

PARLIAMENT OF VICTORIA

Public Accounts and Estimates Committee



2024–25 Financial and Performance Outcomes Questionnaire

Yarra Valley Water

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Introduction – Financial and Performance Outcomes Questionnaire

The Committee's inquiry into the 2024–25 Financial and Performance Outcomes examines:

- the Government's actual versus budgeted expenditure and revenue
- the actual versus target performance outcomes at a departmental/agency level
- other expenditure unforeseen at the time of preparing the 2024–25 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 2024–25 financial year, what was achieved during the year and how that compares to expectations.

Consistency with the budget papers

When referring to an initiative/program/project that is 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.

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 2024–25 please provide details of the expected outcomes for the community 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 relate to the outcomes that the department contributed to in 2024–25.

- a) Using the table below, please outline the five programs that delivered the most important outcomes in the community¹ achieved by the department in 2024–25, including:
 - i. The name of the program
 - ii. The 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).

- b) Using the table below, please outline the five least performing programs² that did not deliver their planned outcomes in the community by the department in 2024–25, including:
 - i. The name of the program
 - ii. The output(s) and portfolio(s) responsible for delivery of the program
 - iii. The program objectives
 - iv. The actual outcome achieved
 - v. Explanation for not achieving the planned outcome (including a description of what actions were taken to try and achieve the planned outcome).

¹ 'Outcomes' are the impact of service delivery on the community rather than a description of the services delivered. 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.

² Note programs in this question relate to programs delivering services, and do not signify the department's five least performing performance measures.

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 2024–25 Budget.

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 section 32 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 (2024), (section 4)) and explain why additional funding was required after funding was allocated in the Budget. If the additional funding is a Treasurer's Advance, please also explain either how and why it was 'urgent and unforeseen' as per the RMF (section 4.4), or whether it was a contingency release.

- 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 (2024, Section 4.5, p. 90) provides guidance on how departments access funding from central contingencies.

Please provide information regarding funding received from central contingency in 2024–25, 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 (all departments) Victoria's Housing Statement - **Not applicable**

For output and asset initiatives delivered in 2024–25 that contributed to the *Victorian Housing Statement: The decade ahead 2024–2034* please list:

- The name of the initiative
- The timeframe of the initiative
- The funding allocated to the initiative in 2024–25 (\$ million)
- The actual funding utilised in 2024–25 (\$ million)
- What impact the initiative had in 2024–25 on:
 - i. Housing affordability
 - ii. Victoria's planning system
 - iii. Housing supply
 - iv. The regulation of rental properties
 - v. Public housing supply
 - vi. Community housing supply
 - vii. Affordable housing supply

Please quantify these impacts where possible, for example the actual impact on housing supply and public, community and affordable housing supply.

Question 6 (Department of Health only) 2024–25 Budget funding allocation by output and performance - **Not applicable**

- a) Please provide a detailed breakdown of the actual amount spent in 2024–25 by output, for DH's four largest outputs by budget. Please list what line items contribute to the output and 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 (both public and non-public) for the following variables, including an explanation for the increase or decrease compared to the previous year's data.

Question 7 (Department of Families, Fairness and Housing only) Victorian Contribution to National Disability Insurance Scheme - Not applicable

- a) The 2024–25 Budget allocated \$3 billion in payments on behalf of the state to the National Disability Insurance Agency.³ In relation to outcomes achieved in 2024–25, please provide the following information on disability services and support in Victoria:

- b) Please outline the five most significant disability services/programs provided by the Victorian Government in 2024–25, including amount expended, funding source and outcomes achieved for people with disability.

³ Department of Treasury and Finance, *Budget Paper No. 5: 2024–25 Statement of Finances*, Melbourne, 2024, p. 95.

Section B: Asset investment

Question 8 (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 TEI as at 30 June 2025 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 2025 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 2025.

Question 9 (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 2024–25:

- 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) Details of TEI changes between announcement and completion date, including when TEI was changed and what it was changed to
- d) Actual cost of project
- e) Estimated completion date at announcement
- f) Actual completion date
- g) Explanations for any variance in capital expenditure and/or completion date.

Question 10 (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 2024–25 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 2024–25 and business case details for each project.

Question 11 (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 2025, or the actual expenditure to 30 June 2025 and the benefits of using the PPP financing model when delivering/funding a project over other financing methods. Please provide specific benefits for each individual project.
- b) Where the estimated completion date at announcement is different to the completion date in the 2024–25 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 2024–25 Budget.

Question 12 (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 2025, or the actual expenditure to 30 June 2025 and the benefits of using the alliance contracting model when delivering/funding a project over other financing methods. Please provide specific benefits for each individual project.
- b) Where the estimated completion date at announcement is different to the completion date in the 2024–25 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 2024–25 Budget.

Section C: Revenue and appropriations

Question 13 (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 2023–24 and the actual result for 2024–25 for each revenue category detailed in your operating statement. Please also indicate what any additional revenue was used for or how any revenue reductions affected service delivery and then link it to the relevant output and portfolio.

Please also detail the outcomes in the community⁴ 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 2024–25 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	2023–24 actual (\$ million)	2024–25 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 revenue	1,005.0	1,073.5	Not applicable	Not applicable	Not applicable
New customer contributions by developers	53.5	50.9	Not applicable	Not applicable	Not applicable
Developer contributed assets	105.4	103.9	Not applicable	Not applicable	Not applicable
Other revenue	58.2	57.5	Not applicable	Not applicable	Not applicable
Other income	16.5	3.0	FY2023-24 included a sale of water entitlements for \$10m and a building indices	Asset revaluation is a non-cash transaction. Other income is used towards operational and capital	Not applicable

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

			asset revaluation increment of \$4m. Note: the FY2023-24 result was restated to capture the Zero Emissions Water Contract for Difference revaluation received post-June 2024.	expenditure requirement. It also impacts dividends payable to DTF.	
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Question 14 (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 2024–25 for each revenue category detailed in your operating statement. Please also indicate what any additional revenue was used for or how any revenue reductions 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	2024–25 Budget estimate (\$ million)	2024–25 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 revenue	1,051.7	1,073.5	Not applicable	Not applicable	Not applicable
New customer contributions by developers	30.8	50.9	Higher contributions than budgeted due to the early release and completion of developments.	Revenue was used to establish connections to the new developments.	Not applicable
Developer Contributed assets	78.8	103.9	Higher contributions of assets than budgeted due to the early release and completion of developments.	No impact as it is non-cash revenue. This relates to infrastructure assets transferred from developers that are used for operational purposes.	Not applicable
Other revenue	47.6	57.5	Mainly driven by higher plumbing services revenue due to increased new meter connections.	Revenue was used to install new water meters.	Not applicable
Other income	3.6	3.0	Minor variance due to lower than anticipated non-operating revenue.	Not material	Not applicable

Section D: Expenses

Question 15 (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 2023–24 and the actual result for 2024–25 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 to the actual result for 2024–25 and the 2024–25 budget estimate. Please also detail the outcomes in the community⁵ 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	2023–24 actual \$ million	2024–25 actual \$ million	Explanations for variances $\pm 10\%$ or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how this was achieved
Bulk water and sewerage expenses	534.4	557.5	Not applicable	Not applicable
Contract expenses	71.8	75.2	Not applicable	Not applicable
Salary and employee benefits expense	64.9	64.9	Not applicable	Not applicable
Environmental contribution	47.4	47.5	Not applicable	Not applicable
Depreciation	106.7	117.9	Impacted by the timing of capitalisation of work in progress. FY2024-25 (\$425.7m) capitalised \$29.2m more than FY2023-24 (\$396.5m).	Non-cash expenditure
Amortisation	14.0	15.5	Impacted by the timing of capitalisation of work in progress. FY2024-25 (\$39.1m) capitalised \$18.9m more than FY2023-24 (\$20.2m). These assets typically	Non-cash expenditure

⁵That is, the impact of service delivery on the community rather than a description of the services delivered.

			have a shorter life than infrastructure assets.	
Finance costs	166.9	193.8	Borrowings and weighted average effective interest rates have increased since FY2023-24, increasing financial costs.	Borrowings support the ability to invest in the growth and maintenance of infrastructure assets.
Other Expenses	58.3	73.3	<p>Material drivers of the increase were:</p> <ul style="list-style-type: none"> - \$5.5m increase in IT costs - \$2.8m increase in allowance for expected credit losses. - \$2.5m Work in progress impairments (FY2023-24 \$0.6m) - \$1.7m increase in consulting fees across several different areas - \$1.1m increase in insurance claims 	<p>IT – move to SaaS (software as a service) products that resulted in OPEX spend rather than CAPEX spend.</p> <p>Credit losses – non-cash provision related to debtors.</p> <p>WIP impairments – occur where project spend does not result in an asset. This was predominately driven by 2 projects:</p> <ol style="list-style-type: none"> 1) key supplier went into liquidation, and no alternative supplier could complete the project (\$0.8m) 2) change in construction requirements resulted in works completed to date not being usable (\$1.4m). <p>Consulting Fees – the increase is mainly related to the asset maintenance delivery and operating model review, water conservation program and community support.</p> <p>Insurance claims – the increase in claims costs has been due to an increase in frequency and severity of assets failures (burst mains and sewer overflows) resulting in third party property damage.</p>

Expenses category	2024–25 budget \$ million	2024–25 actual \$ million	Explanations for variances ±10% or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how this was achieved
Bulk water and sewerage expenses	558.2	557.5	Not applicable	Not applicable
Contract expenses	66.5	75.2	Mainly driven by higher maintenance expenses due to increased volumes and above average repair costs in leaking water services and water mains repairs.	Additional expenses contributed to delivering timely service and response for customers experiencing leaks and bursts.
Salary and employee benefits expense	70.5	64.9	Not applicable	Not applicable
Environmental contribution	47.4	47.5	Not applicable	Not applicable
Depreciation	123.4	117.9	Not applicable	Not applicable
Amortisation	13.4	15.5	Higher than budgeted amortisation mainly due to the timing of capitalisation of work in progress.	Non-cash expenditure
Finance costs	196.9	193.8	Not applicable	Not applicable
Other Expenses	67.6	73.3	Not applicable	Not applicable

Question 16 (all departments, PFC, PNFC and entities) Changes to service delivery from savings initiatives

- a) For each of the savings initiatives detailed in the 2023–24 and 2024–25 Budgets please provide the following details of the impact on service delivery:
- Savings target in the 2023–24 and 2024–25 Budget and the amount of the savings target allocated to the department/entity.
 - Actual savings achieved in 2023–24 and 2024–25, the specific actions taken to achieve the savings target allocated, areas where savings were found and the impact of the measures taken to achieve the savings targets. Please include the link to the relevant output and portfolio impacted. Please be as specific as possible to your department or agency when providing your responses.

Savings initiative in the Budget	Savings target allocated to the department/entity in 2024–25 \$ million	Actual savings achieved in 2024–25 \$ million	Specific actions taken to achieve the allocated savings target	Areas where savings were found	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)
2024–25 Whole of Government savings and efficiencies	Not applicable					
2023–24 Labor's Financial Statement savings	Not applicable					
2023–24 Whole of Government savings and efficiencies	Not applicable					
COVID Debt Repayment Plan – savings and efficiencies	3.4	3.4	Detailed review of land tax expenditure resulted in lower land tax liability and land tax refund, sale of water rights,	Land tax, water right sales, telecommunication rental revenues and greasy waste	Finance, Retail and Strategy areas of the business have targeted specific initiatives to deliver higher returns to the government through lower costs or higher revenues with no material business impact.	Not applicable

			telecommunication rental revenue and process improvements to generate additional trade waste revenues.	(trade waste) revenues.		
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b) If any savings initiatives listed above were met in part by reducing Victorian Public Service (VPS) roles in 2024–25 please list:

- The applicable savings initiative and budget
- The number of roles reduced in 2024–25 by actual FTE number
- The actual savings achieved by reducing roles in 2024–25 (\$ million)
- The number of roles reduced by each VPS/Executive classification by actual FTE number
- The functions or roles impacted by the reduction
- The impact of role reductions on service delivery. If there was no impact, how this was achieved.

Savings initiative in the Budget	Number of roles reduced in 2024–25 (actual FTE)	Actual savings achieved in 2024–25 due to roles reduced \$ million	Number of roles reduced by VPS/Executive classification (actual FTE)	Functions or roles impacted by the reduction	Impact of role reductions on service delivery If no impact, how this was achieved
Not applicable					

Question 17 (all departments) Achievement of reprioritisation of existing resources - **Not applicable**

The 2024–25 Budget included targets for ‘reprioritisations and revenue offsets’ to fund new initiatives (2024–25 Budget Paper No. 2, p. 60). This is in addition to any savings or efficiencies resulting from expenditure reduction measures. For the department (including all controlled entities),⁶ 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 the funds were 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.

Question 18 (all departments) Contractors, Consultants and Labour Hire Arrangements - **Not applicable**

Please indicate how much the department spent on contractors (including labour hire) and consultant arrangements during 2022–23, 2023–24 and 2024–25.

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.

⁶ That is, please provide this information for the department on the same basis of consolidation as is used in the budget papers.

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 2024–25, 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 2025. Please provide details of the methodology used for the ratio calculation.

Type of dividend paid	2024–25 Budget (\$ million)	2024–25 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 this was achieved.	Funding ratio at 30 June 2025
Dividends	14	49.7	Higher dividend is mainly attributed to early release of developer contributed assets revenue.	No impacts on service delivery or investments	1.39

Economic funding ratio / accounting funding ratio as at 30 June 2025	Details of the methodology
1.39	Funding ratio = Total assets / Total liabilities

Section E: Overall financial performance

Question 20 (all departments) Impact of unforeseen events on financial performance – 2024–25 - **Not applicable**

Please outline and quantify, where possible, the impacts of unforeseen events over 2024–25 on the department/agency's financial performance.

Section F: Public sector workforce

Question 21 (all departments and entities) Full Time Equivalent (FTE) staff by level

- a) Please provide total FTE as of 30 June 2023, 30 June 2024, 30 June 2025 and provide explanation for more than \pm -10% change in FTE between years. In the explanations of variance please list what categories and role types/functions variances predominantly applied to.

30 June 2023 Actual FTE	30 June 2024 Actual FTE	30 June 2025 Actual FTE	Explanations of variance \pm -10% between 30 June 2023 and 30 June 2024 (including categories and role types/functions)	Explanations of variance \pm -10% between 30 June 2024 and 30 June 2025 (including categories and role types/functions)
783.2	821.8	849.0	Not applicable	Not applicable

- b) For 2024–25, 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.

Minor staffing challenges have been experienced in the specialised IT roles such as cyber security, data analysts, IoT (Internet of Things) and OT (Operational Technology) analysts and Service Now Developers.

Question 22 (all departments and entities) Salary by employment category

In the table below, please detail the salary costs for 2022–23, 2023–24 and 2024–25, 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 2022–23 (\$ million)	Gross salary 2023–24 (\$ million)	Gross salary 2024–25 (\$ million)	Explanation for any year-on-year variances $\pm 10\%$ or \$100 million
Ongoing	47.244	50.935	57.782	In 2024-25, the increase in gross salary is primarily attributable to the addition of 27 FTEs (as noted in question 21) to support the delivery of capital projects. In addition, there were annual pay increases.
Fixed-term	41.490	39.930	43.397	Not applicable
Casual	0.838	0.611	0.864	Movements between employment categories of casual to ongoing/fixed-term are not unusual as employees move to permanent roles in the business and/or meet the criteria to be offered employment under permanent conditions (i.e. not casual).
Total	89.572	91.476	102.043	

Question 23 (all departments and entities) Executive salary increases

Please detail the number of executives who received increases in their base remuneration in 2024–25, 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 2024–25, apart from increases outlined in employment agreements			Reasons for these increases
	Female	Male	Self-described	
0-3%	4	2	-	Annual increase (as at 1 July 2024) in line with the Premier’s annual adjustment guideline rate.
3-5%				
5-10%				
10-15%				
greater than 15%				

Question 24 (all departments and entities) Enterprise Bargaining Agreement (EBAs)

Please list the Enterprise Bargaining Agreements (EBAs) concluded in 2024–25 that had an impact for the department/agency. For each EBA, please show the number of employees affected and the change in employee expenses attributable to the EBA.

Enterprise Bargaining Agreement	Number of employees affected	Number of employees as a % of department/entity	Change in employee expenses attributable to the EBA (\$ million)	Change in employee expenses attributable to the EBA (\$ million) as a % of total employee expenses
The current Yarra Valley Water Enterprise Agreement expired on 31 January 2025, and negotiations for a new agreement are in progress.	629 (as at 30 June 2025)	68.9% (as at 30 June 2025)	TBD – agreement not yet finalised.	TBD – agreement not yet finalised.

Section G: Government decisions impacting on finances

Question 25 (all departments and entities) Commonwealth Government and National Cabinet decisions

Please identify any Commonwealth Government and National Cabinet decisions during 2024–25 which had not been anticipated/not been concluded before the finalisation of the State Budget in 2024–25 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 2024–25	
	on income (\$ million)	on expenses (\$ million)
Not applicable		
National Cabinet decision	Impact(s) in 2024–25	
	on income (\$ million)	on expenses (\$ million)
Not applicable		

Section H: General

Question 26 (all departments and entities) Reviews/studies/evaluations undertaken

- a) Please list all internal⁷ and external reviews/studies/evaluations, established, commenced or completed by or on behalf of the department/agency in 2024–25 and provide the following information:
- Name of the review/study/evaluation and which portfolio and output/agency is responsible
 - Reasons for the review/study/evaluation
 - Terms of reference/scope of the review/study/evaluation
 - Anticipated/actual duration of review/study/evaluation and completion date
 - Anticipated findings and outcomes of the review/study/evaluation
 - Estimated cost of the review/study/evaluation and final cost (if completed)
 - Where completed, whether the review/study/evaluation is publicly available and where. If no, please provide an executive summary and please explain why the full document is not publicly available.

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for the review/evaluation	Terms of reference/scope	Anticipated/actual duration and completion date	Anticipated findings and outcomes	Estimated cost (\$)	Final cost if completed (\$)	Publicly available (Y/N) and URL If no, provide executive summary and explain why not available.
Digestate research	Alternative circular uses for digestate.	Determination of suitability of digestate for agricultural uses.	2025-26	Enablement of use of digestate as an agricultural product, enabling circularity.	\$8,200	N/A	No – research not complete, however a summary of the findings will be made public shortly.

⁷ 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.

Hydrogen pilot	To confirm technology which would enable the production of sustainable hydrogen energy.	Delivery of industrial prototype to enable testing and verification of efficient production of hydrogen.	2025-26	Demonstrate viable production of 'green' renewable hydrogen.	\$31,000	N/A	Producing green hydrogen Yarra Valley Water
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- a) Please outline the Department's/Agency's in house skills/capabilities/expertise to conduct reviews/studies/evaluations of the programs and services for which the Department/Agency is responsible.

Yarra Valley Water has an appropriate level of research personnel and technical specialists. External support is engaged as required.

Question 27 (all departments and water corporations [question 27(c) only]) Climate change

- 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 2024–25 and the department/entity's performance against these internal targets.

Not applicable

- b) Please outline and quantify where possible the department's actions in 2024–25 that have contributed to the Whole of Victorian Government emissions reduction pledge.

Not applicable

- c) **[Water corporations only]** Victoria's water corporations have targets related to greenhouse gas emissions and renewable electricity under the *Statement of obligations (Emissions reduction)*.⁸ For each individual water corporation please list applicable targets from the statement of obligations and progress toward or performance against the target as at 30 June 2025.

Applicable target	Progress toward or performance against target as at 30 June 2025
Statement of Obligations: Reduce our greenhouse gas (GHG) emissions by 64% by 1 July 2025 to be not greater than 11,664 t CO ₂ -e	Our Statement of Obligations (Emissions Reduction) requires us to reduce our greenhouse gas (GHG) emissions by 64% by 1 July 2025 compared to the 2011-2016 baseline. This equates to net Scope 1 and 2 emissions no greater than 11,664 t CO ₂ -e (tonnes of carbon dioxide equivalents). To measure our performance, we set an ambitious target of emitting no more than 7,660 t CO ₂ -e in 2024-25. We achieved our target mostly through increased renewable energy use - reporting 7,478 t CO ₂ -e for the 2024-25 financial year.
Statement of Obligations: Be at or below net zero t CO ₂ -e by 1 July 2030.	The Statement of Obligations also requires us to be at or below net zero t CO ₂ -e by 1 July 2030. We have pledged to go beyond our obligation and report net zero emissions from 1 July 2025 for the 2025-26 financial year. We are on track to achieve net zero scope 1 and 2 emissions in 2025-26.

⁸ https://www.water.vic.gov.au/__data/assets/pdf_file/0029/668306/statement-of-obligations-emission-reduction-2022.pdf

Question 28 (DTP, DE, DH, DEECA) Adaptation Action Plans - Not applicable

Please describe the progress made and actions taken to implement the department's Adaptation Action Plan in 2024–25. 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 29 (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 2024–25 targets.
- b) Please provide the following information for objective indicators where data was not available at publication of the annual report 2024–25.

Question 30 (all departments and entities) Challenges experienced by department/agency

Please list a minimum of three main challenges/risks faced by the department/agency in 2024–25.

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.	Water Conservation	External	Population growth, aging infrastructure and uncertain climate conditions pose challenges for our city's water future.	In the area of water conservation: <ul style="list-style-type: none"> Partnering with Greater Western Water, South East Water and Melbourne Water to encourage Melburnians to reduce their water use and support the Victorian Government's Target 150 initiative. Continuing recruitment for the Water Audit and Showerhead Exchange program. In 2024-25 we reached out to approximately 1,400 customers each month to invite participation in the program and promote water-saving opportunities, with plans to grow that number in 2025-26. As a result, nearly 1,000 customers participated in the program in 2024-25. Delivering more than 650 Water Watchers primary school education incursions, engaging about 15,000 students. A pilot kindergarten program was developed and tested, with plans for a broader rollout in 2025-26. Welcoming 63 new schools into the Victorian Government's Schools Water Efficiency Program (SWEP). Since the program's inception in 2012, schools in our service area have saved over 2.5 billion litres of water, equating to more than \$10 million in cost savings. Expanding our Water Watchers messaging beyond the classroom through a partnership with Village Cinemas, promoting the mission to save our precious water to younger audiences and their families. Working with about 30 business customers using more than 100 million litres of water a year to develop Water Efficiency Management Plans.

				<ul style="list-style-type: none"> Supporting high usage business customers and local councils that provide vital community services to enhance their water efficiency through the WaterSmart program, in partnership with the Department of Energy, Environment and Climate Action. <p>In the area of recycled water:</p> <ul style="list-style-type: none"> Our recycled water network has capacity to supply over 55,000 homes and businesses through 800 km of dedicated recycled water mains, mostly in Melbourne's Northern Growth Area and the network continues to expand. To meet rising demand in the Northern Growth Area, we are planning to replace our Aurora plant with a larger facility. The new plant will produce 10 million litres of recycled water per day – more than triple the current capacity of 3 million litres. Construction is underway on the Brushy Creek Recycled Water Infrastructure Project, which will extend the supply of recycled water to parts of Croydon, Chirnsdale Park, Mooroolbark and Lilydale. Supply is due to commence in 2027, and by 2037 this scheme is expected to reduce drinking water consumption by approximately 330 million litres a year.
2.	Affordability and customer assistance	Internal	Times are challenging for many of our customers and we are committed to ensuring our services are affordable and accessible to everyone.	<ul style="list-style-type: none"> Melbourne's water bills are the lowest in Australia for all capital cities. We have an important role in sustaining Victoria's productivity and a responsibility to deliver our services as efficiently as possible. Since 2013-14, customers' bills have increased below the rate of inflation - that is they have fallen in real terms. The annual bill for a 'typical' residential customer using 150 kilolitres of water per annum is \$56 per annum lower now than in 2013-14 even after inflation. These reductions are a combination of efficiencies, including reductions in the cost of debt. In 2024-25, the typical annual residential bill (based on 150kL consumption per annum) was \$1,079 - an increase from 2023-24 of \$30. For homes with 200kL consumption per annum, the 2024-25 bill is \$1,286 - an increase from 2023-24 of \$35. Given the broader climate of financial stress and cost of living pressures, keeping on top of bills remains a challenge for many Victorians. We continue to evolve our programs to support customers who find it difficult to pay

				their water bill, working in partnership with the community sector to ensure their expertise guides our work.
3.	Climate change including water security and availability	External	Climate change and population growth are putting increasing pressure on Melbourne's water supply. Building system resilience will be key to managing future climate variability.	<p>In the area of water security:</p> <ul style="list-style-type: none"> We continue to support the delivery and implementation of the Central and Gippsland Region Sustainable Water Strategy and Greater Melbourne Urban Water and System Strategy: Water for Life in collaboration with the Department of Energy, Environment and Climate Action. These strategies aim to ensure a secure and sustainable water supply for the next 50 years within the context of climate change, climate variability and population growth. The strategies include actions that focus on balancing water needs, making efficient use of supplies, diversifying water sources and transitioning to a more climate resilient supply of water. Yarra Valley Water is proud to have partnered with DEECA and the Victorian water sector to shape the Water Security Plan for Greater Melbourne, Geelong and connected towns. Safe, reliable and affordable water is essential to Victoria's prosperity, and as population growth and climate uncertainty increase pressure on supplies, this collaboration ensures we're planning ahead to protect communities, the environment and everything that makes Victoria a great place to live. We continued working with DEECA to implement actions from the Water Cycle Climate Change Adaptation Action Plan and Central and Gippsland Region Sustainable Water Strategy, and through participation in IWM forums, and industry knowledge sharing. <p>In the area of emergency management and community resilience:</p> <ul style="list-style-type: none"> We continued to strengthen our operational readiness by participating in shared strategic incident leadership training alongside our Melbourne metropolitan water industry partners, developing complex incident communications protocols to ensure timely and accurate information flow to our customers and communities, implementing our first Heatwave Management Sub-Plan and recruiting an Emergency Management Partnerships Officer.

				<ul style="list-style-type: none"> • We continued to build trusted relationships across the emergency management sector at local, regional and state levels across emergency services, emergency agencies, government, non-government and not for profit stakeholders, improving workflow and shared/co-dependent processes. • We contributed to increased community resilience through our summer readiness communications. • We announced the successful recipients of our inaugural Community Grants Program and awarded grants ranging from \$1,500 to \$15,000 to grassroots initiatives aligned with our commitment to water efficiency, environmental sustainability and community wellbeing. • We continue to support customers to equitably and easily access support options to manage their bills, through advertising campaigns and outreach. <p>In the area of increasing our operational resilience:</p> <ul style="list-style-type: none"> • We have completed climate resilience risk assessments (fire and flood) of all key assets and asset classes, applying our climate resilience risk assessment tool and guidelines. This process is now integrated in our Asset Management Framework. We have identified key risks and potential mitigation measures which we have prioritised for further assessment in the context of other business needs. • We started providing additional thermal management to increase the resilience of our assets and operators by installing shading structures. Thermal imaging is now part of our yearly maintenance program of pump stations to identify potential hot spots. • We continued upgrading our electrical assets to improve their climate resilience to extreme heat, humidity and dust ingress and have purchased additional generators for key pump stations to be more resilient to power outages. • As part of our water asset renewals strategy, we consider the impact of climate change when planning our water assets, including considering ground wetness and pipe material vulnerabilities.
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				<ul style="list-style-type: none"> When planning our sewer assets we consider the impact of climate change to ensure the sewer has sufficient hydraulic capacity through a wet weather gap analysis, to meet our long-term servicing strategy targets and our General Environmental Duty (GED) obligations. We continue holding bi-annual seasonal outlooks, drawing on intelligence provided by the Bureau of Meteorology to enable operational staff to prepare. <p>In the area of energy transition and reducing our environment impact:</p> <ul style="list-style-type: none"> We are on track to report net zero Scope 1 and 2 emissions from 1 July 2025 for the 2025-26 financial year and continue to pursue our ambition to go beyond zero carbon in future years. We are raising awareness with our delivery partners about approved recycled materials for use in construction as an important means to reduce our carbon emissions and achieve our circular economy goals. We also contributed to environmental resilience through managing our land with high remnant biodiversity value with a biodiversity management approach.
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Question 31 (all departments) Lapsed or abolished bodies - Not applicable

Please list all existing bodies (authorities, offices, commissions, boards and/or councils) within the department that either lapsed or were abolished in 2024–25 and provide the following information:

- Date body lapsed/abolished
- Reason for closure of the body
- How much money is expected to be saved (if any) by the organisation's abolition
- How many staff (FTE) are expected to be impacted by the organisation's closure

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 2024–25 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

Question 33 (relevant departments only) - Not applicable

- 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 the 2021–22 and 2022–23 Financial and Performance Outcomes* supported and supported-in-principle 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 2024–25, 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 2024–25 (source: 2024–25 BP5 p. 9) and the actual net cash flow in 2024–25
- 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 2024–25 (source: 2024–25 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**

Regarding the revenue initiatives announced in the 2024–25 Budget, please provide an explanation for the variances equal to or greater than $\pm 10\%$ or \$100 million between budget estimates and the actual results.

Question 37 (DTF only) Expenses by departments – General Government Sector (GGS) - Not applicable

Regarding expenses of the GGS in 2024–25 (source: 2024–25 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 2024–25 budget papers. For any variance equal to or greater than ± 0.5 percentage points, please provide an explanation for the variance. Please fill all blank spaces.