

PARLIAMENT OF VICTORIA

Public Accounts and Estimates Committee



2020-21 Financial and Performance Outcomes General Questionnaire

VicTrack

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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.

Timeline and format

Responses to this questionnaire are due by **5.00pm on Friday 29 October 2021**.

Please email the completed questionnaire (in word and pdf) to paec@parliament.vic.gov.au

Please also email a signed copy.

Consistency with the budget papers

Whenever 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.

Guidance

Please contact the secretariat should you require guidance in relation to any questions:

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Section A: Output variances and program outcomes

Question 1 (all departments) Completed output initiatives from past budgets

This question does not apply to this entity.

Question 2 (all departments) Program outcomes

This question does not apply to this entity.

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

This question does not apply to this entity.

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

This question does not apply to this entity.

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

This question does not apply to this entity.

Section B: Asset investment

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

This question does not apply to this entity.

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

This question does not apply to this entity.

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

This question does not apply to this entity.

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

This question does not apply to this entity.

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

This question does not apply to this entity.

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) |
|---|--------------------------------|--------------------------------|--|---|-------------------------------------|
| Telecommunication services | 56.7 | 62.6 | Minor increase in customer connections | Increase used to cover expenses and internal capital investments | |
| Property related income | 32.0 | 28.4 | Decrease impact of COVID. Offsets in Government contributions for rent abatements | No impact – fully funded | |
| Services Received Free of Charge | 26.2 | 0.0 | Budgeted MYKI revenue not received | No impact – RSH transaction. | |
| Government Contributions towards capital & related work | 132.9 | 40.2 | Decrease in govt contributions matches Rolling Stock Holdings (RSH) loan repayment | No impact - funds used to pay loans and finance lease | |

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

| | | | | | |
|----------------------|---------|---------|---|---------------------------------------|--|
| Other income | 87.8 | 65.9 | Minor decrease in other income due to OPEX projects program | No impact – offset in expenses | |
| Capital asset charge | 2,383.8 | 2,567.0 | Higher CAC due to increased capital investment | No impact as fully offset in expenses | |

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) |
|---|--------------------------------------|-----------------------------|---|--|-------------------------------------|
| Telecommunication services | 60.3 | 62.6 | N/A | | |
| Property related income | 31.1 | 28.4 | N/A | | |
| Services Received Free of Charge | 26.8 | 0.0 | Budgeted MYKI revenue not received | No impact. Offset in expenses | |
| Government Contributions towards capital & related work | 40.2 | 40.2 | N/A | | |
| Other income | 64.4 | 65.9 | Marginally higher other income due to various non-recurring items | Increase used to cover expenses and internal capital investments. | |
| Capital asset charge | 2,600.9 | 2,567.0 | N/A | | |

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 |
|---|------------------------------|------------------------------|--|---|
| Employee benefits | 50.9 | 51.0 | N/A | |
| Depreciation & amortisation | 753.8 | 937.7 | Movement in line with asset movements and depreciation schedules | No impact as Non-Cash item |
| Finance costs | 9.4 | 3.3 | Minor decrease in finance costs due to loan finalising in RSH | No impact - immaterial |
| Capital asset charge | 2,383.8 | 2,567.0 | Higher CAC due to increased capital investment | No impact as fully offset in revenue. |
| Supplies & services | 71.2 | 36.0 | Primarily a reduction of \$26m in the maintenance of MYKI, and other minor timing saving due to COVID restrictions | No impact as fully offset in revenue. |
| Other expenses from ordinary activities | 58.1 | 61.7 | N/A | |

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

| 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 |
|---|--------------------------------------|--------------------------------------|---|---|
| Employee benefits | 50.0 | 51.0 | N/A | |
| Depreciation & amortisation | 943.6 | 937.7 | Movement in line with asset movements and depreciation schedules | |
| Finance costs | 3.8 | 3.3 | Minor decrease in finance costs due to loan finalising in RSH. | |
| Capital asset charge | 2,600.9 | 2,567.0 | Lower CAC due to increased capital investment. | No impact as fully offset in revenue. |
| Supplies & services | 73.4 | 36.0 | Primarily a reduction of \$26m in the maintenance of MYKI, and other minor expenditure timing due to COVID restrictions | No impact as fully offset in revenue. |
| Other expenses from ordinary activities | 68.2 | 62.7 | N/A | |

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.

a) On budget

| Name of the program/initiative | Program/initiative objectives | Expenditure as at 30 June 2021 | Output/Portfolio | Use of emergency advances/ retroactive funding approvals – Yes or No | Performance measures for the program/Initiative | Outcomes/project status |
|--------------------------------|-------------------------------|--------------------------------|------------------|--|---|-------------------------|
| Not applicable | | | | | | |
| | | | | | | |
| | | | | | | |

b) Off budget³

| Name of the program/initiative | Program/initiative objectives | Expenditure as at 30 June 2021 | Output/Portfolio | Use of emergency advances/retroactive funding approvals – Yes or No | Performance measures for the program/Initiative | Outcomes/project status |
|--|--|--------------------------------|--------------------|--|--|--|
| Transport and Government Secure Network (TGSN) | <ul style="list-style-type: none"> • Deliver VicTrack's obligations under the <i>Transport Integration Act 2010</i> • Managing compliance and risk/asset obsolescence • Generate revenue through new products | \$35.6m | Telecommunications | Yes – loan in principle | Progress on the TGSN is reported in VicTrack's annual report and is a key initiative in VicTrack 2020-21 (abridging) and 2021-25 corporate plan which detailed associated milestones for project completion. | VicTrack's overall reduced revenues due to COVID-19 impacts and other factors has required us to seek full funding (\$69m) and take advantage of a retro loan approval in principle, to fund the TGSN program. |
| Property rent abatement funding | To provide rental relief to government commercial tenants. | \$8.8 million (2020-21 amount) | Property | Reimbursed by DTF through DoT as it was a Government policy decision | VicTrack reported to DoT and DTF the amounts of rental relief supported by reports provided by our property manager that also advised the tenants who applied for relief | Complied with policy to ensure that Victorian businesses occupying commercial public rentals were provided relief to assist their business cashflow. |

³ 'Off budget' is where funds for programs/initiatives are not appropriated in the budget and therefore are not accounted for in the budget. For those programs that received appropriations through specially created programs or subprograms of the budget are known as 'on-budget arrangements'. For example, it could be that most COVID-19 initiatives are off budget items during 2020-21 unless prior budgeted programs were extended/expedited, etc due to COVID-19, then these would be classified as 'on budget'.

| | | | | | | |
|---|---|--|--------------------------------------|-----------|--|---|
| <p>Progressing the development of Structural Health Monitoring (SHM) using IoT connected systems and advanced analytics. Eloque was successfully launched in FY20-21.</p> | <p>Proactively manage monitoring and maintenance of assets.</p> | | <p>Office of the Chief Executive</p> | <p>No</p> | <p>Progress reported in VicTrack annual report</p> | <p>FiBridge— a fibre-optic sensor technology that measures structural response infrastructure assets— has strong commercialisation potential both in Australia and internationally, and its underlying technology could be adapted for use on other critical structures such as airport runways, multi-storey car parks and tunnels. VicTrack is working with the Victorian Government and project partners to advance the commercialisation of FiBridge.</p> |
|---|---|--|--------------------------------------|-----------|--|---|

- c) What additional budgetary control and tracking/traceability measures were introduced by the department in 2020-21 to ensure COVID-19 programs/initiatives were deployed effectively and in line with the intended purpose? Were any of these measures amended during 2020-21? If so, how and for what reason/s were they amended?

VicTrack acts commercially to fund its operations, primarily by delivering Telecommunications services and by leasing land and access to our assets within our significant property portfolio. As a self-funded agency, we do not receive government funding for underlying operations. The continuing economic uncertainty caused by COVID-19 has heavily impacted VicTrack's commercial operations and presents a challenging financial outlook. In early 2020–21, VicTrack undertook several cost-saving measures to ensure its financial sustainability and capacity to continue to operate effectively during this period. All cost-saving measures were aimed at better targeting our resources to deliver our core responsibilities and priority projects. Measures included:

- reducing the engagement of contractors and consultants and the extension of fixed-term contractors and recruitment
- full review and deferral of non critical recruitment
- program of voluntary separations
- a reduction of the car fleet with cars coming to end of lease will not be renewed until the number of vehicles required to meet our needs is reached.
- leave management plans put in place for staff with excess annual and long service leave accrued to reduce the financial risk posed by excess leave.
- voluntary reduction in employee hours
- debtor escalation with VicTrack bringing in all outstanding debtors, and where appropriate, agreeing payment plans where debtors need support.
- a risk-based approach to prioritising and completing our asset management obligations.

In addition to these measures, VicTrack also requested an in-principle increase on the TGSN loan to support the TGSN construction and deployment (\$52m). The benefit of having these funds available is that the TGSN may be delivered without impacting other competing cash requirements across the business, complementing the Government's ongoing commitment and program announcements that construction and infrastructure build would continue during COVID-19 to ensure jobs were not lost.

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 Budget⁴ please provide the following details of the impact on service delivery:

- 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
- 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.

| Savings initiative in the Budget \$ million | Savings target allocated to the department/entity in 2020-21 | Actual savings achieved in 2020-21 \$ 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) |
|--|---|--|--|--|---|
| 2017-18 | Nil | | | | |
| 2018-19 | Nil | | | | |
| 2019-20 | Nil | | | | |
| 2020-21 | Nil | | | | |

⁴ If there were any savings and efficiencies initiatives introduced post 2020-21 Budget.

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

This question does not apply to this entity.

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

This question does not apply to this entity.

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 $\pm 10\%$ or \$100 million | Impact on the agency. If no impact, how was this achieved | Funding ratio at 30 June 2021 |
|-----------------------|---|--------------------------------|--|---|-------------------------------|
| NIL | | | | | |
| | | | | | |
| | | | | | |

| Economic funding ratio / accounting funding ratio as at 30 June 2021 | Details of the methodology |
|---|----------------------------|
| | |
| | |
| | |

Section E: Overall financial performance

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

This question does not apply to this entity.

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 |
|------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Secretary | 0 | 0 | |
| EO-3 | 1 | 1 | 1 |
| EO-2 | 4 | 5 | 7 |
| EO-1 | 16 | 15 | 17 |
| VPS Grade 7 (STS) | 31 | 34 | 21 |
| VPS Grade 6 | 142 | 148 | 137 |
| VPS Grade 5 | 104 | 123 | 157 |
| VPS Grade 4 | 55 | 47 | 22 |
| VPS Grade 3 | 20 | 11 | 10 |
| VPS Grade 2 | 10 | 8 | 0 |
| VPS Grade 1 | 0 | 0 | 0 |
| Government Teaching Service | 0 | 0 | 0 |
| Health services | 0 | 0 | 0 |
| Police | 0 | 0 | 0 |
| Nurses/Midwives | 0 | 0 | 0 |
| Allied health professionals | 0 | 0 | 0 |
| Child protection | 0 | 0 | 0 |
| Disability development and support | 0 | 0 | 0 |
| *Youth custodial officers | 0 | 0 | 0 |
| *Custodial officers | 0 | 0 | 0 |
| **Other | 0 | 0 | 1 |
| Total | 383 | 391 | 373 |

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

****Other includes: CEO TRP outside of band**

Numbers include FTE for the following entities:

| |
|----------|
| VicTrack |
|----------|

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 | 38 | 41 | 41.2 | |
| Fixed-term | 14.2 | 15 | 17.2 | |
| Casual | 0 | 0 | 0.8 | |
| Total | 52.2 | 56 | 59.2 | |

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% | 1 | 4 | | New appointments nil increase |
| 3-5% | | | | |
| 5-10% | 6 | 14 | | PEER Buyout |
| 10-15% | | | | |
| greater than 15% | | 1 | | PEER buyout & New role appointment |

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) |
| NIL | | |
| | | |
| | | |
| | | |

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) |
| NIL | | |
| | | |
| | | |
| | | |

| National Cabinet decision | Impact in 2020-21 | |
|---------------------------|------------------------|--------------------------|
| | on income (\$ million) | on expenses (\$ million) |
| NIL | | |
| | | |
| | | |
| | | |

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)

| 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 |
|--|--|--|----------------------|--|---------------------|------------------------------|---|
| Vintage Rolling Stock Strategy | The Vintage Rolling Stock Strategy was developed to guide how Victoria's heritage heavy rail fleet can be protected and repurposed for future use as well as | To identify actions required to prepare the tourist and heritage rail sector to evolve and adapt for the future and to identify and grasp the opportunities that may arise from other government | Mid-2018 to mid-2020 | Free up space at Newport Workshops for other transport-related purposes. Assist tourist and heritage railway operators thrive into the future and | \$1.9 million | \$1.85 million | Yes. Preserving our rail history – a blueprint for the future was released in March 2021 and is available from: https://victrack.com.au/projects/key-projects/tourist-and-heritage-rail-blueprint |

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.

| | | | | | | | |
|--|---|------------------------|--|---|--|--|--|
| | ensuring the ongoing viability of Victoria's Tourist and Heritage tram and railway organisations. | actions and decisions. | | provide them with a total of \$1 million in immediate support to help them get back up and running following COVID-19 restrictions. | | | |
|--|---|------------------------|--|---|--|--|--|

vii. Final cost if completed

viii. Where completed, whether the review/study is publicly available and where.

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.

VicTrack does not have dedicated employees to carry out such work.

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

This question does not apply to this entity.

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. | Asset obsolescence— as transport asset owners, we have an ongoing challenge to ensure that our land, infrastructure and assets are managed sustainably, and their value is maximised | Internal and external | Approaching obsolescence of telecommunications network equipment. | <p>VicTrack has developed its Strategic Asset Management Plan (SAMP) to ensure we optimise and manage our assets sustainably, deriving maximum value from our portfolio across the asset life cycle.</p> <p>Over the past financial year, VicTrack forged ahead with the roll out of the Transport and Government Secure Network (TGSN). This vital upgrade of our telecommunications network will ensure it meets the growing needs of the travelling public and our transport partners well into the future.</p> <p>TGSN will ensure the network is fit-for-purpose and capable of providing service capacity to support current and future transport needs, including major transport initiatives such as the Level Crossing Removal Project, Metro Tunnel, West Gate Tunnel and Suburban Rail Loop.</p> <p>TGSN will also enable VicTrack to deliver new products and telecommunications services in a faster, more efficient way.</p> |
| 2. | Attracting and retaining a highly skilled workforce | Internal and external | The government's long-term transport infrastructure investment poses challenges to attract | VicTrack has put in place a range of initiatives to ensure we can build a highly capable, resilient and engaged workforce, and position us to attract, develop and retain talented employees. Initiatives include: |

| | | | | |
|----|--|-----------------------|---|--|
| | | | and retain talented employees to ensure we have the capability and capacity as a sector to support the delivery of major infrastructure projects. | <ul style="list-style-type: none"> • development of a Strategic Workforce Plan that maps out a range of measures to support future workforce needs, ensure build organisational resilience and enable the delivery of key business objectives • implementation of our competency and career framework to help us to build highly capable leaders and employees • development of a Diversity and Inclusion plan • development of a future ways of working strategy. |
| 3. | COVID-19 impact on financial position and operations | Internal and external | <p>COVID-19 has caused economic uncertainty. Its impact on our commercial operating environment has created a challenging financial outlook for VicTrack.</p> <p>Asset maintenance and operating maintenance spend in 2020-21 was below budget. In both cases the spend was impacted by an inability to get to sites during COVID-19 lockdowns.</p> | <p>VicTrack has continued to operate the business as usual since the onset of the pandemic in early 2020. We established a VicTrack Pandemic Coordination Group to monitor, liaise and coordinate all VicTrack activity associated with preparing for, responding to and recovering from the impact of the pandemic. The group is connected into pandemic planning undertaken by the Department of Health and the Department of Transport.</p> <p>VicTrack is continually reviewing our overhead costs and operating models, to drive further efficiencies in the business both in good practice and in readiness for any future revenue investment initiatives. We have taken a prudent approach to managing our costs through this period.</p> |
| 4. | Generating new streams of revenue | External | A cooling in land sales conditions and other factors including the timing of regulatory approvals for the sale of surplus transport land, or repurposing of | VicTrack is implementing a property development pipeline to advance projects around station precincts. The property development pipeline enhances public transport and design outcomes, increases housing diversity close to public transport and creates safer, more vibrant and more accessible precincts. The pipeline is continually reviewed to respond to transport and market needs. |

| | | | | |
|----|---|----------|--|--|
| | | | land for non-commercial activities, has reduced profitability. | <p>VicTrack is continuing to pursue an innovation agenda that will maximise opportunities to generate revenue from new sources. The recent commercialisation of FiBridge technology (now known as Eloque) for advancing the future of structural health monitoring of infrastructure is one significant example of our work in this area. Other projects are being pursued within VicTrack's innovation pipeline.</p> <p>VicTrack provides a range of discretionary telecommunications products and services to transport partners, state government agencies and to other telecommunications agencies. In the 2020–21 financial year, our product suite has been developed to align to our core business and ensure we maximise the value of our telecommunications assets. A product strategy has been finalised. Telecommunications products have been benchmarked against external products to ensure product pricing aligns to the market and is competitive.</p> |
| 5. | Ensuring the future of the state's heritage rolling stock and tourist railways. | External | Increasing public demand for rail transport limiting Tourist and Heritage (T&H) railway sector access to the network | <p>Initiatives outlined in the <i>Preserving our rail history – a blueprint for future</i>, the government's strategy to support the Tourist and Heritage (T&H) sector, were progressed this year. A new voice for the sector, the T&H Sector Coordinating Board (SCB), was established to help organisations share information and support each other. The first official SCB meeting was held in April 2021. A number of working groups comprising the SCB Board members and representatives of VicTrack were established.</p> <p>The Victorian Government has provided funding to tourist and heritage rail operators to help them bounce back from the impacts of the COVID-19 pandemic. Following an assessment process by VicTrack and the Department of Transport, \$1 million has been allocated across 15 groups.</p> |
| 6. | | | | |
| 7. | | | | |

Question 28 (all departments) Newly created bodies

This question does not apply to this entity.

Section I: Implementation of previous recommendations

Question 29 (relevant departments only)

This question does not apply to this entity.

Section J: Department of Treasury and Finance only

Question 30 (DTF only) Revenue certification

This question does not apply to this entity.

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

This question does not apply to this entity.

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

This question does not apply to this entity.

Question 33 (DTF only) Revenue initiatives

This question does not apply to this entity.

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

This question does not apply to this entity.

Question 35 (DTF only) Economic variables

This question does not apply to this entity.

Question 36 (DTF only) COVID-19 pandemic response

This question does not apply to this entity.

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 |
|---|------------------------------|---|--|--|
| VicTrack Enterprise Agreement 2021-2025 | 329 | 79% | \$14.7 million | 7.5% |
| | | | | |

Section K: Treasury Corporation of Victoria only

Question 38 Dividends

This question does not apply to this entity.

Question 39 Commodity risk management

This question does not apply to this entity.

Question 40 Foreign exchange risk management

This question does not apply to this entity.

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

This question does not apply to this entity.