

Question 25- EXPENDITURE

For 2009-10 and 2010-11, please explain and detail the impact of any variances greater than ±10 per cent in any revenue/income category detailed in your agency's operating statement in its annual report and the total revenue/income for the year compared to:

- (a) the initial budget for the year; and
- (b) the actual for the prior year.

Expenditure in 2009-10:

Department of Sustainability and Environment

Expenditure category	2008-09 actual	2009-10 Budget	2009-10 actual	Explanation for variances greater than ±10 per cent	Impact of variances
	(\$million)	(\$million)	(\$million)		
Employee benefits	259.507	200.739	272.810	Additional expenditure for 2009-10 fire suppression activities funded from the Treasurers Advance	Due to this being a once off activity in response to 2008-09 Bushfire reconstruction and recovery, the variance caused no impact.
Depreciation and Amortisation	41.367	41.282	42.880	Variance less than 10%	
Interest Expense	2.132	-	2.138	Whilst greater than 10% the quantum of the variance is immaterial in the total DSE budget	As the variance is immaterial in the total DSE budget, the variation caused no impact.
Grants and other Transfers	688.760	591.198	561.939	Once off grant payments in 2008-09 for fire suppression activities	Due to this being a once off activity in response to 2008-09 Bushfire reconstruction and recovery, the variance caused no impact.
Capital Asset Charge	67.857	69.521	69.521		
Other Operating Expenses	503.745	364.705	374.367	Variance is due to additional expenditure in 2008-09 for fire suppression activities	Due to this being a once off activity in response to 2008-09 Bushfire reconstruction and recovery, the variance caused no impact.
DSE TOTAL	1,563.368	1,267.445	1,323.655		

Environment Protection Authority

Expenditure category	2008-09 actual	2009-10 Budget	2009-10 actual	Explanation for variances greater than ±10 per cent	Impact of variances
	(\$million)	(\$million)	(\$million)		
Employee benefits	32.3	33.8	35.6	Employee benefits increase mainly due to EBA increase and progression payments for VPS staff and additional staff employed on the Business Service Reform project.	Reprioritised resources internally to manage within the overall operational funding allocation.
Depreciation and Amortisation	2.9	2.7	3.7	Unbudgeted one-off adjustment to fully depreciate building fit out at EPA's previous head-office building (HWT at Southbank) following the move to new head-office at 200 Victoria St, Carlton.	Reprioritised resources internally to manage within the overall operational funding allocation.
Interest Expense	0.1	0.1	0.1	Whilst greater than 10% the quantum of the variance is immaterial in the total EPA budget	No impact
Grants and other Transfers	50.6	58.7	48.6	Grants expenditure lower than budget due to lower reimbursements sought by Sustainability Victoria for programs from the Sustainability Fund account (re-named the Climate Communities Fund Account from 1 July 2011).	Timing issue associated with the delivery of grant programs.
Capital Asset Charge	1.0	1.0	1.0	variance less than 10%	
Other Operating Expenses	23.8	22.5	24.1		
EPA TOTAL	110.7	118.8	113.1		

Commissioner for Environmental Sustainability

Expenditure category	2008-09 actual	2009-10 Budget	2009-10 actual	Explanation for variances greater than ±10 per cent	Impact of variances
	(\$million)	(\$million)	(\$million)		
Employee benefits	1.1	1.1	1.0	Whilst greater than 10% the quantum of the variance is immaterial in the total DSE budget	As the variance is immaterial in the total DSE budget, the variation caused no impact.
Depreciation and Amortisation	-	-	-		
Interest Expense	-	-	-		
Grants and other Transfers	-	-	0.2		
Capital Asset Charge	-	-	-		
Other Operating Expenses	0.5	0.2	0.4	Whilst greater than 10% the quantum of the variance is immaterial in the total DSE budget	As the variance is immaterial in the total DSE budget, the variation caused no impact.
CES TOTAL	1.5	1.3	1.6		

Expenditure in 2010-11:

Department of Sustainability and Environment

Expenditure category	2009-10 actual	2010-11 Budget	2010-11 actual	Explanation for variances greater than ±10 per cent	Impact of variances
	(\$million)	(\$million)	(\$million)		
Employee benefits	272.810	228.783	270.173	Additional expenditure for 2010 -11 for planned burning and other fire related activities funded from the Treasurers Advance and for flood recovery activities	Due to this being a once off activity in response to 2008-09 Bushfire reconstruction and recovery, the variance caused no impact.
Depreciation and Amortisation	40.960	45.386	46.824	Whilst greater than 10% the quantum of the variance is immaterial in the total DSE budget	As the variance is immaterial in the total DSE budget, the variation caused no impact.
Interest Expense	2.138	0.250	1.714	Whilst greater than 10% the quantum of the variance is immaterial in the total DSE budget	As the variance is immaterial in the total DSE budget, the variation caused no impact.
Grants and other Transfers	563.300	437.665	522.251	Movement due to increased grant payments to Parks Victoria and the Snowy Joint Government Enterprise.	No impact
Capital Asset Charge	69.521	72.800	73.646		
Other Operating Expenses	390.550	415.959	335.500	a.) variance is due to lower than anticipated accommodation, costs, printing and stationery and advertising and publicity expenses b.) variance is due to lower payments for contract and professional services associated with the Wonthaggis Desalination project	No impact
DSE TOTAL	1,339.279	1,200.843	1,250.108		

Environment Protection Authority

Expenditure category	2009-10 actual	2010-11 Budget	2010-11 actual	Explanation for variances greater than ±10 per cent	Impact of variances
	(\$million)	(\$million)	(\$million)		
Employee benefits	35.6	41.5	37.4	variance less than 10%	
Depreciation and Amortisation	3.7	3.4	3.2	2010-11 depreciation is lower than the previous year mainly because of a one-off charge in 2009-10 to fully depreciate building fit out at EPA's previous head-office building (HWT at Southbank) following the move to new head-office at 200 Victoria St, Carlton. The 2010-11 actual is lower than budgeted due to less than anticipated capital investment in 2010-11.	No impact
Interest Expense	0.1	0.1	0.1	Whilst greater than 10% the quantum of the variance is immaterial in the total DSE budget	As the variance is immaterial in the total DSE budget, the variation caused no impact.
Grants and other Transfers	48.6	75.6	55.7	Grants expenditure lower than budget due to lower reimbursements sought by Sustainability Victoria for programs from the Sustainability Fund account (re-named the Climate Communities Fund Account from 1 July 2011).	Timing issue associated with the delivery of grant programs.
Capital Asset Charge	1.0	1.0	1.0	variance less than 10%	
Other Operating Expenses	24.1	22.0	26.5	variance less than 10%	
EPA TOTAL	113.1	143.6	123.8		

Commissioner for Environmental Sustainability

Expenditure category	2009-10 actual	2010-11 Budget	2010-11 actual	Explanation for variances greater than ±10 per cent	Impact of variances
	(\$million)	(\$million)	(\$million)		
Employee benefits	1.0	1.1	1.4	Whilst greater than 10% the quantum of the variance is immaterial in the total DSE budget	As the variance is immaterial in the total DSE budget, the variation caused no impact.
Depreciation and Amortisation	-	-	-		
Interest Expense	-	-	-		
Grants and other Transfers	0.2	-	0.0	Whilst greater than 10% the quantum of the variance is immaterial in the total DSE budget	As the variance is immaterial in the total DSE budget, the variation caused no impact.
Capital Asset Charge	-	-	-		
Other Operating Expenses	0.4	0.3	0.5	Whilst greater than 10% the quantum of the variance is immaterial in the total DSE budget	As the variance is immaterial in the total DSE budget, the variation caused no impact.
CES TOTAL	1.6	1.4	1.9		

Question 21 - REVENUE

For 2009-10 and 2010-11, please explain and detail the impact of any variances greater than ±10 per cent in any revenue/income category detailed in your agency's operating statement in its annual report and the total revenue/income for the year compared to:

- (a) the initial budget for the year; and
- (b) the actual for the prior year.

Revenue in 2009-10:

Department of Sustainability and Environment

Revenue category	2008-09 actual	2009-10 Budget	2009-10 actual	Explanation for variances greater than ±10 per cent	Impact of variances
	(\$million)	(\$million)	(\$million)		
Output Appropriations	1,434.05	987.00	1,082.69	Additional once off funding provided in 2008-09 for fire suppression activities, grants for Water Bills and the CMA drought employment program	Due to this being a once off activity in response to 2008-09 Bushfire reconstruction and recovery, the variance caused no impact.
Interest	2.25	1.00	2.18	Whilst greater than 10% the quantum of the variance is immaterial in the total DSE budget	As the variance is immaterial in the total DSE budget, the variation caused no impact.
Sales of goods and services	156.74	1.20	176.86	a.) variance due to a change in the classification of revenue for the Metropolitan Parks Charge b.) variance due to additional revenue collected in 2009-10 for the Metropolitan Parks Charge	a.) as this is a change of classification of revenue, the variation caused no impact. b.) the additional revenue enable extra initiatives to be funded in order to deliver positive outcomes for Victoria's parks and reserves.
Grants	36.31	98.50	64.37	a.) variance is due to revised funding treatment for NVIRP revenue based upon advice from Deloitte and additional revenue provided by the Commonwealth for the Snowy Joint Government Enterprise. b.) variance is due to additional grant revenue provided by the Commonwealth for the Snowy Joint Government Enterprise	No impact
Fair Value of assets and services received free of charge or for nominal consideration	1.76	-	0.05	Whilst greater than 10% the quantum of the variance is immaterial in the total DSE budget	As the variance is immaterial in the total DSE budget, the variation caused no impact.
Other Income	19.37	161.96	67.92	a.) variance due to a change in the classification of revenue for the Metropolitan Parks Charge b.) increase is due to revenue received for the Wonthaggi Desalination project in 2009-10	No impact
DSE TOTAL	1,650.5	1,249.7	1,394.1		

Environment Protection Authority

Revenue category	2008-09 actual	2009-10 Budget	2009-10 actual	Explanation for variances greater than ±10 per cent	Impact of variances
	(\$million)	(\$million)	(\$million)		
Output Appropriations	39.4	38.7	36.9		
Interest	4.58	6.00	3.56	Year on Year decrease in interest revenue is a flow on from decreased TCV term deposits (Environment Protection Fund) and the effect of lower average interest rates received between the periods.	Reprioritised resources internally to manage within the overall operational funding allocation.
Sales of goods and services	-	-	-		
Grants	0.54	-	0.48	Variance less than 10%	
Fair Value of assets and services	-	-	-		
Other Income	83.52	77.00	81.06	Variance less than 10%	
EPA TOTAL	128.0	121.7	122.0		

Commissioner for Environmental Sustainability

Revenue category	2008-09 actual	2009-10 Budget	2009-10 actual	Explanation for variances greater than ±10 per cent	Impact of variances
	(\$million)	(\$million)	(\$million)		
Output Appropriations	1.40	1.33	1.43	Variance less than 10%	
Interest	-	-	-		
Sales of goods and services	-	-	-		
Grants	-	-	-		
Fair Value of assets and services received free of charge or for nominal consideration	0.15	-	0.14	Variance less than 10%	
Other Income	-	-	-		
CES TOTAL	1.5	1.3	1.6		

Revenue in 2010-11

Department of Sustainability and Environment

Revenue category	2009-10 actual	2010-11 Budget	2010-11 actual	Explanation for variances greater than ±10 per cent	Impact of variances
	(\$million)	(\$million)	(\$million)		
Output Appropriations	1,084.119	1,045.500	998.223		
Interest	2.180	1.000	2.864	a.) Whilst greater than 10% the quantum of the variance is immaterial in the total DSE budget b.) Whilst greater than 10% the quantum of the variance is immaterial in the total DSE budget	As the variance is immaterial in the total DSE budget, the variation caused no impact.
Sales of goods and services	54.105	31.500	43.557	a.) additional revenue received for Valuation services, Bushbroker Native vegetation Offset and Weeds and Pest on Public Land Initiative b.) variance is to once off revenue received in 2009-10 for external users charges and lower level of revenue from valuations	a.) the impact of this positive variation has been the delivery of additional services in biodiversity and public land areas. b.) as this variance is due to once off revenue received in 2009-10, there has been no impact.
Grants	64.366	24.100	45.217	a.) variance is due to additional grant revenue provided by the Commonwealth for the Snowy Joint Government Enterprise and other water initiatives and funding received for the Victorian Floods b.) variance is due primarily to additional funding provided by the Commonwealth for the Snowy Joint Government Enterprise in 2009-10 compared to 2010-11	No impact
services received free of charge or for nominal consideration	0.050	-	0.533	Whilst greater than 10% the quantum of the variance is immaterial in the total DSE budget	As the variance is immaterial in the total DSE budget, the variation caused no impact.
Metropolitan Parks Charge	122.800	-	125.660	Variance less than 10%	
Other Income	67.919	233.500	24.602	a.) variance due to a change in the classification of revenue for the Metropolitan Parks Charge b.) reduction is due to lower level of revenue received for the Wonthaggi Desalination project and the Our Water Our Future campaign	No impact
DSE TOTAL	1,395.539	1,335.600	1,240.656		

Environment Protection Authority

Revenue category	2009-10 actual	2010-11 Budget	2010-11 actual	Explanation for variance greater than ±10 per cent	Impact of variances
	(\$million)	(\$million)	(\$million)		
Output Appropriations	36.923	39.151	36.075		
Interest	3.561	3.000	4.961	Year on year interest revenue higher due to increased TCV term deposits as a flow on from higher landfill levy receipts (refer also to explanation below for Other Income)	Reprioritised resources internally to manage within the overall operational funding allocation.
Sales of goods and services		-			
Grants	0.483	-	1.731	Commencement of ERC initiatives – Remediation of Contaminated Land, Illegal Dumping Strike force and Materials Efficiency, funded from the Sustainability Fund account (re-named the Climate Communities Fund Account from 1 July 2011).	Increased revenue to deliver the ERC initiatives – Remediation of Contaminated Land, Illegal Dumping Strike force and Materials Efficiency, funded from the Sustainability Fund account (re-named the Climate Communities Fund Account from 1 July 2011).
Fair Value of assets and services received free of charge or for nominal consideration		-			
Other Income	81.061	98.135	153.414	Year on year variance primarily due to landfill levy revenue, which was \$66.6 million higher due to the increase in the levy fee per tonne of waste effective 1 July 2010 and higher waste volumes compared to 2009-10	Increase the balance of the Sustainability Fund which provides more funds for the delivery of environmental protection/sustainability programs once approved by the Minister.
EPA TOTAL	122.028	140.286	196.181		

Commissioner for Environmental Sustainability

Revenue category	2009-10 actual	2010-11 Budget	2010-11 actual	Explanation for variances greater than ±10 per cent	Impact of variances
	(\$million)	(\$million)	(\$million)		
Output Appropriations	-	1.436	-	Variance less than 10%	
Interest	-	-	-		
Sales of goods and services	-	-	-		
Grants	1.429	-	1.726	Whilst greater than 10% the quantum of the variance is immaterial in the total DSE budget	As the variance is immaterial in the total DSE budget, the variation caused no impact.
Fair Value of assets and services received free of charge or for nominal consideration	0.135	-	0.149	Variance less than 10%	
Other Income	-	-	-		
CES TOTAL	1.564	1.436	1.875		