



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

2016-17 FINANCIAL AND PERFORMANCE OUTCOMES
GENERAL QUESTIONNAIRE

CITY WEST WATER

Your responses should be filled in the tables/text boxes under each question in the MS Word document only.

Additional responses to questions can be provided in MS Word or MS Excel documents if required.

The completed MS Word document, including any additional documents, should be emailed to paec@parliament.vic.gov.au

SECTION A: Output variances and program outcomes

Question 1 (all departments) Completed initiatives from past budgets

This question does not apply to your agency.

Question 2 (departments only) Treasurer's advances and other budget supplementation

This question does not apply to your agency.

Question 3 (DTF only) Revenue certification

This question does not apply to your agency.

SECTION B: Asset investment

Question 4 (all departments) Details of actual investment and variance against budget – current projects

This question does not apply to your agency.

Question 5 (all departments) Details of actual investment and variance against budget – projects completed (or expected to be completed)

This question does not apply to your agency.

Question 6 (all departments) Major Projects Victoria / Development Victoria

This question does not apply to your agency.

Question 7 (all departments) High-value high-risk projects and gateway reviews

This question does not apply to your agency.

Question 8 (all departments) PPP expenditure and line items

This question does not apply to your agency.

Question 9 (all departments) PPP projects in procurement

This question does not apply to your agency.

Question 10 (all departments) PPP projects under construction

This question does not apply to your agency.

Question 11 (all departments) PPP projects commissioned during 2016-17

This question does not apply to your agency.

Question 12 (DTF only) Net cash flows from investments in financial assets for policy purposes – GGS

This question does not apply to your agency.

Question 13 (DTF only) Purchases of non-financial assets – government purpose classification

This question does not apply to your agency.

SECTION C: Revenue and appropriations

Question 14 (all departments and entities) Changes from previous year by revenue/income category

Please explain any changes greater than ± 10 per cent or \$100 million between the actual result for 2015-16 and the actual result for 2016-17 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 affected 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 2016-17 expenditure changed 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	2015-16 actual (\$ million)	2016-17 actual (\$ million)	Explanations for changes greater than ± 10 per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Trade waste charges	35.5	29.7	Lower than expected due to lower volumes of trade waste and improved discharge quality.	Lower profitability, tax and dividend payments, resulting in lower retained profits to fund our capital expenditure program.
Water trading revenue	2.6	0.5	Lower volume and prices from the sale of water entitlement.	Lower profitability, tax and dividend payments, resulting in lower retained profits to fund our capital expenditure program.
Developer cash contributions	26.9	32.4	Higher than expected property development activity.	This will partly fund future capital expenditure to service growth in CWW's customer base.
Lease income	0.21	0.17	Lower income as a result of the sale of the St Albans Road complex (CWW's former head office which was partly leased).	Lower profitability, tax and dividend payments, resulting in lower retained profits to fund our capital expenditure program.
Net gain on sale of non-current physical assets	0.2	0.3	Higher gain on sales from motor vehicle fleet.	This will offset costs of future motor vehicle purchases.
Grants	2.4	0.01	Income in 2015-16 includes one-off grants associated with Aquifer Storage Recovery at West Werribee.	Income used to fund CWW's Aquifer Storage Recovery project at West Werribee.

Interest income	0.03	0.04	Higher cash balances throughout 2016-17 in comparison to 2015-16.	This was used to offset interest expenses.
Other	0.7	3.3	Other income in 2016-17 includes transfer of CWW's share of 8 GL water entitlement to the Victorian Environmental Water Holder to support improved environment outcomes in the Thomson River.	Higher profitability will support CWW's capital expenditure program and reduce reliance on borrowings.

Question 15 (all departments and entities) Variances from budget/target by revenue/income category

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 2016-17 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 2016-17 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	2016-17 budget estimate (\$ million)	2016-17 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Actions taken in response
Trade waste charges	34.1	29.7	Lower than expected due to lower volumes of trade waste and improved discharge quality.	Budget in 2017-18 has been updated to take account of decreased trade waste activity.
Developer contributed assets	28.0	35.6	Higher than expected property development activity.	Development activities are largely out of CWW's direct control. CWW will continue to monitor leading indicators to improve budget estimates.
Developer cash contributions	25.2	32.4	Higher than expected property development activity.	Development activities are largely out of CWW's direct control. CWW will continue to monitor leading indicators to improve budget estimates.
Lease income	0.19	0.17	Decrease in lease income due to the sale of the St Albans	No impact. One-off variance.

			Road complex.	
Net gain on sale of non-current physical assets	0.04	0.30	Higher than expected gain on sales associated with motor vehicle fleet.	CWW will continue to monitor and improve budget estimates.
Interest income	0.05	0.04	Lower than expected interest income due to lower than budgeted interest rates and borrowing levels.	Borrowings are impacted by a number of factors such as capital expenditure and profitability. CWW will continue to monitor and improve budget estimates.
Other	0.2	3.3	Includes unbudgeted receipt of transfer of our share of 8GL water entitlement to the Victorian Environmental Water Holder to support improved environment outcomes in the Thomson River.	CWW will continue to monitor and improve budget estimates.

Question 16 (DTF only) Revenue initiatives

This question does not apply to your agency.

SECTION D: Expenses

Question 17 (all departments and entities) Expenses changed from previous year

Please explain any changes greater than ± 10 per cent or \$100 million between the prior year's actual result and the actual result for 2016-17 for each category of expenses detailed in your operating statement. Please also detail the outcomes in the community¹ 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.

¹ That is, the impact of service delivery on the community rather than a description of the services delivered.

If there were no categories of expenses for your department/agency for which the 2015-16 expenditure differed 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	2015-16 actual (\$ million)	2016-17 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Physical asset write-offs, write-downs and impairments	0.4	0.3	Lower than expected physical asset write-offs, write-downs and impairments.	Variance relates to book value of assets written off as part of our ongoing investment in our water infrastructure assets. Higher profitability in 2016-17 will offset future asset write-downs.
Intangible asset write-offs, write-downs and impairments	11.6	1.8	2015-16 included impairment of intangible assets associated with the Field Mobility Solution of the Arrow Program of \$11.575 million.	A process has been put in place as part of CWW's IT Governance process to ensure that impairment of intangible assets is minimised.

Question 18 (all departments and entities) Expenses varying from budget

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 2016-17 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 2016-17 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.

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

Expenses category	2016-17 budget estimate (\$ million)	2016-17 actual (\$ million)	Explanations for variances greater than ±10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Intangible asset write-offs, write-downs and impairments	-	1.8	Impairment of intangible assets associated with My Account and MABAL (software packages)	A process has been put in place as part of CWW's IT Governance process to ensure that impairment of intangible assets is minimised.

Question 19 (departments only) Expenditure reduction targets

This question does not apply to your agency.

Question 20 (all departments and entities) Changes to service delivery from expenditure reduction initiatives

- (a) 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 in 2016-17.

Not applicable

- (b) As a result of the expenditure reduction initiative 'Reduce the use of labour hire firms' for 2016-17 (2015-16 BP3 p.105), please detail any changes to your department's/agency's service delivery.

Not applicable

- (c) Please indicate how much the Department spent on 'on hire' arrangements with labour recruitment firms during 2015-16 and 2016-17. On hire arrangements includes the cost of engaging the labour recruiting firm, plus additional costs paid to the labour recruiting firm for the provision of the services of the contractor. Please also indicate reasons for and difference greater than 10 per cent between the two years.

Expenditure on hire arrangements (\$ million)		Explanation for change greater than ± 10 per cent
2015-16	2016-17	
2.04	1.67	Lower labour hire costs incurred as a result of reduced need for these services.

- (d) Please indicate how much the Department spent on job search assignments where the department has engaged a labour recruitment firm to hire an employee for the department.

Expenditure on job search assignments (\$ million)		Explanation for change greater than ± 10 per cent
2015-16	2016-17	
0.15	0.08	Timing of recruitment deferred due to organisational re-alignment.

Question 21 (departments only) Achievement of reprioritisation of existing resources

This question does not apply to your agency.

Question 22 (DTF only) Expenses by government purpose classifications

This question does not apply to your agency.

Question 23 (PNFC and PFC entities only) Dividends and other amounts paid to the general government sector

Please detail the value of dividends, non-dividend grants,³ and capital repatriations paid by your agency to the general government sector over the last three years, explaining the reasons for any significant changes over that period and the impact of any changes on the agency. Please also explain the basis on which these figures were set.

	Total amount paid in 2014-15 (\$ million)	Total amount paid in 2015-16 (\$ million)	Total amount paid in 2016-17 (\$ million)	Explanation for any variance greater than ±10 per cent or \$100 million	Impact of changes to dividends on the agency	Basis on which the figure was set
Dividends	15.6	9.8	13.0	Change in profit between 2013-14 (\$36.1 million), 2014-15 (\$47.3 million) and 2015-16 (\$65.7 million). 2014-15 dividend payment also includes \$4.2 million interim dividend for 2014-15 and \$11.4 million final dividend for 2013-14. 2015-16 dividend payment includes final dividend for 2014-15. 2016-17 dividend payment includes final dividend for 2015-16.	Impact on cash and borrowing levels.	65 per cent of profit before tax less income tax.
Non-dividend grants	-	-	-	Not applicable	Not applicable	Not applicable
Capital repatriation payments	-	6.6	-	One-off request from the Treasurer.	Impact on cash levels and retained profits.	Payment included as part of the dividend calculation.

³ This is an amount paid to the general government sector which is unable to be paid as a dividend due to AASB 1023 or FRD 119A.

SECTION E: Public sector workforce

Question 24 (all departments and entities) Full-time equivalent staff by level

Please fully complete the table below, providing actual FTE staff numbers at 30 June 2015, at 30 June 2016 and 30 June 2017 (broken down by the categories listed below) for the Department. Please provide figures consolidated on the same basis as the expenditure for the Department in the budget papers.

Grade	30 June 2015 (Actual FTE number)	30 June 2016 (Actual FTE number)	30 June 2017 (Actual FTE number)
Secretary	-	-	-
EO-1	-	-	-
EO-2	-	-	-
EO-3	18.2	18.9	-
VPS Grade 7 (STS)	-	-	-
VPS Grade 6	-	-	-
VPS Grade 5	-	-	-
VPS Grade 4	-	-	-
VPS Grade 3	-	-	-
VPS Grade 2	-	-	-
VPS Grade 1	-	-	-
Government Teaching Service	-	-	-
Health services	-	-	-

Police	-	-	-
Allied health professionals	-	-	-
Child protection	-	-	-
Disability development and support	-	-	-
Custodial officers	-	-	-
Other	398.1	416.6	417.3*
Total	416.3	435.5	417.3

* This number includes Executive Officers employed under a Government Sector Executive Remuneration Panel (GSERP) contract which is in line with our 2016-17 Annual Report definition. The 2014-15 and 2015-16 EO-3 results were based on CWW executives with equivalent Total Remuneration Package of EO-3 whilst the 2016-17 Other figure includes Executive Officers reporting to the Managing Director under a GSERP contract following a change in Reporting Direction FRD 21C.

Question 25 (all departments and entities) FTE staff numbers by employment type

In the table below, please detail the salary costs for 2014-15, 2015-16 and 2016-17, 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 2014-15 (\$ million)	Gross salary 2015-16 (\$ million)	Gross salary 2016-17 (\$ million)	Explanation for any year-on-year variances greater than ± 10 per cent or \$100 million
Ongoing	36.8	38.4	40.8	Not applicable
Fixed-term	-	-	-	Not applicable
Casual	-	-	-	Not applicable
Total	36.8	38.4	40.8	

Question 26 (all departments and entities) Executive salary increases and other bonuses

Please detail the number of executives who received increases in their base remuneration in 2016-17, 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 2016-17, apart from normal increases due to employment agreements.	Reasons for these increases
0-3 per cent	-	Not applicable
3-5 per cent	-	Not applicable
5-10 per cent	-	Not applicable
10-15 per cent	-	Not applicable
greater than 15 per cent	-	Not applicable

Question 27 (DTF only) Enterprise bargain agreements (EBA)

This question does not apply to your agency.

SECTION F: Government decisions impacting on the finances

Question 28 (all departments and entities) Commonwealth Government decisions

Please identify any Commonwealth Government decisions during 2016-17 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 2016-17	
	on income (\$ million)	on expenses (\$ million)
Not applicable	-	-

Question 29 (all departments and entities) COAG decisions

Please identify any COAG decisions during 2016-17 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 2016-17	
	on income (\$ million)	on expenses (\$ million)
Not applicable	-	-

SECTION G: Economic environment

Question 30 (DTF only) Economic variables

This question does not apply to your agency.

Question 31 (DTF only) Actual impact on GGS of variances in economic variables

This question does not apply to your agency.

Question 32 (DTF only) Impact on PFC net result of variances in economic variables

This question does not apply to your agency.

Question 33 (DTF only) Impact on PNFC net result of variances in economic variables

This question does not apply to your agency.

Question 34 (all departments and entities) Effects of variances in economic variables

Please identify any key economic variables for which there were variances in 2016-17 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 2016-17	Actual result in 2016-17	Impact of the variance on budget outcomes	Impact of the variance on service delivery
Not applicable	-	Not applicable	Not applicable

SECTION H: DataVic Access

Question 35 (All departments and entities) Department/agency data and research strategy

- a) How is 'big data' and/or the digital research component incorporated within the Department/Agency's Strategic/Corporate Plan?

CWW's corporate plan includes the delivery of a data platform project. The purpose of the project is to establish an environment and an ongoing capability to manage and make data available through a cohesive architecture containing effective data practices, data storage, integration, security, data management technology, whilst providing advanced reporting and analytics tools, and stakeholder education.

- b) Does the Department/Agency have a dedicated digital research strategy? If yes, please provide a copy of this to the Committee.

CWW's digital research strategy is incorporated into its IT Strategy. Please refer to attached document.

Question 36 (All departments and entities) Department/Agency use of the DataVic Access

- a) What have been the challenges the Department/Agency has found in implementing the DataVic Access?

Determining the datasets that should routinely be published.

- b) What have been the key risks the Department/Agency has identified in relation to DataVic Access and how have these been managed?

Data security concern. CWW has initiated the establishment of a new Information Security Team which will be responsible for CWW's compliance with the Victorian Protective Data Security Standards (VPDSS).

- c) Who are the major beneficiaries of the data the Department/Agency has made available as a result of the DataVic Access policy?

No beneficiaries have been identified. Provision of data is managed via DELWP and DTF, not directly by the CWW.

d) The guidelines currently state that the benefits of the policy include:

- stimulating economic activity and driving innovation and new services to the community and business;
- increasing productivity and improving personal and business decision making based on improved access to data;
- improving research outcomes by enabling access to primary data to researchers in a range of disciplines; and
- improving the efficiency and effectiveness of government by encouraging better management practices and use of the data.⁴

Please provide three examples of how the Department/Agency have seen the benefits materialised.

Benefits have not been assessed. Provision of data is managed via DELWP and DTF, not directly by the CWW.

e) What are the main future opportunities regarding the Department/Agency's data that have not been realised to date?

Future opportunities have not been identified. Provision of data is managed via DELWP and DTF, not directly by the CWW.

Question 37 (All departments and entities) Department/Agency arrangements for data access

a) What accountability arrangements are in place within the Department/Agency for implementing DataVic Access?

Accountability rests with the Chief Financial Officer.

b) Has the Department/Agency established an Information Management Governance Committee (IMGC)?

No. CWW has an information security policy and procedure for document and data control. CWW has also initiated the establishment of a new Information Security Team which will be responsible for CWW's compliance with the Victorian Protective Data Security Standards (VPDSS).

⁴Department of Treasury and Finance, *DataVic Access Policy Guidelines for the Victorian Public Sector* (2015), p.1

c) Does the Department/Agency have an information asset register?

CWW's data/information is stored in the Organisation's various systems which are managed in line with the Organisation's data management process.

d) How regularly is the information asset register reviewed and updated?

Information and data quality are validated and monitored as part of our day-to-day operations as well as ad-hoc audit processes.

e) Please describe the main types of information assets that are logged on the Department/Agency's register.

The Organisation's information/data is stored in the Organisation's various systems (customer and asset information system).

Question 38 (All departments and entities) Use of DataVic website

a) How many and which data sets did the Department/Agency make available on the DataVic website in 2015-16 and 2016-17?

Data sets have been provided indirectly via DTF and DELWP.

b) To what extent does the Department/Agency comply with the format guidelines set out in DataVic Access?

Provision of data, and therefore compliance with the DataVic Access format guidelines, is managed by DELWP and DTF.

c) Please list the datasets held by the Department/Agency that have been given approved commercialisation authorisation by the Minister for Finance. Please explain why they have been approved for commercialisation. What are the typical costs associated with accessing these datasets?

Nil

d) How many requests has the Department/Agency received via the 'suggest a dataset' function on the DataVic website in 2015-16 and 2017-18?

Nil

e) How many of these requests were successfully actioned in 2015-16 and 2016-17?

Not applicable

f) How many datasets that were compiled by the Department/Agency as a result of a successful FOI application were subsequently made available on the DataVic website in 2015-16 and 2016-17?

Not applicable

g) How many datasets that were compiled by the Department/Agency as a result of a successful FOI application were not made available on the DataVic website in 2015-16 and 2016-17 and what were the reasons for this?

28 FOI requests 2015-16 & 19 FOI requests 2016-17 were not made available on the DataVic website as CWW determined that these were not applicable for DataVic publication.

SECTION I: Treasury Corporation of Victoria

Question 39 (TCV only) Dividends

This question does not apply to your agency.

Question 40 (TCV only) Commodity risk management

This question does not apply to your agency.

Question 41 (TCV only) Foreign exchange risk management

This question does not apply to your agency.

Question 42 (TCV only) Public Private Partnership (PPP) projects

This question does not apply to your agency.

Question 43 (TCV only) Green Bonds

This question does not apply to your agency.