



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

**2015-16 FINANCIAL AND PERFORMANCE OUTCOMES
GENERAL QUESTIONNAIRE**

YARRA VALLEY WATER CORPORATION

SECTION A: Output variances and program outcomes

Question 1 (all departments) Completed initiatives from past budgets

This question does not apply to your agency.

Question 2 (departments only) Treasurer's advances and other budget supplementation

This question does not apply to your agency.

Question 3 (Department of Treasury and Finance only) Revenue certification

This question does not apply to your agency.

SECTION B: Asset investment (departments only)

Question 4 Details of actual investment and variance against budget – current projects

This question does not apply to your agency.

Question 5 Details of actual investment and variance against budget – projects completed (or expected to be completed)

This question does not apply to your agency.

Question 6 Major Projects Victoria and high-value high-risk projects

This question does not apply to your agency.

Question 7 PPP expenditure and line items

This question does not apply to your agency.

Question 8 Net cash flows from investments in financial assets for policy purposes – GGS

This question does not apply to your agency.

Question 9 Net cash flows from investments in financial assets for policy purposes – SoV

This question does not apply to your agency.

Question 10 (Department of Treasury and Finance only) Purchases of non-financial assets – government purpose classification

This question does not apply to your agency.

SECTION B: Asset investment (non-departments only)**Question 11 Details of actual investment and variance against budget for projects**

Please provide the following details for any asset investment project where actual expenditure in 2015-16 varied by \$±10 million or more from the initial budget estimate at the start of the relevant year (**not** the revised estimate).

If there were no asset investment projects for your agency where the actual expenditure varied by \$±10 million or more from the budget estimate, you do not need to answer this question. If this is the case, please indicate 'no relevant projects' in the table(s) below.

Project	Estimated expenditure in 2015-16 (2015-16 budget papers) (\$ million)	Actual expenditure in 2015-16 (\$ million)	Explanation for variance	Estimated financial completion date in 2015-16 budget papers	Estimated financial completion date in 2016-17 budget papers	Explanation for any changes to the estimated financial completion date
Sewer Waste to Energy	15.41	13.11	Variance due to timing of works.	2016-17	2016-17	Not applicable.

Question 12 Details of actual investment and variance against budget for entities

Please detail the initial budget estimates (**not** the revised estimate) for 'purchases of non-financial assets' for 2015-16 (or equivalent line items in the cash flow statements) for your entity, the actual amounts of those line item in your annual reports and an explanation for any variances greater than ±10 per cent or \$100 million. Initial budget estimates for departments are listed in Department of Treasury and Finance, *Budget Paper No.5: 2015-16 Statement of Finances* (2015), p.40

Initial budget estimate for 2015-16 (\$ million)	Actual for 2015-16 (\$ million)	Explanation for variances greater than ±10 per cent or \$100 million
312.4	258.2	Variance due to some works not proceeding as planned as they were either not economically viable, deferred and delayed. Efficiency initiatives were also captured in the delivery of the capital program as a result of lower contract rates being achieved on project works.

SECTION C: Revenue and appropriations

Question 13 (all departments and entities) Changes from previous year by revenue/income category

Please explain any changes greater than ± 10 per cent or \$100 million between the actual result for 2014-15 and the actual result for 2015-16 for each revenue/income 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.

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 your department/agency for which the 2015-16 expenditure changed from the prior year's expenditure by more than ± 10 per cent 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	2014-15 actual (\$ million)	2015-16 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Water Usage charge	356.89	393.83	Variance reflects customer demand volumes and price changes from 1 July 2016.	Revenue increased and profit in comparison to prior year. Price change impacted by Melbourne Water pricing.
Interest income	0.01	0.16	Variance is due to interest paid by a commercial customer following negotiated outcome on outstanding debt.	Revenue and profit increased in comparison to prior year.
New customer contributions	25.99	35.29	Variance reflective of higher developer activity levels.	Revenue and profit increased in comparison to prior year.
Other products and services	17.61	22.13	Variance due to higher volume of sales in relation to developer-related product and services.	Revenue and profit increased in comparison to prior year.
Rent	1.35	2.04	Variance represents an increase in commercial rental agreements.	Revenue and profit increased in comparison to prior year.
Impairment write back	0	0.29	Variance relates to changes in land and building valuations.	Revenue and profit increased in comparison to prior year.
Other revenue	28.08	36.20	Variance due to additional recoverable works activities, fire service revenue, developer applications and water trading revenue.	Revenue and profit increased in comparison to prior year.

Question 14 (all departments and entities) Variances from budget/target by revenue/income category

Please explain any variances greater than ± 10 per cent or \$100 million between the initial budget estimate (**not** the revised estimate) and the actual result for 2015-16 for each revenue/income category detailed in your operating statement. Please also identify any actions taken in response to the variations, either to mitigate or take advantage of the impact.

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 your department/agency for which the 2015-16 expenditure varied from the initial budget estimate by more than ± 10 per cent 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	2015-16 budget estimate (\$ million)	2015-16 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Actions taken in response
Trade waste charges	20.73	23.96	Variance due to an increase in trade waste volume loads.	Profit before tax increased, with subsequent impact to dividend. Cash to manage borrowings also increased.
New customer contributions by developers	20.99	35.29	Variance reflective of higher developer activity levels.	Profit before tax increased, with subsequent impact to dividend. Cash to manage borrowings also increased.
Rent	1.22	2.04	Variance represents an increase in commercial rental agreements.	Profit before tax increased, with subsequent impact to dividend. Cash to manage borrowings also increased.
Other products and services	14.19	22.13	Variance reflective of higher developer activity levels.	Profit before tax increased, with subsequent impact to dividend. Cash to manage borrowings also increased.
Other	24.95	36.20	Variance due to additional recoverable works activities, fire service revenue, developer applications and water trading revenue.	Profit before tax increased, with subsequent impact to dividend. Cash to manage borrowings also increased.

Question 15 (departments only)

This question does not apply to your agency.

Question 16 Revenue from trust accounts passed to other bodies (departments only)

This question does not apply to your agency.

Question 17 (Department of Treasury and Finance only) Revenue initiatives

This question does not apply to your agency.

SECTION D: Expenses**Question 18 Expenses changed from previous year**

Please explain any changes greater than ± 10 per cent or \$100 million between the prior year's actual result and the actual result for 2015-16 for each category of expenses detailed in your operating statement. 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 categories of expenses for your department/agency for which the 2015-16 expenditure differed from the prior year's expenditure by more than ± 10 per cent 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.

Expenses category	2014-15 actual (\$ million)	2015-16 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Government Water Rebate contribution received from Melbourne Water Corporation	-49.07	-29.82	Variance due to a reduction in the proportion of the rebate funded by Melbourne Water.	No direct impact on Yarra Valley Water customers as the rebate was passed on in full due to productivity gains achieved by Yarra Valley Water.

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

Impairment	0.02	8.70	Variance relates to changes in land and buildings valuation. Accounting adjustments are part of the asset revaluation cycle.	Impact was a lower profit before tax.
Consulting services	4.31	2.74	Variance due to reduced project consulting expenditure.	Reduced expenses led to a higher recorded profit before tax.
Write off / disposal of assets	4.18	6.52	Variance the result of the disposal of field maintenance trucks and cars.	Impact was a lower profit before tax.
Bad and doubtful debts	4.09	4.52	Variance due to the write off of disconnected accounts. Movement also impacted by price increases.	Impact was a lower profit before tax.
Electricity	3.39	3.83	Variance reflective of market pricing and costs associated with asset growth.	Impact was a lower profit before tax.
Information technology costs	3.36	2.80	Variance due to reduced IT consulting costs.	Reduced expenses led to a higher recorded profit before tax.
Government taxes, fees and contributions	2.58	3.10	Variance reflective of an increase in land tax.	Impact was a lower profit before tax.
Smart water fund contributions	0.34	0.19	Variance the result of changes to the operational arrangements of the Smart Water Fund.	Reduced expenses led to a higher recorded profit before tax.
Rental expenses relating to operating leases	0.27	0.31	Variance due to an increase in motor vehicle lease payments.	Impact was a lower profit before tax.

Question 19 Expenses varying from budget

Please explain any variances greater than ± 10 per cent or \$100 million between the initial budget estimate (**not** the revised budget) and the actual result for 2015-16 for each category of expenses detailed in your operating statement. 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.

If there were no categories of expenses for your department/agency for which the 2015-16 expenditure varied from the initial budget estimate by more than ± 10 per cent 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.

Expenses category	2015-16 budget estimate (\$ million)	2015-16 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Contract payments	49.19	55.04	Variance stems from increased civil maintenance costs as a result of a higher volume of activity.	Impact was a lower profit before tax.
Information technology costs	1.89	2.80	Variance reflects IT consulting costs which while higher than estimates were due to an accounting decision to allocate the costs between operational and capital expenditure.	Impact was a lower profit before tax.
Billing and revenue collection costs	9.31	10.27	Variance due to postage costs as a result of price increases from Australia Post, payment transaction fees and debt collection agency fees from mercantile collection activity.	Impact was a lower profit before tax.
Rental expenses relating to operating leases	0.25	0.31	Variance represents novated lease expenses.	Impact was a lower profit before tax.
Bad and doubtful debts	5.14	4.52	Variance the result of improved debt collection outcomes with savings delivered due to bad debts being written off.	Reduced expenses led to a higher recorded profit before tax.

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

Smart Water Fund contributions	0.28	0.19	Variance due to changes to the operational arrangements of the Smart Water Fund.	Reduced expenses led to a higher recorded profit before tax.
Write off / disposal of assets	0.0	6.52	Variance due to no budget estimate provided for this expense category. Relates to disposal of field maintenance fleet on transition to a new maintenance contract.	Impact was a lower profit before tax.
Impairment write down of assets	0.0	8.70	Variance due to no budget estimate provided for this expense category. Impairment relates to land and building valuations. Overall land and buildings increased by \$76 million with the majority going through equity.	Impact was a lower profit before tax.
Consulting services	2.48	2.74	No actual variance – this was the result of an allocation between operational expenditure and capital expenditure.	No impact.
Other	16.18	12.15	Variance reflects savings found in a range of activities including external services, insurance, laboratory charges and supplementary valuation costs.	Reduced expenses led to a higher recorded profit before tax.

Question 20 (departments only) Expenditure reduction targets

This question does not apply to your agency.

Question 21 Changes to service delivery from expenditure reduction initiatives

- (a) Please detail any changes to your department's/agency's service delivery as a result of expenditure reduction initiatives, e.g. changes to the timing and scope of specific programs or discontinued programs in 2015-16:

Not applicable.

- (b) As a result of the expenditure reduction initiative 'Reduce the use of labour hire firms' for 2015-16 (BP3 p.105), please detail any changes to your department's/agency's service delivery

Not applicable.

Question 22 (departments only) Achievement of reprioritisation of existing resources

This question does not apply to your agency.

Question 23 (Department of Treasury and Finance only) Expenses by government purpose classifications

This question does not apply to your agency.

Question 24 (PNFC and PFC entities only) Dividends paid to the general government sector

Please detail the value of dividends paid by your agency to the general government sector over the last three years, explaining the reasons for any significant changes over that period and the impact of any changes on the agency.

Total dividends paid in 2013-14 (\$ million)	Total dividends paid in 2014-15 (\$ million)	Total dividends paid in 2015-16 (\$ million)	Explanation for variances greater than ± 10 per cent or \$100 million	Impact of changes to dividends on the agency
17.7	31.7	24.3	Variance the result of movements in profit and timing and of a DTF decision to not make an interim dividend payment – with this being replaced with a capital repatriation payment in 2015-16.	No impact.

SECTION E: Public sector workforce**Question 25 Full-time equivalent staff by level**

Please fully complete the table below, providing actual FTE staff numbers at 30 June 2014, at 30 June 2015 and 30 June 2016 (broken down by the categories listed below) for the Department. Please provide figures consolidated on the same basis as the expenditure for the Department in the budget papers.

Grade	30 June 2014 (Actual FTE number)	30 June 2015 (Actual FTE number)	30 June 2016 (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	-	-	-
Allied health professionals	-	-	-
Child protection	-	-	-
Disability development and support	-	-	-
Custodial officers	-	-	-
Other	524	538	527
Total	524	538	527

Question 26 FTE staff numbers by employment type

In the table below, please detail the salary costs for 2012-13, 2013-14 and 2014-15, broken down by ongoing, fixed-term and casual, and explain any variances greater than ± 10 per cent or \$100 million between the years for each category.

Employment category	Gross salary 2013-14 (\$ million)	Gross salary 2014-15 (\$ million)	Gross salary 2015-16 (\$ million)	Explanation for any year-on-year variances greater than ± 10 per cent or \$100 million
Ongoing	30.6	30.2	30.5	Not applicable.
Fixed-term	20.4	20.5	20.3	Not applicable.
Casual	1.1	0.8	1.1	Variance due to movement between casual and part-time positions in the call centre.
Total	52.1	51.5	51.9^[LL1]	

Question 27 Executive salary increases

Please detail the number of executives who received increases in their base remuneration in 2015-16, 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 2015-16	Reasons for these increases
0-3 per cent	9	Annual increase is in line with the Government Sector Executive Remuneration Panel.
3-5 per cent	0	Not applicable.
5-10 per cent	0	Not applicable.
10-15 per cent	0	Not applicable.
greater than 15 per cent	0	Not applicable.

Question 28 Enterprise bargain agreements (EBA)(Department of Treasury and Finance only)

This question does not apply to your agency.

SECTION F: Inter-sector flows**Question 29 (Department of Treasury and Finance only) Inter-sector flows**

This question does not apply to your agency.

SECTION G: Government decisions impacting on the finances

Question 30 Machinery-of-government changes

- (a) Please detail the final costs incurred in the following categories as a result of machinery-of-government changes. Also provide a description of any relevant machinery-of-government changes during 2015-16.

	Final costs as a result of machinery-of-government-changes (\$ million)
Consultants and contractors (including legal advice)	0
Relocation	0
Telephony	0
IT and records management	0
Rebranding	0
Furniture and fit-out	0
Other	0

- (b) If these costs were met out of existing budgets, please indicate what projects, programs or areas the money was originally budgeted for.

Not applicable.

- (c) Please identify any benefits achieved during 2015-16 as a result of machinery-of-government changes, quantifying the benefits where possible.

Not applicable.

- (d) Please provide a description of any relevant machinery-of-government changes during 2015-16

Not applicable.

Question 31 Commonwealth Government decisions

Please identify any Commonwealth Government decisions during 2015-16 which had not been anticipated in the State budget but which impacted on your 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 in 2015-16	
	on income (\$ million)	on expenses (\$ million)
Not applicable	-	-

Question 32 COAG decisions

Please identify any COAG decisions during 2015-16 which had not been anticipated in the State budget but which impacted on your 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.

COAG decision	Impact in 2015-16	
	on income (\$ million)	on expenses (\$ million)
Not applicable	-	-

SECTION H: Fiscal and financial management strategies (Department of Treasury and Finance only)**Question 33 Financial measures**

This question does not apply to your agency.

Question 34 Long-term financial management objectives

This question does not apply to your agency.

SECTION I: Economic environment

Question 35 (Department of Treasury and Finance only) Economic variables

This question does not apply to your agency.

Question 36 (Department of Treasury and Finance only) Actual impact on GGS of variances in economic variables

This question does not apply to your agency.

Question 37 (Department of Treasury and Finance only) Impact on PFC net result of variances in economic variables

This question does not apply to your agency.

Question 38 (Department of Treasury and Finance only) Impact on PNFC net result of variances in economic variables

This question does not apply to your agency.

Question 39 (all entities) Effects of variances in economic variables

Please identify any key economic variables for which there were variances in 2015-16 between what was estimated in the initial budget for each year (**not** the revised estimate) and what actually occurred which had a significant impact on your department's/agency's finances, service delivery or asset investment. For each variance, please indicate:

- (a) what had been expected at budget time
- (b) what actually occurred
- (c) how the variance impacted on the budget outcomes (quantifying the impact where possible)
- (d) what decisions were made in response (including changes to service delivery, asset investment, borrowings etc.).

Expected economic result in 2015-16	Actual result in 2015-16	Impact of the variance on budget outcomes	Impact of the variance on service delivery
Not applicable	-	-	-