

Corporate overview

Key takeaways

- Goulburn-Murray Water (GMW) is a statutory corporation established under Victoria's *Water Act 1989*
- GMW's region covers 68,000 square kilometres, within which it operates 25 offices, 24 storages and an asset base valued at \$5 billion
- GMW's core business functions relate to water delivery and quality, building and maintaining infrastructure, securing water supply, supporting regional communities and complying with applicable regulatory and legislative requirements

Governance and background

Water management in Victoria

Victoria's state-owned water sector is made up of 19 water corporations constituted under the *Water Act 1989* (the Water Act). The water corporations provide a range of water services comprising water supply, sewage and trade waste disposal and treatment, water delivery for irrigation and domestic and stock purposes, drainage and salinity mitigation services.

Four corporations provide rural water services, which comprise water supply, drainage, and salinity mitigation services for irrigation and domestic and stock purposes:

- Goulburn-Murray Water
- Southern Rural Water
- Grampians Wimmera Mallee Water
- Lower Murray Water

These four corporations also provide bulk water supply services to other water corporations and the Victorian Environmental Water Holder in regional Victoria.

Source: *Department of Environment, Land, Water and Planning*

Corporate Governance

GMW is governed by a Board comprising of ten Directors, including the Managing Director. The Board is responsible for the strategic planning of the corporation, and ensuring that the water corporation fulfils its statutory functions consistently with its overall governance framework.

This includes (but is not limited to):

- Providing strategic direction and setting performance targets for the corporation;
- Appointing and overseeing the performance of the Managing Director;
- Establishing and monitoring accountability, compliance and risk management policies and procedures;
- Ensuring compliance with legislation and government policy;
- Reviewing reports on the operations of the water corporation;
- Submitting the annual report to the Minister;
- Liaising with DELWP and the Minister through the Chair;
- Establishing Board processes such as meeting procedures and the management of conflicts of interest; and
- Establishing and monitoring delegations and committees

Statement of Obligations

The minister responsible for administering the *Water Industry Act* (1994) makes and issues a statement of obligations to all Victorian water corporations. The statement specifies the Minister's expectations of GMW in performing its functions and exercising its powers within the following areas:

- Governance
- Pricing
- Customer and community engagement
- Risk management
- Planning
- Water services
- Compliance

Obligations specified in the Statement are guided by the following principles:

- Manage water resources in a sustainable manner that enhances environmental outcomes and amenity in urban and rural landscapes;
- Effectively integrate economic, environmental and social objectives into its business operations;
- Support sustainable and livable communities;
- Minimise the impacts of its activities on the environment;
- Manage risk to protect public safety, quality and security of supply;
- Operate as efficiently as possible consistent with sound commercial practice;
- Manage its business operations to maintain the long-term financial viability of the corporation;
- Undertake continuous review, innovation and improvement, and;
- Collaborate with other water corporations, public authorities and government agencies to plan for and take account of needs in a geographic area.

The full statement of GMW's obligations can be found at: <http://www.g-mwater.com.au/about>

Additional functions

In addition to functions and obligations set out in the Water Act (1989), additional functions (e.g. diversions / licensing, resource management, storage management, seasonal determinations) are delegated to GMW through ministerial direction. GMW is also the State Constructing Authority for the Murray-Darling Basic Authority.

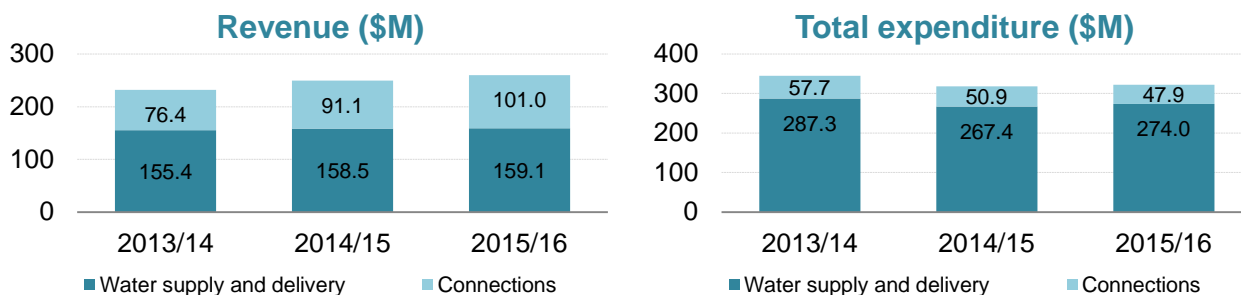
Interaction with regulatory bodies

GMW is required to interact frequently with a variety of regulatory and legislative bodies, including but not limited to: Department Of Environment, Land, Water and Planning (DELWP), Department of Health and Human Services, Murray-Darling Basin Authority, Environmental Protection Agency (EPA), Department of Treasury and Finance (DTF) and the Essential Services Commission (ESC).

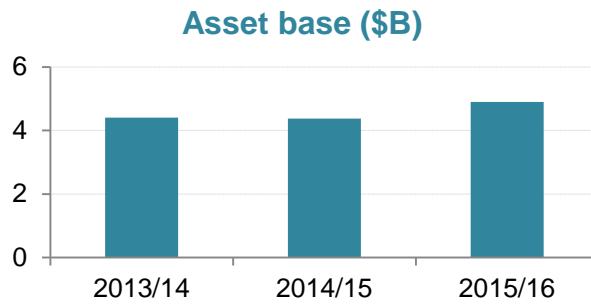
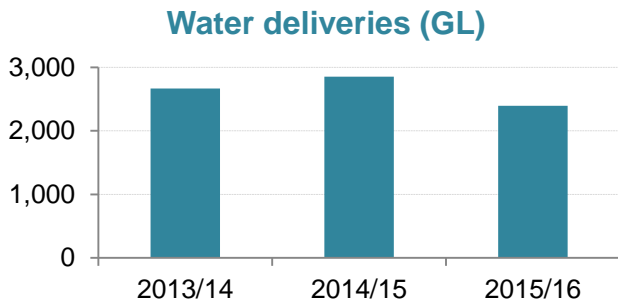
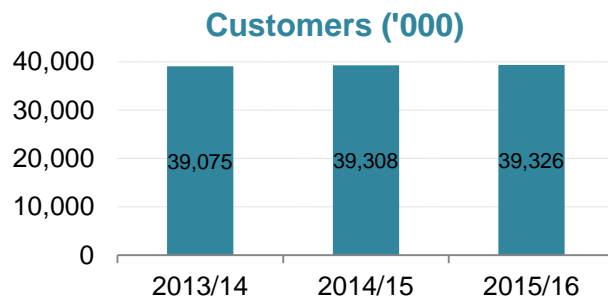
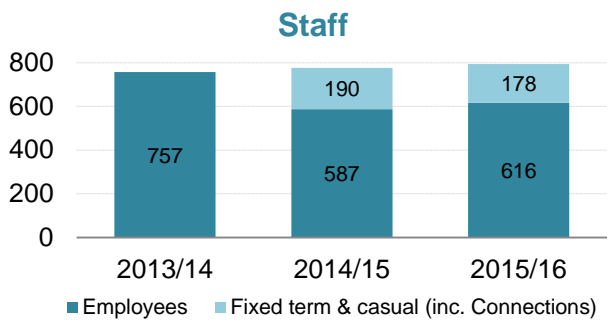
See Appendix A for more detail on our interactions with government entities and applicable legislation.

Scope of business

GMW has about 794 employees across 21 locations in Northern Victoria. This includes 178 staff on fixed term or casual agreements, with many of these roles related to the delivery of the Connections Project. It services a region of 68,000 square kilometres, bordered by the Great Dividing Range to the south, the River Murray to the north and stretching from Corryong in the east to Nyah in the west. See Appendix C for more detail on GMW's service territory.



Source: GMW Annual Report 2015/16



Note: Split of Permanent and Fixed term & casual employees not available for 2013/14.
Source: GMW Annual Report 2015/16

Business functions

GMW's core business functions are described in the graphic below.

Business Functions						
	Delivering water to our region	Monitoring the quality of our water	Building and maintaining infrastructure	Securing our water supply	Supporting Strong and Vibrant Communities	Meeting our legislative & reporting requirements
Role of GMW	<ul style="list-style-type: none"> Store and deliver 70% of the State's stored water and 50% of underground water supply Provide water to our customers within agreed service standards Manage customer accounts including fees and charges Monitor compliance and appropriate usage of water allocation Minister's delegate for licensing ground water and surface water diversions and private dams. 	<ul style="list-style-type: none"> Monitor salinity and algae levels for public safety and irrigation use Ensure developments (proposed planning applications) do not impact the quality and/or quantity of the water 	<ul style="list-style-type: none"> Build, provide and maintain the infrastructure to support the storage and delivery of water Deliver on the State and Commonwealth Government's commitment to modernise and maintain water delivery infrastructure to improve water efficiency Facilitate hydroelectricity generation Provide construction and operational services for other Government agencies for delivering water (MDBA and Vic Govt) 	<ul style="list-style-type: none"> Allocate the agreed supply of water to meet our region's needs Provide water registry services for water trading Plan for the future to safeguard and maximise the diminishing water resource Support Government policy development and implementation regarding water resource management 	<ul style="list-style-type: none"> Provide feedback to Government on their policy and the impacts on our community Inform and engage the community on water resource management including resource availability, general operations and emergencies including flood safety Educate the community in better use of water for improved sustainability Facilitating recreational use on and around our rivers, lakes and reservoirs 	<ul style="list-style-type: none"> Compliance with legislative requirements under the Water Act and other relevant governing legislation Meet reporting obligations to Government in accordance with statutory requirements Setting prices to collect revenue for GMW's prescribed and non-prescribed services Comply with the regulator's requirements for setting of water prices

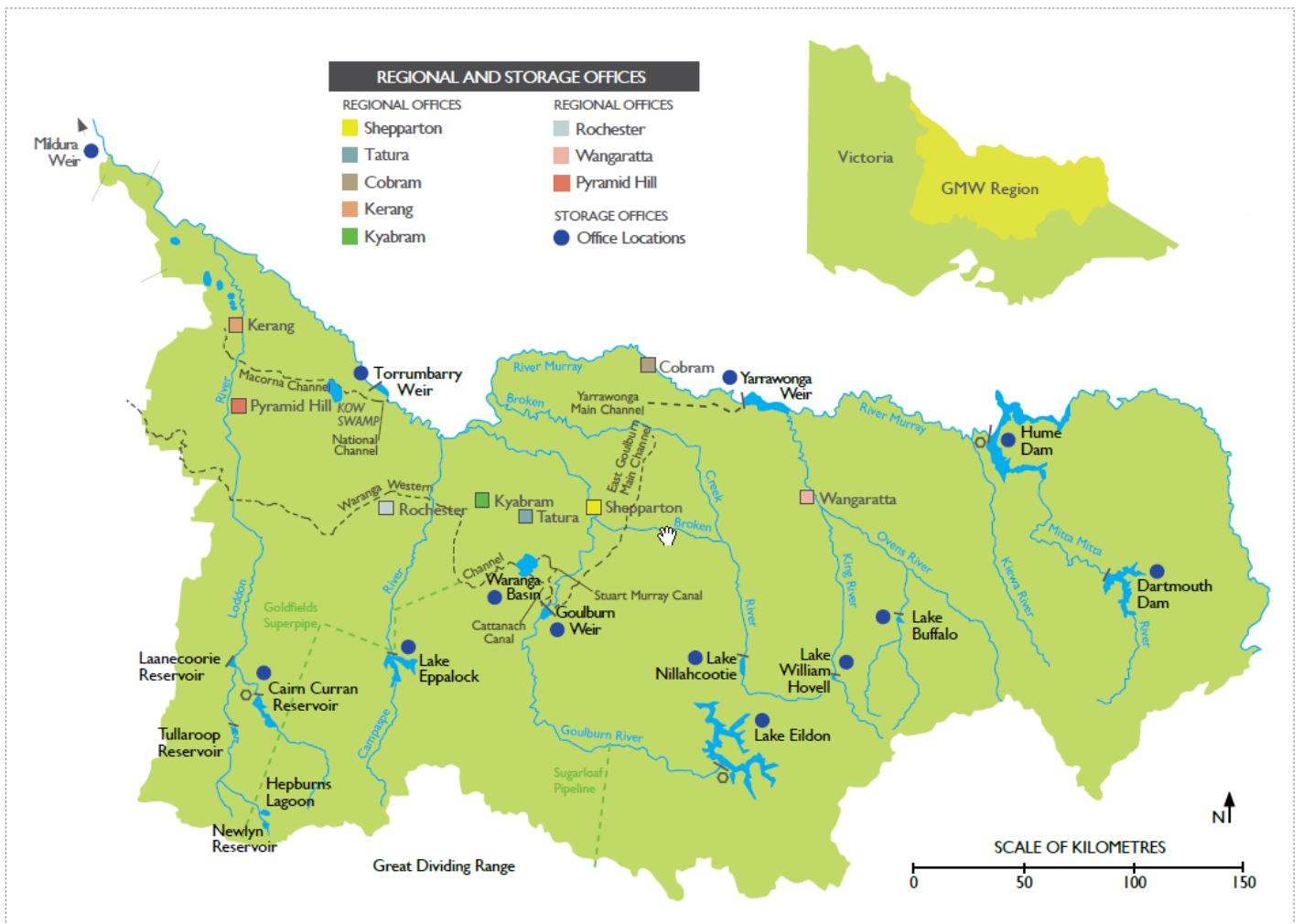
For more information about each of these functions, refer to Appendix D.

Appendices

A. Regulatory and Legislative Environment

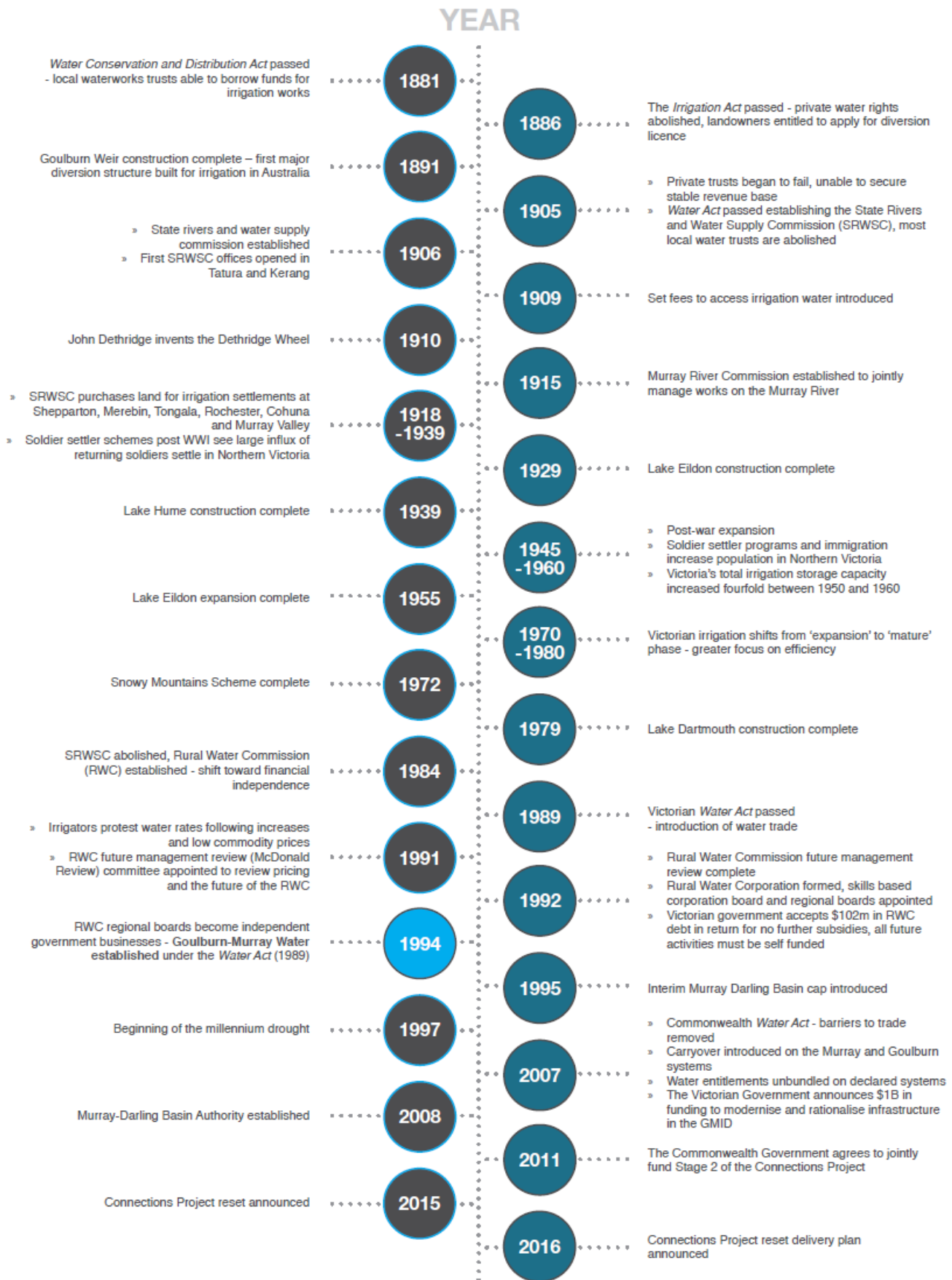
Government entity	Acts	Area of regulation
Victorian Water Minister	Water Act 1989 (Vic)	The primary piece of water legislation in Victoria. It provides the legal framework for water management and use across Victoria, including the issuing and allocation of water entitlements and the provision of water services by state-owned water corporations and catchment management authorities.
Australian Consumer and Competition Commission (ACCC)	Water Act 2007 (Cth)	Provide advice to the Murray–Darling Basin Authority on water trading
Catchment Management Authorities	Catchment and Land Protection Act 1994	Under the Act, Victoria is divided into ten catchment regions and a Catchment Management Authority (CMA) is established for each region.
Department of Environment, Land, Water and Planning	Water Act 1989 (Vic) Planning and Environment Act 1987 Climate Change Act 2010	To provide a framework for the Victorian Government's roles and responsibilities in response to climate change in the context of national policy
Environment Protection Authority	Environment Protection Act 1970 (Vic)	Prevents pollution and environmental damage by setting environment quality objectives and establishing programs to meet them.
Essential Services Commission	Essential Services Act 2001	Provides for the ESC's broad objectives, functions and powers in regulating the water industry.
Secretary to the Department of Health	Safe Drinking Water Act 2004 (Vic)	Protects and improves the quality of drinking water supplies in Victoria.
Treasurer (Department of Treasury and Finance)	Financial Management Act 1994 (Vic)	Required to complete an annual report under the provisions of the Act.
The Victorian Auditor-General's Office	Audit Act 1994	Provides the legal basis for the Auditor General's access to all Government information and the freedom to report findings arising from audits to Parliament

B. Region map



C. Our history

Key milestones in the irrigation history of Victoria



Source: GMW analysis

References

1. **Department of Sustainability and Environment.** *A Governance Guide to the Victorian Water Industry.* s.l. : Victorian government, 2011.
2. **Water Industry Act 1994.** *Statement of obligations.* 2015.
3. **DEPI.** Water corporations. *Environment land, water and planning* . [Online] 2014.
<http://www.depi.vic.gov.au/water/governing-water-resources/water-corporations>.
4. **Goulburn-Murray Rural Water Corporation.** About GMW . [Online] <http://www.g-mwater.com.au/about>.
5. **Victorian Water Industry Association Inc.** Legislation. [Online] <https://vicwater.org.au/victorian-water-sector/legislation>.