

**PARLIAMENT OF VICTORIA**

Public Accounts and Estimates Committee



**2019-20**

**Financial and Performance Outcomes  
General Questionnaire**

**Yarra Valley Water**



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## Introduction – Financial and Performance Outcomes Questionnaire

The Committee's inquiry into the 2019-20 Financial and Performance Outcomes examines:

- the Government's actual expenditure and revenue compared to the budgeted expenditure and revenue
- the actual performance outcomes against the targeted performance outcomes at a departmental/agency level.

The inquiry aims to benefit the Parliament and the community by:

- promoting the accountability, transparency and integrity of the executive and the public sector
- encouraging the effective and efficient delivery of public services and assets.

This questionnaire seeks information on the departmental/agency financials for the 2019-20 financial year, what was achieved during those years and how that compares to expectations.

### Timeline and format

Responses to this questionnaire are due by **5.00pm on Monday 1 February 2021**.

Please email the completed questionnaire (in word and pdf) to [paec@parliament.vic.gov.au](mailto:paec@parliament.vic.gov.au)

Please also email a signed copy.

### Consistency with the budget papers

Whenever referring to an initiative/program/project that is referred to in the budget papers, please use the same name as is used in the budget papers. This ensures that the Committee can correlate the information provided by the department with the information in the budget papers.

### Basis of consolidation

For departments, please use the same basis of consolidation as was used in the budget papers and in the budget portfolio outcomes statement in the department's annual report.

### Guidance

Please contact the secretariat should you require guidance in relation to any questions:

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## Section A: Output variances and program outcomes

### Question 1 (all departments) Completed output initiatives from past budgets

- a) For all initiatives that were completed in 2019-20, please provide details of the outcomes achieved in the community and the outcomes actually achieved to date. Please use initiatives names as specified in *Budget Paper No.3: Service Delivery* and link the initiative to the responsible output(s) and portfolio(s).

Not applicable.

**Question 2 (all departments) Program outcomes**

Outcomes reflect the impact on the community of the goods and services provided by a department. The questions in this section all relate to the outcomes that the department contributed to in 2019-20.

Not applicable.

**Question 3 (all departments) Treasurer’s advances and other budget supplementation**

- a) Please identify all output(s) and portfolio(s) (and relate them to departmental programs) for which the department received additional funding after the initial Budget in 2019-20.

For each output, please quantify the additional funding, indicate the source of the additional funding (e.g. Treasurer’s Advance, unused prior years appropriations under s32 of the *Financial Management Act 1994* (Vic), supplementation through a Temporary Advance under section 35 of the FMA, or any possible sources of funding as listed in the Resource Management Framework, section 4, pg. 58) and explain why additional funding was required after funding was allocated in the Budget.

Not applicable.



## Section B: Asset investment

### Question 4 (all departments) Capital expenditure variances, completion date and scope changes – existing projects

Please provide details of all capital asset programs where:

- a) there was a variance between TEI at announcement compared to the revised TEI in the 2019-20 Budget of equal to or greater than  $\pm 5\%$  or \$50 million and an explanation for the variance
- b) the estimated completion date at announcement is different to the completion date in the 2019-20 Budget and an explanation for the change
- c) the scope of the project at announcement is different to the scope of the project as it is presented in the 2019-20 Budget.

#### Capital expenditure

Project	Output(s) and portfolio(s) and/or agency responsible for the project	Total actual expenditure spent from announcement to 30 June 2020 (\$ million)	TEI at announcement (\$ million)	Revised TEI 2019-20 Budget (\$ million)	Variance between TEI at announcement compared to Revised TEI in 2019-20 Budget ( $\pm 5\%$ or \$50 million) explanation
Not applicable					

#### Completion date

Project	Output(s) and portfolio(s) and/or agency responsible for the project	Estimated completion date at announcement	Revised completion date 2019-20 Budget	Explanation
Not applicable				

Scope

Project	Output(s) and portfolio(s) and/or agency responsible for the project	Scope at announcement	Details of scope change(s) and date(s) scope changes occurred
Not applicable			

**Question 5 (all departments) Details of actual capital expenditure – completed projects (or expected to be completed)**

Please provide the following details about asset investment projects that were completed in 2019-20:

- a) Project name, project objectives and Department(s), Output(s) and Portfolio(s) and/or Agency/Agencies responsible for delivery of the project
- b) Total Estimated Investment (TEI) at announcement
- c) Actual cost of project
- d) Estimated completion date at announcement
- e) Actual completion date
- f) Explanations for any variance in capital expenditure and/or completion date.

Project	Original project objectives	Responsible Department(s), Output(s) and Portfolio(s) and/or Agency/Agencies	TEI at announcement (\$ million)	Actual cost of project (\$ million)	Estimated completion date at announcement	Actual completed date	Variance explanation (\$ value variance and/or time variance)
Not applicable							

**Question 6 (all departments) High-value high-risk projects, gateway reviews and business cases**

Under the High Value High Risk (HVHR) Framework, a project will be classified as HVHR if it is a budget funded project that has a Total Estimated Investment (TEI) of over \$250 million. HVHR projects are subject to compulsory Gateway reviews, where Gates 1 through 6 are compulsory for all eligible projects: Gate 2 outlines the development of a business case.

Please list all projects included in the 2019-20 budget papers that were allocated to the department and were classified as HVHR and project objectives. Please also specify which gateway reviews, if any, were completed during 2019-20 and business case details for each project. Please use project names as specified in *Budget Paper No.4: State Capital Program*.

Not applicable.

### **Question 7 (all departments) Public Private Partnership (PPP) expenditure – existing and completed**

Please provide the following information related to the department's PPP projects:

- a) The total estimated PPP investment value, the total actual expenditure from announcement to 30 June 2020, or the actual cost spent to 30 June 2020 (actual cost spent in the respective financial year) and the benefits of using the PPP financing model when delivering/funding a project over other financing methods.
- b) Where the estimated completion date at announcement is different to the completion date in the 2019-20 Budget and an explanation for any variance.
- c) Where the scope of the PPP at announcement is different to the scope of the project as it is presented in the 2019-20 Budget.

Not applicable.

## Section C: Revenue and appropriations

### Question 8 (all departments and entities) Revenue – variances from previous year

Please explain any changes equal to or greater than  $\pm 10\%$  or \$100 million between the actual result for 2018-19 and 2019-20 for each revenue 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 and then link it to the relevant output and portfolio.

Please also detail the outcomes in the community<sup>1</sup> 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 revenue/income categories for the department/agency for which the 2019-20 expenditure changed from the prior year's expenditure by more than  $\pm 10\%$  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	2018-19 actual (\$ million)	2019-20 actual (\$ million)	Explanations for changes $\pm 10\%$ or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, how was this achieved	Relevant output(s) and portfolio(s)
Service and usage	957.6	952.8	Not applicable.	Not applicable.	Not applicable.
New customer contributions by developers	32.2	36.5	Higher development activity levels.	Increase to revenue and profit in comparison to prior year.	Not applicable.
Developer contributed assets	83.6	85.6	Not applicable.	Not applicable.	Not applicable.
Other revenue	46.6	63.0	<ul style="list-style-type: none"> <li>Additional development activity - new metering products (\$7.2m) and recycled plumbing inspections (\$0.5m).</li> </ul>	Increase to revenue and profit in comparison to prior year.	Not applicable.

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

			<ul style="list-style-type: none"> <li>• Higher market prices for water trading to farmers and irrigators due to the drought (\$4.7m).</li> <li>• Land tax refund from State Revenue Office for exempt properties (\$3.1m).</li> <li>• Higher recoverable works revenue from Make Every Drop campaign (\$1.1m).</li> </ul>		
Other revenue	4.0	5.7	<ul style="list-style-type: none"> <li>• Impairment writeback due to building revaluation increase. \$3.7m (2019: \$1.2m)</li> <li>• Lease and licence income \$1.9m (2019: \$2.9m).</li> </ul>	Increase revenue primarily due to valuation movements, no ability to utilise funds.	Not applicable.

### Question 9 (all departments and entities) Revenue – variances from budget to actual

Please explain any variances equal to or greater than  $\pm 10\%$  or \$100 million between the initial budget estimate (not the revised estimate) and the actual result for 2019-20 for each revenue 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 and then link it to the relevant output and portfolio.

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

Revenue category	2019-20 Budget estimate (\$ million)	2019-20 actual (\$ million)	Explanations for changes $\pm 10\%$ or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, explain why	Relevant output(s) and portfolio(s)
Service and usage	962.3	952.8	Not applicable	Not applicable	Not applicable.
New customer contributions by developers	29.6	36.5	Higher development activity levels.	Increase to revenue and profit in comparison to budget.	Not applicable.
Developer contributed assets	71.4	85.6	Higher development activity levels.	Increase to revenue and profit in comparison to budget.	Not applicable.
Other revenue	55.6	63.0	<ul style="list-style-type: none"> <li>Higher water trading sales due to increased market prices (\$6.3m),</li> <li>Additional development activity levels resulted in increased plumbing services and land development application fees revenue (\$1.7m).</li> <li>Land tax refund from State Revenue Office</li> </ul>	Increase to revenue and profit in comparison to budget.	Not applicable.



			<p>for exempt properties (\$3.1m).</p> <ul style="list-style-type: none"> <li>Higher than budgeted recoverable works revenue from activities and projects (\$1.5m).</li> </ul> <p>The favourable variances detailed above were offset by lower revenue for the Waste to Energy plant (\$2.6m) due to lower than budgeted waste volumes, large generation certificates and a reduction in electricity prices in the market. We also experienced higher Arrange &amp; Save debt rebates for customers due to the growth in vulnerable customers numbers in 2019-20 (\$0.7m).</p>		
Other revenue	0.0	5.7	<ul style="list-style-type: none"> <li>Impairment writeback due to building revaluation increase. \$3.7m (2019: \$1.2m)</li> <li>Lease and licence income \$1.9m (2019: \$2.9m).</li> </ul>	Increase to revenue and profit in comparison to budget.	Not applicable.

## Section D: Expenses

### Question 10 (all departments and entities) Expenses changed from previous year

Please explain any changes equal to or greater than  $\pm 10\%$  or \$100 million with regards to the actual result for 2018-19 and 2019-20 for each category of expenses detailed in your operating statement. Please explain any changes equal to or greater than  $\pm 10\%$  or \$100 million with regards the actual result for 2019-20 and the initial budget estimate (not the revised budget). Please also detail the outcomes in the community<sup>2</sup> 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.

Expenses category	2018-19 Actual \$ million	2019-20 Actual \$ million	Explanations for variances $\pm 10\%$ or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how was this achieved
Bulk water and sewage expenses	522.1	541.4	Not applicable.	Not applicable.
Contract expenses	58.7	56.1	Not applicable.	Not applicable.
Salary and employee benefits expenses	51.4	52.7	Not applicable.	Not applicable.
Environmental contribution	42.9	42.9	Not applicable.	Not applicable.
Depreciation	87.8	94.2	Not applicable.	Not applicable.
Amortisation	19.7	20.3	Not applicable.	Not applicable.
Finance cost	132.2	132.9	Not applicable.	Not applicable.
Other expenses	49.2	54.5	<ul style="list-style-type: none"> <li>• Impairment write down of assets to recoverable amount (\$4.6m).</li> <li>• Bad and doubtful debts provisioning increased due to economic outlook in 2019-20 due to COVID-19 (\$3.5m).</li> </ul>	No additional outcomes from lower other expenditure. Negative impact on profit compared to budget.

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

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			<ul style="list-style-type: none"> <li>• Increase in promotional materials and advertising (\$2.2m).</li> <li>• Higher insurance public liability claims (\$0.9m).</li> </ul> <p>These additional costs were partially offset by deferred property debt written off in 2018-19 (\$3.9m), lower write off / disposal of assets (\$1.2m), land tax refund (\$1.1m) and savings in electricity due to solar car park (\$0.6m).</p>	
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Expenses category	2019-20 Budget \$ million	2019-20 Actual \$ million	Explanations for variances ±10% or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how was this achieved
Bulk water and sewage expenses	541.9	541.4	Not applicable.	Not applicable.
Contract expenses	55.3	56.1	Not applicable.	Not applicable.
Salary and employee benefits expenses	52.2	52.7	Not applicable.	Not applicable.
Environmental contribution	42.9	42.9	Not applicable.	Not applicable.
Depreciation	95.6	94.2	Not applicable.	Not applicable.
Amortisation	20.0	20.3	Not applicable.	Not applicable.
Finance cost	140.9	132.9	Not applicable.	Not applicable.
Other expenses	66.4	54.5	Primarily due to lower than budgeted expenditure on IT cloud-based projects resulting in lower information technology expenditure.	No additional outcomes from lower other expenditure. Positive impact on profit compared to budget.

**Question 11 Expenses/interventions related to COVID-19 pandemic response**

For the year 2019-20, please outline the programs and/or initiatives that were announced as part of the Victorian Government's response to the COVID-19 pandemic in the order of the highest amount allocated.

Please indicate if the department made use of emergency advances and retroactive funding approvals.

Please note whether there are identified performance measures in the budget papers related to the announced programs. If not, please explain where progress is being reported.

Not applicable.

**Question 12 (all departments and entities) Changes to service delivery from savings initiatives**

For each of the savings initiatives detailed in the 2016-17 Budget, 2017-18 Budget, 2018-19 Budget, and 2019-20 Budget, please provide the following details of the impact on service delivery:

- a) Savings target in the 2016-17, 2017-18, 2018-19 and 2019-20 Budgets and the amount of the savings target allocated to the department/entity
- b) Actual savings achieved in 2016-17, 2017-18, 2018-19 and 2019-20 and the actions taken to achieve the savings target allocated and their impact, including the link to the relevant output and portfolio impacted.

Not applicable.

### **Question 13 (all departments) Achievement of reprioritisation of existing resources**

The 2019-20 Budget includes targets for 'reprioritisation and revenue offsets' to fund new initiatives (2019-20 Budget Paper No.2, p.57). This is in addition to any savings or efficiencies resulting from expenditure reduction measures. For the department (including all controlled entities),<sup>3</sup> 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) what areas of expenditure were the funds actually spent on
- c) for each area of expenditure (or project or program), how much funding was reprioritised in each year
- d) the impact of the reprioritisation (in terms of service delivery) on those areas.

Not applicable.

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<sup>3</sup> That is, please provide this information for the Department on the same basis of consolidation as is used in the budget papers.

**Question 14 (all departments) Contractors, Consultants and Labour Hire Arrangements**

Please indicate how much the department spent on contractors, consultants and labour hire arrangements during 2017-18, 2018-19 and 2019-20. Labour hire arrangements include 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 explain variances equal to or greater than ±10% between years and list the business areas impacted and how.

2017-18 Actual \$ million	2018-19 Actual \$ million	2019-20 Actual \$ million	Explanation for variances (year on year) ±10%	Which business areas were impacted/benefitted and how?	Please link your response to relevant output(s) and portfolio(s)
\$219.9 (capex)	\$240.86 (capex)	\$230.1 (capex)	Not applicable	Costs relate to our capital program including contract works, design, civil maintenance contract and technical consulting.	Not publicly available.
\$54.6 (opex)	\$58.2 (opex)	\$55.6 (opex)	Not applicable	Costs are primarily related to contract works, civil maintenance contracts, mechanical and electrical contract.	Not publicly available.

**Question 15 (PNFC and PFC entities only) Dividends and other amounts paid to the general government sector**

Please detail the type and value of dividends, amounts equivalent to dividends, non-dividend grants, and capital repatriations paid by your agency to the general government sector in 2019-20, explaining the reasons for any significant changes over that period and the impact of any changes on the entity.

Please provide the economic funding ratio or accounting funding ratio as applicable at 30 June 2020. Please provide details of the methodology used for the ratio calculation.

Type of dividend paid	2019-20 Budget (\$ million) <i>BP 5, pg. 22</i>	2019-20 Actual (\$ million)	Explanations for variances ±10% or \$100 million	Impact on the agency. If no impact, how was this achieved	Funding ratio at 30 June 2020
Dividends paid	77.0	64.1	Actual payments lower than budgeted due primarily to the 2019-20 State Budget including a special dividend of \$12.5m which the Government subsequently determined was not required to be paid.	Impact on borrowing levels and finance charges.	Total Assets / Total Liabilities = 143%
Capital repatriation paid	23.9	0.0	Lower than budget due to Government decision to not request any capital repatriation payments in 2019-20.	Impact on borrowing levels.	

Economic funding ratio / accounting funding ratio as at 30 June 2020	Details of the methodology
143%	Totals assets / Total liabilities



## Section E: Overall financial performance

### Question 16 (all departments) Impact of COVID-19 on financial performance – 2019-20

Please outline and quantify, where possible, the impacts of the COVID-19 pandemic on the department/agency's financial performance.

Line item in the Comprehensive operating statement for the financial year ended 30 June 2020	Budget 2019-20	Actual 2019-20	Explanation of the impact caused by COVID-19 pandemic
Total revenue and income from transactions	1,118.9	1,143.6	<ul style="list-style-type: none"> <li>• Non-domestic usage and Sewage Disposal Charges below budget (\$10.3m) particularly at shopping centres, schools and universities, restaurants and bars.</li> <li>• Trade waste fees for small businesses waived due to COVID-19 (\$0.8m).</li> </ul>
Total expenses from transactions	1,047.2	1,039.2	<ul style="list-style-type: none"> <li>• Higher bad and doubtful debts due to increased provisioning based on economic outlook (\$3.5m).</li> <li>• Additional operating expenses to manage the impact of COVID-19 including IT, labour, allowances and leave (\$0.7m).</li> </ul>
Net result from transactions (net operating balance)	71.9	104.4	

## Section F: Public sector workforce

### Question 17 (all departments and entities) Full Time Equivalent (FTE) staff by level and category

Please fully complete the table below, providing actual FTE staff numbers at 30 June 2018, at 30 June 2019 and 30 June 2020 (broken down by the categories listed below) for the department. Please include specific categories as relevant to the department/entity and where relevant, provide a description of what categories constitute 'other'. Please provide figures consolidated on the same basis as the expenditure for the department in the budget papers and detail which, if any, entities are included in the FTE numbers provided.

Category	30 June 2018 Actual FTE number	30 June 2019 Actual FTE number	30 June 2020 Actual FTE number
Secretary			
EO-1			
EO-2			
EO-3			
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			
Nurses/Midwives			
Allied health professionals			
Child protection			
Disability development and support			
*Youth custodial officers			
*Custodial officers			
**Other	595.2	653.1	720.7
<b>Total</b>	<b>595.2</b>	<b>653.1</b>	<b>720.7</b>

**\*Please provide a breakdown for Youth custodial and Custodial officers by level (for example, YW1, YW2, YW3, YW4, YW5 and YW6).**

**\*\*Other includes:**

**Numbers include FTE for the following entities:**

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**Question 18 (all departments and entities) Salary by employment category**

In the table below, please detail the salary costs for 2017-18, 2018-19 and 2019-20, broken down by ongoing, fixed-term and casual, and explain any variances equal to or greater than  $\pm 10\%$  or \$100 million between the years for each category.

Employment category	Gross salary 2017-18 (\$ million)	Gross salary 2018-19 (\$ million)	Gross salary 2019-20 (\$ million)	Explanation for any year-on-year variances $\pm 10\%$ or \$100 million
Ongoing	38.7	42.5	45.7	
Fixed-term	29.7	37.8	41.3	
Casual	2.5	2.0	2.3	Increase in casual salaries as a result of: <ul style="list-style-type: none"> <li>specialist roles employed instead of outsourcing.</li> <li>Increased casual labour in response to providing customer support during pandemic lockdowns.</li> </ul>
<b>Total</b>	<b>71.0</b>	<b>82.4</b>	<b>89.3</b>	

Note: costs above include all salary costs (capex and opex).

**Question 19 (all departments and entities) Executive salary increases**

Please detail the number of executives who received increases in their base remuneration in 2019-20, 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 2019-20, apart from increases outlined in employment agreements			Reasons for these increases
	Female	Male	Self-described	
0-3%	2	4		Standard annual increase (2%) effective 1 July 2019 for 4 males and 2 females. 1 female executive commenced on 31 October 2019 so did not receive an increase (0%).
3-5%				
5-10%				

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10-15%				
greater than 15%				

## Section G: Government decisions impacting on the finances

### Question 20 (all departments and entities) Commonwealth Government decisions

Please identify any Commonwealth Government decisions during 2019-20 which had not been anticipated/not been concluded before the finalisation of the State budget in 2019-20 and their impact(s) on the department's/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(s) in 2019-20	
	on income (\$ million)	on expenses (\$ million)
Not applicable		

**Question 21 (all departments and entities) Commonwealth and National Cabinet decisions**

Please identify any Commonwealth and National Cabinet decisions during 2019-20 which had not been anticipated/not been concluded before the finalisation of the State Budget in 2019-20 and their impact(s) on the department's/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.

Commonwealth Government decision	Impact in 2019-20	
	on income (\$ million)	on expenses (\$ million)
Not applicable		

National Cabinet decision	Impact in 2019-20	
	on income (\$ million)	on expenses (\$ million)
Not applicable		

## Section H: General

### Question 22 (all departments and entities) Reviews/studies undertaken

- a) Please list all internal<sup>4</sup> and external reviews/studies, established, commenced or completed by or on behalf of the department/agency in 2019-20 and provide the following information:
- i. Name of the review/study and which portfolio and output/agency is responsible
  - ii. Reasons for the review/study
  - iii. Terms of reference/scope of the review/study
  - iv. Timeline for the review/study
  - v. Anticipated outcomes of the review/study
  - vi. Estimated cost of the review/study and final cost (if completed)
  - vii. Final cost if completed
  - viii. Where completed, whether the review/study is publicly available and where.

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for the review/study	Terms of reference/scope	Timeline	Anticipated outcomes	Estimated cost (\$)	Final cost if completed (\$)	Publicly available (Y/N) and URL
Toward a Zero Carbon Future - The role of wastewater treatment plants in accelerating the development of Australia's hydrogen industry.	Thought leadership paper	Asks 'what if' the growth of Australia's hydrogen industry could be supported by co-located hydrogen production at wastewater	Completed in June 2020	Stimulates water industry to see new possibilities to decarbonise how it delivers its services.	N/A	N/A	Yes.  <a href="https://www.jacobs.com/newsroom/news/new-downloadable-thought-leadership-paper-toward-zero-carbon-future">https://www.jacobs.com/newsroom/news/new-downloadable-thought-leadership-paper-toward-zero-carbon-future</a>

<sup>4</sup> Internal reviews do not include internal costings. Internal reviews/studies include any reviews or studies undertaken by your department and not given to external consultants. Internal reviews/studies do not include inquiries carried out by Parliamentary Committees or reviews undertaken by integrity agencies.



Written by Jacobs and YVW		treatment plants?					

b) Please outline the Department's/Agencies in house skills/capabilities/expertise to conduct reviews/studies/evaluations/data analysis of the programs and services for which the Department /Agency is responsible.

Yarra Valley Water has an appropriate level of research personnel. External support is engaged as required.

**Question 23 (all departments) Annual reports – performance measure targets and objective indicators**

- a) Please provide the following information on performance measures that did not meet their 2019-20 targets.

Not applicable.

- b) Please provide the following information for objective indicators where data was not available at publication of the annual report

Not applicable.

## Question 24 (all departments and entities) Challenges experienced by department/agency

Please list a minimum of five main challenges/risks faced by the department/agency in 2019-20.

A significant challenge may be any matter or strategy that impacted the department/agency, whether it arose externally or internally or as a result of new policy or legislation.

	Challenge experienced	Internal/ External	Causes of the challenge	Action taken to manage the challenge/risk
1.	Safety and wellbeing of our employees and contractors during COVID-19.	Internal	COVID-19	<p>Transition 90% of our workforce to safely work from home.</p> <p>Created processes to ensure our people and contractors on the frontline were protected as essential works.</p> <p>Ongoing engagement including surveys and updates to ensure our people's wellbeing was supported.</p>
2.	Safeguarding the supply of water and sewerage services and reassuring our communities we continued to deliver safe water and our essential staff were operating safely.	External	COVID-19	<p>Collaborated with the broader sector to ensure we worked together to safeguard the supply of water and sewerage services for all Victorians.</p> <p>Communicated to customers to reassure them their water was safe to drink and that our essential staff were working safely in the community to ensure the continued supply of vital services.</p>
3.	Customer, supplier and community hardship	External	COVID-19	<p>Building on our existing hardship programs for customers, we adapted rapidly to implement additional levels of support, update programs and introduce new training to ensure we could meet the changing needs of our customers.</p> <p>Key initiatives to support our customers includes:</p> <ul style="list-style-type: none"> <li>- Introduced a specially trained team to support customers impacted by coronavirus.</li> <li>- We enhanced our already robust supports programs for customers experiencing financial difficulties including, payment extensions and flexible payment terms.</li> </ul>

				<ul style="list-style-type: none"> <li>- Temporarily paused standard collection activities whilst we developed new strategies and products to support vulnerable customers.</li> <li>- We waived trade waste fees for vulnerable small businesses, such as cafes, affected by the coronavirus restrictions.</li> </ul> <p>Implemented Victorian Government guidelines to support small businesses through faster processing of invoices to ensure quicker payments to our suppliers.</p> <p>To help support the work of emergency relief centres and community organisations we've delivered funding and material aid – including distributing an existing stock of toilet paper and providing hand sanitiser.</p>
4.	Providing continuity of core operations in the event of a major disruption.	External	Extreme weather event, power outages, IT system failure, pandemic or attack that disrupts our infrastructure and operations.	<p>Existing controls are mature and adequate, focusing on response and recovery. Our emergency management framework provides ongoing scenario training for relevant incident management staff.</p> <p>Through role play, and capturing learnings from each incident we experience, we have also strengthened how we respond as an industry to a major cyber/contamination event and in ensuring that our BCPs are fit for purpose.</p> <p>Going forward we will continue to work with Control Agencies to ensure we remain up to date with the Threat environment.</p> <p>We will also continue to work with the Victorian Water Businesses to test, review and improve response capability.</p> <p>Our current Physical Security Review will also assist in the deterrence of physical breaches to our managed sites.</p>

**Question 25 (all departments) Newly created bodies**

Please list all newly created bodies (authorities, offices, commissions, boards and/or councils) created within the department in 2019-20 and provide the following information:

- Date body created
- Expenditure in relevant financial year
- FTE staff at end of relevant financial year
- purpose/function(s) of the body.

Not applicable.

## Section I: Implementation of previous recommendations

### Question 26 (relevant departments only)

Please provide an update on the status of the implementation of each of the below recommendations that were made by the Committee in its *Report on the 2017-18 and 2018-19 Financial and Performance Outcomes* and supported by the Government. Please delete those lines that are not relevant to the department.

Not applicable.

## **Section J: Department of Treasury and Finance only**

### **Question 27 (DTF only) Revenue certification**

Not applicable.

### **Question 28 (DTF only) Net cash flows from investments in financial assets for policy purposes – General Government Sector (GGS)**

Not applicable.

### **Question 29 (DTF only) Purchases of non-financial assets – General Government Sector (GGS)**

Not applicable.

### **Question 30 (DTF only) Revenue initiatives**

Not applicable.

### **Question 31 (DTF only) Expenses by departments – General Government Sector (GGS)**

Not applicable.

### **Question 32 (DTF only) Economic variables**

Not applicable.

### **Question 33 (DTF only) COVID-19 pandemic response**

Not applicable.

### **Question 34 (DTF only) Resource Management Framework – Funding reviews**

Not applicable.

**Question 35 (all departments and entities) Enterprise Bargaining Agreement (EBAs)**

Please list the Enterprise Bargaining Agreement (EBAs) concluded in 2019-20 that had an impact for the department/agency. For each EBA, please show the number of employees affected and the growth in employee expenses attributable to the EBA.

Enterprise Bargaining Agreement	Number of employees affected	Number of employees as a % of department/entity	Growth in employee expenses attributable to the EBA (\$ million)	Growth in employee expenses attributable to the EBA (\$ million) as a % of total employee expenses
Not applicable - enterprise agreement ended November 2020, currently in negotiation which will be first applicable in 2020-21.				



## **Section K: Treasury Corporation of Victoria only**

### **Question 36 Dividends**

Not applicable.

### **Question 37 Commodity risk management**

Not applicable.

### **Question 38 Foreign exchange risk management**

Not applicable.

### **Question 39 Public Private Partnership (PPP) projects**

Not applicable.