

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 2017-18 and 2018-19 and the actual result for 2017-18 and 2018-19 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 2017-18 and 2018-19 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.

2017-18 Response

Revenue category	2016-17 actual (\$ million)	2017-18 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)
Water usage charges	16,512	19,319	Marked increase in water usage for urban and rural customers from 2016-17 to 2017-18. This was due to a reduction in rainfall.	The increase in revenue used to reduce financial liabilities.	N/A

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

2018-19 Response

Revenue category	2017-18 actual (\$ million)	2018-19 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)
Government grants and contributions	2.192	4.517	Additional funding received for the Victorian Murray Floodplain Restoration Project.	Additional funding enabled additional works to be undertaken on the Victorian Murray Floodplain Restoration Project. This has no effect on general operations.	N/A
Net profit/(loss) on disposal of non-current assets	(0.058)	0.816	Additional funding was received in 2018-19 from the sale of land.	Any monetary gains were reinvested in purchasing new assets.	N/A

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 2017-18 and 2018-19 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.

2017-18 Response

Revenue category	2017-18 Budget estimate (\$ million)	2017-18 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)
Government grants and contributions	0.350	2.192	Additional funding was received for the Victorian Murray Floodplain Restoration Project.	Additional funding enabled additional works to be undertaken on the Victorian Murray Floodplain Restoration Project. This has no effect on general operations.	N/A
Developer contributions	2.225	3.538	Additional revenue was received due to an increase in economic activity in the region.	Increase to revenue and profit in comparison to budget.	N/A
Net profit/(loss) on disposal of non-current assets	0.173	(0.058)	Receipts of this nature are volatile and difficult to predict as it is dependent on the types of assets disposed.	The loss reflects the disposal of drainage assets. This had no impact on service delivery.	N/A

2018-19 Response

Revenue category	2018-19 Budget estimate (\$ million)	2018-19 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)
Government grants and contributions	-	4.517	Additional funding was received for the Victorian Murray Floodplain Restoration Project.	Additional funding enabled additional works to be undertaken on the Victorian Murray Floodplain Restoration Project. This has no effect on general operations.	N/A
Developer contributions	2.320	3.594	Additional revenue was received due to an increase in economic activity in the region	Increase to revenue and profit in comparison to budget.	N/A
Net profit/(loss) on disposal of non-current assets	0.173	0.816	Additional funding was received in 2018-19 from the sale of land.	Any monetary gains were reinvested in purchasing new assets.	N/A

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 2016-17 and 2017-18 for each category of expenses detailed in your operating statement, the initial budget estimate (not the revised budget), and 2017-18 and 2018-19 actual results. 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.

2017-18 Response

Expenses category	2016-17 Actual \$ million	2017-18 Budget estimate \$ million	2017-18 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
Amortisation	0.392	-	0.340	Insignificant variation amount.	No impact on service delivery.
Repairs and maintenance	7.470	7.876	7.032	Variance due to a number of immaterial variances over several departments.	Decrease to expenditure and increase to profit in comparison to budget
Other expenses	7.534	3.668	6.520	Variance in 2016-17 mainly due to the disposal of assets and bad debts expense.	Increase to expenditure and decrease to profit in comparison to budget

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

2018-19 Response

Expenses category	2017-18 Actual \$ million	2018-19 Budget estimate \$ million	2018-19 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
Amortisation	0.340	-	0.400	Insignificant variation amount.	No impact on service delivery.
Repairs and maintenance	7.032	8.936	7.898	The variance is driven by increased expenditure for the Victorian Murray Floodplain Restoration Project.	Funding for specific a project. A corresponding increase in funding enabled additional works to be undertaken on the Victorian Murray Floodplain Restoration Project. This has no effect on general operations
Direct operational expenses	13.260	13.137	14.784	Additional expenditure on consultancies was required related in part due to Victorian Murray Floodplain Restoration Project.	Increase in expenditure and decrease in profit in comparison to budget
Environmental contribution	1.579	2.278	2.278	Reflective of the increase in the Environmental Contribution Levy required to be paid by water corporations under the <i>Water Industry Act 1994</i> .	No impact – the additional expense is recovered through customer pricing
Interest	3.265	4.139	3.047	Borrowings were less than the original budget forecast as cash funds were utilised instead.	Decrease to expenditure and increase to profit in comparison to budget
Other expenses	6.520	3.954	5.861	Variance is mainly due to the disposal of assets and bad debts expense.	Decrease to expenditure and increase to profit in comparison to prior year

Question 11 (all departments and entities) Changes to service delivery from savings initiatives

Not applicable.

Question 12 (all departments) Achievement of reprioritisation of existing resources

Not applicable.

Question 13 (all departments) Contractors, Consultants and Labour Hire Arrangements

Not applicable.

Question 14 (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 2017-18 and 2018-19, explaining the reasons for any significant changes over that period and the impact of any changes on the entity.

2017-18 Response

Type of dividend paid	2017-18 Budget (\$ million) <i>BP 5, pg. 21</i>	2017-18 Actual (\$ million)	Explanations for variances $\pm 10\%$ or \$100 million	Impact on the agency. If no impact, how was this achieved	Funding ratio at 30 June 2018
N/A					

2018-19 Response

Type of dividend paid	2018-19 Budget (\$ million) <i>BP 5, pg. 21</i>	2018-19 Actual (\$ million)	Explanations for variances $\pm 10\%$ or \$100 million	Impact on the agency. If no impact, how was this achieved	Funding ratio at 30 June 2019
N/A					

Section E: Public sector workforce

Question 15 (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 2016, at 30 June 2017 and 30 June 2018 (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 2016 Actual FTE number	30 June 2017 Actual FTE number	30 June 2018 Actual FTE number
Other	162.8	174.5	182.4
Total	162.8	174.5	182.4

*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:

Lower Murray Water

Question 16 (all departments and entities) Salary by employment category

In the table below, please detail the salary costs for 2016-17, 2017-18 and 2018-19, 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 2016-17 (\$ million)	Gross salary 2017-18 (\$ million)	Gross salary 2018-19 (\$ million)	Explanation for any year-on-year variances ±10% or \$100 million
Ongoing	14.099	13.613	14.814	
Fixed-term	3.679	4.385	3.739	Reduction in number of staff on fixed term contracts from 2017-18 to 2018-19
Casual	-	-	-	-
Total	17.778	17.998	18.553	

Question 17 (all departments and entities) Executive salary increases

Please detail the number of executives who received increases in their base remuneration in 2017-18 and 2018-19, 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.

2017-18 Response

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2016-17, apart from normal increases due to employment agreements	Reasons for these increases
0-3%	6	CPI increase
3-5%	-	
5-10%	-	
10-15%	-	
greater than 15%	-	

2018-19 Response

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2016-17, apart from normal increases due to employment agreements	Reasons for these increases
0-3%	6	CPI increase
3-5%	-	
5-10%	-	
10-15%	-	
greater than 15%	-	

Question 18 (all departments and entities) Enterprise Bargaining Agreement (EBAs)

Refer to the Department of Environment, Land, Water and Planning’s response to the 2017-18 and 2018-19 Financial and Performance Outcomes Questionnaire.

Section F: Government decisions impacting on the finances

Question 19 (all departments and entities) Commonwealth Government decisions

Please identify any Commonwealth Government decisions during 2017-18 and 2018-19 which had not been anticipated/not been concluded before the finalisation of the State budget in 2017-18 and 2018-19 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.

2017-18 Response

Commonwealth Government decision	Impact(s) in 2017-18	
	on income (\$ million)	on expenses (\$ million)
N/A		

2018-19 Response

Commonwealth Government decision	Impact(s) in 2018-19	
	on income (\$ million)	on expenses (\$ million)
N/A		

Question 20 (all departments and entities) Council of Australian Governments (COAG) decisions

Not applicable.

Section G: General

Question 21 (all departments and entities) Key audit matters

Please list any Key Audit Matters (KAMs) identified by the Victorian Auditor General in the department/entities 2017-18 and 2018-19 annual reports and provide information about the associated actions taken by the department/entity to benefit future disclosures or manage associated risks, since the KAMs were identified.

2017-18 Response

Key audit matters identified	Actions taken
Informal Change Management Procedures	A process of formal change acceptance will be created, along with a procedure around RFC (Request for Change) and the approval thereof.
Inconsistent Execution of Procedures for Existing Users	A new procedure to enable onboarding, modifying and exiting of users is being implemented. This will include tracking of user changes through a structured process.
Confirming Order	Procurement procedures are scheduled for review and update with a gap analysis to be performed. The policy and procedures will be updated at this time.

2018-19 Response

Key audit matters identified	Actions taken
Nil	

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

- a) Please list all internal and external reviews/studies commenced or completed by or on behalf of the department/agency in 2017-18 and 2018-19 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.

2017-18 Response

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for the review/study	Term of reference/scope	Timeline	Anticipated outcomes	Estimated cost (\$)	Final cost if completed (\$)	Publicly available (Y/N) and URL
N/A							

2018-19 Response

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for the review/study	Term of reference/scope	Timeline	Anticipated outcomes	Estimated cost (\$)	Final cost if completed (\$)	Publicly available (Y/N) and URL
N/A							

- 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.

N/A

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

Not applicable.

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

Refer to the Department of Environment, Land, Water and Planning's response to the 2017-18 and 2018-19 Financial and Performance Outcomes Questionnaire.

Question 25 (all departments) Newly created bodies

Not applicable.

Section H: Implementation of previous recommendations

Question 26 (relevant departments only)

Not applicable.

Section I: 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) Resource Management Framework – Funding reviews

Not applicable.

Section J: Treasury Corporation of Victoria only

Question 34 Dividends

Not applicable.

Question 35 Commodity risk management

Not applicable.

Question 36 Foreign exchange risk management

Not applicable.

Question 37 Public Private Partnership (PPP) projects

Not applicable.

Question 38 Green Bonds

Not applicable.