

PARLIAMENT OF VICTORIA

Public Accounts and Estimates Committee



2019-20
Financial and Performance Outcomes
General Questionnaire

South East 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

Please also email a signed copy.

Consistency with the budget papers

Wherever 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:

- 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
- the estimated completion date at announcement is different to the completion date in the 2019-20 Budget and an explanation for the change
- the scope of the project at announcement is different to the scope of the project as it is presented in the 2019-20 Budget.

Note: South East Water structures its projects as programs of work which comprise of new and existing and completed projects as reported in the 2019–20 State Budget – BP4. It is expected that TEIs for individual programs of work will differ year on year as individual projects within these programs are prioritised. South East Water’s Capital Program was forecast to spend \$316.5 million during the 2019-20 FY, per 2019-2024 Corporate Plan with the actual spend being \$260.0 million, per 2019-20 Annual Report.

The TEI at announcement has been based on South East Water’s Corporate Plan, which is revised and reviewed annually therefore there is no difference between TEI at announcement and revised TEI as per BP4. Instead we have provided explanation for programs where the forecast (TEI at announcement) vs actual spend differed by greater than 5% in 2019-20 and projects that contributed to this in the Capital Expenditure table below.

The table describing completion date changes reflect the program of works where a group of projects’ estimated completion date differ to the completion data reported in the 2019-20 Budget (BP4) paper.

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
Water – Growth	South East Water	7.0	12.9	12.9	Variance associated with some developer reimbursement projects forecast to reach acceptance of works not being completed.
Water – Reliability	South East Water	43.1	42.6	42.6	No material variance.

South East Water

Sewer – Growth	South East Water	93.2	108.6	108.6	Variance associated with: <ul style="list-style-type: none"> - Developer reimbursement projects forecast to reach acceptance of works not being completed. - Delayed commencement of the Longwarry water recycling plant Stage 3 upgrade
Sewer growth - City of Cardinia (Cardinia)	South East Water	1.8	1.8	1.8	No material variance.
Sewer system growth – Somers sewage treatment plant (Mornington)	South East Water	8.2	3.9	3.9	Variance associated with change in scope with works brought forward from Price Submission 5 into current program.
Sewer – Reliability	South East Water	51.3	59.7	59.7	Variance associated with change in schedule for minor water recycling plant reliability upgrades.
Sewer reliability – Mornington Peninsula Shire (Mornington)	South East Water	0.3	0.2	0.2	No material variance.
Sewer – Backlog	South East Water	7.2	12.5	12.5	Variance associated with lower pressure sewer connection numbers associated with the Peninsula ECO project.
Sewer backlog – Cardinia Shire Council (Cardinia)	South East Water	7.4	3.0	3.0	Variance associated with change in scope from interim servicing strategy to the ultimate servicing strategy being delivered.
Sewer backlog – City of Casey (Casey)	South East Water	1.5	1.5	1.5	No material variance.
Recycled	South East Water	5.5	9.9	9.9	Variance associated with developer reimbursement projects forecast to reach acceptance of works not being completed.
Corporate	South East Water	33.5	59.9	59.9	Variance associated with Fisherman’s Bend sewer mining plant Land Acquisition delayed.
Total		260.0	316.5	316.5	

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
Sewer growth - City of Cardinia (Cardinia)	South East Water	30 June 2020	30 June 2023	To be completed between 1 July 2020 to 30 June 2023. A review of South East Water capital program during 2019-20 resulted in bringing other priority capital projects forward and moving back this program of works. No change to TEIs.
Sewer backlog – Cardinia Shire Council (Cardinia)	South East Water	30 June 2020	30 June 2021	Revised completion date 30 June 2021. Change in costing as a result of a change in scope from interim servicing strategy to the ultimate servicing strategy.
Sewer system growth – Somers sewage treatment plant (Mornington)	South East Water	30 June 2020	30 June 2021	Revised completion date 30 June 2021. Change in estimate is as a result in change in scope with works brought forward from Price Submission 5 into current program.

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
Refer to projects reported under 4b.			

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)
Sewer backlog – City of Casey (Casey)	Infrastructure works relating to sewer network in the Casey region	South East Water	1.5	1.5	30 June 2020	30 June 2020	Not applicable
Sewer reliability – Mornington Peninsula Shire (Mornington)	Infrastructure works relating to sewer network in the Mornington regions	South East Water	0.2	0.3	30 June 2020	30 June 2020	Immaterial variance

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 ±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 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.

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 ±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 ±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)
Revenue from contracts with customers	1,040.3	1,043.65	Not applicable.	Not applicable.	Not applicable.
Other income	3.0	3.2	Not applicable.	Not applicable.	Not applicable.

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

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

Please explain any variances equal to or greater than ±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 ±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)
Revenue from contracts with customers	1,045.0	1,043.65	Not applicable.	Not applicable.	Not applicable.
Other income	3.0	3.2	Not applicable.	Not applicable.	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 ±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 ±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 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.

Expenses category	2018-19 Actual \$ 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
Operating expenses	620.9	634.0	Not applicable.	Not applicable.
Employee benefits	56.0	61.5	Not applicable.	Not applicable.
Depreciation and amortisation	95.6	104.0	Not applicable.	Not applicable.
Finance costs	83.6	83.8	Not applicable.	Not applicable.
Environmental contribution	40.7	40.7	Not applicable.	Not applicable.

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

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
Operating expenses	625.8	634.0	Not applicable.	Not applicable.
Employee benefits	61.7	61.5	Not applicable.	Not applicable.
Depreciation and amortisation	105.5	104.0	Not applicable.	Not applicable.
Finance costs	94.3	83.8	Due largely to lower interest rates and Financial Accommodation Levy rate compared to prior year.	Indirectly contributes to lower tariff pricing to customers.
Environmental contribution	40.7	40.7	Not applicable.	Not applicable.

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),³ 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.

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)
10.9	13.3	12.0	Variance from 2017-18 to 2018-19 is largely driven by contractors relating key IT projects, such as Digital Utilities, Asset Management related systems and cyber security.	IT	Not applicable
			Variance from 2018-19 to 2019-20 is driven by decrease in IT contractors from prior year.	IT	

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

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. 23</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	140.0	132.5	Not applicable - actual dividend includes final dividend with respect to 2018-19 and interim dividend with respect to 2019-20. Slightly lower than budget due to lower than budgeted profit result in 2018-19.	Level of borrowings and finance charges.	Total assets to total liabilities = 1.74
Capital repatriation paid	22.2	0.0	DTF advised this payment to be deferred until 2021-22.	Level of borrowings and finance charges.	

Economic funding ratio / accounting funding ratio as at 30 June 2020	Details of the methodology
Accounting funding ratio	Total assets to total liabilities = 4,630,888/2,668,558 = 1.74, based on the published Annual Report

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	\$1,048.0m	\$1,046.6m	Revenue foregone: 1) approximately \$100,000 in rent relief for the period January to June 2020 as part of State government announcements. 2) COVID-19 assistance to trade waste customer service fee waivers of \$26,000.
Total expenses from transactions	\$928.0m	\$923.8m	1) Provision of bad debts recognised at 30 June 2020 increased by \$2.4m, specifically relating to COVID-19. 2) \$941,000 expenses incurred largely comprised of working from home allowances and office equipment, additional cleaning costs for the office buildings and hiring of generators to part of incident management response.
Net result from transactions (net operating balance) (before tax)	\$120.0m	\$122.7m	

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	571.4	645.7	656.0
Total	571.4	645.7	656.0

*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:

South East Water

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 ±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 ±10% or \$100 million
Ongoing	56.0	62.1	70.9	Increase due to ceasing Senior Officer incentive payments effective 1 July 2019
Fixed-term	1.6	1.1	2.2	Increase in number of fixed term roles due to including additional Graduate positions.
Casual	0.0	0.0	0.1	Increase in casuals from 5 to 6 from the previous year.
Total	57.6	63.2	73.2	

Note: As reported in previous surveys, employee benefit costs reported in the annual report includes employee on-cost charges that are not paid to the employee and does not include salaries and wages for those employees working on capital related projects.

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%	4	5		In line with Government approved 2% increase.
3-5%				
5-10%				
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 – nothing of a material nature		

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 – nothing of a material nature		

National Cabinet decision	Impact in 2019-20	
	on income (\$ million)	on expenses (\$ million)
Not applicable – nothing of a material nature		

Section H: General

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

- a) Please list all internal⁴ 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
Not applicable.							

- 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.

Not applicable

⁴ 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.

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.	Cyber and information security	External	The increased reliance on our IT systems and ever increasing information, further complicated by the pressures by increased cyber attacks in our remote working environment.	We take our responsibility to protect our and our customer personal information very seriously. In 2020 we, along with City West Water and Yarra Valley Water, were notified of a cybersecurity incident affecting a third party research company we collectively engaged to complete customer research. While our own internal systems are robust and were not compromised, the external breach was a timely reminder to remain vigilant. As a result, we reviewed our security defences and implemented additional measures including an increased emphasis on customer data and organisational assets.
2.	Climate change	External	Climate change impacts the security of our water supply and our ability to supply the water and wastewater services our customers rely on – and the impacts range from damage to our assets in extreme weather events such as bushfire or storms, through to drought affecting water storage levels.	We are investigating the current and future impacts of climate change across our business, and making changes to make sure we are prepared to act. This includes embedding climate resilience into the way we design and operate our assets, and how we deliver our services through our Climate Adaptation Strategy. We continue to challenge the way we use – and reuse – water by actively pursuing new recycled water opportunities to reduce our reliance on drinking water and connect more customers than ever to recycled water, for use in their gardens, toilets and laundry. We're also working to secure our water supply through integrated water management (IWM) projects, and we'll be seeking out funding opportunities from government stimulus to deliver these.

3.	Victorian Bushfires	External	<p>Bushfire risk is growing as populations increase and communities multiply in the highest risk areas. This is further complicated by the trends of intensified summer heat, dryness and other associated climate change effects that increase bushfire frequency and severity</p>	<p>We had the opportunity to demonstrate our commitment to supporting communities and the environment when chosen to lead Mutual Aid Coordination during the devastating Victorian bushfires. We became the key contact point for hundreds of residents across Gippsland who needed support and access to safe water. Our crews also coordinated water tank flushing and 5,000 litre top-ups to properties where water had been contaminated by ash, soot and other bushfire debris. With help from local water carters we also delivered emergency water relief to over 330 residential homes.</p>
4.	Coronavirus - COVID 19	External	<p>Coronavirus has had a significant impact on our business, our people, our customers and our stakeholders. It has challenged us to shift and adapt the way we work and the way we engage with our residential and business customers who, like us, are adapting to a new world and a new normal.</p>	<p>a) Supporting customers in need - Many of our customers were impacted by coronavirus and we have maintained a strong focus on getting extra support to those who need it most. We were quick to deploy new systems and provide faster service – especially to our hardship and vulnerable customers. We did this by providing more time to pay, automatic payment extensions and pausing debt collection. We are also providing priority service to customers impacted by coronavirus via new prompts in our phone menu. We reached out to our 200 highest-use business customers with direct updates on water supply quality and security, and ongoing help available through our trade waste and account support. To make sure customers knew about our support options, we increased communication across our channels and reached out prior to distributing quarter four bills to explain our payment support options.</p> <p>b) Delivering our essential services - While we had to put some projects and initiatives on hold for the health and safety of our people, customers and communities, we progressed with essential works and pivoted some areas of our operations to help support national and global efforts. Just one example of this is our participation in the ColoSSos Project (led by Water Research Australia) which aims to help identify the presence of coronavirus in the Australian sewerage network. Working on this project has been a great opportunity to use our access to the network to support community health. We have stepped up our safety training and personal protective equipment for employees who can't work from home and developed signage to be used when we are working in the field. Our contractual</p>

				<p>partners have been integral in sharing our messages to ensure everyone who works on our behalf has the right training and equipment to keep themselves, and others, safe.</p>
<p>5. Coronavirus - COVID 19</p>	<p>Internal</p>	<p>Coronavirus has had a significant impact on our business, our people, our customers and our stakeholders. It has challenged us to shift and adapt the way we work and the way we engage with our residential and business customers who, like us, are adapting to a new world and a new normal.</p>		<p>a) Enabling a remote workforce - Less than a week after the incident was declared, we successfully shifted more than 600 people to remote working. To make this possible, we built and distributed 195 devices and put five new servers into production to meet demand. We also enhanced our network to ensure our contact centre could continue to support customers from home. For those whose roles could not be performed remotely, such as people working in the field fixing broken pipes, water recycling plant operators and our water quality, business technology services and faults and emergency teams, we adjusted and put new safety measures in place to keep our people healthy.</p> <p>b) Checking in on employee wellbeing - We recognised isolation was impacting our employees just as much as it was our customers. In response, we expanded our Employee Assistance Program (EAP) and partnered with a local Clinical Psychologist to provide extra mental health support sessions and guidance at no cost. Our remote working safety toolkits provided employees resources to keep safe and well in their working from-home environment including ideas for physical activity they could do from home, and workstation ergonomics.</p> <p>Looking forward, we're keeping a pulse check on our customers with increased reporting on trends and maintaining regular contact with other metro water retailers to keep an industry perspective on customer needs.</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				

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.