9	3.7	Not applicable - Variance not greater than ± 10 per cent.	Not applicable
Sale of goods and services	26.8	28.8	Not applicable - Variance not greater than ± 10 per cent.	Not applicable
Grants	0.0	3.4	Variance represents grant revenue from the Department of Treasury and Finance for 2011-12 flood response initiatives, such as rural finance counsellors, and flood recovery costs.	Increased grant revenue has had a corresponding increase in expenditure.
Other income	10.2	10.8	Not applicable - Variance not greater than ± 10 per cent.	Not applicable

Question 15

Please explain and detail the impact of any variances greater than ± 10 per cent between the initial budget (**not** the revised estimate) and the actual result for 2011-12 for:

- (a) each revenue/income category detailed in your operating statement; and
- (b) the total revenue/income in your operating statement.
- (c) For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

Revenue category	2011-12 Budget \$'m	2011-12 actual \$'m	Explanations for variances greater than ± 10 per cent	Impact of variances
Output Appropriations	486.4	436.5	Not Applicable – Variance not greater than ± 10 per cent.	Not Applicable – Variance not greater than ± 10 per cent.
Special Appropriations	0.0	6.0	Timing adjustment for the Integrated Drying Gasification Cycle demonstration project.	No impact on service delivery. Corresponding Special Appropriation funding of \$6.0M was received for the grant payments.
Interest	0.7	3.7	Recognition of the state's share of interest income in the Royal Melbourne Showgrounds Joint Venture.	No impact on service delivery.

Revenue category	2011-12 Budget \$'m	2011-12 actual \$'m	Explanations for variances greater than ± 10 per cent	Impact of variances
Sale of Goods and Services	13.7	28.8	<p>Income for DPI flood recovery activities, as well as recognition of the state's share of the Royal Melbourne Showgrounds Joint Venture revenue items.</p> <p>\$13.5M was received in the 2011-12 Budget Papers for Flood Recovery activities (in response to the Victorian Floods between Sep 2010 – Feb 2011). These include funds for:</p> <ul style="list-style-type: none"> • DPI Flood Recovery Costs • Apprenticeship Retention Program • Rural Co-ordination Officers • Emergency Morwell Mine Batter Response Works • Health & Well Being • Rural Financial Counsellors <p>Income is received in trust (DTF reimburse DPI on quarterly basis).</p>	No impact on service delivery.
Grants	17.3	3.4	The 2011-12 budget figure relates to nominal SEAF funding that was loaded by DTF in this category (instead of output appropriation) as the funding had not yet been released from contingency.	No impact on service delivery.
Other income	10.2	10.8	Not Applicable – Variance not greater than ± 10 per cent.	Not Applicable – Variance not greater than ± 10 per cent.
Total	528.4	489.2	See above explanations.	See above explanations.

Question 16

Please provide an itemised schedule of any concessions and subsidies (revenue foregone) (see the Explanatory Memorandum for a definition of concessions and subsidies) provided by your organisation in 2011-12. For each item, please:

- (a) describe the purpose of the concession/subsidy;
- (b) explain any variations greater than ± 10 per cent between the actual expenditure and the initial budget for the year;
- (c) indicate the number of concessions/subsidies granted in each category; and
- (d) explain whether the outcomes in the community³ expected to be achieved by granting these concessions or providing these subsidies have been achieved.

DPI did not provide any concessions or subsidies in 2011-12.

Question 17 (Department of Treasury and Finance only)

This question does not apply to your department.

³ 'outcomes' are the impact of service delivery on the community rather than a description of the services delivered

SECTION D: Expenditure***Question 18***

Please explain and detail the impact of any variances greater than ± 10 per cent between the prior year's actual result and the actual result for 2011-12 for:

- (a) each expenditure category detailed in your operating statement; and
- (b) the total expenditure in your operating statement.
- (c) For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

Expenditure category	2010-11 actual \$'m	2011-12 actual \$'m	Explanations for variances greater than ± 10 per cent	Impact of variances
Employee entitlements	205.7	193.6	Not applicable - Variance not greater than ± 10 per cent.	Not applicable
Depreciation	25.2	27.5	Not applicable - Variance not greater than ± 10 per cent.	Not applicable
Interest Expense	7.0	6.5	Not applicable - Variance not greater than ± 10 per cent.	
Grants and other transfers	118.2	60.3	<p>Variance represents the cessation of the Exceptional Circumstance Interest Rate Subsidy program due to the Australian Government's announcement of the expiry of Victorian Exceptional Circumstances (EC) declared areas.</p> <p>Consequently grant payments were not made to Rural Finance Corporation in 2011-12, who were responsible for administering the EC Interest Rate Subsidy scheme on behalf of the Commonwealth and Victorian Governments.</p> <p>In addition, reduced grant payments to the successful tenderer of the Large Scale IDGCC Demonstration Project, occurred in line with the contractual agreement.</p>	Lower grant expenditure results in a corresponding decrease in output appropriation.
Capital asset charge	17.9	33.2	During 2011-12 the capital asset charge (CAC) has continued to operate as a 'round robin'; that is, the actual amount of CAC expenses recognised is equal to the budgeted CAC. The increase in CAC budget for 2011-12 predominately relates to Biosciences Research Centre assets.	Not applicable
Other operating expenses	168.5	173.7	Not applicable - Variance not greater than ± 10 per cent.	Not applicable

Question 19

Please explain and detail the impact of any variances greater than ± 10 per cent between the initial budget (not the revised budget) and the actual result for 2011-12 for:

- (a) each expenditure category detail in your operating statement; and
- (b) the total expenditure in your operating statement.
- (c) For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

Expenditure category	2011-12 Budget \$'m	2011-12 actual \$'m	Explanations for variances greater than ± 10 per cent	Impact of variances
Employee benefits	201.2	193.6	Not Applicable – Variance not greater than ± 10 per cent.	Not Applicable – Variance not greater than ± 10 per cent.
Depreciation and amortisation	26.8	27.5	Not Applicable – Variance not greater than ± 10 per cent.	Not Applicable – Variance not greater than ± 10 per cent.
Interest expense	11.1	6.5	Deferment of completion date for the BioSciences Research Centre and the State's funding commitment to the Royal Melbourne Showgrounds Joint Venture.	No impact on service delivery.
Grants and other transfers	45.6	60.3	Grant payments for the supply of pulpwood pursuant to the Forests (Wood Pulp Agreement) Act 1996.	No impact on service delivery. Grant payments reflect the Machinery of Government transfer of responsibilities for commercial timber harvesting on public land from DSE to DPI, for which corresponding funding is received.
Capital asset charge	33.2	33.2	Not Applicable – Variance not greater than ± 10 per cent.	Not Applicable – Variance not greater than ± 10 per cent.
Other operating expenses	212.8	173.7	Deferment of completion date for the BioSciences Research Centre project and revised funding agreements for the CarbonNet and ETIS Sustainable Energy and Carbon Capture Storage Large Scale Demonstration projects.	No impact on service delivery.
Total	530.7	494.8	See above explanations.	See above explanations.

Question 20 (departments only)

The 2011-12 budget papers indicate that \$184.2 million of output funding allocated for expenditure in 2011-12 by previous budgets was 'reprioritised or adjusted'. This is in addition to any savings or efficiencies resulting from savings measures. For the Department (including all controlled entities),⁴ please indicate:

- (a) what areas of expenditure (including projects and programs if appropriate) the funding was reprioritised/adjusted from (i.e. what the funding was initially provided for);
- (b) for each area of expenditure (or project or program), how much funding was reprioritised; and
- (c) the impact on those areas of the reprioritisation/adjustment.

Area of expenditure originally funded	Value of funding reprioritised/adjusted (\$ million)*	Impact of reprioritisation/adjustment of funding
Reprioritisation decisions were funded through the department's internal budget allocation process, which included the identification of general efficiencies that could be found in corporate and back of house areas, with minimal impact on service delivery.	\$1.9M in 2011-12	The reprioritisation or adjustment of funding has occurred consistent with whole of agency requirements to meet relevant targets, while taking into account the needs of various parts of the agency. There were no direct impacts on service delivery.

Note - As previously outlined in the Government's response to the Committee's Report on the 2011-12 Budget Estimates, Part Three, departments are funded on a global basis in the annual appropriation acts and ministers have the ability to reprioritise funding within their portfolio department.

Reprioritisation decisions were funded through the department's internal budget allocation process, which included the identification of general efficiencies that could be found in corporate and back of house areas, with minimal impact on service delivery.

⁴ i.e. please provide this information for the Department on the same basis of consolidation as is used in the budget papers

Question 21

Please provide details of any evaluations of grants programs that were conducted by your department/agency in 2011-12, including any findings about:

- (a) the outcomes in the community⁵ achieved by the programs; or
- (b) the effectiveness of grants at achieving planned outcomes compared to other modes of service delivery.

Grant program	Evaluation conducted	Outcomes achieved	Effectiveness as a mode of service delivery
<p>Energy Technology Innovation Strategy – from inception to 30 June 2011</p> <p>Victoria’s Energy Technology Innovation Strategy (ETIS) provides a broad framework within which investment in energy innovation is undertaken.</p>	<p>An independent external review of the ETIS program was Conducted by the Wyld Group Pty Ltd</p> <p>The Final Report prepared by the Wyld Group was released August 2011</p>	<p>The Wyld Group’s overall conclusion from the review of the ETIS program is that it has performed well and delivered results at a level similar to other national and international programs that are known of, particularly given the very challenging external environment in which the ETIS program has been conducted since its inception in 2004-05.</p> <p>Performance report card – the intent of ETIS</p> <p>The ETIS program was established in 2005-06 “to support the development of technologies that will maximise [the State’s] ability to reduce emissions in the long term”.</p> <p>There is considerable difficulty in making a judgement as to the overall effectiveness of the ETIS program when many of the projects are still incomplete and ongoing. Nonetheless, the Wyld Group reached the conclusion that the ETIS portfolio of projects contains brown coal (including CO2 capture) and sustainable energy technologies that will</p>	<p>Process</p> <p>The Wyld Group found that the funds procurement, project procurement and investment management processes utilised by ETID management to conduct the ETIS program can be assessed as being as good as – and better than many – other international and national energy innovation investment programs that operate on a similar discrete funding round basis.</p> <p>ETID management has learnt from experience and refined these processes over the last six years, including a comprehensive project procurement process, incorporation of program and project risk management practices and continuing active management of the State’s investments in energy innovation projects.</p> <p>Portfolio</p> <p>The portfolio of projects procured through implementation of the ETIS program is largely in line with those the Wyld Group would expect in similar international programs and those the Wyld Group are familiar with in national programs, even to the extent – as with ETIS – that for a number of those programs a large proportion of their funding is committed to a few pre-commercial demonstration projects that have suffered lengthy delays (due to a range of technology and commercial factors e.g.</p>

⁵ ‘outcomes’ are the impact of service delivery on the community rather than a description of the services delivered

Grant program	Evaluation conducted	Outcomes achieved	Effectiveness as a mode of service delivery
		<p>– if and when deployed commercially – contribute to reducing Victoria's GHG emissions in the long term.</p> <p>Victoria's Energy Technology Innovation Strategy has successfully delivered a portfolio of projects across all technology-push innovation stages: R&D, pilot-scale demonstration and pre-commercial scale demonstration, as well as successfully establishing two outsourced bodies (the Centre for Energy and Greenhouse Technologies (CEGT) and Brown Coal Innovation Australia limited (BCIA)) focused on the development of new low emission technologies.</p>	<p>the lack of availability of finance for new technology projects driven by the impact of tighter credit conditions stemming from the global financial crisis).</p>
First Farm Grants	February 2012 by Down To Earth Research	<p>The First Farm Grant has increased awareness of the benefits of a Business Plan among young farmers and resulted in greater business knowledge and skills among this group. Consultants have been able to identify opportunities for the business as well as areas of weakness. They have also assisted many young farmers to have a better understanding of their finances – important factors in remaining profitable and viable.</p>	<p>The 'model' of the First Farm Grant has been successful. The Development Grant acted as a 'lure' to encourage young farmers not overly interested in preparing a Business Plan to participate in the program and consequently be exposed to the value of a Business Plan.</p> <p>Evaluation results show the First Farm Grant achieved its initial goals.</p>

Question 22 (departments only)

- (a) Please provide the following details about the realisation of efficiency and savings targets in 2011-12. In providing savings targets, please provide the cumulative target rather than the change in savings from one year to the next (i.e. provide the target on the same basis as in the budget papers). Please provide figures for the Department including its controlled entities.⁶

Initiative	Total value of efficiencies/savings expected to be realised in 2011-12 from that initiative	Actual value of efficiencies/savings achieved from that initiative	Explanation for any variations greater than ±10 per cent
General efficiencies (2009-10 Budget)	6.0	6.0	Not applicable - Variance not greater than ±10 per cent.
Government election commitment savings (2011-12 Budget)	6.3	6.3	Not applicable - Variance not greater than ±10 per cent.
Measures to offset the GST reduction (2011-12 Budget)	4.0	4.0	Not applicable - Variance not greater than ±10 per cent.
Maintain a sustainable public service (2011-12 Budget Update)*	0.0	0.0	Not applicable - Variance not greater than ±10 per cent.

* In contrast to the other savings initiatives, the Budget Update indicated that, in the first year, it expected this initiative to have an increased cost rather than make a saving. Please clearly indicate whether the target and actual for your department for this initiative is an increased cost or a saving.

- (a) If any savings targets differ from what was initially indicated in the budget papers, please provide details.

N/A

⁶ i.e. please provide this information for the Department on the same basis of consolidation as is used in the budget papers

Question 23 (departments only)

- (a) Please outline the Department's expenditure in 2009-10, 2010-11 and 2011-12 and the savings targets for 2010-11 and 2011-12 for these areas targeted in the Government's election commitment savings. In providing savings targets, please provide the cumulative target rather than the change in savings from one year to the next (i.e. provide the target on the same basis as in the budget papers). Please provide figures for the Department including its controlled entities.⁷

Category	Actual expenditure			2010-11 savings target	2011-12 savings target	Explanation for any category that does not change between 2010-11 and 2011-12 in line with the savings target
	2009-10	2010-11	2011-12			
	(\$ million)	(\$ million)	(\$ million)			
Ministerial staff*	0.066	0.012	0.006	0.000	0.000	<p>2011-12 Budget Paper No. 3 (pg. 137) outlines DPI's election commitment savings. All savings requirements were consolidated into one total requirement and then applied to business unit budgets (as target areas do not necessary reflect areas where departmental expenditure can reduce i.e. DPI undertakes no political polling and thus no savings to make). All savings were fully allocated and all divisions met their savings targets.</p> <p>Note: Actual expenditure varies year to year due to allocation of new funding, price escalation, sun setting of various programs and other savings initiatives. Consequently movement of expenditure between years and savings targets have no direct correlation.</p>
Media and marketing positions	3.994	2.199	1.433	0.160	0.330	
Consultants	1.048	0.519	1.044	0.390	0.800	
Government advertising	1.850	2.308	1.554	0.380	0.780	
Political opinion polling	0.000	0.000	0.000	0.010	0.010	
External legal advice	1.818	1.498	2.722	0.150	0.300	
Senior public service travel**	1.355	0.983	0.986	0.010	0.010	
Government office floor space	5.551	6.028	7.182	0.000	0.000	

⁷ i.e. please provide this information for the Department on the same basis of consolidation as is used in the budget papers

Supplies and consumables	130.175	128.143	127.821	1.130	2.390	
Savings from shared services	18.084	18.070	17.922	0.190	0.200	
Head office staff	N/A	N/A	N/A	0.620	1.270	
Total	163.941	159.760	160.64	3.020	6.090	

**FBT component only.*

***Includes Overseas travel expenditure taken by all DPI staff.*

(b) If details are not available for any of these categories, please advise:

(i) why details are not available; and

Total Salaries and Wages for 2011-12 (per DPI's Annual Report) was \$145.8M, with 28% of total DPI staff as at the end of 2011-12 classified as head office staff. Head office staff salaries cannot be accurately split via DPI's General Ledger as DPI's general ledger allocates salaries via business and project function, not location.

(ii) what measures the Department has in place to monitor its achievement of the Government's election commitment savings targets.

DPI has integrated a report on Cost Management by category as part of their procurement reporting.

Question 24

Please detail all measures introduced to increase efficiency in 2011-12, including the cost of introducing each measure and the estimated savings as a result of the measure in 2011-12.

Efficiency savings measures announced in the 2011-12 Budget Papers include:

- Election Commitment Savings (\$6.0M) aimed at reducing expenditure across specific areas such as reductions in Ministerial staff, reduced Government Office Floor Space, reduced government advertising and lower growth in supplies and consumables (refer to Question 15); and
- Measures to offset the GST Reduction (\$4.0M).

These efficiencies were achieved through a range of measures including the metropolitan office accommodation consolidation project, a reduction in Ministerial office budgets and a

reduction in discretionary corporate projects including reduced consultancy costs associated with internal financial modelling (for which there were no supplementary costs incurred in implementing these efficiency measures).

Question 25

Please detail any changes to your department's/agency's service delivery as a result of savings initiatives released since the change of government, e.g. changes to the timing and scope of specific programs or discontinued programs.

The Powerline Relocation Scheme (PRS) established in 1995 to improve the visual amenity of distribution powerlines in local areas has been discontinued with 2012-13 being the last year of the program. This scheme has enabled local councils across the State to underground powerlines through the provision of grants by the State Government and provided benefits to local communities. The cessation of the program reflects a reordering of government priorities, including initiatives arising from the 2009 Victorian Bushfire Royal Commission recommendations (including the \$750 million Powerline Bushfire Safety Program announced in December 2011 that will reduce the risk of electricity assets starting bushfires) and also reflects that the PRS program has successfully addressed key priority areas.

The Freshwater Discovery Centre has been incorporated into the Marine and Freshwater Discovery Centre at Queenscliff.

SECTION E: Public sector workforce**Question 26**

Please detail the total full-time equivalent number of staff in your department/agency as at 30 June 2011 and 30 June 2012 in each of the following bands of levels, and explain the changes from one year to the next:

The Government's Sustainable Government Initiative announced on 15 December 2011 will affect workforce numbers in out-years and these figures should be read in that context.

Level	Total FTE (30 June 2011)	Total FTE (30 June 2012)	Explanation for changes
VPS Grades 1-3	592.3	511	Variation is due to the internal reprioritisation of staffing resources to meet departmental objectives. Change also attributed to non-renewal of fixed term contracts and natural attrition.
VPS Grade 4	253.6	251.4	Variation is due to the internal reprioritisation of staffing resources to meet departmental objectives. Change also attributed to non-renewal of fixed term contracts and natural attrition.
VPS Grades 5-6 and STS	452.1	429.8	Variation is due to the internal reprioritisation of staffing resources to meet departmental objectives. Change also attributed to non-renewal of fixed term contracts and natural attrition.
EO	23.8*	20.9**	Change attributed to staff movements and activities within the department's EO envelope.
Total of all staff (including non-VPS classified grades of Science A-D, Principal Scientists, Wild Dog Controllers and the Mining Warden)	2294.6 (includes 972.8 non-VPS classified grades of Science A-D, Principal Scientists, Wild Dog Controllers and the Mining Warden)	2083.1 (includes 870 non-VPS classified grades of Science A-D, Principal Scientists, Wild Dog Controllers and the Mining Warden)	Variation is due to the internal reprioritisation of staffing resources to meet departmental objectives.

* Number of EOs as at 30 June 2011

** Number of EOs as at 30 June 2012

Question 27

In the tables below, please detail the salary costs for 2011-12, broken down by ongoing, fixed-term and casual and explain any variations greater than 10 per cent between the years for each category.

Employment category	Gross salary 2010-11	Gross salary 2011-12	Explanation for any variations greater than ±10 per cent
	(\$ million)	(\$ million)	
Ongoing	\$182,617,339	\$170,770,470	N/A
Fixed-term	\$31,847,934	\$29,822,242	N/A
Casual	\$1,768,977	\$1,631,678	N/A
Total	\$216,234,249	\$202,224,390	

Question 28

Please detail the impact on your department's/agency's expenditure of any EBAs agreed in 2011-12 and how any additional costs were funded.

EBA	Impact in 2011-12 (\$ million)	How the impact was funded
N/A		

Question 29

Please provide the following details about staff number changes in 2011-12. Under 'Pre-SGI', please show staff changes that would have been made during the year via the various methods prior to the release of the Sustainable Government Initiative (SGI) in December 2011. Under 'Post-SGI', please show how the SGI altered the targets under 'Pre-SGI'. That is, the addition of the two cells will show the total target for the year.

(Please include VPS and fixed-term staff, and provide all data as FTE):

	Target for 2011-12		Actual for 2011-12	Reason for any variation between target and actual	Impact of reduction or increase in staff numbers on service delivery
	Pre SGI	Post SGI			
Total change in staff numbers (please indicate + for increase and – for decrease)	No Target for 2011-12 prior to SGI	There was no post SGI target in 2011-12 as the Government's announcement of reducing non front line staff was over two years.	211.5** SGI 170 ** Reduction between 2010-11 & 2011-12 includes casual staff, other categories do not include casual staff	No Target for 2011/12 prior to SGI The SGI Target of 200 was for two years, over 2011-12 and 2012-13. VDPs were not effective as at June 2012.	The Department is reprioritising administrative and other activities to minimise any impact to service delivery.
Change in the number of head office staff* (please indicate + for increase and – for decrease)	Target does not exist	Target does not exist	-130	Target does not exist *Head office staff are those located in the CBD	N/A
Change in the number of front-line staff* (please indicate + for increase and – for decrease)	Target does not exist	Target does not exist	N/A	N/A	N/A
Number of staff reduced through resignation and retirement	Target does not exist	No target was set	115.8	No target was set	N/A
Number of staff reduced through non-renewal of contracts	Target does not exist	No target was set	55.9	No target was set	N/A

Number of staff reduced through VDPs	Target does not exist	No target was set	0	No target was set	N/A
Number of staff reduced through TSPs	Target does not exist	No target was set	44*	No target was set	N/A
Number of staff reduced through other means	Target does not exist	No target was set	5	No target was set	N/A
Costs associated with staff reductions (e.g. VDP and redundancies pay-outs)	No target was set	No target was set	\$1.82m	No target was set	N/A

*None of these TSPs are related to SGI.

Forty of these TSPs were applied as part of normal business practice, prior to the December 2011 SGI announcement.

The four positions declared surplus after the December 2011 SGI announcement, were part of normal business practice, due to a changes in technologies and the funding base; cessation of external funding; and a position where the work has been winding down over a 12 month period.

Note: 'SGI' refers to the Sustainable Government Initiative of December 2011.

Please indicate how you have defined 'head office staff' and 'front-line staff'.

Head office staff are those located in the CBD.

DPI staff are not categorised as "front line staff" under central agency categorisations.

Question 30

- (a) For what roles within your organisation were contractors or contract staff used in 2011-12 (refer to Explanatory Memorandum for definition of contractors)?

DPI uses contractors and contract staff for:

- Specialist roles, particularly project based positions, as it allows for time based engagement (i.e. recruiting a specialist at market rate and releasing them at the completion of the project);
- Short term assignments to backfill for fixed term or ongoing roles during which time a thorough recruitment process can be undertaken to hire a fixed term or ongoing replacement;
- Providers of general type services within our facilities such as gardeners, tradespeople, laboratory assistants and cleaners,
- Specialist professional services such as general consultancy, engineers, geotechnical specialists, legal, audit

and organisational development providers.

(b) Please itemise the services delivered by contractors or contract staff in 2011-12:

Service category	Number of contractors/contract staff	Value of services (\$)
Contracted Services	Financial systems do not record to this degree of detail	\$26,365,955
Agency Labour Hire Staff	Financial systems do not record to this degree of detail	\$16,307,903
Professional Services	Financial systems do not record to this degree of detail	\$18,728,318
IT Agency Staff	Financial systems do not record to this degree of detail	\$63,235

(c) For each specific contractor or contract staff paid in excess of \$100,000 per annum that has been engaged by your organisation during 2011-12, please supply the following details:

Information on contracts in excess of \$100,000 per annum can be found at www.contracts.vic.gov.au

Supplier	Purpose	Value of services (\$)	Number of contractors/contract staff (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
Aquatic Research Support Services; Kina Diving Pty Ltd	Abalone Population Surveys	\$1,265,472	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.

Supplier	Purpose	Value of services (\$)	Number of contractors/contract staff (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
M Corp Consulting Pty Ltd	Relocation Project Management Services for Agribio	\$119,280	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.
Sander Geophysics Limited	Airborne Geophysical Survey	\$741,454	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.
GHD Pty Ltd	Engagement Plan Support & Implementation	\$130,000	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.

Supplier	Purpose	Value of services (\$)	Number of contractors/contract staff (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
Carroll Nominees Pty Ltd trading as Weed Wizards	Baiting Services for the control of Queensland Fruit Fly in Greater Sunraysia Pest Free Area and North Central Region	\$8,181,818	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.
Charter Security Technical Services Pty Ltd	Compliance Activity Reporting System (CARS) Fisheries Victoria	\$336,000	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.
B&J Kenny Family Trust t/a Merrigum Landscape Services (MLS)	Purchase of Services to assist with Western PEZ Rezoning Phylloxera Surveys 2011/12	\$318,181	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.

Supplier	Purpose	Value of services (\$)	Number of contractors/contract staff (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
Parsons Brinckerhoff	Development of a Measurement, Monitoring & Verification Technical Framework for Geological Storage of CO2 in Australia	\$243,000	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.
Peter Doyle Consulting	Professional & Scientific Services for Lamb & Dairy Research & Development	\$92,380	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.
Netherlands Organisation for Applied Scientific Research (TNO)	Geocellular Static & Dynamic Reservoir Modelling for Site Characterisation & Screening for CO2 Storage	\$756,000	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.

Supplier	Purpose	Value of services (\$)	Number of contractors/contract staff (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
Deloitte Touche Tohmatsu	Business Model Enabled by Project Portfolio Management Approach	\$154,288	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.
Schlumberger Australia Pty Ltd	Purchase of specialist modelling and simulation software for the CarbonNet Project	\$532,494	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.
Deloitte Touche Tohmatsu	Purchase of Services for Client Data Architecture	\$198,000	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.

Supplier	Purpose	Value of services (\$)	Number of contractors/contract staff (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
Hocking Et Al Pty Ltd	Purchase of Groundwater Modelling Support	\$135,800	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.
CSIRO	Provision of Reservoir Modelling and CO2 Plume Developments Services by CSIRO	\$139,222	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.
ASG Group Ltd	Provision of Services for the RRAM SBS Interface Project (PO169)	\$218,285	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.

Supplier	Purpose	Value of services (\$)	Number of contractors/contract staff (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
Unified Healthcare Group (trading name) & Carfi (trading name)	<p>Provision of DPI Health and Wellbeing Program</p> <p>This contract is over a 5 year period and is for the provision of Provision of a DPI Health and Wellbeing Program, which includes but is not limited to:</p> <p>health seminars / workshops / assessments and consultations, Immunisation program / Influenza vaccinations, Executive Health Assessments, and DPI Peer Support Development and training</p>	\$2,643,471	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.
GHD Pty Ltd	Provision of Contract Services to Facilitate Coal and Gas Projects	\$118,181	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.

Supplier	Purpose	Value of services (\$)	Number of contractors/contract staff (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
Accenture Australia Holdings Pty Ltd	Provision of advisory services for the AMI program	\$136,354	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.
FrOG Tech Pty Ltd	Provision of Seismic Interpretation Services for 2D Seismic Survey of Gippsland Basin	\$388,000	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.
The Trustee for Strategic Project Partners Trust	Purchase of Professional Services to Develop DPI's Laboratory Information Management Strategy & Investment Roadmap	\$145,454	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.

Supplier	Purpose	Value of services (\$)	Number of contractors/contract staff (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
PricewaterhouseCoopers	CarbonNet Project Commercial & Financial Advisor	\$2,714,545	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.
KPMG	Provision of Trusted Partner Consulting Services	\$125,000	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.
Solution Support Services Pty Ltd	Provision of Project Director Consulting Services	\$117,700	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.

Supplier	Purpose	Value of services (\$)	Number of contractors/contract staff (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
AWT International Pty Ltd	Provision of Seismic Interpretation Services	\$128,700	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.
Flanagan Brown-Greaves Pty Ltd	Design and Delivery of DPI's People Leadership Program -- Leadership Essentials	\$199,981	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.
EconSearch Pty Ltd (trading name)	Tracking Socio-Economic Change in Victoria's Forestry Industries - Phase 1	\$101,273	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.

Supplier	Purpose	Value of services (\$)	Number of contractors/contract staff (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
Foursight Associates Pty Ltd	Provision of DPI Chief Scientist Agriculture and Fisheries Services	\$127,272	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.
WM Industries Pty Ltd trading as Wridgways Business Relocations	Provision of removals services to Agribio	\$176,756	Detail not recorded by current systems; not required by VGPB	The individual or organisation was engaged to either: provide goods, works or services which implement a decision; perform all or part of a new or existing ongoing function to assist a department carry out its defined activities and operational functions; or perform a function involving skills which would normally be expected to reside within the department but which are not currently available.

Question 31

- (a) For what roles within your organisation were consultants used in 2011-12 (refer to Explanatory Memorandum for definition of consultants)?

Specialist professional consultancy services for one off tasks such as economic modelling, independent advice, geotechnical specialists and organisational development experts.

- (b) Please itemise the services delivered by consultants in 2011-12:

Service category	Number of consultants	Value of services (\$)
Commercial advice	10	\$562,897

Economic advice	2	\$238,720
Independent assessment	3	\$186,649
Legislation advice	3	\$248,097
Policy advice	2	\$43,728
Policy review	2	\$131,404
Regulatory review	1	\$36,825
Public safety on public land review	1	\$72,700
Specialist powerline review	1	\$22,600
Strategic advice	3	\$149,310
Total	28	\$1,692,930

- (c) For each specific consultant paid in excess of \$100,000 per annum that has been engaged by your organisation during 2011-12, please supply the following details:

Information below is as per the DPI 2011-12 Annual Report.

Supplier	Purpose	Value of services (\$)	Number of consultants (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
GerrardBrown Pty Ltd	To deliver a review of the operation of the Victorian Energy Efficiency Target Act 2007, following the requirements in Division 9 of the Act.	\$177,238	Project less than 12 months	<ul style="list-style-type: none"> • Provided expert analysis and advice which facilitates decision making; and • Performed a specific, one-off task or set of tasks; and • Performed a task involving skills or perspectives which would not normally be found in the Department

Supplier	Purpose	Value of services (\$)	Number of consultants (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
Ernst & Young	Purchase services to forecast the economic value of potential programs under the Energy Technology Innovation Strategy (ETIS).	\$107,000	Project less than 12 months	<ul style="list-style-type: none"> • Provided expert analysis and advice which facilitates decision making; and • Performed a specific, one-off task or set of tasks; and • Performed a task involving skills or perspectives which would not normally be found in the Department
The Allen Consulting Group	DPI requires the assistance of a capable organisation to undertake an evaluation of the National Primary Industries Research, Development and Extension Framework	\$109,090	Project less than 12 months	<ul style="list-style-type: none"> • Provided expert analysis and advice which facilitates decision making; and • Performed a specific, one-off task or set of tasks; and • Performed a task involving skills or perspectives which would not normally be found in the Department
Deloitte Touche Tohmatsu	Preparation of a Cost Recovery Framework and development of a RIS	\$136,042	Project less than 12 months	<ul style="list-style-type: none"> • Provided expert analysis and advice which facilitates decision making; and • Performed a specific, one-off task or set of tasks; and • Performed a task involving skills or perspectives which would not normally be found in the Department
Accenture Australia	1.A Benefits Realisation Plan and , including evaluation model: 2.An Industry Readiness Survey, including identification and definition of the key metrics indicating the readiness of the Victorian electricity industry to deliver the benefits of the Program	\$136,363	Project less than 12 months	<ul style="list-style-type: none"> • Provided expert analysis and advice which facilitates decision making; and • Performed a specific, one-off task or set of tasks; and • Performed a task involving skills or perspectives which would not normally be found in the Department
Farrier Swier Consulting	CarbonNet Project Regulatory Economics Advisory	\$131,720	Project less than 12 months	<ul style="list-style-type: none"> • Provided expert analysis and advice which facilitates decision making; and • Performed a specific, one-off task or set of tasks; and • Performed a task involving skills or perspectives which would not normally be found in the Department

Question 32

Please complete the following tables showing number of executive staff and total value of bonuses paid in the 2011-12 performance periods:

Executive category	Number of staff (FTE)			Total value of bonuses paid (\$)
	Eligible for a performance bonus	Not awarded bonus payment	Awarded bonus payment	
Secretary or CEO, EO1 – Deputy ^(a)				
EO2 ^(a)	17	1	16	\$315,058
EO3	9	2	7	\$103,551
Other Executives				
Other staff				

Figures represent the number of EOs eligible for a bonus that was paid in the 2011-12 year, based on their performance for 2010-11.

Note (a): Combine categories to preserve confidentiality where necessary

Question 33

In the following table, please show for your organisation the actual range of bonuses paid in 2011-12 (expressed as a percentage of total remuneration).

Rating	Proportion of total remuneration package actually paid (expressed as a range from x% to y%)
Exceptional	9 – 12%
Superior	0 – 8%
Competent	0%
Improvement required	

The above format is based on the Executive Employment Handbook. If your organisation adopted another approach for awarding bonuses, please provide details.

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Question 34

Please detail the number of executives who received increases in their remuneration in 2011-12, breaking that information down according to what proportion of their salary the increase was, and explaining the reasons for executives' salaries increasing in each bracket.

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount	Reasons for these increases
0-3 per cent	24	Part of the Annual Remuneration Review
3-5 per cent		
5-10 per cent	1	Combination of the Annual Remuneration Review and Executive promoted from EO3 position to EO2 position.
10-15 per cent		
greater than 15 per cent		

These figures show the number of EOs over the 2011-12 year who received remuneration increases. Not all EO's are approved for a remuneration increase.

Question 35 (Department of Treasury and Finance only)

This question does not apply to your department.

SECTION F: Program outcomes

Outcomes reflect the impact on the community of the goods and services provided by a department. The questions in this section all relate to the outcomes that your department/agency contributed to in 2011-12.

Question 36

- (a) Using the format of the table below, please outline the five most important outcomes in the community⁸ achieved by your organisation's programs/activities in 2011-12 (where your organisation has been the key player) including:
- (i) what was planned;
 - (ii) what was achieved;
 - (iii) quantitative or qualitative data to demonstrate this achievement;
 - (iv) any other Victorian public sector organisations or agencies from other jurisdictions that have worked across organisational boundaries to contribute to this outcome; and
 - (v) the relationship of these outcomes to any government strategies or goals.

Planned outcome to be achieved <i>Note – order does not indicate priority</i>	Description of actual outcome achieved	Quantitative or qualitative data to demonstrate outcome	Other agencies involved	Relationship to major government strategy
Refocusing of the Advanced Metering Infrastructure (AMI) program and roll-out of smart meters across the State.	In December 2011, the Government announced it would continue with the roll-out of the smart meter program following DTFs independent review.	At 30 June 2011, a total of 1.28 million smart meters had been installed in Victorian properties.	DTF – completion of the Independent review. DHS – Safety Defects program – the provision of assistance to customers where faulty house wiring is identified in the course	Delivery of the smart meter program commitment. This will empower consumers to better manage their energy needs. This is consistent with ensuring consumers benefit from efficient, reliable and safe

⁸ 'outcomes' are the impact of service delivery on the community rather than a description of the services delivered

			of a smart meter installation.	energy services.
Improve certainty for communities regarding Urban development in the Latrobe Valley (part of the Clean Coal Victoria work program)	Provided advice to the Minister to release land for non-coal development activities – SUZ5 19,000 Ha.	Minister for Energy and Resources approved the release of the land.	DPCD are in the process of completing the land release.	Responsibly manage and secure access to earth resources for current and future use. Supports the Government's plan to work with all segments of the Latrobe Valley community to ensure the Valley continues to thrive.
Assist the recovery of Victorian rural communities and farm businesses impacted by floods (March 2012 – Nth East)	The North East flood response project ran from 5 – 15 March and resulted in 1376 farmers being contacted by telephone and a further 475 by letter. The reason for contacting these flood affected farmers was to coordinate the safe, effective and timely delivery of animal welfare services including the provision of emergency fodder, to gather and report verified loss and damage assessment information that informs the development of government recovery programs and to refer any urgent personal needs to relevant agencies	This response phase was followed by a recovery project that supported primary producers return to productivity through the design and implementation of appropriate assistance programs. 171 calls for advice were received and these callers had their issues resolved by the use of FAQs or through a transfer to a DPI technical expert.	Local Government Dept Human Services S.E.S. Rural Finance Corporation Rural Financial Counselling Service	
(June 2012 – Gippsland)	The Gippsland flood response project ran from 5 – 22 June and resulted in 967 farmers being contacted by telephone and a further 420 by letter. The reason for contacting these flood affected farmers was to gather and report verified loss	152 land-holders who experienced substantial property inundation or large loss of pasture were referred to DPI flood coordinators for inclusion in recovery activities. Of these, 39 were directly referred to DPI technical	Local Government Dept Human Services S.E.S. Rural Finance Corporation Rural Financial Counselling Service	

	and damage assessment information that informs the development of government recovery programs and to refer any urgent personal needs to relevant agencies	experts, 17 were referred to local government and 3 were referred to DHS.		
Provision of responsible pet ownership and safety around pets education programs in kindergartens, primary schools, hospital antenatal centres and maternal health centres.	Reduction in numbers of children requiring medical attention following an attack from a dangerous or menacing dog. Evaluation of program acceptability and redeveloped curriculum documents to achieve desired outcomes.	Pet educator visits to: 795 schools; 1487 kindergartens; 60 hospitals with antenatal services; 490 maternal health centres. Development of interactive web page programs.	Program contracted to NSW Department of Local Government for provision in NSW primary schools. Also contracted to SA Government Dog and Cat Management Board for provision in schools.	Enhancing the welfare of non-production animals. Increase child safety from dangerous dogs through education and training of children and carers.
A coordinated approach to the management of animal welfare impacts to companion animals, livestock and wildlife as a direct result of an emergency incident in Victoria	Greater community resilience through clear accountability for and effective delivery of animal welfare services in an emergency, delivering improved animal welfare outcomes, and reducing risk to human life due to inadequate animal relief arrangements.	Awarded a Resilient Australia Award in recognition of innovative practice making communities safer, stronger, more resilient and better prepared to manage any emergency situation.	Department of Sustainability and Environment, four representative Local Government Authorities, the Australian Veterinary Association, RSPCA, Municipal Association of Victoria	Bushfires Royal Commission Implementation Plan

(b) Please also identify any significant program outcomes that were planned but not achieved in 2011-12 and the underlying reasons.

Outcome not achieved	Explanation
Victorian Aerial Baiting Program	Due to Federal Government intervention, the program delivery was not achieved during 2011/12 financial year, but alternate program to be delivered in 2012/13 following extensive consultation with stakeholders.

Emergency Preparedness	A number of emergency preparedness projects required output modification as a result of unprecedented number of priority responses being conducted during 2011/12. These priority responses included: Queensland Fruit Fly, Myrtle Rust, Chestnut Blight, Pigeon Paramyxovirus, Low Pathogenic Avian Influenza, Tip Top Poultry welfare response, Green Snail Detection, aquatic pests.
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Question 37

This question does not apply to your department.

SECTION G: Previous recommendations**Question 38 (departments only)**

For each recommendation in the Committee's *Report on the 2009-10 and 2010-11 Financial and Performance Outcomes* that relates to an area relevant to your department or one of its portfolio agencies, please indicate:

- (a) whether or not the action specified in the recommendation has been implemented;
- (b) if so, how it has been implemented and what publicly available information (if any) demonstrates the implementation of the recommendation;
and
- (c) if not, why not.

The Government tabled a Whole of Government Response in both Houses of Parliament on 19 October 2012. The Committee is referred to that document. Implementation of those recommendations made by the Committee and supported by the Government is proceeding and departments will be in a position to respond once that process has concluded.