



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

**2013-14 AND 2014-15 FINANCIAL AND PERFORMANCE
OUTCOMES
GENERAL QUESTIONNAIRE**

**DEPARTMENT OF ENVIRONMENT, LAND, WATER AND
PLANNING /
DEPARTMENT OF ENVIRONMENT AND PRIMARY
INDUSTRIES**

SECTION A: Output variances and program outcomes

Question 1 (departments only)

For the following initiatives that were due to be completed in 2013-14 or 2014-15, please provide details of the outcomes expected to be achieved in the community¹ and the outcomes actually achieved to date. Please quantify outcomes where possible.

Initiative	Source	Actual date of completion (month and year)	Expected outcomes	Actual outcomes
Improved bushfire prevention, preparedness, response and recovery	2010-11 PEBU p.126	30 June 2015	Funding (\$336 million over four years) was provided for additional fire management resources for fire prevention, preparedness, response and suppression activities including fire fighters, additional aircraft, fire fighting vehicles and equipment. Funding was also provided for the staged increase in the fuel reduction burning program.	This initiative resulted in the reduced impact of major bushfires on Victorian communities by better equipping the Department to suppress bushfires promptly and deliver an expanded fuel reduction burning program.
Greener government buildings	2010-11 PEBU p.127	Various	Funding was provided for projects to reduce energy costs and water use across a number of government departments and agencies.	For the former Department of Environment and Primary Industries, this initiative provided funding for agencies such as Parks Victoria and Grampians Wimmera Mallee Water to implement measures to reduce water and energy consumption. The savings associated with the reduced energy and water consumption are currently being realised and are being used to repay the funding provided over time.

¹ 'Outcomes' are the impact of service delivery on the community rather than a description of the services delivered.

Northern Victoria Irrigation Renewal Project stage 2 agreement	2011-12 BU p.117	Revised expected completed date June 2018	The project aims to deliver the second stage of irrigation infrastructure renewal in Victoria's Goulburn Murray Irrigation District. Water lost through system inefficiencies will be recovered through on ground works such as channel automation, upgrading meters and realigning the historical layout of irrigation channels.	To date, the project has provided significant environment and economic benefits to northern Victorian irrigators and communities through channel modernisation and upgrades. As of 1 July 2015, 120.7 GL of water shares have been issued to the Commonwealth Government.
Leading the Way – Liveable Victoria Fund – funding for communities to adopt integrated water cycle management	2011-12 BP3 p.76	Revised expected completed date 30 June 2016	The Leading the Way Fund was established to support community action and awareness of integrated water cycle management. It is expected to strengthen partnerships and participation by communities in relation to water resources.	Completed projects have included community grants which have delivered improvements to natural environments, and raised awareness on community achievements.

Question 2 (departments only)

Please identify all outputs for which the department received additional funding after the initial budget (as described in *BFMG-42: Budget Supplementation*) in 2013-14 or 2014-15. For each output, please quantify the additional funding, indicate the source of the additional funding (e.g. 'Treasurer's Advance', 'appropriations that would otherwise be unapplied', 'accumulated surplus') and explain why additional funding was required:

(a) in 2013-14

Output	Additional funding (\$ million)	Source of funding	Reasons why additional funding was required
Fire and Emergency Management	67.721	Treasurer's Advance	Additional funding was provided for costs associated with an extended 2013-14 fire season.
Sustainable Water Management and Supply	2.040	Special Appropriation Section 10	Funding was provided from the Commonwealth in 2012-13 for the Murray Darling Basin Plan Implementation project. A Special Appropriation under S.10 of the FMA was required to access this funding in 2013-14.
Development of Primary Industries	1.600	Special Appropriation Section 28	Funding was provided to the Royal Agricultural Society of Victoria Limited for urgently required capital works at the Showgrounds.

in 2014-15

Output	Additional funding (\$ million)	Source of funding	Reasons why additional funding was required
Sustainable Water Management and Supply	8.500	Treasurer's Advance	Additional funding was provided to deliver urban water reform initiatives.
Biosecurity	1.501	Treasurer's Advance	Funding was provided for the building on reform of illegal puppy and kitten farms initiative.
Management of Forests, Parks and Public Land	8.648	Treasurer's Advance	Additional funding was provided for: <ul style="list-style-type: none"> • Small Alpine Resorts (Mt Baw Baw and Lake Mountain) (\$6.8million) • Frankston Nature Conservation Reserve project (\$1.3 million) • DataVic Access Policy project (\$0.5 million) • Portarlington Safe Harbour (\$0.1 million).
Fire and Emergency Management	5.559	Treasurer's Advance	Funding was provided for additional aviation resources for firefighting in 2014-15 and leasing costs associated with the Helitak for the bushfire season.
Local government	0.175	Treasurer's Advance	Funding was provided for the development of Local government emergency management capabilities.
Land Vic	3.793	Treasurer's Advance	Additional funding was provided for the costs associated with Land Victoria's land compensation and valuation legal costs for 2014-15.
Environment Policy	0.546	Treasurer's Advance	Funding was provided to EPA to carry out monitoring and compliance activities.
Statutory Activities and Environment Protection	0.374	Treasurer's Advance	Funding was provided to the EPA to undertake monitoring of air quality following natural disasters and other major events with a potential air quality impact.
Planning, Building and Heritage	15.842	Special Appropriation S.28	On an annual basis the departments receives a special appropriation from the State to recognise payments made from Growth Areas Infrastructure Contributions.

Sustainable Water Management and Supply	99.580	Special Appropriation S.10	Funding of \$99.6 million received from the Commonwealth in 2014-15 for Goulburn Murray Water Connections project. A Special Appropriation under S.10 of the FMA was required to access this funding.
---	--------	----------------------------	---

Question 3 (Department of Treasury and Finance only)

This question does not apply to your department.

SECTION B: Asset investment (departments only)**Question 4**

Please provide the following details about each of the selected asset investment projects:

Project	Estimated expenditure in 2013-14 (2013-14 budget papers) (\$ million)	Actual expenditure in 2013-14 (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million between estimated and actual expenditure	Estimated financial completion date in 2013-14 budget papers	Estimated financial completion date in 2014-15 budget papers	Explanation for any changes to the estimated financial completion date
Fire web (non-metro various)	9.8	4.6	Due to seasonal weather factors including the extended bushfire season in 2013-14, capital works associated with project were delayed.	mid 2016	qtr 4 2015-16	Not applicable
Extending water recycling at Torquay (Torquay)	5.6	5.6	Not applicable as the variance was not greater than ±10 per cent or \$100 million between estimated and actual expenditure	mid 2015	qtr 4 2015-16	Not applicable
Project 000 Response (statewide)	5.4	5.0	Not applicable as the variance was not greater than ±10 per cent or \$100 million between estimated and actual expenditure	mid 2015	qtr 4 2014-15	Not applicable
Melbourne Strategic Assessment (metro various)	10.5	3.4	The variance between the estimated expenditure and the actual expenditure relates to the unpredictability and timing of land purchases.	mid 2053	qtr 2 2053-54	Not applicable
Improved bushfire prevention, preparedness, response and recovery (statewide)	16.3	12.0	Due to seasonal weather factors including the extended bushfire season in 2013-14, the capital works program associated with this project was delayed.	mid 2014	qtr 4 2014-15	Not applicable

Connections Project (non metro various)	71.2	52.9	Due to delays in obtaining landholder agreements, the capital works program associated with this project was delayed.	mid 2018	ongoing	As part of the 2011 Stage 2 Connections contract GMW is currently participating, alongside State, Commonwealth representatives in the 'Mid Term Review' which is expected to be completed in 2015-16.
---	------	------	---	----------	---------	---

Project	Estimated expenditure in 2014-15 (2014-15 budget papers) (\$ million)	Actual expenditure in 2014-15 (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million between estimated and actual expenditure	Estimated financial completion date in 2014-15 budget papers	Estimated financial completion date in 2015-16 budget papers	Explanation for any changes to the estimated financial completion date
Strategic fuel management (statewide)	5.0	2.3	The variance between the estimated expenditure and actual expenditure is due to delays associated with the manufacturing of ultra-light tankers.	qtr 4 2015-16	qtr 4 2015-16	Not applicable
Improving tourism in national parks, state forests and public land (statewide)	3.3	2.2	A transfer from asset to output was approved in 2014-15 to fund the management works, including technical assessments and urgent repairs across Victoria's National Parks. The expenditure associated with these works was output in nature.	qtr 4 2017-18	qtr 4 2017-18	Not applicable
Melbourne strategic assessment (metro various)	5.0	2.6	The variance between the estimated expenditure and the actual expenditure relates to the unpredictability and timing of land purchases.	qtr 2 2053-54	qtr 2 2053-54	Not applicable

Connections project (non-metro various)	81.6	43.1	Due to the complexity of obtaining landholder agreements, the capital works program associated with this project was delayed.	ongoing	qtr 4 2017-18	As part of the 2011 Stage 2 Connections contract, GMW is currently participating, alongside State, Commonwealth representatives in the 'Mid Term Review' which is expected to be completed in 2015-16.
MID 2030: modernising the Macalister Irrigation District (Gippsland)	17.3	7.3	The expenditure profile of this project has changed as a result of construction delays.	ongoing	qtr 4 2016-17	Current program of approved works is due to complete in June 2017. However, it is expected MID2030 program will continue beyond 2016-17.

Question 5

Please provide the following details for all of the asset projects listed below, which were expected to be completed in 2013-14 or 2014-15:

Project	TEI in the 2013-14 or 2014-15 budget papers (\$ million)	Total actual investment (\$ million)	Explanation for any variances greater than ± 10 per cent or \$100 million	Impact of any variances	Estimated financial completion date	Actual financial completion date	Explanation for any variance in completion date
Black Rock Water Recycling Project (Geelong)	10.00	10.00	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	Not applicable	mid 2014	June 2013	The variance in the completion date is due to the earlier than anticipated provision of funding by the Commonwealth Government.
Reducing Fire Risk – expanding the Planned Burning Program to 390 000 hectares – asset (statewide)	10.68	10.70	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	Not applicable	mid 2014	June 2017	The variance in the completion date is due to complexities in the development of a procurement strategy for the replacement of fire fighting vehicles with fit-for-purpose vehicles.

Central activities areas and strategic sites (statewide)	27.39	14.70	The Central activities areas and strategic sites project was delayed and is now expected to be completed in 2017-18.	Not applicable	mid 2014	June 2017	The Central activities areas and strategic sites project was transferred to the department as part of the machinery of government changes resulting in delays in spending. It is now expected to be completed in 2017-18.
Footscray central activities area (Footscray)	51.39	51.17	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	Not applicable	early 2014		Not applicable
Footscray central activities area (Footscray)	51.40 (BP4 2013-14 p.42)		Note: this is a duplication of the above project. Therefore, please refer to the response provided above.	Not applicable	early 2014 (BP4 2013-14 p.42)	Early 2014	Not applicable
Extending water recycling at Torquay (Torquay)	10.50	10.50	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	Not applicable	qtr 4 2015-16	Early 2014	Not applicable
Fire web (non-metro various)	19.90	19.90	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	Not applicable	qtr 4 2015-16	Qtr 4	Not applicable
Project 000 response (statewide)	23.50	23.50	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	Not applicable	qtr 4 2014-15	2014-15	Not applicable
Improved bushfire prevention, preparedness, response and recovery (statewide)	39.80	40.60	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	Not applicable	qtr 4 2014-15	qtr 4 2015-16	Not applicable

Question 6

Please indicate the amount included in the following line items in your financial statements for 2013-14 and 2014-15 (using the budget portfolio outcomes for departments) which related to payments for commissioned public private partnerships (PPPs).

Line item	Amount within this line item reflecting payments for PPPs (\$ million)	
	2013-14	2014-15
<i>Operating statement</i>		
Interest expense	22.5	11.0
'Other operating expenses'	14.8	7.1
Other line items within expenses from transactions	-	-
<i>Cash flow statement</i>		
Payments to suppliers and employees	22.8	5.5
Interest and other costs of finance paid	22.5	11.0
Repayment of finance leases	(8.8)	(0.8)
Other line items in the cash flow statement	-	-
<i>Administered items statement</i>		
Expenses on behalf of the State	860.9	610.1
Interest and depreciation expense	476.3	467.0
Other line items within 'administered expenses'	-	-

Question 7

Regarding the 'net cash flows from investments in financial assets for policy purposes' in the general government sector cash flow statement for 2013-14 and 2014-15, please provide the following details about any sources of cash inflows and cash outflows included in that line item which are connected with your department or its controlled entities:

- (a) the project related to the cash flow (using the same project names as are used in Budget Paper No.4 where possible)
- (b) the initial budget estimate (**not** the revised estimate) for cash flow in 2013-14 and 2014-15; and
- (c) the actual cash flow in 2013-14 and 2014-15.

Cash inflows

Project	Estimated cash inflow in 2013-14 (\$ million)	Actual cash inflow in 2013-14 (\$ million)	Estimated cash inflow in 2014-15 (\$ million)	Actual cash inflow in 2014-15 (\$ million)
The Department does not have any projects funded for which funding is included in the 'net cash flows from investments in financial assets for policy purposes'.				

Cash outflows

Project	Estimated cash outflow in 2013-14 (\$ million)	Actual cash outflow in 2013-14 (\$ million)	Estimated cash outflow in 2014-15 (\$ million)	Actual cash outflow in 2014-15 (\$ million)
The Department does not have any projects funded for which funding is included in the 'net cash flows from investments in financial assets for policy purposes'.				

Question 8

Regarding the 'net cash flows from investments in financial assets for policy purposes' in the State of Victoria cash flow statement for 2013-14 and 2014-15, please provide the following details about any sources of cash inflows and cash outflows included in that line item which are connected with your department or its controlled entities:

- (a) the project related to the cash flow (using the same project names as are used in Budget Paper No.4 where possible)
- (b) the initial budget estimate (**not** the revised estimate) cash flow in 2013-14 and 2014-15; and
- (c) the actual cash flow in 2013-14 and 2014-15.

Cash inflows

Project	Estimated cash inflow in 2013-14 (\$ million)	Actual cash inflow in 2013-14 (\$ million)	Estimated cash inflow in 2014-15 (\$ million)	Actual cash inflow in 2014-15 (\$ million)
The Department does not have any projects funded for which funding is included in the 'net cash flows from investments in financial assets for policy purposes'.				

Cash outflows

Project	Estimated cash outflow in 2013-14 (\$ million)	Actual cash outflow in 2013-14 (\$ million)	Estimated cash outflow in 2014-15 (\$ million)	Actual cash outflow in 2014-15 (\$ million)
The Department does not have any projects funded for which funding is included in the 'net cash flows from investments in financial assets for policy purposes'.				

Question 9 (Department of Treasury and Finance only)

This question does not apply to your department.

SECTION B: Asset investment (non-departments only)

Question 10

This question does not apply to your department.

Question 11

This question does not apply to your department.

SECTION C: Revenue and appropriations

Question 12

Please explain any variances greater than ± 10 per cent or \$100 million between the prior year's actual result and the actual result for 2013-14 and 2014-15 for each revenue/income category detailed in your operating statement. Please also indicate what any additional revenue was used for or how any reduced amounts of revenue impacted on service delivery.

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

If there were no revenue/income categories for your department/agency for which the 2013-14 and 2014-15 expenditure varied from the prior year's expenditure by more than ± 10 per cent or \$100 million, you do not need to answer this question. If this is the case, please indicate 'no relevant line items' in the table(s) below.

Revenue category	2012-13 actual (\$ million)	2013-14 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Output Appropriation	1,045.2	1,398.3	The variance relates to Machinery of Government changes announced in 2013. The former Department of Environment and Primary Industries (DEPI) was formed on 1 July 2013 from the merger of the former Department of Sustainability and Environment (DSE) and the former Department of Primary Industries (DPI).	The additional output appropriation relates to the transfer of outputs from the former DPI to the former DEPI.
Interest	9.5	16.7	The variance is primarily due to investment (at call) of more than expected cash surplus from the Parks & Reserve Trust Fund.	The additional revenue was utilised in accordance with the legislated activities of the Parks & Reserve Trust Fund.
Sale of goods and services	43.8	84.3	The variance relates to Machinery of Government changes announced in 2013.	The additional sale of goods and services relates to the transfer of outputs from the former DPI to the former DEPI following machinery of government changes announced in 2013.
Grants	37.4	54.1	The variance relates to funding provided from the Commonwealth Government for the GMW Connections project.	The funding was used as part of the overall delivery of the GMW Connections project

Fair value of assets received free of charge	5.0	0.1	While the variance is greater than 10 per cent, it is not material in a quantum.	Not applicable
Other income	332.7	332.2	Not applicable as the variance was not greater than ± 10 per cent or \$100 million between estimated and actual expenditure	Not applicable

Revenue category	2013-14 actual (\$ million)	2014-15 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Output Appropriation	1,398.3	1,340.6	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	The reduction in output appropriation relates to the transfer of outputs from the former DEPI to the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) following machinery of government changes in January 2015.
Interest	16.7	21.8	The variance is primarily due to investment (at call) of more than expected cash surplus from the Parks & Reserve Trust Fund.	The additional revenue was utilised in accordance with the legislated activities of the Parks & Reserve Trust Fund.
Sale of goods and services	84.3	101.1	The variance relates to Machinery of Government changes which came into effect on 1 January 2015.	The additional sale of goods and services relates to the transfer of outputs from the former Department of Transport, Planning and Local Infrastructure (DTPLI) to the Department of Environment, Land, Water and Planning following machinery of government changes on 1 January 2015.
Grants	54.1	218.5	The variance relates to funding provided from the Commonwealth Government for the GMW Connections project.	The funding was used as part of the overall delivery of the GMW Connections project
Fair value of assets received free of charge	0.1	0.1	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	Not applicable
Other income	332.2	364.3	The variance relates to Machinery of Government changes which came into effect on 1 January 2015.	The additional sale of goods and services relates to the transfer of outputs from the former DTPLI to DELWP following machinery of government changes on 1 January 2015.

Question 13

Please explain any variances greater than ± 10 per cent or \$100 million between the initial budget estimate (**not** the revised estimate) and the actual result for 2013-14 and 2014-15 for each revenue/income category detailed in your operating statement. Please also identify any actions taken in response to the variations, either to mitigate or take advantage of the impact.

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

If there were no revenue/income categories for your department/agency for which the 2013-14 and 2014-15 expenditure varied from the initial budget estimate by more than ± 10 per cent or \$100 million, you do not need to answer this question. If this is the case, please indicate 'no relevant line items' in the table(s) below.

Revenue category	2013-14 budget estimate (\$ million)	2013-14 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Actions taken in response
Output Appropriation	1,357.1	1,398.3	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	No action is necessary
Interest	10.5	16.7	The variance relates to trust fund investments.	The variance will be incorporated into 2015-16 Budget update.
Sale of goods and services	65.9	84.3	The variance relates to an increase in activity relating to regulatory charges.	The variance will be incorporated into 2015-16 Budget update.
Grants	48.3	54.1	Increased grants from the Commonwealth for the Goulburn Murray Water Connections project	The variance will be incorporated into 2015-16 Budget update.
Fair value of assets received free of charge	-	0.1	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	No action is necessary
Other income	313.9	332.2	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	No action is necessary

Revenue category	2014-15 budget estimate (\$ million)	2014-15 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Actions taken in response
Output Appropriation	1,463.6	1,340.6	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	No action is necessary
Interest	18.4	21.8	The variance relates to trust fund investments.	The variance will be incorporated into 2015-16 Budget update.
Sale of goods and services	82.7	101.1	The variance relates to an increase in activity relating to regulatory charges, particularly from Land Victoria.	The variance will be incorporated into 2015-16 Budget update.
Grants	27.5	218.5	The variance relates to funding provided from the Commonwealth Government for the GMW Connections project.	The variance will be incorporated into 2015-16 Budget update.
Fair value of assets received free of charge	-	0.1	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	No action is necessary
Other income	334.5	364.3	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	No action is necessary

Question 14 (departments only)

Please provide a break-down of the Department's income from transactions (as calculated for the Department's comprehensive operating statement in the departmental financial statements in Budget Paper No.5 and in the budget portfolio outcomes in the annual report) into the following sources. If the variance between any budget and actual exceeds ± 10 per cent or \$100.0 million, please provide reasons for the variance. Part of the table has been pre-filled from the 2014-15 budget papers – please fill all blank spaces.

	2013-14 initial budget estimate (\$ million)	2013-14 actual (\$ million)	Explanation for variances greater than ± 10 per cent
Output appropriations	1,357.1	1,396.2	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.
Special appropriations	-	2.0	The 2013-14 variance relates to funding provided from the Commonwealth in 2012-13 for the Murray Darling Basin Plan Implementation project. A Special Appropriation under Section 10 of the FMA was required to access this funding in 2013-14.
Trust funds	239.0	267.9	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.
Funds received and held outside the Public Account	-	-	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.
Other (please specify)	-	-	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.
Total income from transactions	1,596.0	1,666.1	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.

	2014-15 initial budget estimate	2014-15 actual	Explanation for variances greater than ± 10 per cent
	(\$ million)	(\$ million)	
Output appropriations	1,463.6	1,225.2	The 2014-15 variance in output appropriations predominately relates to the carry-over of output appropriations available in 2014-15 for use in 2015-16 for proposed expenditure on a number of major projects.
Special appropriations	-	115.4	The 2014-15 variance predominately relates to funding provided from the Commonwealth Government in 2014-15 for the GMW Connections project that was required to be accessed via Section 10 of the FMA. The variance also includes a special appropriation to recognise payments made from Growth Areas Infrastructure Contributions.
Trust funds	244.5	462.9	The 2014-15 variance predominately relates to the GMW Connections project funding arrangement.
Funds received and held outside the Public Account	-	-	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.
Other (please specify)	-	-	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.
Total income from transactions	1,926.7	1,803.5	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.

Question 15 (departments only)

Regarding the 'funds received and held outside the Public Account' figures provided in the previous question, please break these down into the most significant funds, quantify the income coming from each fund to the Department in each year and explain the sources and activities providing revenue into these funds.

Fund	2013-14 actual payments from fund to the Department	2014-15 actual payments from fund to the Department	Sources and activities providing revenue to the fund
	(\$ million)	(\$ million)	
Not applicable	-	-	-

Question 16

Regarding the trust accounts listed in the 'trust account balances' note to the financial statements in your entity's annual report, please identify any accounts from which payments were passed directly to other bodies without being counted in your entity's comprehensive operating statement. For each relevant account, please identify:

- (a) the value of payments;
- (b) the recipients of the payments; and
- (c) the purpose of the payments.

Trust account	Total payments from the account to bodies other than the Department, 2013-14 (\$ million)	Recipient of the payment	Purpose of the payment
Not applicable	-	-	-

Trust account	Total payments from the account to bodies other than the Department, 2014-15 (\$ million)	Recipient of the payment	Purpose of the payment
Not applicable	-	-	-

SECTION D: Expenses

Question 17

Please explain any variances greater than ± 10 per cent or \$100 million between the prior year's actual result and the actual result for 2013-14 and 2014-15 for each category of expenses detailed in your operating statement. Please also detail the outcomes in the community² achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

If there were no categories of expenses for your department/agency for which the 2013-14 and 2014-15 expenditure varied from the prior year's expenditure by more than ± 10 per cent or \$100 million, you do not need to answer this question. If this is the case, please indicate 'no relevant line items' in the table(s) below.

Expenses category	2012-13 actual (\$ million)	2013-14 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Employee expenses	313.7	411.9	Variance is predominantly due to Machinery of Government changes resulting in the merger of DSE and DPI to form the former DEPI from 1 July 2013.	The increase in employee expenses relates to the transfer of outputs following machinery of government changes in 2013.
Depreciation	50.9	74.0	As above	The increase in depreciation relates to the transfer of outputs following machinery of government changes in 2013.
Interest expense	2.0	24.0	As above	The increase in interest expenses relates to the transfer of outputs following machinery of government changes in 2013.
Grants and other transfers	558.5	523.3	As above	The decrease in grants and other transfers relates to the transfer of outputs following machinery of government changes in 2013.

² That is, the impact of service delivery on the community rather than a description of the services delivered.

Capital asset charge	76.6	112.3	As above	The increase in capital asset charge relates to the transfer of outputs following machinery of government changes in 2013.
Other operating expenses	398.6	567.0	As above	The increase in other operating expenses relates to the transfer of outputs following machinery of government changes in 2013.

Expenses category	2013-14 actual (\$ million)	2014-15 actual (\$ million)	Explanations for variances greater than ±10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Employee expenses	411.9	408.8	Variance is predominantly due to Machinery of Government changes resulting in the new DELWP from 1 January 2015.	The reduction of employee expenses relates to the transfer of outputs following machinery of government changes which came into effect on 1 January 2015.
Depreciation	74.0	61.3	As above	The reduction in depreciation relates to the transfer of outputs following machinery of government changes which came into effect on 1 January 2015.
Interest expense	24.0	11.1	As above	The reduction of interest expenses relates to the transfer of outputs following machinery of government changes which came into effect on 1 January 2015.
Grants and other transfers	523.3	510.8	As above	The increase of grants and other transfers relates to the transfer of outputs following machinery of government changes which came into effect on 1 January 2015.
Capital asset charge	112.3	102.4	As above	The reduction in capital asset charges relates to the transfer of outputs following machinery of government changes which came into effect on 1 January 2015.
Other operating expenses	567.0	496.5	As above	The reduction of other operating expenses relates to the transfer of outputs following machinery of government changes which came into effect on 1 January 2015.

Question 18

Please explain any variances greater than ± 10 per cent or \$100 million between the initial budget estimate (**not** the revised budget) and the actual result for 2013-14 and 2014-15 for each category of expenses detailed in your operating statement. Please also detail the outcomes in the community³ achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

If there were no categories of expenses for your department/agency for which the 2013-14 and 2014-15 expenditure varied from the initial budget estimate by more than ± 10 per cent or \$100 million, you do not need to answer this question. If this is the case, please indicate 'no relevant line items' in the table(s) below.

Expenses category	2013-14 budget estimate (\$ million)	2013-14 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Employee expenses	400.7	411.9	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	Not applicable
Depreciation	85.0	74.0	Variance is primarily due to lower depreciation on plant, equipment, furniture and fittings, and vehicles as surplus items were disposed.	The variance has been carried forward and will be updated in the next forward estimates update.
Interest expense	18.3	24.0	The variance is primarily due to increased interest expenses incurred by Joint Ventures (BioSciences Research Centre Project and the Royal Melbourne Showgrounds).	The variance has been carried forward and will be updated in the next forward estimates update by DEDJTR.
Grants and other transfers	646.2	523.3	Variance is primarily due to payments to Goulburn Murray Water Corporation for the GMW Connections project, treated as an expense rather than a grant, as advised by VAGO at year end.	No impact.

³ That is, the impact of service delivery on the community rather than a description of the services delivered.

Capital asset charge	113.3	112.3	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	Not applicable
Other operating expenses	455.8	567.0	Variance is primarily due to payments to Goulburn Murray Water for the GMW Connections project, treated as an expense rather than a grant, as advised by the Victorian Auditor General's Office.	No impact.

Expenses category	2014-15 budget estimate (\$ million)	2014-15 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Employee expenses	420.9	408.8	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	Not applicable
Depreciation	86.3	61.3	Variance is primarily due to lower depreciation on plant, equipment, furniture and fittings, and vehicles as surplus items were disposed.	Variance will be incorporated into 2015-16 Budget update.
Interest expense	19.1	11.1	The variance is primarily due to the transfer of the BioSciences Research Centre Project and the Royal Melbourne Showgrounds and associated interest charges to DEDJTR as a result of machinery of government changes which came into effect on 1 January 2015.	Variance will be incorporated into 2015-16 Budget update by DEDJTR.
Grants and other transfers	641.3	510.8	Variance is primarily due to payments to Goulburn Murray Water for the GMW Connections project, treated as an expense rather than a grant, as advised by the Victorian Auditor General's Office.	Variance will be incorporated into 2015-16 Budget update.
Capital asset charge	114.4	102.4	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	Not applicable
Other operating expenses	544.5	496.5	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	Not applicable

Question 19 (departments only)

Please provide the following details about the realisation of expenditure reduction targets in 2013-14 and 2014-15. In providing 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 the budget papers). Please provide figures for the Department including its controlled entities.⁴

Initiative	Total value of efficiencies/savings expected to be realised from that initiative (\$ million)		Explanation for any variances greater than ± 10 per cent between estimated and actual expenditure reductions	How the efficiencies/savings have been achieved (i.e. what measures or changes have been introduced)
	in 2013-14	in 2014-15		
Government election commitment savings (2011-12 Budget)	24.2	23.9	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	Savings were achieved through general reductions in supplies and services across the former DSE, and other back office expense reductions such as consultants and government advertising.
Measures to offset the GST reduction (2011-12 Budget)	11.1	14.6	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	
Maintain a sustainable public service (2011-12 Budget Update)	46.2	68.6	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	

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

Capping departmental expenditure growth (2011-12 Budget Update)	34.6	36.0	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	Savings were achieved through back office expense reductions in agency staff, consultants, procurement costs and other non-service delivery operational costs, the management of recruitment alongside the Labour Sustainability Cap, lapsing of fixed term positions, corporate reform, natural attrition, and Voluntary Departure Program through the Sustainable Government Initiative.
'Total savings' line item in 2012-13 Budget	46.5	42.3	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	
Efficiency measures (2012-13 Budget Update)	16.3	15.5	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	
Efficiency and expenditure reduction measures (2013-14 Budget)	3.7	7.4	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	
Efficiency measures (2013-14 Budget Update)	-	-	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	
Application of an efficiency dividend to non-frontline departmental expenditure (2014-15 Budget)	1.9	3.7	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	
Better Services Implementation Taskforce (2014-15 Budget Update)	-	13.2	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	
2014-15 PEBU Savings	-	0.7	Not applicable as the variance was not greater than ± 10 per cent or \$100 million.	

Question 20

Please detail any changes to your department's/agency's service delivery as a result of expenditure reduction initiatives, e.g. changes to the timing and scope of specific programs or discontinued programs:

(a) in 2013-14

Savings initiatives are focused on head office and non-service delivery areas of the Department. This includes the management of recruitment alongside the Labour Sustainability Cap, lapsing of fixed term positions, corporate reform, natural attrition, and a Voluntary Departure Program through the Sustainable Government Initiative.

There have been no changes to the Department's service delivery as a result of savings initiatives.

(b) in 2014-15

Savings initiatives are focused on head office and non-service delivery areas of the Department. This includes the management of recruitment alongside the Labour Sustainability Cap, lapsing of fixed term positions, corporate reform, natural attrition, and a Voluntary Departure Program through the Sustainable Government Initiative.

There have been no changes to the Department's service delivery as a result of savings initiatives.

Question 21 (departments only)

The 2013-14 and 2014-15 budget papers both include targets for the 'reprioritisation of resources previously allocated to departments' to fund new initiatives (2013-14 Budget Paper No.2, p.54; 2014-15 Budget Paper No.2, p.61). This is in addition to any savings or efficiencies resulting from expenditure reduction measures. For your department (including all controlled entities),⁵ please indicate:

- (a) what areas of expenditure (including projects and programs if appropriate) the funding was reprioritised 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 in each year; and
- (c) the impact of the reprioritisation on those areas.

Area of expenditure originally funded	Value of funding reprioritised (\$ million)		Impact of reprioritisation of funding
	2013-14	2014-15	
2013-14 Budget reprioritisation – Environment and Climate Change portfolio	20.1	8.3	<p>Funding was re-directed towards the implementation of new 2013-14 Budget initiatives including: A Cleaner Yarra River and Port Phillip Bay, Coastal Environments Program, Environmental Partnerships: Supporting native vegetation and threatened species, Implementation of the Victorian Waste and Resource Recovery Policy, and Maintaining services for River Red Gums Parks and Reserves.</p> <p>These initiatives were partly funded via the reprioritisation of initiatives that are currently being funded from the Sustainability Fund, including energy efficiency rebates for low income homes, revenue raised from Victoria's landfill levy, and internal reprioritisations at Parks Victoria.</p>

⁵ That is, please provide this information for the Department on the same basis of consolidation as is used in the budget papers.

2013-14 Budget reprioritisation – Water portfolio	13.0	7.6	Funding was partially re-directed from the 2011-12 budget initiative – Rebates for Water Efficient Items and Appliances towards the implementation of new 2013-14 Budget initiatives including: Flood resilient communities and catchments, Kananook Creek dredging and Basin Plan modelling.
2014-15 Budget reprioritisation – Environment and Climate Change portfolio	-	1.3	Funding was re-directed from existing Metropolitan Parks Charge expenditure towards the implementation of the new 2014-15 Budget initiatives Improving biodiversity outcomes for Victorians and Urban fringe weed management.
2014-15 Budget reprioritisation – Planning portfolio	-	0.2	Funding was redirected towards the Victoria Design Review Panel initiative from a combination of unused funding and efficiencies.
2014-15 Budget reprioritisation – Local Government portfolio	-	2.5	This funding was provided for the Local Government Inspectorate initiative and was generated through efficiencies.

Question 22 (Department of Treasury and Finance only)

This question does not apply to your department.

Question 23 (PNFC and PFC entities only)

This question does not apply to your department.

SECTION E: Public sector workforce

Question 24

Please detail the total full-time equivalent number of staff in your department/agency as at 30 June 2013, 30 June 2014 and 30 June 2015 in each of the following bands of levels, and explain the changes:

Level	Total FTE (30 June 2013)	Total FTE (30 June 2014)	Total FTE (30 June 2015)	Explanation for changes
VPS Grades 1-3	679	881	759	<p>Net increase from 2013 to 2014 due to the former DPI and the former DSE merging to form the former DEPI, and the Energy portfolio transferring to the former DSDBI along with natural attrition over the year.</p> <p>Net decrease from 2014 to 2015 due to Agriculture portfolio transferring to DEDJTR and Local Infrastructure and Planning portfolios transferring in to form the new DELWP, along with natural attrition over the year.</p>
VPS Grade 4	497	587	614	<p>Net increase from 2013 to 2014 due to the former DPI and the former DSE merging to form the former DEPI, and the Energy portfolio transferring to the former DSDBI along with natural attrition over the year.</p> <p>Net increase from 2014 to 2015 due to Agriculture portfolio transferring to DEDJTR and Local Infrastructure and Planning portfolios transferring in to form the new DELWP, along with natural attrition over the year.</p>
VPS Grades 5-6 and STS	735	883	1088	<p>Net increase from 2013 to 2014 due to the former DPI and the former DSE merging to form the former DEPI, and the Energy portfolio transferring to the former DSDBI along with natural attrition over the year.</p> <p>Net increase from 2014 to 2015 due to Agriculture portfolio transferring to DEDJTR and Local Infrastructure and Planning portfolios transferring in to form the new DELWP, along with natural attrition over the year.</p>
EO	47	60	62	<p>Net increase from 2013 to 2014 due to the former DPI and the former DSE merging to form the former DEPI, and the Energy portfolio transferring to the former DSDBI along with natural attrition over the year.</p> <p>Net increase from 2014 to 2015 due to Agriculture portfolio transferring to DEDJTR and Local Infrastructure and Planning portfolios transferring in to form the new DELWP, along with natural attrition over the year.</p>

Other	370	1059	437	<p>Net increase from 2013 to 2014 due to the former DPI and the former DSE merging to form the former DEPI, and the Energy portfolio transferring to the former DSDBI along with natural attrition over the year.</p> <p>Net decrease from 2014 to 2015 due to Agriculture portfolio transferring to DEDJTR and Local Infrastructure and Planning portfolios transferring in to form the new DELWP, along with natural attrition over the year.</p> <p>The majority of these changes are within the Science adaptive classifications within the former DPI and specifically within the Agriculture portfolio.</p>
Total of all staff (including non-VPS grades)	2328	3470	2960	<p>Net increase from 2013 to 2014 due to the former DPI and the former DSE merging to form the former DEPI, and the Energy portfolio transferring to the former DSDBI along with natural attrition over the year.</p> <p>Net decrease from 2014 to 2015 due to Agriculture portfolio transferring to DEDJTR and Local Infrastructure and Planning portfolios transferring in to form the new DELWP, along with natural attrition over the year.</p>

Note:

30 June 2013: The former Department of Sustainability and Environment (DSE)

1 July 2013: The former DSE and former Department of Primary Industries merged to form the former Department of Environment and Primary Industries (DEPI)

30 June 2014: The former DEPI

1 January 2015: Agriculture Portfolio transferred to DEDJTR, Local Infrastructure and Planning Groups transferred in to create the new Department of Environment, Land, Water and Planning (DELWP)

30 June 2015: DELWP

Question 25

In the table below, please detail the salary costs for 2012-13, 2013-14 and 2014-15, broken down by ongoing, fixed-term and casual, and explain any variances greater than ± 10 per cent or \$100 million between the years for each category.

Employment category	Gross salary 2012-13 (\$ million)	Gross salary 2013-14 (\$ million)	Gross salary 2014-15 (\$ million)	Explanation for any year-on-year variances greater than ± 10 per cent or \$100 million
Ongoing	261.9	346.4	334.2	The variances are largely related to movements of staff as a result of machinery of government changes.
Fixed-term	12.6	29.0	33.9	The variances are largely related to movements of staff as a result of machinery of government changes.
Casual	1.7	2.2	1.7	Immaterial variance.
Total	276.2	377.6	369.7	Net increase from 2012-13 to 2013-14 was due to the former DPI and the former DSE merging to form the former DEPI, and Energy portfolio transferring to the former DSDBI along with natural attrition over the year. Net decrease from 2013-14 to 2014-15 was due to the Agriculture portfolio transferring out to DEDJTR and Local Infrastructure and Planning portfolios transferring in to form the new DELWP.

Note:

30 June 2013: The former Department of Sustainability and Environment (DSE)

1 July 2013: The former DSE and former Department of Primary Industries merged to form the former Department of Environment and Primary Industries (DEPI)

30 June 2014: The former DEPI

1 January 2015: Agriculture Portfolio transferred to DEDJTR, Local Infrastructure and Planning Groups transferred in to create the new Department of Environment, Land, Water and Planning (DELWP)

30 June 2015: DELWP

Question 26

Please detail the number of executives who received increases in their base remuneration in 2013-14 and 2014-15, 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 in 2013-14	Reasons for these increases
0-3 per cent	6	Changes to role responsibilities and accountability; retention factors
3-5 per cent	2	Changes to role responsibilities and accountability; retention factors
5-10 per cent	-	
10-15 per cent	-	
greater than 15 per cent	-	

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2014-15	Reasons for these increases
0-3 per cent	-	
3-5 per cent	-	
5-10 per cent	4	Changes to role responsibilities and accountability; retention factors
10-15 per cent	-	
greater than 15 per cent	-	

SECTION F: Inter-sector flows**Question 27 (Department of Treasury and Finance only)**

This question does not apply to your department.

SECTION G: Government decisions impacting on the finances**Question 28**

(a) Please detail any costs incurred during 2014-15 in the following categories as a result of machinery-of-government changes:

	(\$ million)
Consultants and contractors (including legal advice)	-
Relocation	0.012
Telephony	-
IT and records management	0.452
Rebranding	0.307
Furniture and fit-out	-
Other	-

(b) If these costs were met out of existing budgets, please indicate what projects, programs or areas the money was originally budgeted for.

No projects or programs were not undertaken as a result of the MOG.

(c) Please identify any benefits achieved during 2014-15 as a result of machinery-of-government changes, quantifying the benefits where possible.

The Department's focus is on managing and protecting Victoria's natural and built environment to ensure economic growth and liveable, sustainable and inclusive communities.

By bringing together the three portfolios of: Environment, Climate Change and Water; Planning; and Local Government, the Department is able to provide improved service delivery across all levels of government and the broader Victorian community.

In particular, the Department is in a better position to seize opportunities to:

- partner with all levels of government to respond to climate change through risk mitigation and adaptation strategies;
- work to accommodate population growth while maintaining world class liveability and protecting our heritage for future generations; and
- assist local governments to support people, communities and growth at the local level.

Question 29

Please identify any Commonwealth Government decisions during 2013-14 or 2014-15 which had not been anticipated in the State budget but which impacted on your entity's finances or activities during those years (including new funding agreements, discontinued agreements and changes to funding levels). Please quantify the impact on income and expenses where possible.

Commonwealth Government decision	Impact in 2013-14		Impact in 2014-15	
	on income (\$ million)	on expenses (\$ million)	on income (\$ million)	on expenses (\$ million)
No material variations	-	-	-	-

Question 30

Please identify any COAG decisions during 2013-14 or 2014-15 which had not been anticipated in the State budget but which impacted on your entity's finances or activities during those years (including new funding agreements, discontinued agreements and changes to agreements). Please quantify the impact on income and expenses where possible.

COAG decision	Impact in 2013-14		Impact in 2014-15	
	on income (\$ million)	on expenses (\$ million)	on income (\$ million)	on expenses (\$ million)
Not applicable	-	-	-	-

SECTION H: Fiscal and financial management strategies (Department of Treasury and Finance only)***Question 31***

This question does not apply to your department.

Question 32

This question does not apply to your department.

SECTION I: Economic environment***Question 33 (Department of Treasury and Finance only)***

This question does not apply to your department.

Question 34 (Department of Treasury and Finance only)

This question does not apply to your department.

Question 35 (Department of Treasury and Finance only)

This question does not apply to your department.

Question 36 (Department of Treasury and Finance only)

This question does not apply to your department.

Question 37

Please identify any key economic variables for which there were variances in 2013-14 and 2014-15 between what was estimated in the initial budget for each year (**not** the revised estimate) and what actually occurred which had a significant impact on your department’s/agency’s finances, service delivery or asset investment. For each variance, please indicate:

- (a) what had been expected at budget time
- (b) what actually occurred
- (c) how the variance impacted on the budget outcomes (quantifying the impact where possible)
- (d) what decisions were made in response (including changes to service delivery, asset investment, borrowings etc.).

Expected economic result in 2013-14	Actual result in 2013-14	Impact of the variance on budget outcomes	Decisions made in response
Not applicable	-	-	-

Expected economic result in 2014-15	Actual result in 2014-15	Impact of the variance on budget outcomes	Impact of the variance on service delivery
Not applicable	-	-	-

SECTION J: Previous recommendations

Question 38 (departments only)

This question does not apply to your department.