



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

**2009-10 AND 2010-11 FINANCIAL AND PERFORMANCE
OUTCOMES QUESTIONNAIRE — PART ONE**

DEPARTMENT OF SUSTAINABILITY AND ENVIRONMENT

BARWON WATER

SECTION A: Output variations (departments only)**SECTION B: Asset investment (departments only)****SECTION C: Revenue and revenue foregone****Question 21**

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

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

Explanations of variations are contained in annual reports.

Question 22

For each of the income from transactions categories listed by your agency in its comprehensive operating statement in its annual report (e.g. output appropriations, grants, sales of goods and services), please break the income for 2010-11 down into the first six months and second six months of the financial year and explain any variations greater than ± 10 per cent between the two six-month amounts:

Income from transactions	Income 1/7/2010- 31/12/2010	Income 1/1/2011- 30/6/2011	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Service Charges			Any variation between the two six month periods reflects when funding flows. As Departments and agencies budget for the full financial year, no meaningful comparison can be made between the first half of the financial year and the second half.
Usage Charges			
Tradewaste Charges			
Government Contribution			
Non-Gov Contribution			
Other			
Interest			
Gain/(Loss) disposal of assets			
Other non operating revenue			
Total			

Question 23

Please provide an itemised schedule of any concessions and subsidies (revenue foregone) (see the Explanatory Memorandum for a definition of concessions and subsidies) provided by your organisation in 2009-10 and 2010-11. For each item, please:

- (a) describe the purpose of the concession/subsidy;
- (b) explain any variations greater than ± 10 per cent between the actual expenditure and the initial budget for the year;
- (c) explain any variations greater than ± 10 per cent between the actual expenditure and the actual for the prior year;
- (d) indicate the number of concessions/subsidies granted in each category; and
- (e) explain whether the outcomes expected to be achieved by granting these concessions or providing these subsidies have been achieved.

The Department does not provide any concessions or subsidies as defined by the explanatory memorandum.

- (f) Please also detail all new concessions/subsidies provided in 2010-11 by your agency that were announced after the change of government in 2010, their impact on your agency and the social outcomes achieved to date:

The Department does not provide any concessions or subsidies as defined by the explanatory memorandum.

Question 24 (Department of Treasury and Finance only)**SECTION D: Expenditure****Question 25**

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

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

Expenditure in 2009-10:

Expenditure category	2008-09 actual	2009-10 Budget	2009-10 actual	Explanations for variances greater than ± 10 per cent	Impact of variances
	(\$ million)	(\$ million)	(\$ million)		
Direct Operating	32.355	36.395	29.992	Variations occur for a number of reasons, including Machinery of Government changes, changes in asset values due to decisions made by the Valuer-General and other external factors. As Departments and agencies budget for the full financial year, no meaningful comparison can be made between the first half of the financial year and the second half.	
Administration	11.025	12.402	12.435		
Borrowing Costs	7.958	9.990	11.419		
Depreciation, Amortisation and Impairment	28.337	30.618	29.989		
Employee Benefits	28.760	33.066	33.331		
Environmental Contribution	4.416	4.416	4.416		
Bad and Doubtful Debts	72.000	0.000	169.000		
Finance Charges	14.000	1.006	8.000		
Income Tax	4.316	4.969	5.470		
Total	117.253	132.862	127.229		

Expenditure in 2010-11:

Expenditure category	2009-10 actual	2010-11 Budget	2010-11 actual	Explanations for variances greater than ±10 per cent	Impact of variances
	(\$ million)	(\$ million)	(\$ million)		
Direct Operating	29.992	34.280	28.198	Variations occur for a number of reasons, including Machinery of Government changes, changes in asset values due to decisions made by the Valuer-General and other external factors. As Departments and agencies budget for the full financial year, no meaningful comparison can be made between the first half of the financial year and the second half.	
Administration	12.435	14.213	11.579		
Borrowing costs	11.419	16.989	16.612		
Depreciation, Amortisation and Impairment	29.989	32.161	31.639		
Employee Benefits	33.331	36.196	38.153		
Environmental Contributions	4.416	4.416	4.416		
Bad and Doubtful Debts	169.000	70.000	96.000		
Finance Charges	8.000	15.000	10.000		
Income Tax	5.470	7.060	7.205		
Total	127.229	145.400	137.908		

Question 26

For each of the expenses from transactions categories listed by your agency in its comprehensive operating statement in its annual report (e.g. employee expenses, grants, depreciation and amortisation), please break the expense for 2010-11 down into the first six months and second six months of the financial year and explain any variations greater than ± 10 per cent between the two six-month amounts:

As expenditure occurs unevenly owing to time of payment and demand for payment, the provision of shorter period date would provide misleading and partial information to the committee.

Question 27

Please provide details of any evaluations of grants programs that were conducted by your agency in 2009-10 or 2010-11, including any findings about:

- (a) the outcomes achieved by the programs; or
- (b) the effectiveness of grants at achieving planned outcomes compared to other modes of service delivery.

The evaluation of grants programs by successive Governments is used to inform future Government policy and decision making.

Question 28 (departments only)

Question 29 (departments only)

Question 1 (departments only)

SECTION E: Public sector workforce

Question 31

Please detail the total full-time equivalent number of staff as at 30 June 2009, 30 June 2010, 31 December 2010 and 30 June 2011, and explain any significant variations (greater than ± 10 per cent) from one date to the next in the following tables:

Numbers in 2009, 2010 and 2011:

Staffing numbers are reported in Barwon Water's annual reports.

Question 32

In the tables below, please detail the salary costs for 2008-09, 2009-10 and 2010-11, broken down by ongoing, fixed-term and casual and explain any variations greater than 10 per cent between the years for each category.

Costs in 2009-10:

Employment category	Gross salary 2008-09	Gross salary 2009-10	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Ongoing	24.460	28.380	
Fixed-term	4.160	4.810	
Casual	0.140	0.140	
Total	28.760	33.330	

Costs in 2010-11:

Employment category	Gross salary 2009-10	Gross salary 2010-11	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Ongoing	28.380	30.730	
Fixed-term	4.810	4.920	
Casual	0.140	0.220	
Total	33.330	35.880	

Please note: For meaningful comparison, 2010-11 figures exclude one off \$2.27m defined benefits shortfall payment.

For each of the employment categories, please break the expense for 2010-11 down into the first six months and second six months of the financial year and explain any variations greater than ± 10 per cent between the two six-month amounts:

For 2010-11 figures, please refer to the table above.

Question 33

- (a) For what roles within your organisation were contractors or contract staff used in 2009-10 and 2010-11 (refer to Explanatory Memorandum for definition of contractors)?

Contractors and contract staff are engaged by Barwon Water for: short term roles to backfill for fixed term or ongoing roles during recruitment to hire a fixed term or ongoing replacement; providers of generalist services to Barwon Water; and specialist professional services or roles, e.g., general consultancy, engineers, legal, audit or organisational development provision.

- (b) Please itemise the services delivered by contractors or contract staff in 2009-10 and 2010-11:

Contractors/contract staff in 2009-10:

Service category	Number of contractors/contract staff	Value of services (\$)
Biosolids Management	Not recorded	\$3,317,313
Other Corporate Services	Not recorded	\$2,516,088
Plant Hire	Not recorded	\$2,305,188
Water Supply Operations	Not recorded	\$2,070,034
Main & Pump Station Maintenance.	Not recorded	\$1,801,026
Other Water Reclamation Operations	Not recorded	\$1,703,518
Sampling – Monitoring/Testing	Not recorded	\$1,479,828
Other Civil Maintenance	Not recorded	\$1,228,773
Alliance Set Up / Running Cost	Not recorded	\$936,367
Sludge Removal	Not recorded	\$843,546
Buildings / Facilities Services	Not recorded	\$716,108
Water Conservation Activities	Not recorded	\$652,891
Meter Reading Services	Not recorded	\$494,174
Bore Drilling / Aquifer Storage and Recovery Investigations	Not recorded	\$374,551
Legal Costs	Not recorded	\$281,698

Contractors/contract staff in 2010-11:

Service category	Number of contractors/contract staff	Value of services (\$)
Biosolids Management	Not recorded	\$1,855,632
Other Corporate Services	Not recorded	\$1,209,340
Plant Hire	Not recorded	\$2,022,855
Water Supply Operations	Not recorded	\$2,125,320
Main & Pump Station Maintenance.	Not recorded	\$1,873,052
Other Water Reclamation Operations	Not recorded	\$2,256,500
Sampling – Monitoring/Testing	Not recorded	\$1,744,183
Other Civil Maintenance	Not recorded	\$1,324,951
Alliance Set Up / Running Cost	Not recorded	\$96,556
Sludge Removal	Not recorded	\$1,004,648
Buildings / Facilities Services	Not recorded	\$733,470
Water Conservation Activities	Not recorded	\$90,774
Meter Reading Services	Not recorded	\$492,998
Bore Drilling / ASR	Not recorded	\$464,868
Legal Costs	Not recorded	\$407,773

Contractors/contract staff from 1 January to 30 June 2011:

- (c) For each specific contractor or contract staff paid in excess of \$100,000 per annum that has been engaged by your organisation during 2009-10 or 2010-11, please supply the following details:

Contractors/contract staff in 2009-10 and 2010-11:

In accordance with the requirements of Government, summary details of all contracts with a commitment value greater than \$100,000 are disclosed on the Victorian Government Purchasing Board (VGPB) website at www.contracts.vic.gov.au.

Question 34

- (a) For what roles within your organisation were consultants used in 2009-10 and 2010-11 (refer to Explanatory Memorandum for definition of consultants)?

Consultants were engaged to support Barwon Water with specialist research, analysis and/or advice that supported strategy decisions and for which skills were not available within the Barwon Water.
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- (b) Please itemise the services delivered by consultants in 2009-10 and 2010-11:

In accordance with Financial Reporting Directions, consultancies over \$100,000 are disclosed in Barwon Water's annual report.

- (c) For each specific consultant paid in excess of \$100,000 per annum that has been engaged by your organisation during 2009-10 or 2010-11, please supply the following details:

In accordance with Financial Reporting Directions, consultancies over \$100,000 are disclosed in Barwon Water's annual report.

Question 35

- (a) Please break down the staff turnover ratio (total left employment during the year expressed as a percentage of total headcount) for your organisation during 2008-09, 2009-10 and 2010-11 according to the following age brackets:

	2008-09	2009-10	2010-11
Less than 30 years old	2.36%	2.22%	2.47%
30-54 years old	3.93%	1.23%	1.23%
55 years or older	0.26%	1.72%	1.73%
Total	6.56%	5.18%	5.44%

- (b) Please describe the factors contributing to any variations greater than ±10 per cent from one year to the next.

BW's staff turnover from 2008-09 to 2009-10 was due to greater clarity around and access to family friendly work practices and work/life balance initiatives, and the introduction of a performance incentive program at risk roles.

- (c) Please describe any strategies that are planned to be introduced to retain staff, reduce the level of voluntary staff turnover and reduce the likelihood that critical roles will become vacant in future?

Agencies within the VPS are constantly dealing with the challenges of demographic change in the public sector in Victoria, and nationally, and with retaining specific skill sets.

Question 36

The State Services Authority (*The State of the Public Sector in Victoria 2008-09*, Chapter 4) has identified collaboration, agility and innovation as important to the future of the Victorian public sector. Please detail any initiatives undertaken by your organisation in 2009-10 or in 2010-11 prior to the change of government that have been designed to enhance these three qualities and what outcomes have been achieved by these initiatives:

	Initiative	Outcomes
Collaboration	<p>Establishment of private sector Alliance partnership with GHD and John Holland to deliver more than 100 capital projects worth over \$450 million (part of the largest capital investment program in Barwon Water's history).</p> <p>Partnership established with DDI to implement new leadership development program for all people leaders.</p>	<p>Increased collaboration with partners and stakeholder relationships through development of Alliance and strong focus on engagement of regional suppliers and contractors. Efficient delivery of capital projects. Substantial development opportunities for employees working within the Alliance.</p> <p>Development of front line leadership team with flow on effect to increased engagement of staff.</p>
Agility	<p>Establishment and launch of organisational values and introduction of capability framework aligned to organisational values.</p> <p>Cultural change training program for all staff. Highlighted the changing environment Barwon Water was operating in and the need for the organisation to change and grow. Content included how people respond to change, high performing teams, self awareness and an enjoyable working environment.</p>	<p>Increased staff engagement and responsiveness to a changing organisation and environment. Feedback gathered for areas requiring support in the business.</p>
Innovation	<p>Innovation catchment (iCatch) program- a recognition and encouragement program designed to promote, encourage and reward innovation. Employees submit their ideas to iCatch and are then allocated an innovation representative who coach and mentor employees in seeing their ideas through to implementation.</p>	<p>Innovation embedded in culture. To date, 370 innovations have been implemented since the program was launched in February 2009. These innovations have resulted in savings of approximately \$6 million. On average, the program has recognised 45% of employees each year.</p>

Please also supply details of initiatives designed to enhance these three qualities undertaken since the change of government in November 2010:

	Initiative	Outcomes
Collaboration		
Agility	Launch of Our Values employee recognition program, designed to provide a line of sight to demonstrating organisational values through our behaviours. Focus of cultural change program has been to become a values based organisation, changing our focus to not only what we do as an organisation but how we do it. This includes how we engage, communicate and behave towards each other, our customers and our community.	Increased staff engagement and understanding of organisational values. Program launched in December 2010. Quarter one saw 26 nominations received and approximately 15% of employees recognised. Quarter two saw 42 nominations and approximately 13% employees recognised.
Innovation	Revitalisation of iCatch program. Included new recognition prizes, more streamlined submission process and innovation learning lunches for employees	Increased staff engagement of program. Increased number of idea and innovation submissions.

Question 37

Please complete the following tables showing number of executive staff and total value of bonuses paid in the 2009-10 and 2010-11 performance periods:

Bonuses in 2009-10:

Executive category	Number of staff (FTE)			Total value of bonuses paid (\$)
	Eligible for a performance bonus	Not awarded bonus payment	Awarded bonus payment	
Secretary or CEO, EO1 – Deputy ^(a) EO2 ^(a)	7	0	7	\$154,016
EO3	3	0	7	\$29,714
Other Executives				

Note (a): Combine categories to preserve confidentiality where necessary

Bonuses in 2010-11:

Executive category	Number of staff (FTE)			Total value of bonuses paid (\$)
	Eligible for a performance bonus	Not awarded bonus payment	Awarded bonus payment	
Secretary or CEO, EO1 – Deputy ^(a) EO2 ^(a)	7	0	7	\$171,724
EO3	3	0	3	\$36,895
Other Executives				

Note (a): Combine categories to preserve confidentiality where necessary

Question 38

In the following table, please show for your organisation the actual range of bonuses paid (expressed as a percentage of total remuneration).

Rating	Proportion of total remuneration package actually paid (expressed as a range from x% to y %)	
	2009-10	2010-11
Exceptional	10% to 15%	11% to 15%
Superior	5% to 7%	6% to 8%
Competent		
Improvement required		

The above format is based on the Executive Employment Handbook. If your organisation adopted another approach for awarding bonuses, please provide details.

SECTION F: Program outcomes

Question 39 (departments only)

Question 40

- (a) Using the format of the table below, please outline the five most important outcomes achieved by your organisation's programs/activities between 27 November 2010 and 30 June 2011 (where your organisation has been the key player) including:
- (i) what was planned;
 - (ii) what was achieved;
 - (iii) quantitative or qualitative data to demonstrate this achievement;
 - (iv) any other Victorian public sector organisations or agencies from other jurisdictions that have worked across organisational boundaries to contribute to this outcome; and
 - (v) the relationship of these outcomes to any government strategies or goals.

The planned priorities and outcomes achieved are reported to Parliament each year in the relevant annual reports.

- (b) Please also identify any significant program outcomes that were planned but not achieved between 27 November 2010 and 30 June 2011 and the underlying reasons.

N/A

Question 41

This question does not apply to Barwon Water

SECTION G: Adapting to the change of government

Question 42

- (a) Were any planned organisational priorities changed during 2010-11 as a result of the change of government in 2010? If so, please specify.

Organisational priorities changed during 2010-11 to reflect the incoming Government's policies, priorities and relevant Machinery of Government changes.

- (b) Were any corporate plans or similar documents modified in 2010-11 as a result of the change of government in 2010? If so, please specify.

Departmental Business Plans are routinely updated throughout the financial year, as circumstances dictate.

Question 43

Please detail the impact on your agency of any machinery-of-government changes following the change of government in 2010, including:

- (a) how your agency adapted;
- (b) any disruptions to program or project delivery; and
- (c) any improvements to program or project delivery that have been enabled as a result of the change.

Machinery-of-government change	Adaptations in response	Disruptions to program/project delivery	Improvements to program/project delivery

Question 44

Please detail any new processes that were introduced into your agency following the change of government in 2010 for monitoring or managing expenditure on output or asset projects/programs:

No new processes were introduced in 2010-11 following the change of government.

Question 45

For each program and project (delivering either outputs or assets) which was curtailed, deferred or discontinued in 2010-11 following the change of government in 2010, please provide the following details:

- (a) the name of the program/project;
- (b) whether it delivered outputs (i.e. goods and services) or assets;
- (c) the budgeted and actual expenditure in 2010-11; and
- (d) the reasons for which the program/project was curtailed, deferred or discontinued.

A number of programs and projects ceased in 2010-11 due to work being completed, the previous Government not allocating funding in the forward estimates, or due to the incoming Government having different priorities for funding (guided either by project evaluation or on the basis of policy priorities).

Question 46

For each program and project (delivering either outputs or assets) which was introduced in 2010-11 following the change of government in 2010 which had not been planned prior to the change of government, please provide the following details:

- (a) the name of the program/project;
- (b) whether it delivered outputs (i.e. goods and services) or assets;
- (c) the budgeted and actual expenditure in 2010-11; and
- (d) the reasons for which the program/project was introduced.

N/A

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