

Minister for Energy and Renewables
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Hon Ruth Forrest MLC
Chair – Estimates Committee A
Legislative Council
Email: Simon.Scott@parliament.tas.gov.au

Dear Ms Forrest

Appropriation Bill (No. 1) 2024

I refer to your letter of 24 September 2024, seeking additional information following my appearance before Budget Estimates Committee A on 24 September 2024.

Please find below the additional information requested:

**DIVISION 8 – DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT
TASMANIA**

Output Group 1 – Land Tasmania

1.1 Land Titles, Survey and Mapping Strategies

1. Please table savings strategies identified for budget efficiency dividends for the Department.

The Department's Budget Sustainability is attached.

Output Group 7 – Environment

7.2 Analytical Services

1. What was the consolidated funding for Analytical Services Tasmania to cover testing costs?

The consolidated funding for Analytical Services Tasmania in 2023-24 was \$2.7 million.

DIVISION 3 – ENVIRONMENT PROTECTION AUTHORITY

1.2 Environmental Assessment

1. What are the staffing costs for Division 3 – Environmental Protection Authority Output Groups 1.1 and 1.2?

From table 13.3 of Budget Paper 2, page 15:

Expenses

Employee benefits for 2024/25 total \$15,627,000 (note this is 74% of the planned expenditure for 2024/25, of \$21,082,000)

FTEs by Output Group and Output

Output Group	FTEs at 30 June 2024	Headcount at 30 June 2024	Projected salary + superannuation for 24/25 based on FTE
Output Group - EPA			
1.1 Environmental Protection	65	70	\$8.83M
1.2 Environmental Assessment	34	39	\$4.62M
1.3 Salmon Environmental Regulation	16	19	\$2.17M
Total Output - EPA	115	128	\$15.62M

Notes

- FTE is less than headcount as a number of staff work part-time.
- Output Group 1.1 includes the Office of the CEO, Business Services Branch, which are not spread across the other output groups.

Yours sincerely



Hon Nick Duigan MLC
Minister for Parks and Environment

Attachments:

1. NRE Tas Budget Sustainability

DEPARTMENT OF NATURAL RESOURCES AND THE ENVIRONMENT

Budget Sustainability

- **The 2023-24 Budget indicated the Government would seek operating efficiencies while protecting frontline services.**
 - **The Efficiency Dividend to be achieved by the Department of Natural Resources and Environment Tasmania is:**
 - **\$1.7 million in 2024-25 is,**
 - **\$3.4 million in 2025-26,**
 - **Increasing to \$5.1 million in 2026-27.**
 - **The Department has commenced implementing initial savings strategies which includes optimising staff resources to meet Government priorities and new commitments in 2024-25.**
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- The Department will achieve these efficiencies through a combination of efficiency measures and ceasing or scaling back on non-core and non-priority activities that are either not the highest strategic priorities or have been replaced with new commitments.
 - These saving strategies are achievable and will not compromise the Department's capability.
 - The Department has established a Budget Sustainability Project to deliver a more efficient operating model that includes short and long term achievable saving initiatives.
 - These initiatives will not impact Government's priorities and core services for the Tasmanian community.
 - The saving initiatives will also not impact the safety and wellbeing of staff, nor will they compromise organisational capability.
 - The saving initiatives include identification of duplicative workflows, functions and/or structures to achieve streamlined processes and leaner operating models.
 - The Department will review how programs are administered to ensure they deliver value for the Tasmania community.
 - The Department's initial focus is on savings from discretionary expenditure on supplies and consumables, including consultants, travel, advertising, accommodation, and fleet usage.
 - In addition, the Department will capture savings achieved from salary expenditure through the monitoring of vacancies without negatively impacting on service outcomes. This is not a vacancy control process

and will not result in staff job loss, nor will it impact on the delivery of Government priorities.

- Over the forward estimates, options for new, low impact, revenue sources are also being explored where cost recovery is warranted.

Key Statistics:

The budget efficiency dividend target for the Department is as follows:

	2024-25	2025-26	2026-27	2027-28
	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000
Budget Efficiency Dividend Allocation ¹	1 723	3 446	5 168	5 168 ²

1. This target is prior to an adjustment made for the Forestry restructure. See background information below for the revised target.
2. This target will be increased as part of the further Budget Efficiency Dividend of \$150 million announced in the 2024-25 Budget.

Background:

- The budget efficiency dividend target was advised by Treasury in September 2023 as per the above table.
- As a result of the transfer of the Forestry Policy function to the Department of State Growth on 1 July 2024, the budget efficiency dividend allocation was revised:

	2024-25	2025-26	2026-27	2027-28
	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000
ORIGINAL Budget Efficiency Dividend Allocation	1 723	3 446	5 168	5 168
Revision for Forestry Restructure	(22)	(45)	(67)	(67)
REVISED Allocation	1 701	3 401	5 101	5 101

- The Department submitted Ministerially approved budget savings plan in November 2023, with an updated plan that incorporates feedback from the Department of Treasury and Finance at the end of January 2024. Subsequent to the 2024 State Government election, a revised plan was discussed with new Ministers and submitted in May 2024.
- The 2027-28 target will increase as part of the further Budget Efficiency Dividend of \$150 million in the 2024-25 Budget.

- Further detail as per the May 2024 savings plan is as follows:

	2024-25	2025-26	2026-27	2027-28²
	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000
Discretionary expenditure	421	439	709	709
Salary expenditure ¹	840	1 050	1 260	1 260
Other savings measures	440	1 912	3 132	3 132
REVISED Allocation	1 701	3 401	5 101	5 101

Note:

1. This savings target represents less than 1 per cent of the Department's overall salary budget from all funding sources.
2. The 2027-28 targets will increase as part of the further Budget Efficiency Dividend of \$150 million in the 2024-25 Budget.

- The savings to be achieved by portfolio are as follows:

	2024-25	2025-26	2026-27	2027-28²
	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000
Arts (Heritage)	22	32	107	411
Business, Industry & Resources	50	81	356	301
Parks & Environment	1 244	2 401	3 306	3 238
Primary Industries & Water	336	790	1 186	1 005
Racing	49	97	146	146
REVISED Allocation	1 701	3 401	5 101	5 101

