



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

2015-16 FINANCIAL AND PERFORMANCE OUTCOMES – ENTITY-SPECIFIC QUESTIONNAIRE

DEPARTMENT OF ENVIRONMENT, LAND, WATER AND PLANNING

Question 1 Program description

Please provide a list of the Department's major programs, including for each:

- (a) The name of the program
- (b) The name of the Department's output that the program is a part of
- (c) The activities of the Department in providing the program
- (d) The effects on the community the program is intended to achieve
- (e) How the Department measures whether the aims of the program have been fulfilled.

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Water for Victoria	Effective Water Management and Supply	In March 2016, DELWP published the Water for Victoria discussion paper, proposing options for Victoria's water future in the short, medium and long term. The paper included proposed strategic directions on creating a grid oversight role to inform statewide investment decisions and to explore options for additional connections to better use the grid.	The Water for Victoria (WfV) discussion paper sought community input in setting Water Victoria's new long-term direction. The actions in WfV seek to support a healthy environment, a prosperous economy with growing agricultural production and thriving communities.	DELWP has developed a Project Evaluation Guide which builds on evaluation guides prepared by other State Government departments including the Department of Treasury and Finance (DTF). Through the application of this guide, as well as compliance with the Performance Management Framework published by DTF, it ensures that the success of projects and programs in achieving

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				their defined objectives, are measured and assessed.
Irrigation upgrades	Effective Water Management and Supply	<p>In November 2015, the Minister for Environment, Climate Change and Water pledged \$20 million for the next stage of the Macalister Irrigation Project. The project will convert approximately 85km of manually operated earthen irrigation channel to approximately 38km of pipe and 32km of automated channel.</p> <p>Irrigation upgrades were announced for Werribee and Bacchus Marsh as part of the 2016-17 State Budget. This was to ensure the ongoing viability of farm businesses in both districts.</p> <p>The Werribee upgrade will replace 39km of open channels with pipelines, saving five billion litres of water a year.</p> <p>The Bacchus Marsh upgrade will modernise 43km of irrigation infrastructure, mainly through replacing open channels with pipelines,</p>	<p>The Macalister project will modernise the Southern Tinamba supply area within the Macalister Irrigation District and generate approximately 9,700ML of water savings for agricultural use as well as connect 170 customers to a modernised water supply system.</p> <p>The Werribee and Bacchus Marsh irrigation projects will underpin existing jobs in agriculture and related industries as well as help to create new positions. It is anticipated that two-thirds of the water saved from these projects will be returned to irrigators to boost agricultural production and irrigation system reliability with the remaining third to be provided to the environment.</p>	<p>DELWP has developed a Project Evaluation Guide which builds on evaluation guides prepared by other State Government departments including the Department of Treasury and Finance (DTF).</p> <p>Through the application of this guide, as well as compliance with the Performance Management Framework published by DTF, it ensures that the success of projects and programs in achieving their defined objectives, are measured and assessed.</p>

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		generating 1.1 billion litres of water savings annually.		
Net zero greenhouse gas emissions by 2050	Environmental Policy and Environment Protection	The Victorian Government has committed to legislating a long-term target for Victoria of net zero greenhouse gas emissions by 2050. Interim targets will be set every five years to 2050 to ensure this target is reached. The Government has also launched a state-wide pledging system for all levels of government, business and community to pledge their contributions to reduce emissions and help set Victoria on the pathway to achieve our 2050 target - called Take 2	This will enable Victoria to contribute to the Paris agreement, which involves 195 countries aiming to keep the rise in global warming below 2 degrees from preindustrial levels. A net zero 2050 emissions reduction target for Victoria helps to provide long term certainty for investment and guide the important transitions ahead for our economy, industries, cities and regions. Ensuring we are at the forefront of the global transition to a	DELWP has developed a Project Evaluation Guide which builds on evaluation guides prepared by other State Government departments including the Department of Treasury and Finance (DTF). Through the application of this guide, as well as compliance with the Performance Management Framework published by DTF, it ensures that the success of

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		- Victoria's Climate Change Pledge.	low carbon economy will help us seize the economic opportunities that this presents.	projects and programs in achieving their defined objectives, are measured and assessed.
Review of Climate Change Act	Environmental Policy, Statutory Activities and Environment Protection	On 22 November 2016, the Victorian Government introduced the Climate Change Bill 2016 into Parliament to create a new Climate Change Act, as the latest step in reinstating Victoria as a leader in climate change action.	The Bill provides Victoria with a world leading legislative foundation to manage climate change risks, maximise the opportunities that arise from decisive action, and drive the transition to a climate resilient community and economy with net zero emissions by 2050.	DELWP has developed a Project Evaluation Guide which builds on evaluation guides prepared by other State Government departments including the Department of Treasury and Finance (DTF). Through the application of this guide, as well as compliance with the Performance Management Framework published by DTF, it ensures that the success of projects and programs in achieving their defined objectives, are measured and assessed.

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Lancefield-Cobaw fire investigation	Fire and Emergency Management	Responded to the independent Lancefield-Cobaw fire investigation by making significant changes to how the department operates across the state to improve delivery of the planned burning program.	The Lancefield-Cobaw community will be engaged actively and meaningfully in a way that meets their needs. The implementation of the recommendations will also lead to an overall reduced bushfire risk for the community, particularly during planned burns.	<p>DELWP has developed a Project Evaluation Guide which builds on evaluation guides prepared by other State Government departments including the Department of Treasury and Finance (DTF).</p> <p>Through the application of this guide, as well as compliance with the Performance Management Framework published by DTF, it ensures that the success of projects and programs in achieving their defined objectives, are measured and assessed.</p>
197,940 hectares of fuel reduction activities	Fire and Emergency Management	As at 30 June 2016, 197,940 hectares were treated with fuel reduction activities.	The fuel reduction activities will reduce bushfire risks to the Victorian community.	<p>DELWP has developed a Project Evaluation Guide which builds on evaluation guides prepared by other State Government departments including the Department of Treasury and Finance (DTF).</p> <p>Through the application of this guide, as well as compliance with the Performance Management Framework published by DTF, it</p>

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Wye River-Jamieson Track fire	Fire and Emergency Management	DELWP issued the first approvals for rebuilding after the Wye River–Jamieson Track fire within six months of the fires. A review of DELWP's procedures to manage asbestos was also completed. Building on the learnings from the Wye River fire response, an updated Asbestos Awareness training program was launched in May 2016.	The Wye River–Jamieson Track community will have their asbestos risks lowered and the Track rebuilt.	DELWP has developed a Project Evaluation Guide which builds on evaluation guides prepared by other State Government departments including the Department of Treasury and Finance (DTF). Through the application of this guide, as well as compliance with the Performance Management Framework published by DTF, it ensures that the success of projects and programs in achieving their defined objectives, are measured and assessed.
Aboriginal Inclusion Plan <i>Munganin-Gadhaba</i>	Local Government	In December 2015, the Minister for Aboriginal Affairs, Natalie Hutchins, launched the DELWP Aboriginal Inclusion Plan Munganin-Gadhaba, meaning 'Achieve Together.' The aim of which is to increase Aboriginal employment, cultural wellbeing and	The plan sets out DELWP's approach to working in partnership with Traditional Owners and Aboriginal communities across the State to achieve the key outcomes of recognition and respect, opportunity and prosperity, and participation and	DELWP has developed a Project Evaluation Guide which builds on evaluation guides prepared by other State Government departments including the Department of Treasury and

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		economic prosperity whilst bringing knowledge of country to DELWP's management of land, water, natural landscape and built environments.	collaboration over the period of 2016-20.	Finance (DTF). Through the application of this guide, as well as compliance with the Performance Management Framework published by DTF, it ensures that the success of projects and programs in achieving their defined objectives, are measured and assessed.
Know Your Council	Local Government	Know Your Council is a website that was launched on 26 November 2015. It is a one-stop-shop for all things local government with information, interesting facts, contact details and the latest news from Victoria's local government sector. It allows the community to log on and see how their council is performing compared to (up to 4) similar councils and has space for councils to explain their results for some context.	Know Your Council provides an opportunity for the community to access consistent information about the performance of local councils across Victoria. The website aims to make otherwise hard-to-find information easily accessible to the public. This will help increase the community's awareness and understanding of council work and build on local council openness and accountability. In 2015-16, it helped 65,000 users access information about their council services.	DELWP has developed a Project Evaluation Guide which builds on evaluation guides prepared by other State Government departments including the Department of Treasury and Finance (DTF). Through the application of this guide, as well as compliance with the Performance Management Framework published by DTF, it ensures that the success of projects and programs in achieving their defined objectives, are measured and assessed.

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Fair Go Rates System	Local Government	The Minister for Local Government, the Hon Natalie Hutchins MP, capped Victorian council rate rises at 2% in line with the forecasted Consumer Price Index (CPI) for 2017-18. The cap for 2016-17 was also set at CPI (2.5%) - the first year Victorian councils operated under a rate cap.	Communities will see an end to uncapped rate rises seen across the state over the past ten years.	DELWP has developed a Project Evaluation Guide which builds on evaluation guides prepared by other State Government departments including the Department of Treasury and Finance (DTF). Through the application of this guide, as well as compliance with the Performance Management Framework published by DTF, it ensures that the success of projects and programs in achieving their defined objectives, are measured and assessed.
Community infrastructure projects	Local Government	Approved 34 community infrastructure projects for funding through the Growing Suburbs Fund totalling \$47.9 million and leveraging more than \$118 million in infrastructure investment in the interface councils.	The Growing Suburbs Fund responds to the pressures facing interface communities by bringing forward critical community infrastructure priorities, delivering projects that improve the amenity, liveability and resilience of interface communities, supporting connections, enhancing services and providing local jobs	DELWP has developed a Project Evaluation Guide which builds on evaluation guides prepared by other State Government departments including the Department of Treasury and Finance (DTF). Through the application of this guide, as well as compliance with the Performance Management Framework published by DTF, it

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Canadian Regional Park	Management of Forests, Parks and Public Land	The 640 hectare Canadian Regional Park was opened in August 2015 and Crown Land Legislation Amendment (Canadian Regional Park and Other Matters) Bill 2015 passed through Parliament in 2016.	The establishment of the regional park ensures that the Canadian Forest area and its new wildlife corridor, will not only be protected for future generations but also expand local recreation and tourism opportunities.	DELWP has developed a Project Evaluation Guide which builds on evaluation guides prepared by other State Government departments including the Department of Treasury and Finance (DTF). Through the application of this guide, as well as compliance with the Performance Management Framework published by DTF, it ensures that the success of projects and programs in achieving their defined objectives, are measured and assessed.

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Master plan to transform Melbourne Convention Centre site	Planning, Building and Heritage	The Minister for Planning, the Hon Richard Wynne MP, approved the master plan for a \$200 million, three-tower development as part of plans to transform the under-used and dated Melbourne Convention Centre site on Spencer Street.	Community benefits include more housing, retail options, parks and open spaces.	DELWP has developed a Project Evaluation Guide which builds on evaluation guides prepared by other State Government departments including the Department of Treasury and Finance (DTF). Through the application of this guide, as well as compliance with the Performance Management Framework published by DTF, it ensures that the success of projects and programs in achieving their defined objectives, are measured and assessed.

Question 2 Provision of services

With respect to the 2015-16 budget and actual figures for the provision of services by the Department (disclosed on the DTF website) included in the table below:

2015-16 budget estimate (\$ million)	2015-16 actual (\$ million)	Variance (per cent)
454	541	19.3

Source: Department of Treasury and Finance, *Consolidated Comprehensive Operating Statement – General Government Sector* (2016). Available at <www.dtf.vic.gov.au/Publications/Victoria-Economy-publications/Aggregate-financial-statements>, viewed 18 October 2016

Please:

- (a) provide an explanation for the variance between the initial budget figure and the actual result

The variance is predominantly attributed to an increase in receipts by Land Use Victoria, Landata and Electronic conveyancing services as a result of higher than expected property related transactions and enquiries.

- (b) disaggregate the department's provision of services into the five most significant categories used by the Department

1. Land Titles Office Registration fees - Registration fees for the transfer of land titles.

Primary market: Potential land owners, and the general public

2. Property Enquiry Service - Land Use Victoria collects, manages, releases, and sells a wide range of Victorian property information and most of it is available online.

Primary market: Potential land owners, and the general public

3. Title search fees - Land titles are held in a public register and can be search for a fee.

Primary market: Potential land owners, and the general public

4. External User Charges - Customers are charged for various services provided including, project management, habitat compensation obligations, purchase of native vegetation offset credits.

Primary market: Developers, and general public

5. Other fee for service - Customers are charged for various services provided including; valuation services and project management.

Primary market: Public Bodies

(c) for each category, provide a description of what services were provided and the primary market for these services.

Please refer to (b) above

Question 3 Security upgrades

Please advise how much has been spent (both as output expenditure and asset investment) on security upgrades for the Department's premises.

Please describe any upgrades that were made during 2015-16, including identification of any (hypothetical or perceived) threats that the previous system would not have prevented that the upgraded system is able to prevent.

Please also describe any cost benefit analysis done by the Department in assessing security upgrades.

In 2015-16 DELWP spent \$102,057 (\$76,128 capital and \$25,929 operating) on maintaining and upgrading its security systems across the state.

As a result of these upgrades, DELWP is now able to better prevent unauthorised personnel from entering sites through appropriate Closed Circuit Television (CCTV) capabilities.

In accordance with State Government procurement rules, cost benefit analyses were undertaken as required.

Question 4 Departmental expenditure by Government Purpose Classification

Regarding the department's operating expenses in 2015-16, please compare the budget estimates provided by the Department in its response to the Committee's 2015-16 Budget Estimates Questionnaire (question 12) to the department's actual expenses by government purpose classification, explaining any variances greater than ± 10 per cent or \$100 million (please fill all blank spaces).

Government purpose classification	Initial budget estimate for 2015-16 (2015-16 Budget Estimates Questionnaire q.12) (\$ million)	Actual for 2015-16 (\$ million)	Variance from budget estimate (per cent)	Explanation for any variance greater than ± 10 per cent or \$100 million
General public services	1.7	0.0	-100.0%	The variance relates to the Machinery of Government transfer of the Office of the Victorian Government Architect to the Department of Premier and Cabinet.
Public order and safety	253.0	320.3	26.6%	The variance predominately relates to additional supplementation provided for the 2015-16 bushfires and additional aviation resources. This included daily standing charges for extra aircraft, airbase hire and provision of services to man these resources.
Education	n/a	n/a	n/a	
Health	n/a	n/a	n/a	
Social security and welfare	n/a	n/a	n/a	
Housing and community amenities	2,228.0	1,855.2	-16.7%	The variance predominately relates to Local Government grants that were budgeted for 2015-16 but were paid in advance in 2014-15, as well as the rephasing of the Goulburn Murray Water Connections project from 2015-16 to 2016-17.

Recreation and culture	n/a	n/a	n/a	
Fuel and energy	n/a	n/a	n/a	
Agriculture, forestry, fishing, and hunting	n/a	n/a	n/a	
Transport and communications	n/a	n/a	n/a	
Other economic affairs	n/a	n/a	n/a	
Other purposes	n/a	n/a	n/a	

Question 5 Contractor and consultant costs

Please detail the actual amount that the Department spent on contractors and consultants in 2014-15 and 2015-16. A definition of the difference between consultants and contractors is contained in FRD 22G – Standard Disclosures in the Report of Operations. Please provide figures on the same basis of consolidation for the Department as used in the budget papers.

	2014-15 Actual (\$ million)	2015-16 Actual (\$ million)
Consultants	3.2	3.4
Contractors	236.6	249.0

Note:

2014-15 amounts are sourced from the 2014-15 Department of Environment, Land, Water and Planning Annual Report.

2015-16 amounts are sourced from the 2015-16 Department of Environment, Land, Water and Planning Annual Report.

Question 6 Previous recommendations

For each recommendation in the Committee's *Report on the 2013-14 and 2014-15 Financial and Performance Outcomes* (report 5) or *Report on the 2012-13 Financial and Performance Outcomes* (report 119) 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
- (c) if not, why the recommendation has not been implemented, or the intended date of implementation.

Note: recommendations that were not supported by the Government or that have already been determined to be implemented by the Committee have not been included in this list.

Report	Recommendation		Has the action specified in the recommendation been implemented?	If yes:		If no:	
				What action has the Department taken in order to implement the recommendation?	What publicly available information, if any, shows the implementation?	Why not?	When is the intended date of implementation?
5	5	Transfers greater than \$10.0 million by departments between capital and operating expenditure should be explained in annual reports, including: <ul style="list-style-type: none"> (d) why the expenditure had been classified as it had been at the time of the budget (e) why that had changed during the year (f) the effect of the change on the department's finances including its net result from transactions 	N/A DELWP did not have any individual transfers greater than \$10 million between capital and operating expenditure.	N/A	N/A	N/A	N/A