



**PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

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

**YARRA VALLEY WATER LIMITED**



## Revenue and revenue foregone

### Question 21

For 2009-10 and 2010-11, please explain and detail the impact of any variances greater than  $\pm 10$  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.

The budget is set prior to the beginning of the succeeding financial year. A number of factors influence the actual results, such as the weather impacting sales, growth in customer numbers and pricing.

### 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  $\pm 10$  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 $\pm 10$ per cent
	(\$ million)	(\$ million)	
Rendering of services	292.5	294.4	
Other Income	36.0	36.2	

### 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  $\pm 10$  per cent between the actual expenditure and the initial budget for the year;
- (c) explain any variations greater than  $\pm 10$  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.
- (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:

Not applicable – any concessions granted by YVW are reimbursed by the Department of Human Services or State Revenue Office, i.e. no revenue is foregone.

## ***Expenditure***

### **Question 25**

For 2009-10 and 2010-11, please explain and detail the impact of any variances greater than  $\pm 10$  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:**

<b>Expenditure category</b>	<b>2008-09 actual</b>	<b>2009-10 Budget</b>	<b>2009-10 actual</b>	<b>Explanations for variances greater than <math>\pm 10</math> per cent*</b>	<b>Impact of variances</b>
Wholesaler Charges	182,982,000	220,155,300	222,171,000	Variations occur for a number of reasons, including increases in pricing and increase in capital expenditure leading to higher level of borrowings resulting in an increase in finance charges.	
Finance Costs	69,270,000	83,249,000	79,634,000		
Other	176,780,000	188,141,200	193,460,000		
<b>Total</b>	<b>429,032,000</b>	<b>491,545,500</b>	<b>495,265,000</b>		

**Expenditure in 2010-11:**

Expenditure category	2009-10 actual	2010-11 Budget	2010-11 actual	Explanations for variances greater than $\pm 10$ per cent*	Impact of variances
Wholesaler Charges	222,171,000	265,538,500	259,112,000	Variations occur for a number of reasons, including increases in pricing, increase in capital expenditure leading to higher level of borrowings resulting in an increase in finance charges and, changes in asset valuations.	
Finance Charges	79,634,000	96,963,000	94,226,000		
Other	193,460,000	212,518,600	219,476,000		
<b>Total</b>	<b>495,265,000</b>	<b>575,020,100</b>	<b>572,814,000</b>		

**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  $\pm 10$  per cent between the two six-month amounts:

Expenses from transactions	Expenses 1/7/2010-31/12/2010	Expenses 1/1/2011-30/6/2011	Explanation for any variations greater than $\pm 10$ per cent
	(\$ million)	(\$ million)	
Wholesaler Charges	131.7	127.4	
Finance Charges	46.6	47.6	
Other expenses	102.2	117.3	
<b>Total expenses</b>	<b>280.5</b>	<b>292.3</b>	

**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.

None conducted by YVW.

## 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  $\pm 10$  per cent) from one date to the next in the following tables:

The below staffing numbers are reported in annual reports and annually by the State Services Authority.

#### Numbers in 2009 and 2010:

Total FTE (30 June 2009)	Total FTE (30 June 2010)	Explanation for any variations greater than $\pm 10$ per cent
433	471	

#### Numbers in 2010:

Total FTE (30 June 2010)	Total FTE (31 December 2010)	Explanation for any variations greater than $\pm 10$ per cent
471	486	

#### Numbers in 2010 and 2011:

Total FTE (31 December 2010)	Total FTE (30 June 2011)	Explanation for any variations greater than $\pm 10$ per cent
486	502	

### 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 $\pm 10$ per cent
	(\$ million)	(\$ million)	
Ongoing	\$18.284M	\$21.578M	Reflects the change in FTE numbers as set out above
Fixed-term	\$14.012M	\$14.860M	
Casual	\$1.054M	\$1.390M	Reflects the change in FTE numbers as set out above
Total	\$33.350M	\$37.828	

#### Costs in 2010-11:

Employment category	Gross salary 2009-10	Gross salary 2010-11	Explanation for any variations greater than $\pm 10$ per cent
	(\$ million)	(\$ million)	

Ongoing	\$21.578M	\$24.232M	Reflects the change in FTE numbers as set out above
Fixed-term	\$14.860M	\$15.359M	
Casual	\$1.390M	\$1.706M	Reflects the change in FTE numbers as set out above
Total	\$37.828	\$37.828	

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  $\pm 10$  per cent between the two six-month amounts:

Data not available.

### 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 to provider of generalist and specialist professional services such as program and project delivery, IT operational support and services, billing system implementation, storage of materials, delivery of water conservation/efficiency programs, and corporate communications.

- (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 (\$)
IT system upgrade and support	Information not readily available*	Information not readily available*
Business Process Management		
Program and Project Delivery, IT Operational Supports and IT Outsourcing		
Billing system implementation		
Delivery of water conservation/efficiency programs including school incursion program, showerhead exchange program		
Corporate communications		

#### Contractors/contract staff in 2010-11:

Service category	Number of contractors/ contract staff	Value of services (\$)
IT system upgrade and support	Information not readily available*	Information not readily available*
Business Process Management		
Program and Project Delivery, IT Operational Supports and IT Outsourcing		
Billing system implementation		
Delivery of water conservation/efficiency programs including school		



incursion program, showerhead exchange program		
Corporate communications		

- (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 were engaged to provide specialist services as outline above, information on individual engagements is not readily available.

### 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 with specialist research, analysis and/or advice that supported strategy decisions and for which skills were not available in the organisation.

- (b) Please itemise the services delivered by consultants in 2009-10 and 2010-11:

As outlined above, consultants were engaged to provide specialist support in areas were skills were not available in the organisation.

- (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:

As outlined above, consultants were engaged to provide specialist support in areas were skills were not available in the organisation.

### 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	10%	15.1%	17%
30-54 years old	7%	6.2%	7.6%
55 years or older	1.2%	7.1%	4.5%
Total	6.4%	7.9%	8.8%

- (a) Please describe the factors contributing to any variations greater than  $\pm 10$  per cent from one year to the next.

Increase in opportunities in an improved external job market. Opportunities for career advancement outside the business.

- (b) 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?

People & Culture 2011 – 2013 Strategy includes initiatives to attract and retain staff.

- (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?

The State Services Authority and agencies within the VPS are constantly dealing with the challenges of demographic change in the public sector in this State, 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:

	<b>Initiative</b>	<b>Outcomes</b>
Collaboration	<ul style="list-style-type: none"> <li>• Drought Response Planning, Supply Demand Planning</li> <li>• Key projects include Enhancements to Asset Management and Operational Systems, GIS upgrade, Fault and Field Service Management systems and SCADA replacement. Most of these replacements are expected to be completed within the 09 - 12 period.</li> <li>• Shared Services</li> </ul>	<p>Reduce consumption to maintain security of supply.</p> <p>Focus of the Business Improvement program is to enhance existing systems and maintain it at the required level of service to the business in order to best position YVW for efficiency and performance improvements.</p> <p>Working together with the other Melbourne metropolitan water businesses to reduce costs.</p>
Agility	Keep the computer systems operating, including replacement of end of life equipment, break/fix of equipment and providing for increasing number of users and information stored.	Focus of the ITSP CAPEX program is for improvements to the Information Technology environment required to keep the computer systems running at the required level of service to the business and to cater for growth requirements as a result of Business Improvement projects.
Innovation	Key projects include Server Virtualization, Firewall Redesign, Network Redesign and Back Up and Restore.	Key focus of ITSP projects will be on reducing IT cost by reducing the number of servers supported and improving reliability and capacity of the infrastructure.

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

	<b>Initiative</b>	<b>Outcomes</b>
Collaboration	<ul style="list-style-type: none"> <li>• Drought Response Planning, Supply Demand Planning</li> <li>• Launching of Portfolio Management Office (PMO) SharePoint (P3O)</li> <li>• Streamlined Concession Registration Process</li> </ul>	<p>Reduce consumption to maintain security of supply.</p> <p>A single source of reference and templates where the Project Manager can find all the information and tools to plan and execute projects and programs in YVW.</p> <p>Efficiency in concession process. This is a work in progress with the Victorian water industry, Centrelink and DHS.</p>
Agility	Launching of Portfolio Management Office (PMO) SharePoint (P3O)	A single source of reference and templates where the Project Manager can find all the information and tools to plan and execute projects and programs in YVW.

Innovation	<ul style="list-style-type: none"> <li>• Easyfill</li> <li>• 3 hr creative/innovative thinking workshop for 100 managers (MTM 29/11/10) and further 1 day workshop for 15 key staff (Feb 2011)</li> <li>• Launching of Portfolio Management Office (PMO) SharePoint (P3O)</li> </ul>	<p>Reduce losses due to unbilled water through hydrants (non-revenue water) resulting in recovered revenue.</p> <p>Internal group facilitation and application of techniques and tools in team/group workshops.</p> <p>A single source of reference and templates where the Project Manager can find all the information and tools to plan and execute projects and programs in YVW.</p>
------------	--	--

### 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	
Executive Team	9	0	9	282,727

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	
Executive Team	9	0	9	334,286

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).

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

The organisation does not use the Executive Employment Handbook. Depending on individual employment contracts, eligible employees are entitled to bonuses of up to 10%, 15% or 20%. Actual bonus amounts are calculated relative to overall achievement of pre agreed Key Performance Indicators (KPI's) in the areas of:

- Corporate goals and targets (shared by all);
- Group targets (shared by each Group within the company);
- Personal targets.

The bonus paid relates directly to achievement of the employee's KPI's and ranges from 0% to 100% of the applicable bonus.

## ***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 2009-10 and 2010-11.

### **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 Budget Papers and in the relevant annual reports. During 2010-11 these included the northern sewer project, water main and sewer renewals, the Kalkallo Stormwater harvesting project, and the Kinglake Alternative Sewerage Servicing trial.

- (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.

None.

## ***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.

Not applicable.

- (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.

Not applicable.

### **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.

<b>Machinery-of-government change</b>	<b>Adaptations in response</b>	<b>Disruptions to program/project delivery</b>	<b>Improvements to program/project delivery</b>
None			

### **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:

None.

### **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.

Program/project	Output or asset delivery	Budgeted 2010-11 expenditure	Actual 2010-11 expenditure	Reasons why it was curtailed, deferred or discontinued
		(\$ million)	(\$ million)	
Not applicable				

### 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.

Program/project	Output or asset delivery	Budgeted 2010-11 expenditure	Actual 2010-11 expenditure	Reasons why it was introduced
		(\$ million)	(\$ million)	
Not applicable				