



# PARLIAMENT OF VICTORIA

Public Accounts and Estimates Committee

## 2021-22 and 2022-23 Financial and Performance Outcomes General Questionnaire

Melbourne Water



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## 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)
Revenue from contracts with customers	1,939.5	1,891.2	Not applicable	Not applicable	Not applicable
Other income	10.0	10.9	Not applicable	Not applicable	Not applicable
Net gain on revaluation of non-financial assets	39.2	33.7	The 2021-22 net gain on revaluation of non-financial assets relates to land valuations recognised through the profit and loss. The 2020-21 gain relates to	This is non-cash revenue recognised for accounting purposes.	Not applicable

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



			land and buildings valuations recognised through the profit and loss. Movement relates to valuation differences on different parcels of land each year.		
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**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)
Revenue from contracts with customers	1,891.2	1,908.5	Not applicable	Not applicable	Not applicable
Other income	10.9	10.0	Not applicable	Not applicable	Not applicable
Net gain on revaluation of non-financial assets	33.7	0.9	The 2021-22 net gain on revaluation of non-financial assets relates to land valuations recognised through the profit and loss. In 2022-23 there was a only small adjustment related to buildings valuations only (as land was not required to be revalued).	This is non-cash revenue recognised for accounting purposes.	Not applicable

**Question 13 (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 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 ±10% or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, explain why	Relevant output(s) and portfolio(s)
Revenue from contracts with customers	1,823.4	1,891.2	Not Applicable	Not Applicable	Not applicable
Other income	3.3	10.9	The increase relates to Government grants revenue not included in the 2021-22 budget estimate (Corporate plan). This grant revenue mostly relates to Melbourne Water’s Catchment Management functions and flood and storm recovery.	The increase is offset by corresponding increase in expenditure so no impact.	Not applicable
Net gain on revaluation of non-financial assets	0	33.7	This relates to the revaluation of land recognised through profit and loss. This was not included in the Corporate plan as valuation outcomes are not able to be forecast.	This is non-cash revenue recognised for accounting purposes	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)
Revenue from contracts with customers	1,835.6	1,908.5	Not Applicable	Not Applicable	Not applicable
Other income	3.4	10.0	The increase relates to Government grants revenue not included in the Corporate plan. This grant revenue mostly relates to Melbourne Water's Catchment Management functions and flood and storm recovery.	The increase is offset by corresponding increase in expenditure so no impact.	Not applicable
Net gain on revaluation of non-financial assets	0	0.9	This relates to the revaluation of buildings recognised through profit and loss. This was not included in the Corporate plan as valuation outcomes are not able to be forecast.	This is non-cash revenue recognised for accounting purposes	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
Depreciation and amortisation expenses	450.1	456.3	Not applicable	Not applicable
Operational expenses	304.9	319.2	Not applicable	Not applicable
Employee benefits expenses	146.1	145.9	Not applicable	Not applicable
Repairs and maintenance expenses	95.4	106.4	Increase in repairs and maintenance expenses mainly due to increased waterways and land delivery maintenance works. This includes the June 2021 storm damages works, and increased contract maintenance works delivered.	No significant impact to net results.
Administrative expenses	42.8	54.6	Increase in administrative expenses mainly due to the write	No significant overall impact to net results.

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

			back for the Software as a Service (SAAS) transfer from CAPEX to OPEX following a change in accounting standards.	
Finance expenses	573.9	547.2	Not applicable	Not applicable
Government rates and taxes	29.8	41.3	Increase in government rates and taxes mainly due to increased land tax.	No significant impact to net results.
Asset transfer to councils	40.6	40.9	Not applicable	Not applicable
Other expenses	12.5	10.2	Other expenses have decreased mainly due to lower Community Services Obligation valuation adjustments on purchased land.	No material impact to net results.

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
Depreciation and amortisation expenses	450.4	456.3	Not applicable	Not applicable
Operational expenses	322.2	319.2	Not applicable	Not applicable
Employee benefits expenses	144.2	145.9	Not applicable	Not applicable
Repairs and maintenance expenses	108.0	106.4	Not applicable	Not applicable
Administrative expenses	43.8	54.6	Increase in administrative expenses mainly due to the write back for the Software as a Service (SAAS) transfer from	No material impact to net results.

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			CAPEX to OPEX following a change in accounting standards.	
Finance expenses	562.1	547.2	Not applicable	Not applicable
Government rates and taxes	36.1	41.3	Increase in government rates and taxes mainly due to increased land tax.	No material impact to net results.
Asset transfer to councils	37.0	40.9	Asset transfers to council relate to Drainage Developer Scheme works that are transferred to councils for ongoing maintenance upon reaching formal council acceptance to transfer. These can fluctuate depending on timing of developer activity and notification of council acceptance.	No material impact to net results.
Other expenses	13.6	10.2	Other expenses have decreased mainly due to lower than expected Community Services Obligation valuation adjustments on purchased land.	No material impact to net results.

**2022-23 response**

<b>Expenses category</b>	<b>2021-22 actual \$ million</b>	<b>2022-23 actual \$ million</b>	<b>Explanations for variances ±10% or \$100 million</b>	<b>Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how was this achieved</b>
Depreciation and amortisation expenses	456.3	469.5	Not applicable	Not applicable
Operational expenses	319.2	266.0	Decreased Victorian Desalination Plant operating expenditure associated with the reduced water order.	Offset by lower Victorian Desalination Plant revenue.
Employee benefits expenses	145.9	156.1	Not applicable	Not applicable
Repairs and maintenance expenses	106.4	110.1	Not applicable	Not applicable
Administrative expenses	54.6	55.6	Not applicable	Not applicable
Finance expenses	547.2	550.7	Not applicable	Not applicable
Government rates and taxes	41.3	46.6	Increased Government rates and taxes mainly due to increased land tax.	No material impact to net results.
Asset transfer to councils	40.9	43.5	Not applicable	Not applicable
Other expenses	10.2	17.8	Other expenses have increased mainly due to higher Community Services Obligation valuation adjustments on purchased land.	No material impact to net results.

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
Depreciation and amortisation expenses	453.0	469.5	Not applicable	Not applicable
Operational expenses	258.8	266.0	Not applicable	Not applicable
Employee benefits expenses	154.8	156.1	Not applicable	Not applicable
Repairs and maintenance expenses	109.4	110.1	Not applicable	Not applicable
Administrative expenses	53.9	55.6	Not applicable	Not applicable
Finance expenses	548.8	550.7	Not applicable	Not applicable
Government rates and taxes	37.1	46.6	Increased Government rates and taxes mainly due to increased land tax.	No material impact to net results.
Asset transfer to councils	50.0	43.5	Lower than expected transfer of drainage assets to Councils.	No material impact to net results.
Other expenses	12.4	17.8	Other expenses have increased mainly due to higher Community Services Obligation valuation adjustments on purchased land.	No material impact to net results.



**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:

- a) Savings target in the 2021-22 Budget and the amount of the savings target allocated to the department/entity.
- b) 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 ±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
Dividends	9.4	7.3	Actual 2021-22 relates to dividends paid in relation to the final 2020-21 dividends. There was no interim dividend payment in 2021-22. Dividends are calculated based on 65% of net profit before tax less tax payable, so any fluctuations are due to changes in profit before tax and tax payable.	No material impact	1.72
Capital repatriation	40.4	40.4	Not Applicable	Not Applicable	

Economic funding ratio / accounting funding ratio as at 30 June 2022	Details of the methodology
1.72	Funding Ratio = 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
Dividends	0.0	10.4	2022-23 Actual dividends paid were in relation to the final 2021-22 dividends (with 2022-23 interim dividend deferred to 2023-24 to be paid as one final dividend). Dividends are calculated based on 65% of net profit before tax less tax payable, so any fluctuations are due to changes in profit before tax and tax payable and changes in timing.	Impact was offset by additional cash flow from profits.	1.80
Capital repatriation	40.4	0.0	Variance due to a change in payment date as requested by DTF. Payment was expected to be paid on 30 June 2023 prior to the request to delay	No material impact as was paid on 31 July 2023.	

			payment to 31 July 2023.		

<b>Economic funding ratio / accounting funding ratio as at 30 June 2023</b>	<b>Details of the methodology</b>
1.80	Funding Ratio = 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
1,164	1,138	1,204	Not applicable	Not applicable

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
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### 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 ±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 ±10% or \$100 million
Ongoing	105.2	107.9	108.9	Not applicable
Fixed-term	7.0	5.7	7.2	No material impact
Casual	0.9	0.9	1.4	No material impact
<b>Total</b>	<b>113.1</b>	<b>114.5</b>	<b>117.5</b>	

### 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	8		Premier's Determination 1.5%
3-5%				
5-10%				
10-15%				
greater than 15%	1			Change in Role – New MD Appointed

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	6		Premier's Determination 1.5%
3-5%				
5-10%				
10-15%	1	1		Change in Role - Organisational Restructure (includes Premier's Determination)
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>
Waterways & Land Delivery EA 2021	141	12%	\$0.2m (per annum)	0.14%

**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:
- i. Name of the review/evaluation and which portfolio and output/agency is responsible
  - ii. Reasons for the review/evaluation
  - iii. Terms of reference/scope of the review/evaluation
  - iv. Timeline for the review/evaluation
  - v. Anticipated outcomes of the review/evaluation
  - vi. Estimated cost of the review/evaluation and final cost (if completed)
  - vii. 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.
Flood Management Strategy for Port Phillip and Westernport 2021-2031	To review and update the 2015 Flood Management Strategy for Port Phillip and Westernport to ensure we are constantly improving what we do, so that we continue to make the region safer for our community.	The scope included: <ul style="list-style-type: none"> <li>• review the existing vision and objectives</li> <li>• identify key directions</li> <li>• determine the focus areas and actions to achieve the objectives</li> <li>• develop an approach of</li> </ul>	March 2019 - August 2021. It was noted by the Minister for Water in November 2021.	A strategy that: <ul style="list-style-type: none"> <li>• ensures we are working together to enhance our understanding of the problem of flooding in a rapidly changing context of climate change and</li> </ul>	\$1,074,726	\$1,074,726	Yes <a href="#">Flood Management Strategy Port Phillip and Westernport 2021-2031</a>

<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.

		<p>shared responsibility and accountability</p> <ul style="list-style-type: none"> <li>include monitoring, review and evaluation processes in the strategy.</li> </ul>		<p>increasing urbanisation; and</p> <ul style="list-style-type: none"> <li>has the right mix of solutions and embed a process of continuous improvement.</li> </ul>			
<p>Yarra Strategic Plan (Burndap Birrarung burndap umarkoo) 2022–32 [Note: Includes development of the vision and Burndap Birrarung burndap umarkoo: Yarra Strategic Plan. Excludes implementation of the Burndap Birrarung burndap umarkoo: Yarra Strategic Plan, which is currently underway].</p>	<p>A requirement of the <i>Yarra River Protection (Willipgin Birrarung Murrn) Act 2017</i></p>	<p>The Yarra Strategic Plan is to:</p> <p>(a) guide the future use and development of the Yarra Strategic Plan area; and</p> <p>(b) identify areas for protection within the Yarra Strategic Plan area.</p>	<p>March 2017 - February 2022</p> <p>[Published in the Government Gazette on 24 February 2022].</p>	<p>To refocus the way the Yarra River is managed and protected to deliver the <i>Yarra River Protection (Willipgin Birrarung murrn) Act 2017</i>. A plan to deliver tangible actions and identifies planning guidance that will keep the river and parklands alive for the benefit of everyone.</p>	\$5,053,768	\$5,053,768	<p>Yes</p> <p><a href="#">Yarra Strategic Plan (Burndap Birrarung burndap umarkoo)   Melbourne Water</a></p>



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.
Flood strategies and reviews	Review of flood strategy, modelling and Maribyrnong River flood event	<i>Describe the event, provide an analysis of the key components, and provide recommendations. For the full terms of reference, please visit the Melbourne Water website: Maribyrnong River Flood Review</i>	January 2023 - Due mid- 2024	Hydrologic analysis of the 2022 event Review of modelling Review of Flood Strategy MRFR Review report	\$830,000 [Note: costs to date]	Ongoing	Yes <a href="#">Maribyrnong River Flood Review</a>
Greater Melbourne Urban Water and System Strategy: Water for Life	Delivers on the requirement under the <i>Water for Victoria</i> that every five years Melbourne Water and retail water corporations produce the Melbourne System Strategy and urban water strategies, respectively. The individual strategies were last reviewed in 2017.	Our water plans are regularly reviewed to take into consideration changes in our operating environment, new knowledge and best practice.	September 2020 - April 2023	A strategy to provide our region with a secure and sustainable water supply for the next 50 years.	\$1,000,000*	\$900,000*	Yes <a href="#">Water for Life Strategy</a>

<p>Port Phillip and Western Port Regional Catchment Strategy (RCS)</p>	<p>The strategies are required by the <i>Catchment and Land Protection Act 1994</i>. The RCS are reviewed and renewed approximately every six years to ensure they remain current and relevant.</p>	<p>The RCS was developed in accordance with the requirements of national and state legislation and policies for biodiversity, land and water resources. The contents of the RCS must comply with the requirements of the <i>Catchment and Land Protection Act 1994</i>.</p>	<p>2020 - March 2023</p> <p>[Note: review of the RCS commenced by the former PPWCMA. MW and PPWCMA Merged in Jan 2022]</p>	<p>The strategy identifies:</p> <ul style="list-style-type: none"> <li>• the region’s land, water and biodiversity resources and how they are used;</li> <li>• the nature, causes, extent and severity of land degradation of catchments;</li> <li>• a long-term vision for the region;</li> <li>• regionally significant land, water and biodiversity assets and landscapes;</li> <li>• catchment condition objectives;</li> <li>• a program of management measures for the life of the strategy.</li> </ul>	<p>\$300,000</p> <p>[Note: costs pre-merger of the PPWCMA and MW are excluded]</p> <p>[Note: Funding includes Australian Government Contribution to the RCS Coordinator role, which was to support the development of the NRM Plan which is an addendum to the RCS, not the actual RCS]</p>	<p>\$300,000</p> <p>[Note: costs pre-merger of the PPWCMA and MW are excluded]</p> <p>Note: Funding includes Australian Government Contribution to the RCS Coordinator role, which was to support the development of the NRM Plan which is an addendum to the RCS, not the actual RCS]</p>	<p>Yes</p> <p><a href="#">PP&amp;WP Regional Catchment Strategy</a></p> <p>It can also be found here: <a href="#">Home   Port Phillip &amp; Western Port Regional Catchment Strategy (rcs.vic.gov.au)</a></p>
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\* Melbourne Water’s contribution towards the strategy

- 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.

Melbourne Water employs qualified specialists in a range of disciplines with skills, capabilities and expertise to conduct (and as required, manage external specialists to conduct) reviews, studies, evaluations and data analysis of its programs and services. Disciplines include engineering, science, environmental sciences, economics, property, land use planning, business management, finance and accounting, legal and governance, risk compliance and quality, information technology, communication and engagement, education, and social and customer research.

On 1 January 2022 Melbourne Water took on new responsibilities as a Catchment Management Authority, integrating the Port Phillip and Westernport Catchment Authority (PPWCMA) into Melbourne Water. Our new statutory functions, powers and responsibilities are set out in the *Catchment and Land Protection Act 1994*, including the requirement to prepare a Regional Catchment Strategy (RCS).

**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**

	<b>Challenge experienced</b>	<b>Internal/ External</b>	<b>Causes of the challenge</b>	<b>Action taken to manage the challenge/risk</b>
1.	COVID-19 - Service delivery	External	Global pandemic	Continued use of internal incident management processes, enactment of business continuity plans, coordinated sector responses with the retail water partners, creation of dedicated team to address all COVID-normal service delivery requirements to ensure uninterrupted operations. Note: no service delivery disruptions were experienced as a result of COVID-19.
2.	COVID-19 - Employee engagement, safety and wellbeing	Internal	Global pandemic	Continued dedicated focus on staff safety and wellbeing, including regular, targeted communications and ongoing remote working support and access to counselling. Leveraged existing digital roadmap to continue to enable all roles to work remotely. Coordination and alignment with VPA staff protocols for site access and return to work arrangements. This included new resource booking system which allowed our people to access parking, desks and working spaces while enabling social distancing and people transitioning into blended and flexible work as the 'new normal way of working'.
3.	COVID-19- Community engagement	External	Global pandemic	Continued use of online engagement, including forums, for critical community engagement activities. Additional consideration of customer impacts and hardship as a result of COVID-19.

2022-23 response

	Challenge experienced	Internal/ External	Causes of the challenge	Action taken to manage the challenge/risk
1.	Cyber Security	Internal	Global cyber threat	<p>The global cyber threat landscape has rapidly increased over the last few years, demonstrated by Australian high profile cyber breaches.</p> <p>Internal Cyber Security Standards were refreshed at the end of 2022 to ensure compliance with recent changes to the Australian legal and regulatory framework and the required controls to protect Melbourne Water assets, our partners and our customers.</p>
2.	Climate Change	External	Global climate change	<p>As Melbourne continues to grow and the impacts of climate change become more severe, we need to prepare and reset how we manage a sustainable water supply. We seek to contribute to solutions, such as Integrated Water Management, the circular economy and flood management. Securing our region's water supplies through a broad portfolio of water sources, including desalination and a greater use of recycled and stormwater, will be crucial as we build a more resilient city. To prepare for our needs over the next 50 years, Melbourne Water and the three metropolitan retail water corporations launched the <i>Greater Melbourne Urban Water and System Strategy - Water for Life</i> in early 2023. The strategy includes an adaptive plan to manage the water supply deficit by incorporating climate resistant or manufactured water. In addition, we have expedited our program to incorporate climate impacts into our flood maps and models for all catchments, which are expected to be complete by 2026.</p>
3.	Flood	External	Heavy rainfall in October 2022	<p>The heavy rainfall experienced in October 2022, was the biggest challenge faced by communities and our people this year. We are committed to listening to community views and needs and will embrace any learnings from Melbourne Water's review and the Parliamentary Inquiry.</p> <p>As the region's floodplain manager, and under the <i>Water Act 1989</i>, we play a critical role in managing flood risk. Recognising that the frequency of extreme flood events is expected to increase due to climate change, we expedited our program to incorporate climate impacts into our flood maps and models for all catchments (for completion by 2026). In addition, we are also collaborating with the Bureau of Meteorology and VICSES to improve the flood warning system for greater Melbourne catchments.</p>



**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.