

PARLIAMENT OF VICTORIA

Public Accounts and Estimates Committee



2020-21

**Financial and Performance Outcomes
General Questionnaire**

Gippsland and Southern Rural Water Corporation

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Introduction – Financial and Performance Outcomes Questionnaire

The Committee's inquiry into the 2020-21 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 2020-21 Budget 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 2020-21 financial year, 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

- a) For all initiatives that were completed in 2020-21, please provide details of the outcomes achieved in the community and the outcomes actually 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).

Not applicable.

Question 2 (all departments) Program outcomes

Outcomes reflect the impact on the community of the goods and services provided by a department. The questions in this section all relate to the outcomes that the department contributed to in 2020-21.

Not applicable.

Question 3 (all departments) Treasurer's advances and other budget supplementation

- 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 2020-21.

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, section 4, pg. 58) and explain why additional funding was required after funding was allocated in the Budget.

Not applicable.

Question 4 (Department of Health/Department of Health and Human Services only) 2020-21 Budget funding allocation and performance

Not applicable.

Question 5 (Department of Families, Fairness and Housing/Department of Health and Human Services and Department of Education and Training only) Victorian Contribution to National Disability Insurance Scheme

Not applicable.

Section B: Asset investment

Question 6 (all departments) Capital expenditure variances, completion date and scope changes – existing projects

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 2021 of equal to or greater than $\pm 5\%$ or \$50 million and an explanation for the variance
- b) the estimated completion date at announcement is different to the completion date as at 30 June 2021 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 2021.

Not applicable.

Question 7 (all departments) Details of actual capital expenditure – completed projects (or expected to be completed)

Please provide the following details about asset investment projects that were completed in the 2020-21 financial year:

- 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.

Not applicable.

Question 8 (all departments) High-value high-risk projects, gateway reviews and business cases

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 2020-21 financial year that were allocated to the department and were classified as HVHR and project objectives. Please also specify which gateway reviews, if any, were completed during 2020-21 and business case details for each project.

Not applicable.

Question 9 (all departments) Public Private Partnership (PPP) expenditure – existing and completed

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 2021, or the actual cost spent to 30 June 2021 (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 2019-20 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 2019-20 Budget.

Not applicable.

Question 10 (Department of Transport only) Alliance contracting expenditure – existing and completed

Not applicable.

Section C: Revenue and appropriations

Question 11 (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 2019-20 and 2020-21 for each revenue category detailed in your operating statement. Please also indicate what any additional revenue was used for or how any reduced amounts of revenue affected service delivery and then link it to the relevant output and portfolio.

Please also detail the outcomes in the community¹ achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

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

If there were no revenue/income categories for the department/agency for which the 2020-21 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.

Revenue category	2019-20 actual (\$ million)	2020-21 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	31.712	31.925	Not applicable.	Not applicable.	Not applicable.
Chargeable works	0.245	0.395	Increased revenue due to higher maintenance costs at water storages managed by Southern Rural Water (SRW) for Latrobe power companies. These activities are immediately recoverable as additional revenue.	Higher revenue was matched by higher maintenance costs.	Not applicable.
Government grants and contributions	0.237	1.264	Yearly totals depend on grant funded activities occurring in the financial year.	Grant funded activities for 2020-21 included emergency bore construction in East Gippsland and the review of	Not applicable.

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

				irrigation expansion in Gippsland.	
Interest income	0.022	0.022	Not applicable.	Not applicable.	Not applicable.
Other income	0.376	0.564	Additional income received for hydro electricity royalties (more water for electricity production) and additional contributions from customer for meter installation.	Additional surplus on royalty and rental income 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	0.000	2.271	As part of an agreement with the Level Crossing Removal Authority to facilitate works in Werribee, the authority constructed a trash rack for SRW irrigation operations. This infrastructure was valued at \$2.27 million.	The automated trash rack provided by the Level Crossing Removal Authority will improve staff safety and operational performance within the Werribee irrigation district.	Not applicable.
Government grants and contributions for capital purposes	0.133	1.492	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 of an all-abilities playground at Blue Rock Reservoir. Both projects contribute to improved outcomes for SRW: <ul style="list-style-type: none"> • Greater access to recreational facilities; • Water savings and improved service from irrigation modernisation. 	Not applicable.

Sale of water and entitlements	3.550	1.465	Less water entitlement auctions and off the shelf sales during 2020-21.	Water entitlement sales are variable each year depending on the availability of water to sell and market conditions. Sales in 2020-21 were consistent with budget and longer term financial planning.	Not applicable.
Net gain on disposal of non-current assets	0.294	0.982	Increased revenue due to proceeds from sale of infrastructure, property, plant and equipment, in particular the sale of surplus land at the Werribee office site.	Sale of these assets (vehicles and surplus land) was anticipated within SRW's financial planning arrangements, and forms part of the revenue base which underpins service delivery.	Not applicable.

Question 12 (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 2020-21 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.

Revenue category	2020-21 Budget estimate (\$ million)	2020-21 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	32.756	31.925	Not applicable.	Not applicable.	Not applicable.
Chargeable works	1.338	0.395	SRW was able to defer 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 2020-21.	Not applicable.
Government grants and contributions	0.000	1.264	Yearly totals depend on grant funding which is almost always determined after the budget has been set.	Grant funded activities for 2020-21 included emergency bore construction in East Gippsland and the review of irrigation expansion in Gippsland.	Not applicable.
Interest income	0.000	0.022	Additional interest from advanced receipt of contributed capital payments (deposited to a special purpose account).	Insignificant amount. No impact on service delivery.	Not applicable.

Other income	0.323	0.564	Additional income received for hydro electricity royalties (more water for electricity production) and additional contributions from customer for meter installation.	Additional surplus on royalty income 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	0.000	2.271	As part of an agreement with the Level Crossing Removal Authority to facilitate works in Werribee, the authority constructed a trash rack for SRW irrigation operations. This infrastructure was valued at \$2.27 million. Fair value assets received free of charge occur very infrequently thus are not budgeted for.	The automated trash rack provided by the Level Crossing Removal Authority will improve staff safety and operational performance within the Werribee irrigation district.	Not applicable.
Government grants and contributions for capital purposes	0.000	1.492	Yearly totals depend on grant funding which is almost always determined after the budget has been set.	Grant funded activities for 2020-21 included government funding for Macalister Irrigation District (MID) 2030 Phase 2 irrigation modernisation and the installation of an all-abilities playground at Blue Rock Reservoir.	Not applicable.
Sale of water and entitlements	1.500	1.465	Not applicable.	Not applicable.	Not applicable.
Net gain on disposal of	0.000	0.982	Increased revenue due to proceeds from sale of infrastructure, property,	Sale of these assets (vehicles and surplus land) is anticipated within SRW's financial planning	Not applicable.

<p>non-current assets</p>			<p>plant and equipment, in particular the sale of surplus land at the Werribee office site which was not budgeted to occur in 2020-21 (expected to occur in 2021-22).</p>	<p>arrangements, and forms part of the revenue base which underpins service delivery.</p>	
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Section D: Expenses

Question 13 (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 2019-20 and 2020-21 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 2020-21 and the 2020-21 budget estimate. Please also detail the outcomes in the community² achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

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

Expenses category	2019-20 actual \$ million	2020-21 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	1.116	1.141	Not applicable.	Not applicable.
Environmental contribution	0.541	0.530	Not applicable.	Not applicable.
Employee benefits	16.788	17.591	Not applicable.	Not applicable.
Interest	1.806	1.846	Not applicable.	Not applicable.
Chargeable works	0.245	0.395	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	1.384	1.332	Not applicable.	Not applicable.
Supplies and services	9.408	8.413	One-off operating costs for on-farm assets and de-commission were incurred by SRW as part of irrigation modernisation works. The	One-off expenditure for operating costs associated with SRW capital works is anticipated within organisational financial planning, and year to year variances are expected and do not impact on service delivery.

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

			incidence of these costs in 2019-20 was higher than 2020-21.	
Depreciation of regulatory asset base	3.624	3.939	Not applicable.	Not applicable.
Depreciation of other assets	12.726	12.396	Not applicable.	Not applicable.
Write-off of infrastructure, property, plant and equipment	0.000	0.611	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.	Expenditure relates to the non-cash write-off of assets scrapped and is representative of an improvement to overall asset performance (as redundant assets have been removed). No impact on service delivery.
Intangible asset write-offs	0.004	0.010	It was an immaterial dollar variance.	Not applicable.
Amortisation	0.272	0.297	Not applicable.	Not applicable.

Expenses category	2020-21 budget \$ million	2020-21 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	1.408	1.141	Decreased use of recycled water due to wetter season in 2020-21.	Decreased cost of purchasing bulk supply of recycled water is partially matched by lower service and usage charges.
Environmental contribution	0.530	0.530	Not applicable.	Not applicable.
Employee benefits	16.770	17.591	Not applicable.	Not applicable.
Interest	2.237	1.846	Less than budget due to delays in capital expenditure requirements (less debt), and a lower rate of interest than anticipated.	Lower interest cost helped improve profitability.

Chargeable works	1.338	0.395	SRW was able to defer the completion of planned capital expenditure projects.	Lower than budgeted maintenance costs with less works undertaken in 2020-21, matched by lower chargeable works revenue.
Repairs and maintenance	1.657	1.332	Less irrigation maintenance activity was undertaken in the 2021 winter shut-down period due to heavy rain and localised flooding.	Maintenance activity deferred to later in winter 2021.
Supplies and services	7.770	8.413	Not applicable	Not applicable
Depreciation	15.774	16.335	Not applicable	Not applicable
Write-off of infrastructure, property, plant and equipment	0	0.611	Asset write-off expenditure not anticipated at time of budget preparation.	Expenditure relates to the non-cash write-off of assets scrapped and is representative of an improvement to overall asset performance (as redundant assets have been removed). No impact on service delivery.
Intangible asset write-offs	0	0.010	It was an immaterial dollar variance.	Not applicable
Amortisation	0.312	0.297	Not applicable.	Not applicable.

Question 14 Expenses/interventions related to COVID-19 pandemic response

For the year 2020-21, 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.

Not applicable.

Question 15 (all departments and entities) Changes to service delivery from savings initiatives

For each of the savings initiatives detailed in the 2017-18 Budget, 2018-19 Budget, 2019-20 Budget and 2020-21 Budget³ please provide the following details of the impact on service delivery:

- a) Savings target in the 2017-18, 2018-19, 2019-20 Budget and 2020-21 Budgets and the amount of the savings target allocated to the department/entity
- b) Actual savings achieved in 2017-18, 2018-19, 2019-20 and 2020-21 and the actions taken to achieve the savings target allocated and their impact, including the link to the relevant output and portfolio impacted.

Not applicable.

³ If there were any savings and efficiencies initiatives introduced post 2020-21 Budget.

Question 16 (all departments) Achievement of reprioritisation of existing resources

The 2020-21 Budget includes targets for 'reprioritisation and revenue offsets' to fund new initiatives (2020-21 Budget Paper No.2, p.75). This is in addition to any savings or efficiencies resulting from expenditure reduction measures. For the department (including all controlled entities),⁴ 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.

Not applicable.

⁴ That is, please provide this information for the department on the same basis of consolidation as is used in the budget papers.

Question 17 (all departments) Contractors, Consultants and Labour Hire Arrangements

Please indicate how much the department spent on contractors, consultants and labour hire arrangements during 2018-19, 2019-20 and 2020-21. 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.

Not applicable.

Question 18 (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 2020-21, 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 2021. Please provide details of the methodology used for the ratio calculation.

Type of dividend paid	2020-21 Budget (\$ million) <i>BP 4, pg. 20</i>	2020-21 Actual (\$ million)	Explanations for variances ±10% or \$100 million	Impact on the agency. If no impact, how was this achieved	Funding ratio at 30 June 2021
Not applicable.	0.0	0.0	Not applicable.	Not applicable.	Not applicable.

Economic funding ratio / accounting funding ratio as at 30 June 2021	Details of the methodology
Not applicable.	Not applicable.

Section E: Overall financial performance

Question 19 (all departments) Impact of COVID-19 on financial performance – 2020-21

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

Not applicable.

Section F: Public sector workforce

Question 20 (all departments and entities) Full Time Equivalent (FTE) staff by level and category

Please fully complete the table below, providing actual FTE staff numbers at 30 June 2019, at 30 June 2020 and 30 June 2021 (broken down by the categories listed below) for the department. Please include specific categories as relevant to the department/entity and where relevant, provide a description of what categories constitute 'other'. Please provide figures consolidated on the same basis as the expenditure for the department in the budget papers and detail which, if any, entities are included in the FTE numbers provided.

Category	30 June 2019 Actual FTE number	30 June 2020 Actual FTE number	30 June 2021 Actual FTE number
Band A	24.98	18.65	17.1
Band B	55.75	61.93	56.1
Band C	28.64	27.96	29.0
Band D	21.86	20.43	19.8
Band E	16.94	17.94	18.5
Band F	2.00	6.00	5.0
Executive	5.00	5.00	7.8
Senior Management	2.00	2.00	0.0
Other	1.00	1.00	0.0
Total	158.17	160.91	153.3

***Please provide a breakdown for Youth custodial and Custodial officers by level (for example, YW1, YW2, YW3, YW4, YW5 and YW6).**

****Other includes:**

Numbers include FTE for the following entities:

Gippsland and Southern Rural Water Corporation

Question 21 (all departments and entities) Salary by employment category

In the table below, please detail the salary costs for 2018-19, 2019-20 and 2020-21, 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 2018-19 (\$ million)	Gross salary 2019-20 (\$ million)	Gross salary 2020-21 (\$ million)	Explanation for any year-on-year variances $\pm 10\%$ or \$100 million
Ongoing	12.62	13.65	14.18	Not applicable.
Fixed-term	1.88	1.67	1.59	Not applicable.
Casual				
Total	14.50	15.32	15.77	Not applicable.

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 22 (all departments and entities) Executive salary increases

Please detail the number of executives who received increases in their base remuneration in 2020-21, 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.

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2020-21, apart from increases outlined in employment agreements			Reasons for these increases
	Female	Male	Self-described	
0-3%	2	3		All executives received no increases
3-5%				
5-10%				
10-15%				
greater than 15%				

Section G: Government decisions impacting on finances

Question 23 (all departments and entities) Commonwealth Government decisions

Please identify any Commonwealth Government decisions during 2020-21 which had not been anticipated/not been concluded before the finalisation of the State budget in 2020-21 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.

Commonwealth Government decision	Impact(s) in 2020-21	
	on income (\$ million)	on expenses (\$ million)
Commonwealth funding of the final stage of Werribee Irrigation Modernisation. Total project value is \$22 million. Commonwealth funding is \$11 million. Works occur across several years.	0	0

Question 24 (all departments and entities) Commonwealth and National Cabinet decisions

Please identify any Commonwealth and National Cabinet decisions during 2020-21 which had not been anticipated/not been concluded before the finalisation of the State Budget in 2020-21 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 agreements). Please quantify the impact on income and expenses where possible.

Commonwealth Government decision	Impact in 2020-21	
	on income (\$ million)	on expenses (\$ million)
Commonwealth funding of the final stage of Werribee Irrigation Modernisation. Total project value is \$22 million. Commonwealth funding is \$11 million. Works occur across several years.	0	0

National Cabinet decision	Impact in 2020-21	
	on income (\$ million)	on expenses (\$ million)
Not applicable		

Section H: General

Question 25 (all departments and entities) Reviews/studies undertaken

- a) Please list all internal⁵ and external reviews/studies, established, commenced or completed by or on behalf of the department/agency in 2020-21 and provide the following information:
- i. Name of the review/study and which portfolio and output/agency is responsible
 - ii. Reasons for the review/study
 - iii. Terms of reference/scope of the review/study
 - iv. Timeline for the review/study
 - v. Anticipated outcomes of the review/study
 - vi. Estimated cost of the review/study and final cost (if completed)
 - vii. Final cost if completed
 - viii. Where completed, whether the review/study is publicly available and where.

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for the review/study	Terms of reference/scope	Timeline	Anticipated outcomes	Estimated cost (\$)	Final cost if completed (\$)	Publicly available (Y/N) and URL
Not applicable.							

- b) Please outline the Department's/Agencies in house skills/capabilities/expertise to conduct reviews/studies/evaluations/data analysis of the programs and services for which the Department /Agency is responsible.

Not applicable.

⁵ Internal reviews do not include internal costings. Internal reviews/studies include any reviews or studies undertaken by your department and not given to external consultants. Internal reviews/studies do not include inquiries carried out by Parliamentary Committees or reviews undertaken by integrity agencies.

Question 26 (all departments) Annual reports – performance measure targets and objective indicators

- a) Please provide the following information on performance measures that did not meet their 2020-21 targets.

Not applicable.

- b) Please provide the following information for objective indicators where data was not available at publication of the annual report

Not applicable.

Question 27 (all departments and entities) Challenges experienced by department/agency

Please list a minimum of five main challenges/risks faced by the department/agency in 2020-21.

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.

	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.
2.	COVID – critical works completion	External	COVID-19 restrictions	Prioritising critical works. No negative performance outcomes have occurred noting SRW's focus on completing critical works (and deferring non-critical works).
3.	COVID – customer consultation for irrigation modernisation	External	COVID-19 restrictions	Significant irrigation modernisation works in the Macalister district (\$62 million) rely upon detailed consultation with customers 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.
4.	Climate variability	External	Climate	Seasonal conditions have generally been wet and SRW took action to prepare for high stream flow events which have eventuated across 2020-21 (including the most significant flooding in Gippsland since 2012).
5.	Cyber threats	External	Cyber hackers	Bolstering cyber security capability through regular testing and implementation of new tools.

Question 28 (all departments) Newly created bodies

Please list all newly created bodies (authorities, offices, commissions, boards and/or councils) created within the department in 2020-21 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

Not applicable.

Section I: Implementation of previous recommendations

Question 29 (relevant departments only)

- 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 2019-20 Financial and Performance Outcomes* and supported by the Government.

Not applicable.

Section J: Department of Treasury and Finance only

Question 30 (DTF only) Revenue certification

Not applicable.

Question 31 (DTF only) Net cash flows from investments in financial assets for policy purposes – General Government Sector (GGS)

Not applicable.

Question 32 (DTF only) Purchases of non-financial assets – General Government Sector (GGS)

Not applicable.

Question 33 (DTF only) Revenue initiatives

Not applicable.

Question 34 (DTF only) Expenses by departments – General Government Sector (GGS)

Not applicable.

Question 35 (DTF only) Economic variables

Not applicable.

Question 36 (DTF only) COVID-19 pandemic response

Not applicable.

Question 37 (all departments and entities) Enterprise Bargaining Agreement (EBAs)

Please list the Enterprise Bargaining Agreement (EBAs) concluded in 2020-21 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.

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

Section K: Treasury Corporation of Victoria only

Question 38 Dividends

Not applicable.

Question 39 Commodity risk management

Not applicable.

Question 40 Foreign exchange risk management

Not applicable.

Question 41 Public Private Partnership (PPP)/alliance contracting projects

Not applicable.