

City West Water

Employee benefits	39.3	42.4	Not applicable.	Not applicable.
Depreciation and amortisation	64.4	65.5	Not applicable.	Not applicable.
Finance expenses	73.9	68.8	Not applicable.	Not applicable.
Other operating expenses	73.4	73.3	Not applicable.	Not applicable.

Question 11 Expenses/interventions related to COVID-19 pandemic response

For the year 2019-20, 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. If not, please explain where progress is being reported.

Not applicable.

Question 12 (all departments and entities) Changes to service delivery from savings initiatives

For each of the savings initiatives detailed in the 2016-17 Budget, 2017-18 Budget, 2018-19 Budget, and 2019-20 Budget, please provide the following details of the impact on service delivery:

- a) Savings target in the 2016-17, 2017-18, 2018-19 and 2019-20 Budgets and the amount of the savings target allocated to the department/entity
- b) Actual savings achieved in 2016-17, 2017-18, 2018-19 and 2019-20 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.

Question 13 (all departments) Achievement of reprioritisation of existing resources

The 2019-20 Budget includes targets for 'reprioritisation and revenue offsets' to fund new initiatives (2019-20 Budget Paper No.2, p.57). This is in addition to any savings or efficiencies resulting from expenditure reduction measures. For the department (including all controlled entities),³ 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.

³ That is, please provide this information for the Department on the same basis of consolidation as is used in the budget papers.

Question 14 (all departments) Contractors, Consultants and Labour Hire Arrangements

Please indicate how much the department spent on contractors, consultants and labour hire arrangements during 2017-18, 2018-19 and 2019-20. 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.

2017-18 Actual \$ million	2018-19 Actual \$ million	2019-20 Actual \$ million	Explanation for variances (year on year) $\pm 10\%$	Which business areas were impacted/benefitted and how?	Please link your response to relevant output(s) and portfolio(s)
Operating Contracts					
29.6	34.0	39.1	Higher expenses in line with the increase in business activities for both FY19 and FY20	Support the Infrastructure and Delivery team for meeting customer requirements	Note ¹
Consultancy Fees					
0.6	0.7	1.1	Higher expenses were incurred in FY19 compared to FY18 primarily for the customer program and procurement initiatives Higher expenses were incurred in FY20 compared to FY19 primarily for sewer asset optimisation programs and strategic asset management roadmaps	Improvement in customer service offering and process improvement in procurement Process improvement in the management of assets within Infrastructure & Delivery	Note ²
Other consultancy and labour hire					
4.1	4.9	4.6	Higher expenses incurred in FY19 mainly due to additional resources required for operations. Variance is less than 10% for FY20	Increase in expense to support resource needs in operations for completion of ongoing projects.	Incorporated in CWW's annual report.

Note ¹ Operating contracts are disclosed on page 73 , 70 and 82 of the 2018, 2019 and 2020 annual reports respectively

Note ² Consultancy fees are disclosed on page 46, 40 and 50 of the 2018, 2019 and 2020 annual reports respectively in accordance with FR22H which does not require the costs associated with contractors and labour hire to be separately disclosed

Question 15 (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 2019-20, 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 2020. Please provide details of the methodology used for the ratio calculation.

Type of dividend paid	2019-20 Budget (\$ million) <i>BP 5, pg. 22</i>	2019-20 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 2020
Dividends paid	68.0	75.8	Difference due to final profit being higher than budget	Negative impact on cash and borrowing levels	143.4%
Capital repatriation	35.9	0.0	Approval was granted by Department of Treasury and Finance to defer capital repatriation payments.	Positive impact on cash and borrowing levels	N/A

Economic funding ratio / accounting funding ratio as at 30 June 2020	Details of the methodology
N/A	N/A

Section E: Overall financial performance

Question 16 (all departments) Impact of COVID-19 on financial performance – 2019-20

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

Line item in the Comprehensive operating statement for the financial year ended 30 June 2020	Budget 2019-20	Actual 2019-20	Explanation of the impact caused by COVID-19 pandemic
Total revenue and income from transactions	748.7	757.6	CWW's revenue from mid-March (pre COVID) to June shows approximately \$9.6m reduction in revenue due to COVID – this was offset by other revenue lines
Total expenses from transactions	644.6	641.0	Bulk purchase expenditure reduced by \$2.6m as a result of COVID. CWW also incurred an additional \$0.2m of direct COVID related expenses. Net COVID impact is \$2.4m favourable
Net result from transactions (net operating balance)	104.1	116.6	

Section F: Public sector workforce

Question 17 (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 2018, at 30 June 2019 and 30 June 2020 (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 2018 Actual FTE number	30 June 2019 Actual FTE number	30 June 2020 Actual FTE number
Secretary			
EO-1			
EO-2			
EO-3			
VPS Grade 7 (STS)			
VPS Grade 6			
VPS Grade 5			
VPS Grade 4			
VPS Grade 3			
VPS Grade 2			
VPS Grade 1			
Government Teaching Service			
Health services			
Police			
Nurses/Midwives			
Allied health professionals			
Child protection			
Disability development and support			
*Youth custodial officers			
*Custodial officers			
**Other	423	421	432
Total	423	421	432

***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:

City West Water

Question 18 (all departments and entities) Salary by employment category

In the table below, please detail the salary costs for 2017-18, 2018-19 and 2019-20, broken down by ongoing, fixed-term and casual, and explain any variances equal to or greater than ±10% or \$100 million between the years for each category.

Employment category	Gross salary 2017-18 (\$ million)	Gross salary 2018-19 (\$ million)	Gross salary 2019-20 (\$ million)	Explanation for any year-on-year variances ±10% or \$100 million
Ongoing	41.9	37.9	37.1	
Fixed-term	1.1	1.3	1.9	Movement due to shift in workforce composition towards greater use of fixed term resources for specific time-limited tasks
Casual	0	0	0.0	
Total*	43.0	39.2	39.0	

* Annual report amounts do not correspond to the above due to the inclusion of agency labour numbers in the Annual Report. Agency labour numbers were \$2.1m, \$2.7m and \$3.4m for 2017-18, 2018-19 and 2019-20 respectively.

Question 19 (all departments and entities) Executive salary increases

Please detail the number of executives who received increases in their base remuneration in 2019-20, 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 2019-20, apart from increases outlined in employment agreements			Reasons for these increases
	Female	Male	Self-described	
0-3%	5	2		Annual Remuneration increase in accordance with government approvals
3-5%				
5-10%				
10-15%				
greater than 15%				

Section G: Government decisions impacting on the finances

Question 20 (all departments and entities) Commonwealth Government decisions

Please identify any Commonwealth Government decisions during 2019-20 which had not been anticipated/not been concluded before the finalisation of the State budget in 2019-20 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 2019-20	
	on income (\$ million)	on expenses (\$ million)
Not applicable		

Question 21 (all departments and entities) Commonwealth and National Cabinet decisions

Please identify any Commonwealth and National Cabinet decisions during 2019-20 which had not been anticipated/not been concluded before the finalisation of the State Budget in 2019-20 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 2019-20	
	on income (\$ million)	on expenses (\$ million)
N/A		

National Cabinet decision	Impact in 2019-20	
	on income (\$ million)	on expenses (\$ million)
Reduced revenues due to COVID (isolation and lock down). Revenue from mid-March (pre COVID) to June 2020 was reduced by approximately \$9.6m – this was offset by other revenue lines.	\$9.6m unfavourable	
Bulk water purchase expenditure reduced by \$2.6m as a result of COVID. CWW also incurred an additional \$0.2m of direct COVID related expenses. Net expense impact was \$2.4m favourable		\$2.4m favourable

Section H: General

Question 22 (all departments and entities) Reviews/studies undertaken

- a) Please list all internal⁴ and external reviews/studies, established, commenced or completed by or on behalf of the department/agency in 2019-20 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

⁴ 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 23 (all departments) Annual reports – performance measure targets and objective indicators

- a) Please provide the following information on performance measures that did not meet their 2019-20 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 24 (all departments and entities) Challenges experienced by department/agency

Please list a minimum of five main challenges/risks faced by the department/agency in 2019-20.

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.	Debt collections due to COVID	External	National Cabinet decision to ease debt collection activities	Closer monitoring of cash requirements due to lower cash receipts
2.	Expedient payments to suppliers due to COVID	External	Settlement of payables within 5 business days (and subsequent lower cash flows) as a result of Government recommendations to ease cash burden on suppliers	Closer monitoring of cash requirements due to more frequent cash payments
3.	Customer hardship as a result of COVID	Internal	COVID caused a number of industries to stop/reduce service offerings which in turn affected cash flows and profits of businesses and customers who were employees of these businesses	Introduced a customer hardship task force to help our customers cope with the impacts of COVID. Payment options were offered to affected customers.
4.	Implementing CWW's COVID safe plan	Internal	Adherence and compliance to revised work practices pursuant to DHHS advice on dealing with COVID	Formed a number of COVID stream leads to deal with and implement DHHS compliant work practices.

5.	Transition to Work from home arrangement	Internal	Ergonomic setup, work productivity and mental health	Implemented structured transition of employees from the office to home. Subsequent working from home support offered to employees to ensure appropriate home office setup and to help cope with the well-being effects of isolation.
----	--	----------	--	--

Question 25 (all departments) Newly created bodies

Please list all newly created bodies (authorities, offices, commissions, boards and/or councils) created within the department in 2019-20 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 26 (relevant departments only)

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 2017-18 and 2018-19 Financial and Performance Outcomes* and supported by the Government. Please delete those lines that are not relevant to the department.

Not applicable.

Section J: Department of Treasury and Finance only

Question 27 (DTF only) Revenue certification

Not applicable.

Question 28 (DTF only) Net cash flows from investments in financial assets for policy purposes – General Government Sector (GGS)

Not applicable.

Question 29 (DTF only) Purchases of non-financial assets – General Government Sector (GGS)

Not applicable.

Question 30 (DTF only) Revenue initiatives

Not applicable.

Question 31 (DTF only) Expenses by departments – General Government Sector (GGS)

Not applicable.

Question 32 (DTF only) Economic variables

Not applicable.

Question 33 (DTF only) COVID-19 pandemic response

Not applicable.

Question 34 (DTF only) Resource Management Framework – Funding reviews

Not applicable.

Question 35 (all departments and entities) Enterprise Bargaining Agreement (EBAs)

Please list the Enterprise Bargaining Agreement (EBAs) concluded in 2019-20 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 36 Dividends

Not applicable.

Question 37 Commodity risk management

Not applicable.

Question 38 Foreign exchange risk management

Not applicable.

Question 39 Public Private Partnership (PPP) projects

Not applicable.