

**PARLIAMENT OF VICTORIA**

Public Accounts and Estimates Committee



**2021-22 and 2022-23**  
**Financial and Performance Outcomes**  
**General Questionnaire**  
**Gippsland and Southern Rural Water**



## Contents

Contents .....	i
Introduction – Financial and Performance Outcomes Questionnaire .....	2
Section A: Output variances and program outcomes .....	3
Section B: Asset investment .....	9
Section C: Revenue and appropriations .....	14
Section D: Expenses.....	22
Section E: Overall financial performance .....	34
Section F: Public sector workforce .....	36
Section G: Government decisions impacting on finances .....	40
Section H: General.....	41
Section I: Implementation of previous recommendations .....	49
Section J: Department of Treasury and Finance only.....	50
Section K: Treasury Corporation of Victoria only .....	51

## Introduction – Financial and Performance Outcomes Questionnaire

The Committee's inquiry into the 2021-22 and 2022-23 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
- other expenditure unforeseen at the time of preparing the 2021-22 and 2022-23 Budgets and outcomes achieved.

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 2021-22 and 2022-23 financial years, what was achieved during those years and how that compares to expectations.

### **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.

## Section A: Output variances and program outcomes

### **Question 1 (all departments) Completed output initiatives from past budgets – not applicable**

For all initiatives that were completed in 2021-22 and 2022-23, please provide details of the expected outcomes for the community of the initiative and the actual outcomes 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).

## Question 2 (all departments) Program outcomes – not applicable

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 2021-22 and 2022-23.

- a) Using the format of the table below, please outline the five programs that delivered the most important outcomes in the community<sup>1</sup> achieved by the department in 2021-22 and 2022-23 including:
- i. The name of the program
  - ii. The relevant output(s) and portfolio(s) responsible for delivery of the program
  - iii. The program objectives
  - iv. The actual outcome achieved
  - v. The actions taken to deliver the actual outcome (i.e. the most important elements/essential parts that led the department to deliver the outcome).

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<sup>1</sup> 'Outcomes' are the impact of service delivery on the community rather than a description of the services delivered. The Committee considers that an outcome could be considered important for a variety of reasons, such as the amount of funding allocated to the program, the public interest in the service or goods being delivered or where particular actions taken by the Department delivered improved outcomes.

**Question 3 (all departments) Treasurer's Advances and other budget supplementation – not applicable**

- 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 2021-22 and 2022-23.

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 (2023), (section 4, pg. 69) and explain why additional funding was required after funding was allocated in the Budget.

- b) Please provide the details of the outcomes achieved from each of these programs.

**Question 4 (all departments) Central contingencies – not applicable**

The Resource Management Framework (2022 section 4.5 pg. 88) provides guidance on how departments access funding from central contingencies.

Please provide information regarding funding received from central contingency in 2021-22 and 2022-23 including the output and portfolio or Government decision related to the funding, the amount of funding received, the amount of funding utilised, funding received through previous budgets for the same purpose and why funding from contingency was required.



**Question 5 (Department of Health only) 2021–22 and 2022–23 Budget funding allocation and performance – not applicable**

The 2021–22 Budget allocated \$3.7 billion to the line item *Meeting demand for hospital services*. The 2022-23 Budget allocated \$2.3 billion to the line item *Enabling care and meeting demand for hospital services*.

- a) Please provide a detailed breakdown of the actual amount spent in 2021-22 and 2022-23. Please provide an explanation for any variances of  $\pm 5\%$  based on budgeted vs actuals by output.
  
- b) To gain an understanding of Victoria's health care system and performance, please provide the data for the following variables, including an explanation for the increase or decrease compared to the previous year's data.

## Question 6 (Department of Families, Fairness and Housing only) Victorian Contribution to National Disability Insurance Scheme – not applicable

- a) The 2021-22 Budget allocated \$1.7 billion to the Victorian Contribution to National Disability Insurance Scheme (NDIS) and the 2022-23 Budget allocated \$2.7 billion in payments on behalf of the state to National Disability Insurance Agency.<sup>2</sup> In relation to outcomes achieved in the 2021-22 and 2022-23 years, please provide the following information on disability services and support in Victoria.
- b) What mechanisms did the Victorian Government have in place to ensure Victorians with disability and the Victorian community received value for money and quality services in exchange for the amounts paid to the NDIS in 2021-22 and 2022-23?
- c) In 2021-22 and 2022-23 what disability services did the Victorian Government provide?
- d) Please outline the three most significant disability services/programs provided by the Victorian Government in 2021-22 and 2022-23, including amount expended, funding source and outcomes achieved for people with disability.

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<sup>2</sup> Department of Treasury and Finance, *Budget Paper No. 2: 2021–22 Strategy and Outlook*, Melbourne, 2022, p. 201; Department of Treasury and Finance, *Budget Paper No. 5: 2022–23 Statement of Finances*, Melbourne, 2023, p. 96

## Section B: Asset investment

### Question 7 (all departments) Capital expenditure variances, completion date and scope changes – existing projects

**– not applicable**

Please provide details of all capital asset programs where:

- a) there was a variance between TEI at announcement compared to the revised TEI as at 30 June 2022 and 30 June 2023 of equal to or greater than  $\pm 5\%$  and an explanation for the variance
- b) the estimated completion date at announcement is different to the completion date as at 30 June 2022 and 30 June 2023 and an explanation for the change
- c) the scope of the project at announcement is different to the scope of the project as at 30 June 2022 and 30 June 2023.

**Question 8 (all departments) Details of actual capital expenditure – completed projects (or expected to be completed)**

**– not applicable**

Please provide the following details about asset investment projects that were completed in the 2021-22 and 2022-23 financial years:

- 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.

**Question 9 (all departments) High-value high-risk projects, gateway reviews and business cases – not applicable**

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 2021-22 and 2022-23 financial years that were allocated to the department and were classified as HVHR and the project objectives. Please also specify which gateway reviews, if any, were completed during 2021-22 and 2022-23 and business case details for each project.

**Question 10 (all departments) Public Private Partnership (PPP) expenditure – existing and completed – not applicable**

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 2022 and 30 June 2023, or the actual cost spent to 30 June 2022 and 30 June 2023 (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 2020-21 Budget and the 2021-22 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 2020-21 Budget and the 2021-22 Budget.

**Question 11 (DoT/DTP only) Alliance contracting expenditure – existing and completed – not applicable**

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

- a) The total estimated investment value, the total actual expenditure from announcement to 30 June 2022 and 30 June 2023, or the actual cost spent to 30 June 2022 and 30 June 2023 (actual cost spent in the respective financial year) and the benefits of using the alliance contracting 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 2020-21 Budget and the 2021-22 Budget and an explanation for any variance.
- c) Where the scope of the alliance contract at announcement is different to the scope of the project as it is presented in the 2020-21 Budget and the 2021-22 Budget.

## Section C: Revenue and appropriations

### Question 12 (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 2020-21 and 2021-22 and the actual result for 2021-22 and 2022-23 for each revenue category detailed in your operating statement. Please also indicate what any additional revenue was used for or how any reduced amounts of revenue affected service delivery and then link it to the relevant output and portfolio.

Please also detail the outcomes in the community<sup>3</sup> achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

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

If there were no revenue/income categories for the department/agency for which the 2021-22 and the 2022-23 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.

#### 2021-22 response

Revenue category	2020-21 actual (\$ million)	2021-22 actual (\$ million)	Explanations for changes $\pm 10\%$ or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, how was this achieved	Relevant output(s) and portfolio(s)
Service and Usage Charges	31.9	31.1	Not applicable	Not applicable	Not Applicable
Chargeable Works	0.4	0.3	Decreased revenue due to lower maintenance costs at water storages managed by Southern Rural Water (SRW) for Latrobe power companies. These activities are immediately	Lower revenue was matched by lower maintenance costs.	Not Applicable

<sup>3</sup>That is, the impact of service delivery on the community rather than a description of the services delivered.



			recoverable as additional revenue.		
Government Grants and Contributions	1.3	1.1	Yearly totals depend on grant funded activities occurring in the financial year.	Grant funded activities for 2021-22 included ongoing emergency bore construction in East Gippsland and the review of irrigation expansion in Gippsland.	Not Applicable
Interest Income	0.0	0.1	Additional interest from advanced receipt of contributed capital payments (deposited to a special purpose account).	Per funding agreements, this is used on the associated capital projects.	Not Applicable
Other Income	0.6	0.5	Reduced income received for hydro electricity royalties (less water for electricity production) and lower contributions from customer for meter installation.	Reduced surplus on royalty and rental income is included in retained earnings. Meter charge revenue reflected by works undertaken by SRW to install the meters.	Not Applicable
Fair Value of Assets received Free of Charge	2.3	-	2020-21 revenue was part of an agreement for a trash rack built for the Level Crossing Removal Authority in Werribee. No assets received/gifted in 2021-22 as project was completed.	No impact on service delivery	Not Applicable
Government Grants and Contributions for Capital Purposes	1.5	0.1	Yearly totals depend on capital grant funded activities occurring in the financial year.	Grant funded activities for 2020-21 included government funding for Macalister Irrigation District (MID) 2030 Phase 2 irrigation modernisation and the installation	Not Applicable

				of an all-abilities playground at Blue Rock Reservoir.	
Sale of Water and Entitlements	1.5	-	No water shares were available to sell due to delays in water saving project deliveries.	Water entitlement sales are variable each year depending on the availability of water to sell and market conditions. Decreased revenue in 2021-22 had a negative impact on the net result.	Not Applicable
Net Gain on disposal of non-current assets	1.0	0.3	Reduced revenue due to proceeds from sale of infrastructure, property, plant and equipment. 2020-21 included the sale of surplus land at the Werribee office site.	Decreased revenue in 2021-22 had a negative impact on the net result.	Not Applicable

**2022-23 response**

Revenue category	2021-22 actual (\$ million)	2022-23 actual (\$ million)	Explanations for changes $\pm 10\%$ or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, how was this achieved	Relevant output(s) and portfolio(s)
Service and Usage Charges	31.1	33.3	Not applicable	Not applicable	Not Applicable
Chargeable Works	0.3	1.1	Increased revenue due to higher maintenance costs at water storages managed by Southern Rural Water (SRW) for Latrobe power companies. These activities are immediately	Higher revenue was matched by higher maintenance costs.	Not Applicable

			recoverable as additional revenue.		
Government Grants and Contributions	1.1	1.1	Not applicable	Not applicable	Not Applicable
Interest Income	0.1	0.3	Additional interest from advanced receipt of contributed capital payments (deposited to a special purpose account).	Per funding agreements, this is used on the associated capital projects.	Not Applicable
Other Income	0.5	1.1	Additional income received for hydro electricity royalties (more water for electricity production), rental agreements, vegetation offsets and additional contributions from customer for meter installation.	Additional surplus on royalty, rental income and vegetation offsets is included in retained earnings. Additional meter charge revenue reflected works undertaken by SRW to install the meters.	Not Applicable
Fair Value of Assets received Free of Charge	-	-	Not applicable	Not applicable	Not Applicable
Government Grants and Contributions for Capital Purposes	0.1	0.0	Yearly totals depend on capital grant funded activities occurring in the financial year.	No material impact on service delivery.	Not Applicable
Sale of Water and Entitlements	-	-	Not applicable	Not applicable	Not Applicable
Net Gain on disposal of non-current assets	0.3	0.1	Reduced revenue due to proceeds from sale of infrastructure, property, plant and equipment.	Decreased revenue in 2021-22 had a negative impact on the net result.	Not Applicable

### Question 13 (all departments and entities) Revenue – variances from budget to actual

Please explain any variances equal to or greater than  $\pm 10\%$  or \$100 million between the initial budget estimate (not the revised estimate) and the actual result for 2021-22 and 2022-23 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.

#### 2021-22 response

Revenue category	2021-22 Budget estimate (\$ million)	2021-22 actual (\$ million)	Explanations for changes $\pm 10\%$ or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, explain why	Relevant output(s) and portfolio(s)
Service and Usage Charges	32.7	31.1	Not applicable	Not applicable	Not applicable
Chargeable Works	1.5	0.3	SRW deferred the completion of planned capital expenditure projects. These projects form part of maintenance costs that are immediately recoverable from the Latrobe power companies.	Lower revenue is matched by lower maintenance costs with less works undertaken in 2021-22.	Not applicable
Government Grants and Contributions	-	1.1	Yearly totals depend on grant funding which is almost always determined after the budget has been set.	Grant funded activities for 2021-22 included ongoing emergency bore construction in East Gippsland and the review of irrigation expansion in Gippsland.	Not applicable
Interest Income	0.1	0.1	Not applicable	Not applicable	Not applicable
Other Income	0.3	0.5	Additional income received for hydro electricity royalties (more water for electricity production), rental	Additional surplus on royalty, rental income and vegetation offsets is included in retained earnings.	Not applicable

			agreements, vegetation offsets and additional contributions from customer for meter installation.	Additional meter charge revenue reflected works undertaken by SRW to install the meters.	
Fair Value of Assets received Free of Charge	-	-	Not applicable	Not applicable	Not applicable
Government Grants and Contributions for Capital Purposes	-	0.1	Yearly totals depend on grant funding which is almost always determined after the budget has been set.	Grant funded activities for 2021-22 included government funding for 2021 Storm Damage repairs, contributing to improved water delivery reliability and recreational facilities access.	Not applicable
Sale of Water and Entitlements	2.3	-	No water shares were available to sell due to delays in water saving project deliveries.	Water entitlement sales are variable each year depending on the availability of water to sell and market conditions. Decreased revenue in 2021-22 had a negative impact on the net result.	Not applicable
Net Gain on disposal of non-current assets	0	0.3	Increased revenue due to proceeds from sale of infrastructure, property, plant and equipment.	Decreased revenue in 2021-22 had a negative impact on the net result.	Not applicable

## 2022-23 response

Revenue category	2022-23 Budget estimate (\$ million)	2022-23 actual (\$ million)	Explanations for changes $\pm 10\%$ or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, explain why	Relevant output(s) and portfolio(s)
Service and Usage Charges	33.8	33.3	Not applicable	Not applicable	Not Applicable
Chargeable Works	0.9	1.1	SRW undertook the capital expenditure projects deferred from prior years. These projects form part of maintenance costs that are immediately recoverable from the Latrobe power companies.	Higher revenue is matched by higher maintenance costs with more works undertaken in 2022-23.	Not Applicable
Government Grants and Contributions	-	1.1	Yearly totals depend on grant funding which is almost always determined after the budget has been set.	Grant funded activities for 2022-23 included ongoing emergency bore construction, Water Market Transparency, Macalister Irrigation District (MID) 2030 Phase 2 governance, Southern Victoria Irrigation Development (SVID) Programs, 2021 Storm damage and the review of irrigation expansion in Gippsland.	Not Applicable
Interest Income	0.1	0.3	Additional interest from advanced receipt of contributed capital payments (deposited to a special purpose account).	Per funding agreements, this is used on the associated capital projects.	Not Applicable
Other Income	0.3	1.1	Additional income received for hydro electricity royalties (more	Additional surplus on royalty, rental income and vegetation offsets is included in retained earnings.	Not Applicable

			water for electricity production), rental agreements, vegetation offsets and additional contributions from customer for meter installation.	Additional meter charge revenue reflected works undertaken by SRW to install the meters.	
Fair Value of Assets received Free of Charge	-	-	Not applicable	Not applicable	Not Applicable
Government Grants and Contributions for Capital Purposes	-	-	Not applicable	Not applicable	Not Applicable
Sale of Water and Entitlements	2.5	-	No water shares were available to sell as originally expected (water savings were pending validation and regulatory confirmation).	Water entitlement sales are variable each year depending on the availability of water to sell and market conditions. Decreased revenue in 2022-23 had a negative impact on the net result.	Not Applicable
Net Gain on disposal of non-current assets	-	0.1	Increased revenue due to proceeds from sale of infrastructure, property, plant and equipment.	No material impact on service delivery.	Not Applicable

## Section D: Expenses

### Question 14 (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 2020-21 and 2021-22 and the actual result for 2021-22 and 2022-23 for each category of expenses detailed in your operating statement. Please explain any changes equal to or greater than  $\pm 10\%$  or \$100 million with regards the actual result for 2021-22 and the 2021-22 budget estimate and the actual result for 2022-23 and the 2022-23 budget estimate. Please also detail the outcomes in the community<sup>4</sup> achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

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

#### 2021-22 response

Expenses category	2020-21 actual \$ million	2021-22 actual \$ million	Explanations for variances $\pm 10\%$ or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how was this achieved
Bulk Water	1.1	1.0	Not applicable	Not applicable
Environmental Contribution	0.5	0.5	Not applicable	Not applicable
Employee Benefits	17.6	17.8	Not applicable	Not applicable
Interest	1.8	1.7	Not applicable	Not applicable
Chargeable Works	0.4	0.3	Lower maintenance costs at water storages managed by SRW for Latrobe power companies. These activities are immediately recoverable as additional chargeable works revenue	Lower maintenance costs were matched by lower revenue.
Repairs and Maintenance	1.3	1.5	Increase in emergency channel failure repair works.	One-off expenditure for operating costs associated with SRW capital works is anticipated within organisational financial planning, and year to year variances are expected. These do not impact on service delivery.
Supplies and Services	8.4	8.3	Not applicable	Not applicable

<sup>4</sup>That is, the impact of service delivery on the community rather than a description of the services delivered.



Depreciation of regulatory asset base	3.9	4.5	Increase in depreciation due to reclassifications and additions from the capital program being completed.	No impact on service delivery.
Depreciation of other assets	12.4	11.9	Not applicable	Not applicable
Write-off of infrastructure, property, plant and equipment	0.6	-	Asset write-off costs can occur as part of capital works activity where existing assets, with a written-down value, are scrapped as a result of this refurbishment/renewal expenditure. These write-offs are irregular and dependent upon the nature of capital expenditure within a given period.	No impact on service delivery.
Intangible Asset Write-offs	0.0	0.0	Not applicable	Not applicable
Amortisation	0.3	0.2	Reducing value base on amortised assets	No impact to service delivery.

Expenses category	2021-22 budget \$ million	2021-22 actual \$ million	Explanations for variances ±10% or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how was this achieved
Bulk Water	1.4	1.0	Decreased use of recycled water due to wetter season in 2021-22.	Decreased cost of purchasing bulk supply of recycled water is partially matched by lower service and usage charges.
Environmental Contribution	0.5	0.5	Not applicable	Not applicable
Employee Benefits	16.9	17.8	Not applicable	Not applicable
Interest	1.9	1.7	Less than budget due to delays in capital expenditure requirements (less debt), and a	Lower interest expense improved the net result.

			lower rate of interest than anticipated.	
Chargeable Works	1.5	0.3	SRW deferred the completion of planned capital expenditure projects.	Lower than budgeted maintenance costs with less works undertaken in 2021-22, matched by lower chargeable works revenue.
Repairs and Maintenance	2.5	1.5	Less irrigation maintenance activity was undertaken in the 2022 winter shut-down period due to heavy rain and persisting wet weather	Maintenance activity deferred to later in winter 2022.
Supplies and Services	8.2	8.3	Not applicable	Not applicable
Depreciation of regulatory asset base	4.9	4.5	Not applicable	Not applicable
Depreciation of other assets	13.0	11.9	Not applicable	Not applicable
Write-off of infrastructure, property, plant and equipment	-	-	Not applicable	Not applicable
Intangible Asset Write-offs	-	-	Not applicable	Not applicable
Amortisation	0.2	0.2	Not applicable	Not applicable

## 2022-23 response

Expenses category	2021-22 actual \$ million	2022-23 actual \$ million	Explanations for variances $\pm 10\%$ or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how was this achieved
Bulk Water	1.0	1.2	increased use of recycled water due to a dry season in 2022-23 as well as increased purchase rate.	increased cost of purchasing bulk supply of recycled water is partially matched by increased service and usage charges.
Environmental Contribution	0.5	0.5	Not applicable	Not applicable
Employee Benefits	17.8	18.7	Not applicable	Not applicable
Interest	1.7	1.7	Not applicable	Not applicable
Chargeable Works	0.3	1.1	Higher maintenance costs at water storages managed by SRW for Latrobe power companies. These activities are immediately recoverable as additional chargeable works revenue	Higher maintenance costs were matched by higher revenue.
Repairs and Maintenance	1.5	1.3	Less irrigation maintenance activity was undertaken in the 2022 winter shut-down period due to heavy rain and persisting wet weather	Maintenance activity deferred to later in winter 2023.
Supplies and Services	8.3	9.9	One-off operating costs for on-farm assets and de-commission were incurred by SRW as part of irrigation modernisation works. The incidence of these costs in 2022-23 was higher than 2021-22.	One-off expenditure for operating costs associated with SRW capital works is anticipated within organisational financial planning, and year to year variances are expected. These do not impact on service delivery.
Depreciation of regulatory asset base	4.5	5.8	Increase in depreciation due to reclassifications and additions from the capital program being completed.	No impact to service delivery.

Depreciation of other assets	11.9	10.8	Not applicable	Not applicable
Write-off of infrastructure, property, plant and equipment	-	-	Not applicable	Not applicable
Intangible Asset Write-offs	-	-	Not applicable	Not applicable
Amortisation	0.2	0.4	Increased amortisation as a result of the addition of new capitalised multi-year projects in 2022-23.	No material impact

Expenses category	2022-23 budget \$ million	2022-23 actual \$ million	Explanations for variances ±10% or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how was this achieved
Bulk Water	1.5	1.2	Decreased use of recycled water due to wetter season in 2022-23	Decreased cost of purchasing bulk supply of recycled water is partially matched by lower service and usage charges.
Environmental Contribution	0.5	0.5	Not applicable	Not applicable
Employee Benefits	17.7	18.7	Not applicable	Not applicable
Interest	2.2	1.7	Less than budget due to delays in capital expenditure requirements (less debt), and a lower rate of interest than anticipated.	Lower interest expense improved the net result.
Chargeable Works	0.9	1.1	SRW was able to complete additional emergency repairs at Yallourn Power Station in addition to the planned capital expenditure projects in 2022-23.	Higher than budgeted maintenance costs with more works undertaken in 2022-23, matched by higher chargeable works revenue.
Repairs and Maintenance	2.6	1.3	Less irrigation maintenance activity was undertaken in the 2023 winter shut-down period	Maintenance activity deferred to later in winter 2023.

			due to heavy rain and persisting wet weather	
Supplies and Services	11.0	9.9	Some one-off operating costs for on-farm assets and de-commission were deferred into 2023-24 as part of delays to irrigation modernisation works.	One-off expenditure for operating costs associated with SRW capital works is anticipated within organisational financial planning, and year to year variances are expected. These do not impact on service delivery.
Depreciation of regulatory asset base	5.5	5.8	Not applicable	Not applicable
Depreciation of other assets	13.4	10.8	Delayed modernisation projects have deferred planned capitalisations into 2023-24	No impact to service delivery.
Write-off of infrastructure, property, plant and equipment	-	-	Not applicable	Not applicable
Intangible Asset Write-offs	-	-	Not applicable	Not applicable
Amortisation	0.1	0.4	Increased amortisation as a result of the addition of new capitalised multi-year projects in 2022-23.	No material impact

**Question 15 Expenses/interventions related to COVID-19 pandemic response – not applicable**

For 2021-22 and 2022-23, 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 and please provide details of the reported outcomes.

### Question 16 (all departments and entities) Changes to service delivery from savings initiatives

For each of the savings initiatives detailed in the 2021-22 Budget please provide the following details of the impact on service delivery:

- Savings target in the 2021-22 Budget and the amount of the savings target allocated to the department/entity.
- Actual savings achieved in 2021-22 and the actions taken to achieve the savings target allocated and their impact, including the link to the relevant output and portfolio impacted.

#### 2021-22 response

Savings initiative in the Budget \$ million	Savings target allocated to the department/entity in 2021-22	Actual savings achieved in 2021-22 \$ million	Actions taken to achieve the allocated savings target	What was the impact as a result of the measures taken to achieve the savings target? <i>(e.g. frontline and/or other areas of business that saw the impact)</i> If no impact, how was this achieved	Which output(s) and portfolio(s) were impacted (if relevant)
Not applicable					

**Question 17 (all departments) Achievement of reprioritisation of existing resources – not applicable**

The 2021-22 and 2022-23 Budgets include targets for ‘reprioritisation and revenue offsets’ to fund new initiatives (2021-22 Budget Paper No. 2, p. 68 and 2022-23 Budget Paper no. 2, p. 66). This is in addition to any savings or efficiencies resulting from expenditure reduction measures. For the department (including all controlled entities),<sup>5</sup> please indicate:

- a) what areas of expenditure (including projects and programs if appropriate) the funding was reprioritised from (i.e. what the funding was initially provided for)
- b) what areas of expenditure were the funds actually spent on
- c) for each area of expenditure (or project or program), how much funding was reprioritised in each year
- d) the impact of the reprioritisation (in terms of service delivery) on those areas.

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<sup>5</sup> That is, please provide this information for the department on the same basis of consolidation as is used in the budget papers.



**Question 18 (all departments) Contractors, Consultants and Labour Hire Arrangements – not applicable**

- a) Please indicate how much the department spent on contractors, consultants and labour hire arrangements during 2020-21, 2021-22 and 2022-23. 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  $\pm 10\%$  between years and list the business areas impacted and how.
  
- b) Please enter the actual amount spent on contractors and consultants that are from the Big Four accounting firms (aggregate) in 2021-22 and 2022-23 and list the reasons for engaging the firms.

### Question 19 (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 2021-22 and 2022-23, 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 2022 and 30 June 2023. Please provide details of the methodology used for the ratio calculation.

#### 2021-22 response

Type of dividend paid	2021-22 Budget (\$ million)	2021-22 Actual (\$ million)	Explanations for variances $\pm 10\%$ or \$100 million	Impact on the agency (including on financial position, investment, impacts on service delivery or infrastructure projects). If no impact, how was this achieved	Funding ratio at 30 June 2022
Not applicable	-	-	Not applicable	Not applicable	5.37

Economic funding ratio / accounting funding ratio as at 30 June 2022	Details of the methodology
5.37	Total assets / Total liabilities

## 2022-23 response

Type of dividend paid	2022-23 Budget (\$ million)	2022-23 Actual (\$ million)	Explanations for variances $\pm 10\%$ or \$100 million	Impact on the agency (including on financial position, investment, impacts on service delivery or infrastructure projects). If no impact, how was this achieved.	Funding ratio at 30 June 2023
Not applicable	-	-	Not applicable	Not applicable	4.95

Economic funding ratio / accounting funding ratio as at 30 June 2023	Details of the methodology
4.95	Total assets / Total liabilities

## Section E: Overall financial performance

### Question 20 (all departments) Impact of COVID-19 on financial performance – 2021-22 and 2022-23 – **not applicable**

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

**Question 21 (all departments) Impact of unforeseen events on financial performance – 2021-22 and 2022-23**

**– not applicable**

Please outline and quantify, where possible, the impacts of unforeseen events over 2021-22 and 2022-23 on the department/agency's financial performance.

## Section F: Public sector workforce

### Question 22 (all departments and entities) Full Time Equivalent (FTE) staff by level and category

a) Please provide total FTE as of 30 June 2021, 30 June 2022, 30 June 2023 and provide explanation for more than  $\pm 10\%$  change in FTE between years.

30 June 2021 Actual FTE	30 June 2022 Actual FTE	30 June 2023 Actual FTE	Explanations of variance $\pm 10\%$ between 2021 - 2022	Explanations of variance $\pm 10\%$ between 2022 - 2023
153.3	155.0	170.8	Not applicable	Increased headcount and vacant roles filled, driven by modernisation capital projects and grant funded activities.

b) For 2021-22 and 2022-23, please provide information regarding any staffing challenges faced by the department, including but not limited to: staff shortages by category or position name, positions that were hard to staff, positions that were vacant for 6+ months, positions that have not equalled or surpassed attrition.

Not applicable

### Question 23 (all departments and entities) Salary by employment category

In the table below, please detail the salary costs for 2020-21, 2021-22 and 2022-23, broken down by ongoing, fixed-term and casual, and explain any variances equal to or greater than  $\pm 10\%$  or \$100 million between the years for each category.

Employment category	Gross salary 2020-21 (\$ million)	Gross salary 2021-22 (\$ million)	Gross salary 2022-23 (\$ million)	Explanation for any year-on-year variances $\pm 10\%$ or \$100 million
Ongoing	14.2	15.0	16.7	Increased headcount for modernisation capital project delivery
Fixed-term	1.6	1.6	1.5	
Casual				
<b>Total</b>	<b>15.8</b>	<b>16.6</b>	<b>18.2</b>	

Note: Gross salary includes salaries and wages, annual leave, long service leave, termination benefit as well as salaries and wages charged to capital expenditure.

### Question 24 (all departments and entities) Executive salary increases

Please detail the number of executives who received increases in their base remuneration in 2021-22 and 2022-23, 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.

#### 2021-22 response

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2021-22, apart from increases outlined in employment agreements			Reasons for these increases
	Female	Male	Self-described	
0-3%	4	4		No additional increases apart from those set by existing contracts.
3-5%				
5-10%				
10-15%				
greater than 15%				

## 2022-23 response

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2022-23, apart from increases outlined in employment agreements			Reasons for these increases
	Female	Male	Self-described	
0-3%	3	4		No additional increases apart from those set by existing contracts.
3-5%				
5-10%				
10-15%				
greater than 15%				



**Question 25 (all departments and entities) Enterprise Bargaining Agreement (EBAs)**

Please list the Enterprise Bargaining Agreement (EBAs) concluded in 2021-22 and 2022-23 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.

**2021-22 response**

<b>Enterprise Bargaining Agreement</b>	<b>Number of employees affected</b>	<b>Number of employees as a % of department/entity</b>	<b>Growth in employee expenses attributable to the EBA (\$ million)</b>	<b>Growth in employee expenses attributable to the EBA (\$ million) as a % of total employee expenses</b>
Not Applicable				

**2022-23 response**

<b>Enterprise Bargaining Agreement</b>	<b>Number of employees affected</b>	<b>Number of employees as a % of department/entity</b>	<b>Growth in employee expenses attributable to the EBA (\$ million)</b>	<b>Growth in employee expenses attributable to the EBA (\$ million) as a % of total employee expenses</b>
Not Applicable				

## Section G: Government decisions impacting on finances

### Question 26 (all departments and entities) Commonwealth Government and National Cabinet decisions

Please identify any Commonwealth Government and National Cabinet decisions during 2021-22 and 2022-23 which had not been anticipated/not been concluded before the finalisation of the State budget in 2021-22 and in 2022-23 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.

#### 2021-22 response

Commonwealth Government decision	Impact(s) in 2021-22	
	on income (\$ million)	on expenses (\$ million)
Not Applicable		
National Cabinet decision	Impact(s) in 2021-22	
	on income (\$ million)	on expenses (\$ million)
Not Applicable		

#### 2022-23 response

Commonwealth Government decision	Impact(s) in 2022-23	
	on income (\$ million)	on expenses (\$ million)
Not Applicable		
National Cabinet decision	Impact(s) in 2022-23	
	on income (\$ million)	on expenses (\$ million)
Not Applicable		

## Section H: General

### Question 27 (all departments and entities) Reviews/evaluations undertaken

- a) Please list all internal<sup>6</sup> and external reviews/studies, established, commenced or completed by or on behalf of the department/agency in 2021-22 and 2022-23 and provide the following information:
- Name of the review/evaluation and which portfolio and output/agency is responsible
  - Reasons for the review/evaluation
  - Terms of reference/scope of the review/evaluation
  - Timeline for the review/evaluation
  - Anticipated outcomes of the review/evaluation
  - Estimated cost of the review/evaluation and final cost (if completed)
  - Where completed, whether the review/evaluation is publicly available and where. If no, why it is not publicly available.

#### 2021-22 response

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for the review/evaluation	Terms of reference/scope	Timeline	Anticipated outcomes	Estimated cost (\$)	Final cost if completed (\$)	Publicly available (Y/N) and URL If no, why.
Not Applicable							

#### 2022-23 response

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for the review/evaluation	Terms of reference/scope	Timeline	Anticipated outcomes	Estimated cost (\$)	Final cost if completed (\$)	Publicly available (Y/N) and URL If no, why.
Not Applicable							

<sup>6</sup> Internal reviews do not include internal costings. Internal reviews/evaluations include any reviews or evaluations undertaken by your department and not given to external consultants. Internal reviews/evaluations do not include inquiries carried out by Parliamentary Committees or reviews undertaken by integrity agencies.

- a) 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

**Question 28 (all departments) Climate change – not applicable**

- a) Under FRD 24 Reporting of environmental data by government entities, Victorian Government organisations must report their greenhouse gas emissions and other environmental impacts. Please list the department/entity's internal targets for reducing greenhouse gas emissions in 2021-22 and 2022-23 and the department/entity's performance against these internal targets.
  
- b) Please outline and quantify where possible the department's actions in 2021-22 and 2022-23 that have contributed to the Whole of Victorian Government emissions reduction pledge.

**Question 29 (DoT/DTP, DET/DE, DH, DELWP/DEECA) Adaptation Action Plans – not applicable**

Please describe the progress made and actions taken to implement the department's Adaptation Action Plan in 2021-22 and 2022-23. What measurable impact have these actions had on addressing the impacts of climate change?

Please provide information regarding all Adaptation Action Plans your department is responsible for.

**Question 30 (all departments) Annual reports – performance measure targets and objective indicators – not applicable**

- a) Please provide the following information on performance measures that did not meet their 2021-22 targets.
  
- b) Please provide the following information for objective indicators where data was not available at publication of the annual report 2021-22.
  
- c) Please provide the following information on performance measures that did not meet their 2022-23 targets.
  
- d) Please provide the following information for objective indicators where data was not available at publication of the annual report 2022-23.

### Question 31 (all departments and entities) Challenges experienced by department/agency

Please list a minimum of three main challenges/risks faced by the department/agency in 2021-22 and 2022-23.

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.

#### 2021-22 response

	Challenge experienced	Internal/ External	Causes of the challenge	Action taken to manage the challenge/risk
1.	COVID – Majority of staff continued working from home with only limited return to workplace when restrictions have permitted. This has had impacts to staff wellbeing and connection.	External	COVID-19 restrictions	SRW implemented strategies and programs to support this significant change to our way of working. It was well received by staff but requires ongoing monitoring to ensure ongoing staff wellbeing.
3.	COVID – irrigation modernisation projects	External	COVID-19 restrictions	Significant irrigation modernisation works in the Macalister district (\$62.6 million) rely upon detailed consultation with customers and contractors in order to optimise the conversion of channel to pipeline water supply. COVID-19 restrictions have prevented the usual ways for this engagement and adapting our irrigation customers to remote/cyber forms of consultation has delayed project implementation. Activities have been rescheduled to ensure that the overall project is delivered on-time. Resourcing restrictions affecting suppliers and major contractors in estimating and pricing for related major construction works programs.
4.	Climate variability	External	Climate	Seasonal conditions have continued to be generally wet and SRW continued to take action to prepare for high stream flow events which have eventuated across 2021-22 (including ongoing significant flood threats in close proximity).



## 2022-23 response

	Challenge experienced	Internal/ External	Causes of the challenge	Action taken to manage the challenge/risk
1.	Project Delivery - Construction	Internal	Climate	Significant irrigation modernisation works in the Macalister district (\$62.6 million) were delayed in part due to prolonged wet weather restricting access and holding up earthworks. Once ground was dry and works began, major contractor was able to achieve a condensed and modified works program to ensure water delivery was available once the irrigation season started in mid-August 2023.
2.	Project Delivery – Suppliers and contractors	External	Inflation and labour markets	The increased cost and market pressures for contractors utilised to complete major construction works for SRW have been affected by increased costs to provide materials and equipment as well as a tightening labour market (lingering inflation pressure in post-COVID economy). The impact to SRW has been a noticeable increase to cost to deliver projects, with increasing pressure coming from skilled labour and specialist materials. SRW has taken actions to ensure contracts are closely managed and successfully deferred projects as required to meet customer expectations.
3.	Climate variability	External	Climate	Conditions have continued to be unseasonal and varied with extended wet weather and extremely dry weather which has impacted the delivery of water across all customers. SRW continued to take action to prepare for high stream flow events which have eventuated across 2022-23 (including ongoing significant flood threats in close proximity) as well as high delivery demands in the summer months.

**Question 32 (all departments) Newly created bodies – not applicable**

Please list all newly created bodies (authorities, offices, commissions, boards and/or councils) created within the department in 2021-22 and 2022-23 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

## Section I: Implementation of previous recommendations

### Question 33 (relevant departments only) – not applicable

- a) 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 2020-21 Financial and Performance Outcomes* and supported by the Government.
  
- b) Please provide an update on the status of the implementation of each of the recommendations that were made by the Committee in its *Report on 2019-20 Financial and Performance Outcomes* supported by the Government.

## Section J: Department of Treasury and Finance only

### Question 34 (DTF only) Net cash flows from investments in financial assets for policy purposes – General Government Sector (GGS) – not applicable

Financial assets include cash, investments, loans and placements. This question seeks to ascertain the variance behind the estimated value of the financial assets held versus the actual value of the financial assets and the projects that contributed to the variance.

Regarding the 'net cash flows from investments in financial assets for policy purposes' in the GGS cash flow statement for 2021-22 and 2022-23, please provide:

- a) the top five projects that contributed to the variance recorded in each year
- b) the initial budget estimate (not the revised estimate) for net cash flow in 2021-22 and 2022-23 (source: 2021-22 BP5, p. 9; 2022-23 BP5 p. 9) and the actual net cash flow in 2021-22 and 2022-23
- c) an explanation for variances between budget estimate and actual net cash flow.

### Question 35 (DTF only) Purchases of non-financial assets – General Government Sector (GGS) – not applicable

Regarding the 'purchases of non-financial assets' by the GGS in 2021-22 and 2022-23 (source: 2021-22 BP 5, p.32; 2022-23 BP 5, pg. 30), please compare the initial budget estimate for each department to the actual value of 'purchases of non-financial assets' for each department, explaining any variances equal to or greater than  $\pm 10\%$  or \$100 million (please fill all blank spaces) and then link it to the relevant output and portfolio. For variance greater than  $\pm 10\%$  or \$100 million, please provide a breakdown of the non-financial asset purchased.

### Question 36 (DTF only) Revenue initiatives – not applicable

- a) Regarding the revenue initiatives announced in the 2021-22 and 2022-23 Budgets, please provide an explanation for the variances equal to or greater than  $\pm 10\%$  or \$100 million between budget estimates and the actual results.
- b) Regarding the Mental Health and Wellbeing surcharge/levy, please provide the total revenue received from the surcharge/levy, how much of the revenue was expended, which departments received funds from the surcharge/levy, amount received, and what outputs departments spent/will spend the funds on for 2021-22 and 2022-23.

**Question 37 (DTF only) Expenses by departments – General Government Sector (GGS) – not applicable**

Regarding expenses of the GGS in 2021-22 and 2022-23 (source: 2021-22 BP 5, p. 30; 2022-23 BP5, p. 28), please compare the initial budget estimates (not the revised estimate) for each department to the actual expenses for each department, explaining any variances equal to or greater than  $\pm 10\%$  or \$100 million (please fill all blank spaces) and then link it to the relevant output and portfolio.

**Question 38 (DTF only) Economic variables – not applicable**

Please indicate the estimated and actual result for the following economic variables. For the estimate, please use the initial estimate used in preparing the 2021-22 and 2022-23 budget papers. For any variance equal to or greater than  $\pm 0.5$  percentage points, please provide an explanation for the variance. Please fill all blank spaces.

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

**Question 39 Public Private Partnership (PPP)/alliance contracting projects – not applicable**

Please indicate how many PPP/alliance contracting projects (and which ones) TCV provided ‘project advisory services’ for in 2021-22 and 2022-23. For each project, please also specify if the project is a newly confirmed engagement or if it was for a project that was already underway.

Please indicate how many business cases TCV provided (and which clients these were for) as part of its ‘project advisory services’ in 2021-22 and 2022-23. For each business case, also specify if the project forms part of the Department of Treasury and Finance’s Gateway Review Process.