

GOULBURN-MURRAY
WATER

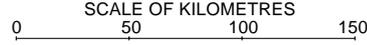


Goulburn-Murray Water

Annual Report 2001-2002

DELIVERING PRICE EFFICIENT,
SUSTAINABLE WATER SERVICES

Our Region



RURAL WATER SERVICES

IRRIGATION AREAS

- Shepparton
- Central Goulburn
- Rochester-Campaspe
- Pyramid-Boort
- Murray Valley
- Torrumbarry

WATERWORKS DISTRICTS

- Normanville
- West Loddon
- East Loddon

FLOOD PROTECTION DISTRICT

- Loch Garry

- Boundary
- Area Management Centres
- Other Work Centres
- Divisions Operations Centres
- Headworks Operations Centres
- Channel/Canal

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Drainage Officer, Bruce Allen



Dear Minister

On behalf of the Board of Directors, I am pleased to submit to you Goulburn-Murray Water's 2001-2002 Annual Report.

I write this report from the perspective of the new era we began from the start of the year 2001-2002 and the formation of a new Board with four new Directors, and myself as the new Chair.

We have endeavoured to bring an enthusiasm and freshness of thinking to our relationships with our catchment partners and stakeholders, to the sustainability of the rural water industry and to the viability of the Goulburn-Murray Water business.

The Board has provided significant leadership in the substantial restructure and rejuvenation of the management team to meet our customers' needs. Development of the Corporate Plan for 2002-2003 renews the organisation's focus on people, relationships and service.

The new era is marked by the need to ensure a capable and flexible workforce, with a focus on delivering price efficient, sustainable water services. The new era is also marked by a recognition that relationships based on trust and understanding will build partnerships and improve our water and business management and contribute to sustainable regional development.

During the year the Board continued to develop relationships with our catchment partners – the Department of Natural Resources and Environment, the three catchment management authorities in our region (North East, Goulburn Broken and North Central CMAs), the five regional urban water authorities (North East Water, Goulburn Valley Water, Coliban Water, Central Highlands Water and Lower Murray Water), the many municipalities, Water Services Committees, and customers in general.

Customer involvement via our Water Services Committees is vital to our business and we were again able to meet with a wide range of Water Services Committees, customers and other stakeholders when the Board held several of its meetings at various locations across Goulburn-Murray Water's region.

The Board recognises the community's demand for improved water efficiency and environmental responsibility and Goulburn-Murray Water is actively participating in implementing the State Government's policy for water savings and healthy rivers.

The water savings program, to increase environmental flows to the Snowy River and the River Murray by reducing losses in our water systems, has progressed during the year 2001-2002. Construction of the Woorinen

Pipeline Project is well underway and we look forward to being able to provide both an improved service to our customers and to achieving significant water savings for the State Government.

Detailed design for the Normanville Pipeline Project is nearing completion and we acknowledge your June 2002 confirmation of the State Government's funding of \$3.9m towards the project. I thank the Reference Committees for both the Woorinen and Normanville pipeline projects for the advice and scrutiny that they have been able to bring to these projects. A number of other initiatives to achieve water savings, including a total channel control technology pilot project (funded in part by your Department) are also underway.

Despite the 2001-2002 seasonal allocation beginning at 55% for the Goulburn System, 100% of allocations were achieved in October 2001. Full Sales water allocations were available in the Murray System but no Sales water was available in the Goulburn System for the fourth consecutive year, causing difficulties for our customers through the lack of physical resources and to our business through the loss in revenue.

This issue weighed heavily on customers, with charges for 2001-2002, in the absence of Sales revenue, having to be increased significantly. I would like to acknowledge the understanding and assistance of all Water Services Committees in the Goulburn System in helping to manage this financial challenge in the 2001-2002 season and for further testing and scrutinising options to address the same issue for the coming 2002-2003 season. Specific acknowledgment must be given to the Shepparton and Central Goulburn Water Services Committees for their attention in providing a strong customer perspective on the financial issues facing the Shepparton and Central Goulburn Irrigation Areas. All Water Services Committees provided valuable input to the consideration and implementation of the first two stages of a planned four-part tariff reform program. I thank all Water Services Committees and their members for the value they have brought in this past year and in previous years and I look forward to working to further develop and strengthen the relationships with the Water Services Committees and our wider customer base.

The re-appointed Directors as of 1 July 2002 have provided a depth of background and a much-needed continuity while the new Directors have brought new ideas and a freshness of approach. I thank all Directors for their dedication and professionalism during the year.

On behalf of the Board I thank the employees of Goulburn-Murray Water for the contribution, initiative and enthusiasm they have brought to the business. As a team, I believe that the Board and employees are well prepared to meet the many challenges of this new era.

John Dainton



Report from Chief Executive

Adapting to changing needs

This year marked the first year of a new era for Goulburn-Murray Water with the development of a new corporate plan that placed renewed emphasis on people, relationships and service. This emphasis will stand alongside our drive for improved financial viability and environmental sustainability, which we have pursued since being established as a rural water authority in 1994.

Since that time, we have worked to develop and nurture a strong and positive relationship with all of our customer groups. This process has reinforced the need for openness and trust on the part of all stakeholders, and Goulburn-Murray Water has sought to build a new level of positive relationships in delivering, for customers, a financially viable and environmentally responsible organisation.

Along with the entrenchment of these goals, the reshaping of the management structure in 2001-2002 has established a platform for the new era.

The management restructure, the recruitment of people with a broad range of skills and experience and our trainee and graduate development programs, provide for the growth and development of the organisation well into the future.

The Farm Dams legislation and additional natural resource and environmental management responsibilities through the Victorian Government's healthy rivers and water savings programs will continue to underpin reform and offer challenges that we are now well positioned to address.

Improving customer service

Developments in technology helped us improve the levels of customer service offered and increase operational productivity. The water ordering system (Irrigation Planning Module) is being further developed and a trial of automated channel control technology, in a joint venture with Rubicon Systems Australia and the Department of Natural Resources and Environment, has been planned for a segment of the Central Goulburn Irrigation Area for the 2002-2003 irrigation season.

Developing relationships

Our relationships with catchment partners and stakeholders continue to be developed. We aim to strengthen our Water Services Committees, and this was an important discussion topic at the June 2002 Corporate Family Workshop at Swan Hill. This program will continue and will involve the Board in further improving our relationships in the coming year. In other steps towards building catchment partnerships, we conducted a

successful partnership forum in October 2001 at Barooga and participated in the North East Catchment Management Authority partners' forum at Beechworth in November 2001.

Enhancing Water Trading

Water trading, particularly in the Goulburn System with its recent low resource allocations and drought conditions, is an issue of importance and a new business unit, Watermove, was established to conduct the operations carried out by Goulburn-Murray Water's Northern Victorian Water Exchange over the last three years.

This is a significant step in the development of water trading as all Victorian rural water authorities will participate, allowing the customers of each authority to trade temporary entitlements on the Watermove exchange from the start of the 2002-2003 irrigation season.

Finding and implementing water savings

This year we were very active in the area of water savings. Construction of the Woorinen Pipeline proceeded well and detailed design for the Normanville Pipeline Project was substantially completed by 2001-2002 year end. A trial of the total channel control technology, which offers potential for significant water delivery efficiencies, was planned ready for implementation in the 2002-2003 season. Investigation of a range of other projects offering potential to produce further water savings was also progressed.

Difficult seasonal conditions

We were again challenged by seasonal conditions in the Goulburn System, which saw a very low opening seasonal allocation of 55%, but reaching 100% by October 2001.

It marked the fifth year of drought and the fourth consecutive year in which we were unable to issue Sales water in the Goulburn System.

I take this opportunity to commend all Water Services Committees for the advice and customer perspective they have been able to bring in managing the price increases required to meet the circumstances of the 2001-2002 season and similarly in planning and consulting on Business Plans for the 2002-2003 season.

I thank the Board of Directors for their leadership and direction and I thank all employees for their commitment and dedication to their work in this last year in meeting our mission of delivering price efficient, sustainable water services.

Denis Flett



- Management of low seasonal allocations
- Commencement of the first major water savings project at Woorinen
- Establishment of internet-based water trading (Watermove)
- Excellence Award from the Institution of Engineers Australia for the Lake Eppalock dam improvement project
- Completion of Streamflow Management Plans for King Parrot Creek and Yea River



Lake Eppalock

Goulburn-Murray Water – Who Are We?

Trading as Goulburn-Murray Water, and reporting to the Minister for Environment and Conservation, the Goulburn-Murray Rural Water Authority was constituted by Ministerial Order under the provisions of the Water Act 1989, effective as of 1 July 1994.

The Board comprises eight Directors including the Chief Executive, appointed by the Minister on the basis of their skills and expertise.

Our business is harvesting, storing and delivering water and ensuring water is available for everyone in our region. We are responsible for the management of the headworks and delivery systems, in the region between the Great Divide, the River Murray and down river from Corryong to Swan Hill. Goulburn-Murray Water is also Victoria's Constructing Authority for the Murray-Darling Basin Commission, managing substantial assets including Dartmouth Dam, Yarrawonga, Torrumbarry and Mildura Weirs and salinity mitigation works.

There are two major regulated bulk water supply systems from which Goulburn-Murray Water takes its name, reflecting the dominant sources of supply. The Goulburn System comprises the storages, weirs and connecting channels which integrate the supply of water from the Broken, Goulburn, Campaspe and Loddon River catchments. The Murray System comprises Murray-Darling Basin Commission and Goulburn-Murray Water headworks assets located on the River Murray and within the Victorian tributary catchments of the Mitta Mitta and Ovens Rivers.

We have four separate businesses:

- Bulk Water Services, involving the management of headworks assets and associated water storages, the delivery of bulk water entitlements for irrigation and supplies to nine urban and rural water authorities that in turn deliver water for urban consumption, irrigation, domestic and stock purposes, and for private diversions.
- Diversion Services, which provides regulated and unregulated surface water and groundwater diversion services to customers on some 10,000 serviced properties including the licencing of surface water and groundwater diversions.
- District Services, involving the delivery of water entitlements, water supply, drainage and flood protection services to customers, and the management of assets in irrigation, water and

waterway management districts. It delivers services to customers on approximately 14,500 serviced properties located within irrigation, water, and waterway management districts and six management areas (Shepparton, Central Goulburn, Rochester-Campaspe, Pyramid-Boort, Murray Valley and Torrumbarry). These services include gravity and pumped water supply and surface and sub-surface drainage.

- Natural Resource Services, involving the provision of a range of services to government through programs coordinated by catchment management authorities which support sustainable land and water management. These include salinity management, surface and sub-surface drainage services support, water quality and land management planning and salt interception management.

The four businesses are supported internally by:

- the Strategy and Development Group
- the Water Systems and Environment Group, and
- the Business and Finance Group.

Our Customers

Serviced properties

Gravity irrigation and drainage	13,176
Pumped irrigation and drainage	430
Domestic and stock.....	625
Flood protection	118
Surface water diversions	7,691
Groundwater diversions	2,571

Other Customers

Regional urban water authorities	5
Hydroelectric power companies	3
Land lessees	904
Houseboat licence holders.....	749
Community water supply scheme	1
Other rural water authorities.....	4

Corporate Governance

The Board comprises eight Directors, including the Chief Executive. The Minister administering the Water Act 1989 appoints the Directors on the basis of their skills and expertise.

The Board

John Dainton, Chair MAICD

Chair of Goulburn-Murray Water since 1 July 2001. Deputy Chair from 1 July 1994 to 1 July 2001. Former dairy farmer at Mooroopna. Former Chair and current Director of the Goulburn Broken Catchment Management Authority. Former Chair, Bonlac Foods Limited. Experienced company director and community leader in natural resource management planning and implementation.

Sarah Crooke, Deputy Chair Dip Med Tech FAICD

Deputy Chair of Goulburn-Murray Water since 1 July 2001, Director since 1 November 1998. Deputy Chair, Dairy Research and Development Corporation. Dairy farmer in the Kiewa Valley. Former Executive Member, United Dairy Farmers of Victoria. Graduate of the Australian Rural Leadership Program. Churchill Fellowship 1991 for study of dairy industry. Director North East Catchment Management Authority.

Mark Lawlor, Director Grad Dip Env Mgt.

Director of Goulburn-Murray Water since 1 July 2001. Managing Director of contract fencing company, M & T Lawlor Pty Ltd. Secretary, Merrigum Landcare Group. Environmental management studies undertaken have focussed on natural resource management in the Murray-Darling basin. Former Director of the Goulburn Valley Region Water Authority.

Don Little AO, Director BCE (Melb), EWS, CP Eng, Hon FIE Aust, FTSE

Director of Goulburn-Murray Water since 1 July 1995. Civil Engineer providing consulting engineering services to the public and private sectors. Former Commissioner of the State Rivers and Water Supply Commission. Former Victorian Commissioner, River Murray Commission. Former Chair, Environment Protection Authority. Former Director General, Public Works Department of Victoria. Experienced in dams engineering, environment protection and public administration.

John Pettigrew, Director

Director of Goulburn-Murray Water since 1 July 2001. Director, JW Pettigrew and Sons, horticulturalists. Former Chair, Shepparton Water Services Committee. Former Director, SPC Limited. Experienced company director and community participant in natural resource management planning and implementation.

Jean Sutherland, Director Cert Bus Studs, CPA, GAICD

Director of Goulburn-Murray Water since 1 July 2001. Principal of an accounting practice with offices at Boort and Cohuna. Dairy farmer at Cohuna. Graduate of the Loddon Murray 2000 Plus Leadership program. Experienced accountant with particular emphasis on rural business enterprises.

Myles Treseder, Director MAICD

Director of Goulburn-Murray Water since 1 July 2001. Manager, Treseder Vineyards. Former President, Woorinen Landcare Group and former Chair, Loddon Murray 2000 Plus. Former Deputy Chair, Torrumbarry Water Services Committee. Former Chair, Woorinen Pipeline Project Reference Committee.

Denis Flett, Director and Chief Executive B.Eng (Civil), EWS, CP Eng, FIE Aust, FAICD

Chief Executive and Director of Goulburn-Murray Water since 1 July 1994. Victorian Commissioner, Murray-Darling Basin Commission. Experienced water industry civil engineer, manager and organisational leader during a period of fundamental and sustained change.





Board Committees

The Board has established two committees to advise and make recommendations to the Board.

The current Board Committees and their functions are as follows:

Financial Management and Audit

To oversee the internal and external audit program and risk management program, review annual financial statements and associated checklists, and monitor financial, management and accounting responsibilities and advise the Board.

Members: Jean Sutherland (Committee Chair), Mark Lawlor, John Pettigrew, Myles Treseder, Denis Flett, Trevor Ierino, Jeff Huddle (Secretary)

Remuneration

To oversee executive remuneration policy, monitor executive remuneration and advise the Board in relation to executive remuneration responsibilities, including individual remuneration packages for senior executives.

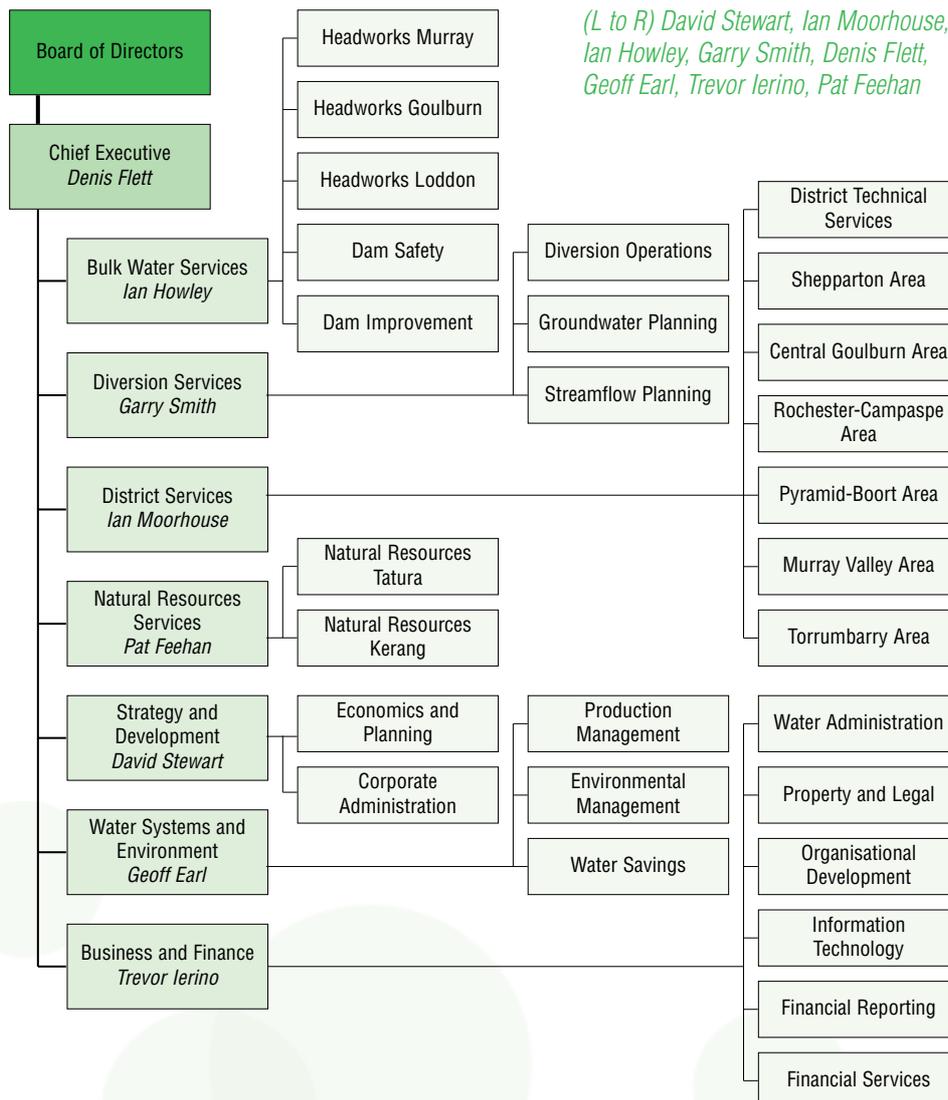
Members: Sarah Crooke (Committee Chair), John Dainton, Don Little, Denis Flett (Secretary)

Organisational Structure

As at 30 June 2002



(L to R) David Stewart, Ian Moorhouse, Ian Howley, Garry Smith, Denis Flett, Geoff Earl, Trevor Ierino, Pat Feehan



The ten Water Services Committees and their Chairs as at 30 June 2002 were as follows:

Diversion Services

Murray System.....Lindsay Jarvis, OAM
 Goulburn SystemMorris Brown

District Services

Gravity Irrigation Areas

Shepparton..... Ian Klein
 Central Goulburn..... Peter Fitzgerald
 Rochester-Campaspe.....Richard Anderson
 Pyramid-BoortJohn Nelson
 Murray Valley..... Hank Sanders
 TorrumbarryBruce Jones

Groundwater

Regional Groundwater Services
 Committee.....Gordon Weller

Water Districts

Loddon Waterworks Water
 Services Committee.....Chris Watson

Working with communities

The Board establishes Reference Committees to ensure that customer and community views are taken into account in the planning and implementation of specific projects. Currently, Reference Committees are appointed for the:

- Normanville Pipeline Project
- Woorinen Pipeline Project

Dam Improvement Program Stakeholder Reference Panel

The Dam Improvement Program Stakeholder Reference Panel held its final meeting in July 2001. The panel brought a valuable scrutiny and perspective to the implementation and future planning of Goulburn-Murray Water's Dam Improvement Program and the advice it gave has provided a firm basis for the continuation of the risk reduction projects at our dams.

Shepparton Area Administrator Helen O'Dwyer assisting a customer



Lake Eildon Public Use Liaison Committee

The Lake Eildon Public Use Liaison Committee has wide representation and met on five occasions to consider issues including operations, water quality and land management.

Bulk Water Forum

We convened a meeting of all our bulk water customers with representatives from urban and rural water authorities to address operational issues and issues relating to service, pricing, bulk entitlements and asset management.

Delivering a reliable water service

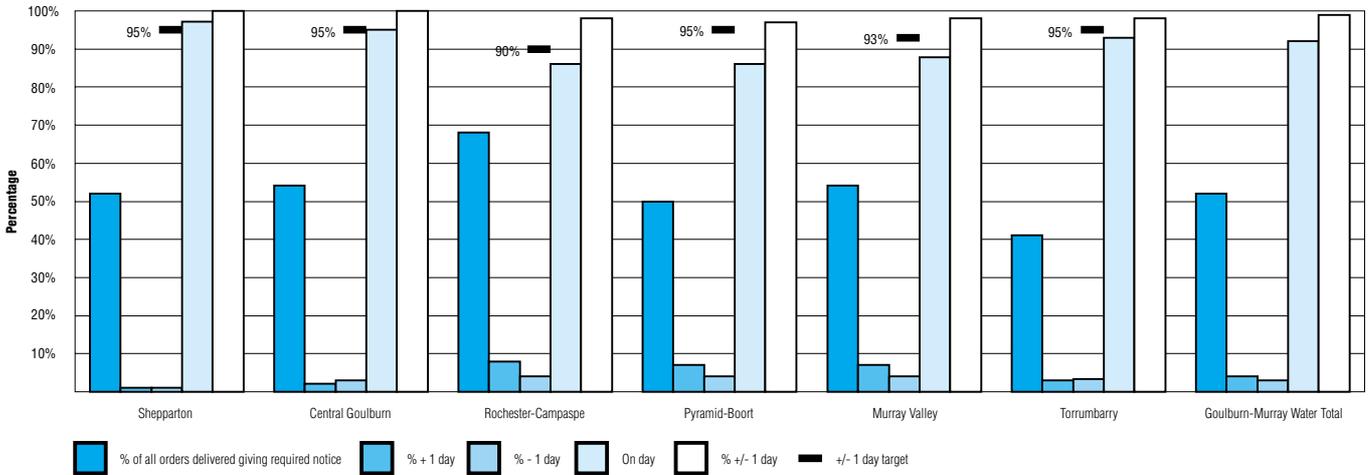
In the extended drought it is more important than ever that we ensure allocated water is available when it is needed. Despite five consecutive seasons of below-average inflows we were again able to deliver 100% or full water right allocations in all Irrigation Areas. However, while the Murray System had 100% Sales allocations, no Sales water was available to the Goulburn System.

The graph on the next page shows the achievement of the key customer service performance measures – delivering water when it is needed.

Overall more than 90% of all orders were delivered on the day required and our delivery performance targets for this year were met in all six Irrigation Areas. However, in the Murray System high autumn demand exceeded River Murray channel capacity, restricting supply downstream of Yarrawonga.

Bulk water services were satisfactorily delivered to all customers. Hydroelectricity generation was reduced because of the low allocations and low levels at some storages. Water-based recreation activities at Lake Eildon continued with restrictions in some areas due to lower lake levels.

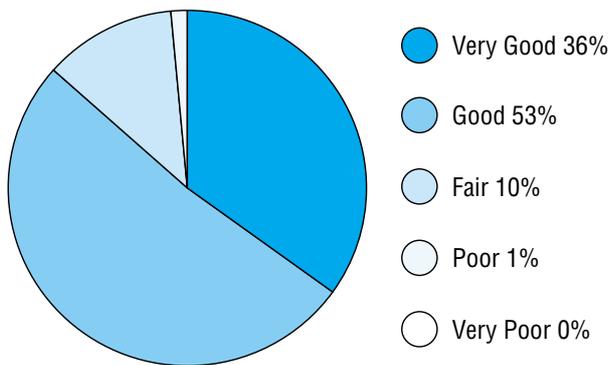
Delivery performance for orders with required notice



Understanding how our service is perceived

This year we undertook surveys of gravity irrigation customers and diversion customers, measuring customer perceptions of our service.

The aggregated data obtained is used to benchmark the services and to assess where improvements should be made. A total of 20% of gravity irrigation customers were surveyed by mail, with 10% of diversion customers surveyed by telephone. Around 89% of those surveyed rated our service as good or very good.



(L-R) Olivia Lennon (EWOV), Colin Gundrill (G-MW), Fiona McLeod (Ombudsman EWOV), Brian Carr (G-MW) and John Kendall (G-MW)

Helping our customers resolve disputes

In addition to our own dispute resolution procedures, Goulburn-Murray Water is a member of Energy and Water Ombudsman (Victoria) Limited (EWOV), a scheme providing an independent third party conciliation role for consumers of electricity, gas and water services in Victoria. The Ombudsman, Fiona McLeod, visited the region in May 2001 to promote and explain the Ombudsman's role to Goulburn-Murray Water's customers and employees.

The Energy and Water Ombudsman (Victoria) referred a total of 36 cases to the Authority during the year, comprising 24 enquiries, 5 consultations and 7 complaints. Only 2 cases remained outstanding at 30 June 2002.

Moving water to where it is needed

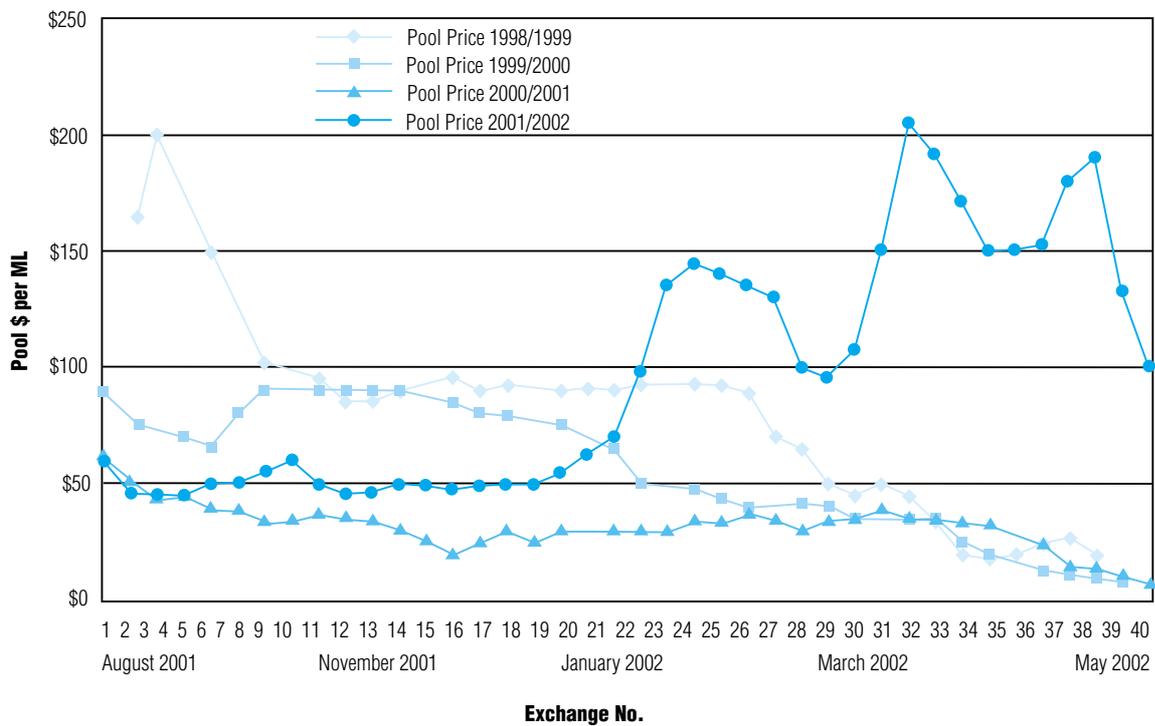
The Northern Victorian Water Exchange facilitated water trading between users. It continued to provide an open, transparent market place for water, with full disclosure of volumes traded and prices.

The exchange also performs an important education function by providing market information for people wishing to trade and to understand how water availability (supply) can affect price (demand).

During the year, prices in the Greater Goulburn zone – Zone 1 reached a record of \$205 per ML. Trading increased slightly with a volume of 60,482 ML being traded in 2001-2002 compared to 60,117 ML traded in 2000-2001.

The total number of offers received increased by over 3,000 to a total of 7,767 compared to 4,493 in 2000-2001. Some 22% of buy offers were successful through the exchange, however, approximately half of all sell offers were successful. The exchange traded 24.4% of all temporary trades, down from the previous season's 31.3%.

Pool Prices for Zone 1A & 1B - Greater Goulburn



Performance Measures and Targets	Achievements/Outcomes
Compliance with agreed service standards which is determined by individual Customer Services Agreements in relation to:	
■ Water service standards	Achieved
■ Timely issue of accurate bills	Generally achieved
■ Reactive maintenance problems responded to within agreed timeframes	Achieved
Annual customer services agreements reached by May 2002	Achieved
Timely response to all business enquiries	Achieved wherever possible

To maintain relationships, build partnerships and influence policy that will improve water resource management and contribute to sustainable regional development through integrated strategic planning for catchment regions.

Supporting ANCID

Goulburn-Murray Water again hosted the Australian National Committee on Irrigation and Drainage (ANCID) secretariat. The annual conference and annual general meeting of ANCID were successfully hosted by South West Irrigation at Bunbury.

This year ANCID produced the fourth annual National Benchmarking Report for Australian Irrigation Water Providers. The 2000-2001 Benchmark report reported 65 measures from 40 supply systems throughout the country.

Our congratulations go to Doug and Cathie Wright, customers of Goulburn-Murray Water's Murray Valley Irrigation Area, who won a national ANCID Irrigation Award for 'improved practices in drainage management' and the Pyramid-Boort Irrigation Area which won their award for 'Working Relationships in the Water Industry for their Vision 2010 - Developing Strategies for the Future Pyramid-Boort Irrigation Area'.

Participating in ANCOLD

Goulburn-Murray Water maintained an active role in the Australian National Committee on Large Dams (ANCOLD). As Junior Vice Chairman of ANCOLD, David Stewart of Goulburn-Murray Water was one of Australia's representatives at the 69th Annual Meeting of the International Commission on Large Dams (ICOLD) in Dresden. He also represented Australia on the ICOLD Committees on Seismic Design of Dams and Fill Materials for Dams.

Goulburn-Murray Water officer Shane McGrath held the position of Victorian State Representative to ANCOLD. He participated as an active member of the working group in developing ANCOLD's risk guidelines, and convened ANCOLD's risk workshop in Auckland, New Zealand.

Water Industry Bodies

We are active supporters and participants of the:

- Association of Rural Water Authorities
- Victorian Water Industry Association

Partnering the Murray-Darling Basin Commission

Goulburn-Murray Water's Chief Executive, Denis Flett, is a Victorian Commissioner on the Murray-Darling Basin Commission and on specific MDBC projects associated with permanent interstate water trading and the future management of Lake Victoria. We contributed to various MDBC working groups, mainly on asset management, water resource assessment, and natural resource management relevant to our business.

As Victoria's Constructing Authority for the MDBC, Goulburn-Murray Water undertook major upgrading works at Yarrowonga Weir. Investigations and designs for enhancement of salinity mitigation works have also been undertaken on the Pyramid Creek and the Lake Tutchewop Scheme. We provided technical support to the Sunraysia Interception Investigation.

Supporting Community Surface Drains

Goulburn-Murray Water provides assistance and support for the development and improvement of community surface drains.

This year construction was completed on the Mosquito Drain 11/25P project and the Wyuna 5/7P project. Construction of 12 kms of new primary surface drains and the remodelling of 5 kms of existing primary surface drains were completed in the Deakin, Campaspe, Muckatah and Mosquito catchments.

Operating Casey's Weir and Major Creek Open Channel Systems

Goulburn-Murray Water continues to operate this open channel system under contract to the Casey's Weir and Major Creek Rural Water Authority.

Goulburn-Murray Water also provided project management services to support the development of options for the potential pipelining of this water supply system.



Supporting National Water Week

The theme 'Water and Health' was promoted during National Water Week. Goulburn-Murray Water, in conjunction with Goulburn Valley Water, provided sponsorship for an inspection of local urban and rural water infrastructure. A poster competition was conducted, with many entries being submitted by primary school students across our region.

Working with Native Title

Currently there are five claims over lands within the boundaries of Goulburn-Murray Water. These claims have been made by Wamba Wamba, Barapa Barapa and Wadi Wadi Indigenous Communities; Wadi Wadi People; Dja Dja Wurrung People; Taungurong People; and Gunai Kurnai People. In addition, the Wergaia and Latji Latji Peoples have claimed title over lands involving the Mildura-Merbein Groundwater Interception Scheme.

Goulburn-Murray Water has arranged to be joined as a party in each of these claims. None of the claims has yet proceeded to mediation.

The High Court heard the appeal by the Yorta Yorta Aborigine Community against the rejection of their claim by the Full Bench of the Federal Court. The High Court has reserved judgement in this matter.

Performance Measures and Targets	Achievements/Outcomes
MDBC and Government Services and Agreements delivered in line with agreed programs and budgets	Achieved
Meetings held with each catchment management authority to address key shared issues at senior management/Board level	Achieved
State emergency management	
■ Calls for emergency management support met	Achieved
■ Emergency management plans and contacts kept current	Achieved
Corporate planning and reporting:	
■ 2000-2001 annual report submitted to Minister for Environment and Conservation by 30 September 2001 for tabling in Parliament	Achieved
■ 2002-2003 corporate plan submitted to Minister for Environment and Conservation by 30 April 2002	Achieved



Maise grown under centre pivot in the Campaspe Irrigation District as part of the improving irrigation of light soils program

Creating a better future through Research and Development

Research and development plays an important role in developing a better future for people in the irrigation industry where economic, social and environmental goals can be achieved.

Through our partnership agreements, we invested \$739,843 on research and development, of which \$436,314 in total was contributed to Land and Water Australia, the Cooperative Research Centre for Catchment Hydrology and the Cooperative Research Centre for Freshwater Ecology. Goulburn-Murray Water also carried out research for Land and Water Australia and other organisations at a cost of \$169,940.

Some of Goulburn-Murray Water's research and development programs included:

- Arrowhead biological control
- Land use pilot projects in Kerang and Swan Hill
- Total channel control technology
- Performance of large dams
- Sustainable rice growing in saline areas
- Improved irrigation practices of light soils

- Assessment of ecological risks associated with irrigation
- Modelling restoration projects at Lake Mokoan
- Improving land and water management plans
- Increasing water use efficiency in Woorinen

Major outcomes included:

Arrowhead Biological Control

The 2001-2002 irrigation season saw the beginning of intensive herbicide trials as part of the arrowhead biology and control research program. Trials were established to investigate control and to determine whether herbicides currently used could be made more efficient through changes in technique. These trials were set up at various locations around the Shepparton and Murray Valley Irrigation Areas, along with some work in the Torrumbarry Irrigation Area. Long-term results will be gauged on the degree to which arrowhead returns in subsequent seasons.

Investigations into the general biology and ecology of arrowhead are also continuing through observation and experimentation.

Case Study - Land Use Pilot Projects in Kerang and Swan Hill

This pilot project considered the relationship between the many complex issues surrounding future land use including:

- redundancy of irrigation infrastructure
- water entitlement trade losses
- flooding and drainage
- world listed environmental values
- off-farm businesses
- agricultural productivity, and
- the social implications of changes in land use

A greater understanding of international approaches to future land use infrastructure investments including those related to irrigation will be gained by Goulburn-Murray Water officer, John Ginnivan, who has been awarded a Churchill Fellowship to participate in a study tour commencing in 2003. The study tour will include inspection of irrigation and catchment management organisations in California and visits to the World Bank in Washington DC and specific industry groups in the Netherlands.



John Ginnivan (left) discussing the study with Kerang-Swan Hill Salinity Management Chairman, Stuart Sims

Performance Measures and Targets	Achievements/Outcomes
Research and Development investment	
■ Approved programs and budgets delivered	Achieved
■ Research and Development progress and results communicated	Achieved
■ Outcomes transferred and benefits captured	Achieved

Protecting our Water and Environment

To protect water resource availability for customer entitlements and agreed environmental flows, improve water system efficiency and participate in catchment strategies to improve water quality, sustainability of land and water use and the quality of the environment.

Managing storage and delivery systems

Ensuring water is available for everyone despite significant variations in rainfall levels and inflows is our primary objective.

Our bulk water supply system consists of a large interconnected network of storages, rivers and major channels. During 2001-2002 these systems were operated to meet customer demands for water in accordance with established operational procedures.

Total water deliveries for the 2001-2002 irrigation season were higher than for 2000-2001, in a season of continuing drought that meant none of the major irrigation storages filled to capacity and all storages, except Lake Dartmouth, were at low levels by the end of the 2001-2002 season.

We announced an initial allocation for the Goulburn System on 15 August 2001 at 55% of Water Right. To ensure water was available to meet Goulburn System demand during winter and spring Waranga Basin was drawn down to a very low level during the season which

maximised harvesting opportunities for the Goulburn System.

By the end of the irrigation season Waranga Basin had been drawn down to 25% of capacity, the lowest since 1957 and close to the planned minimum operational drawdown volume of 100,000 ML.

The allocation for the Goulburn System reached the final level of 100% of Water Right on 15 October 2001. This is the fourth consecutive season that allocations have finished the season at 100% of Water Right but without Sales water being available.

In the Campaspe System we announced an initial seasonal water allocation of 100% of Water Right. 80% Sales was announced on 15 August 2001 and remained unchanged for the irrigation season.

The initial Murray System allocation announced on the 15 August 2001 was 100% of Water Right plus 74% of Sales. The allocation reached the maximum level of 100% of Water Right plus 100% of Sales on 15 November 2001.

Initial and final allocations for all systems are shown in the table below.

We delivered 2,106,958 ML (130.3% of Water Right) to the gravity and pumped districts during 2001-2002 compared to 1,943,374 ML (119.3% of Water Right) for 2000-2001.

System	Initial Allocation		Final Allocation	
	Water Right/ License Volume	Sales	Water Right/ License Volume	Sales
<i>Irrigation Districts</i>				
Goulburn-Murray Irrigation District				
Goulburn	55%	0%	100%	0%
Murray	100%	74%	100%	100%
Campaspe Irrigation District				
	100%	80%	100%	80%
<i>Private Diversions</i>				
River Murray	100%	44%	100%	70%
Mitta Mitta River	100%	74%	100%	100%
Kiewa River	100%	44%	100%	70%
Broken River	100%	0%	100%	70%
Goulburn River	55%	0%	100%	0%
Campaspe River	100%	80%	100%	80%
Loddon River	55%	0%	100%	0%

These results were achieved within the following key operational issues:

- Continued low water availability in the Goulburn System which necessitated that management of all available resources was optimised and initiatives taken to minimise distribution losses and maximise harvesting opportunities.
- Regular consultation with all interested parties, particularly customers, but also parties concerned with tourism, recreational, aquaculture, environmental and power generation issues.
- A high degree of regulation of the lower Goulburn River, which required close attention to the minimum flow requirements of the Bulk Entitlement.
- Monthly resource assessments to ascertain whether seasonal allocations could be increased.
- Draw down of Lake Mulwala at the end of the irrigation season to enable major rehabilitation works to Yarrowonga Weir to proceed during the 2002 winter.
- Capacity constraints at the Barmah Choke which resulted in River Murray diversions being restricted during peak demand periods.
- Operation of the Loddon storages in a manner which facilitated commencement of the Cairn Curran dam improvement works.

Furthering Bulk Water Entitlement Arrangements

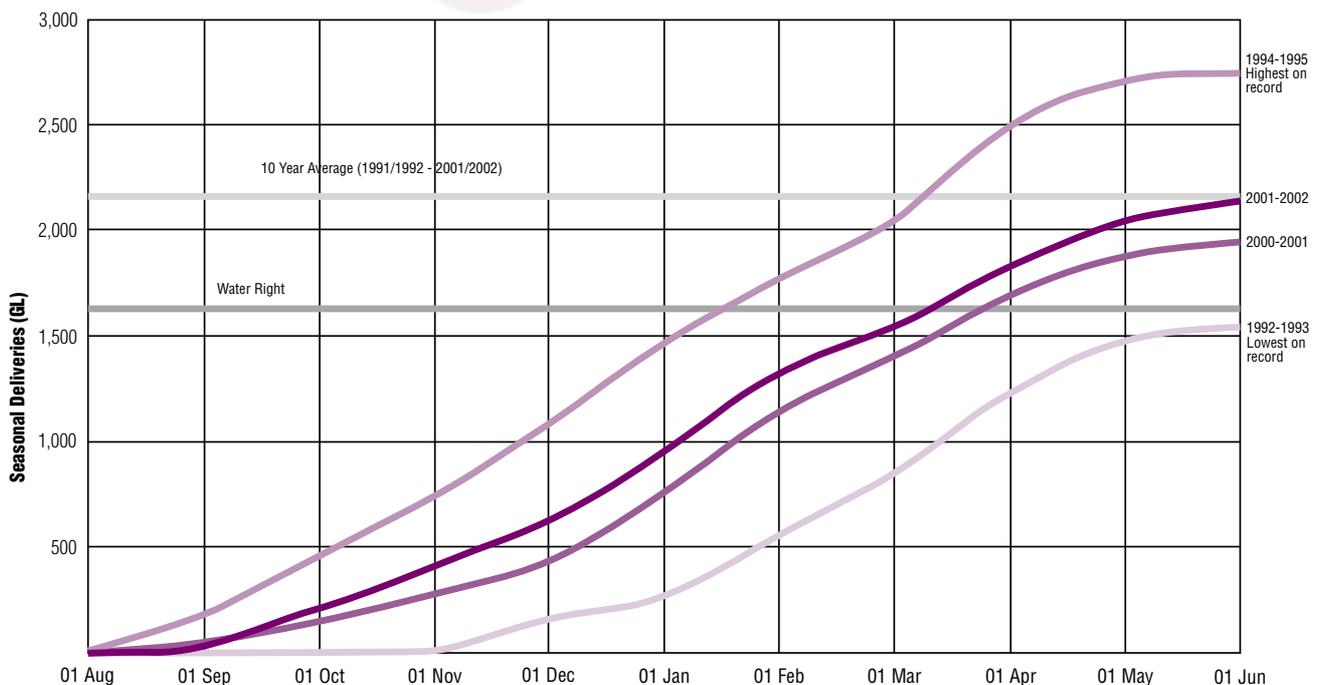
During the year, Goulburn-Murray Water continued to work with the Department of Natural Resources and Environment and stakeholder groups to further develop Bulk Water Entitlement arrangements.

Work on Bulk Water Entitlements for the Broken basin was substantially completed. Work on the Ovens basin bulk entitlement continued and work started on developing Loddon basin bulk entitlement arrangements.

Reforming Retail Entitlements

Planned public consultation on proposals to separate the existing linked Water Right entitlements and Sales allocations did not proceed at the Minister's request, ensuring that the industry and community could dedicate appropriate attention toward the resolution and implementation of the Farm Dams Review and related issues.

Water Deliveries - Gravity and Pumped Irrigation Districts



Saving water for the environment

This year we made substantial progress on projects aimed at generating 280,000 ML/year of water savings for environmental purposes, primarily for the Snowy River and the River Murray over the next ten years.

Through the Victorian, New South Wales and Commonwealth Governments' joint \$375m water savings program, Goulburn-Murray Water received \$11.7m during the year towards the following works:

- Management of the water saving program
- Detailed investigations of water saving options
- Bulk water systems water savings investigation
- Domestic and stock metering project investigation
- Woorinen pipeline project construction
- Normanville pipeline project investigation
- Casey's Weir and Major Creek pipeline project investigation
- Total channel control system investigation and implementation

Piping to save water

This year, following extensive customer consultation, we developed plans to convert the existing open domestic and stock channel system at Normanville to a fully reticulated pipeline scheme.

As part of the State Government's funding for water savings, investigation of the total channel control system in the Central Goulburn Area commenced and is due to be completed for the 2002-2003 irrigation season.

Case Study - Woorinen pipeline project

The first of the State Government's water saving projects involving the replacement of the existing concrete-lined channel at Woorinen progressed ahead of schedule.

The works involve the construction of a major off-river pump station on the River Murray, a tank and 53 km of pipelines.

The State Government, existing customers and new customers will fund the works. This is the first of the State Government's water saving projects, and is expected to provide up to 2,000 ML of water savings for the Snowy River and the River Murray.

Improving Small Volume Measurement

Improving the measurement of small volume supplies in irrigation districts offers important water savings opportunities. It provides a better understanding of the volume of water used and allows assessment of the feasibility of water accounting at small pipe outlets.

Better Streamflow Management

Goulburn-Murray Water is actively supporting projects led by the Department of Natural Resources and Environment in improving streamflow management.

This includes developing an improved environmental flow methodology, a formal streamflow management plan development process, and development of a methodology for establishing harvesting limits in catchments for off-stream dams filled during the winter period.

Legislation was passed amending the Water Act 1989, providing a legal framework for the development of Streamflow Management Plans.

Following public consultation and consideration of submissions, final draft plans for the King Parrot Creek and Yea River were submitted to the Minister for Environment and Conservation. Consultation was also undertaken for the Kiewa River Streamflow Management Plan. Environmental flow studies were undertaken for Seven Creeks, Nariel Creek and Delatite River and the results reviewed with local community representatives.

Work has commenced on the development of a streamlined process for establishing licence management rules on unstressed streams. One of the key elements to be developed is a methodology for setting minimum flows.



Improving our Environmental Management

To improve our environmental management we are implementing a number of initiatives. This year we completed:

- detailed project procedures and guidelines for managing environmental impacts and regulatory requirements; and
- plans to reduce environmental impacts arising from sewerage works at Lake Eildon and Lake Eppalock.

The Environmental Management System introduced in 1999-2000 has enabled us to identify and better manage incidents such as pollution and environmental damage that can occur from time to time. Issues are prioritised into emergency, serious and minor levels, with immediate responses made to emergency and serious incidents.

The graph displays trends in minor, serious and emergency environmental incidents recorded by Goulburn-Murray Water since the inception of the Environmental Management System.

The environmental and heritage regulatory regime continues to grow more complex and challenging. A number of government strategies and Acts of Parliament were introduced or reviewed, all requiring Goulburn-Murray Water regulatory impact assessment, input and implementation.

Promoting Water Quality

Water quality is a centrally important issue for Goulburn–Murray Water and we are very active in ensuring water quality is promoted.

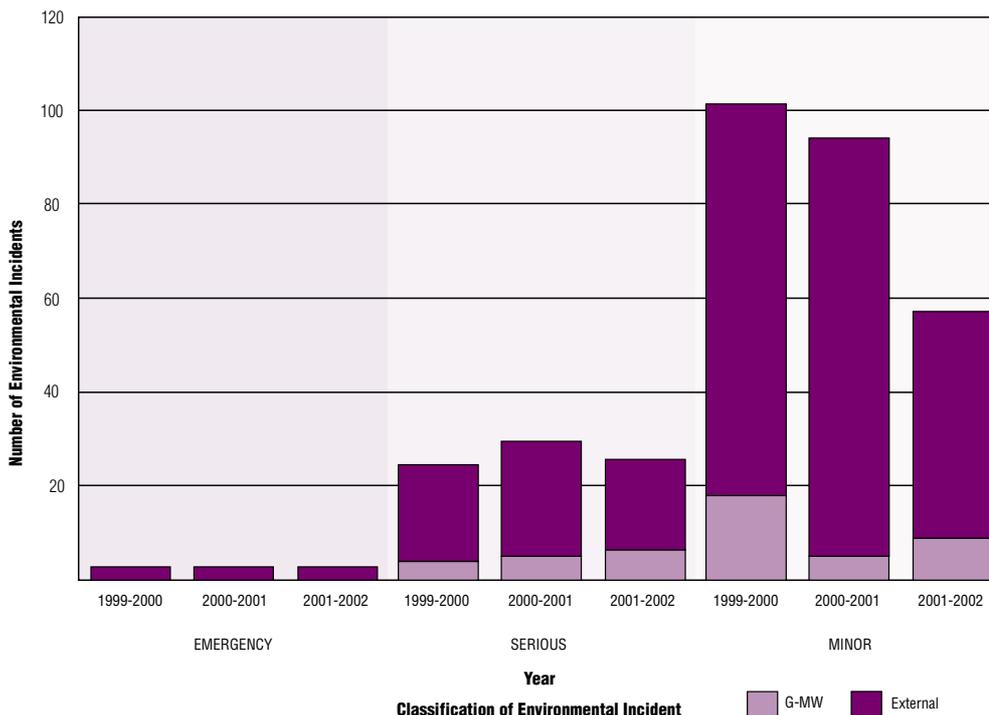
This year we supported the development and updating of regional and local blue-green algae bloom management plans to ensure rapid and efficient responses to bloom outbreaks.

The occurrence of algal blooms above the Level 1 Alert Status during 2001-2002 was far less frequent than in previous years, which may have been due to milder summer temperatures. Most blooms occurred during late summer and autumn when water levels were declining and water temperatures rising.

We supported the implementation of catchment water quality management plans in the Upper Murray, Ovens, Goulburn Broken, Campaspe and Loddon catchments, particularly in irrigation drainage and water quality monitoring. Substantial support was provided to the Goulburn Broken Catchment Management Authority in reviewing and updating its water quality management strategy.

A further four policies aimed at enhancing management of perimeter land around Goulburn-Murray Water

Annual Summary Comparison - Cause of Environmental Incidents



storages were adopted. These relate to:

- Revegetation and vegetation management
- Foreshore erosion and sedimentation control
- Fencing of perimeter land
- Pest plant and animals

Water Quality and Biodiversity Management Plans for Lake Eppalock and Cairn Curran Reservoir were developed, using a risk-based approach to address management issues.

A review of water quality data at major storages was undertaken, with data for some storages having now been collected for some fifty years. General patterns seen were increasing (worsening) trends for pH, salinity, total phosphorus and algal pigments, with decreasing (improving) trends for water particles, oxidised nitrogen and soluble phosphorus. Of particular interest were improving trends in water quality parameters in Lake Mokoan, confirming anecdotal evidence of water quality improvements alongside increased management activity.

Valuing and Maintaining Biodiversity

Goulburn-Murray Water values the breadth of services provided by ecosystems and we are setting in place programs to efficiently conserve key biodiversity assets by focusing on the management of threats to biodiversity.

We are also identifying priorities for conservation and restoration of biodiversity on or in Goulburn-Murray Water's assets and facilitating priority tasks to protect and enhance biodiversity within our influence.

Tree planting, part of the re-vegetation program at Cairn Curran



This year we adopted a Biodiversity Strategy involving:

- Preparation of water quality and biodiversity plans for water storages
- Revegetation of storage perimeter land
- Control of terrestrial and aquatic weeds
- Construction of fishways (in association with catchment management authorities)
- Development of project assessment protocols to ensure biodiversity issues are considered during project planning and implementation phases.

Performance Measures and Targets	Achievements/Outcomes
Ensure resource security by making Seasonal Allocations in accordance with policy	Achieved
Advise customers of seasonal allocation in August with monthly reviews thereafter	Achieved
Volume of resource delivered to customers to be greater than 75% of volume diverted from rivers	Not Achieved. Deliveries to customers were 73% of volume diverted
Actual flows always greater than or equal to specified minimum flows	Achieved. See Appendix A for further details

Ensuring Water Security through Asset Management

To reconfigure, modernise and rationalise water system infrastructure to meet water service needs and ensure long-term sustainability, and to meet the agreed integrity, safety and service standards of headworks and distribution assets over the long term whilst minimising life cycle costs.

Securing our Bulk Water Supplies

The storage dams that we own and look after are valued at around \$1.5b and we implement continuous improvements and upgrades to maintain water security for everyone in the community.

The Dam Improvement Program is a major program to upgrade Goulburn-Murray Water dams to contemporary safety standards. The \$37m phase 1 work funded equally by the State Government and Goulburn-Murray Water is part of a total program of \$193m to upgrade dams over the next 15 years. \$4.2m was expended on the Dam Improvement Program last year.

The highest priority projects in phase 1 include:

- Strengthening of the dam embankment adjacent to the spillway at Cairn Curran Reservoir
- Continuation of concept designs for the next highest priority works at Lake Buffalo and Lake Eildon
- Commencement of design reviews for Goulburn Weir and Hepburn's Lagoon

Separate to the Dam Improvement Program a \$12.9m project to upgrade the safety of Yarrawonga Weir against damage from earthquake was undertaken. The works, funded by the Murray-Darling Basin Commission, involve strengthening of the earthen embankments and concrete structures.

As part of the Board's program of inspections of key Goulburn-Murray Water assets, the Board inspected Cairn Curran Reservoir in June



Case Study - Cairn Curran

The first stage of the Cairn Curran Reservoir Upgrade Project commenced as part of Goulburn-Murray Water's Dam Improvement Program. The project aim is to strengthen the main embankment to withstand the occurrence of a major earthquake and to provide security against uncontrolled seepage. The works were substantially completed as at 30 June 2002 at a cost of approximately \$3 million.

The project involves major structural concrete works to raise the spillway training wall four metres. It also involves substantial excavation of the downstream face of the embankment, which will be replaced with approximately 25,000 tonnes of sand filters and rockfill.

Completion of the project is on schedule for August 2002 and it is anticipated that this will be achieved without causing undue effect on the water supply of users reliant on this storage. The upgrade will ensure that Cairn Curran Reservoir continues to provide a reliable water supply into the future.

Performance Measures and Targets	Achievements/Outcomes
Bulk Water Assets	
No more than two unplanned service failures, longer than 24 hours, across all storages	Achieved
Capability of storage to hold design capacity 99% of time, or better, at each storage	Achieved (100%) except for Lake Buffalo and Lake Mokoan. Interim restrictions applied at Cairn Curran Reservoir, however, storage performance has not been affected.
Dam Safety Emergency Plans – review 25% of plans	Achieved. A review of 64% of plans was undertaken

Replacement of Ball's Weir and fish ladder installation on Broken Creek



Ensuring secure distribution delivery systems

To ensure security of delivery it is equally important that the delivery systems are maintained and renewed. Our asset renewals program included:

- Investigation of the replacement of the 110-year old Campaspe Weir
- Syphon rehabilitation program on the East Goulburn Channel
- Review of environmental aspects of irrigation drainage within northern Victoria
- Broken Creek weirs rehabilitation program including automatic weir gates with fishways included on each structure
- Invergordon drain three-year trial of in-line wetland
- Planning for upgrade of the Waranga Western Channel downstream of Loddon River
- Pyramid Creek salt interception scheme involving the installation of 120 interception bores and 12km of collection pipelines and evaporation basins
- Blackspot funding works in partnership with VicRoads, with approximately 120 culverts and bridges fitted with guardrails, extensions or replacements.

Assessing the life cycle of our assets

Through our three-year Asset Assessment Program 2002, we are assessing the condition of assets in the four eastern Irrigation Areas of Rochester-Campaspe, Central Goulburn, Shepparton and Murray Valley. The program will provide an update of the conditions of assets last reviewed six years ago and for more accurate business projections provide a better understanding of how assets age.

Rationalising our Assets

The asset rationalisation program continued across Goulburn-Murray Water's region during the year, resulting in assets with a total replacement value of \$2.8m being retired. The following table provides a breakdown of the value of abandoned assets in each Irrigation Area.

Area	<i>Replacement Cost of Assets Abandoned \$'000</i>
Shepparton	373
Central Goulburn	807
Rochester-Campaspe	463
Pyramid-Boort	416
Murray Valley	201
Torrumbarry	518
Total	2,778

Performance Measures and Targets	Achievements/Outcomes
Distribution Assets	
No unplanned service failures due to assets longer than 24 hours	Achieved
Asset base reduction - Abandon assets with combined replacement value of \$2 million	Achieved. Total value of abandoned assets was \$2.8 million

Developing Our Workforce and Organisation

To achieve corporate objectives, employee satisfaction and improved safety in the workplace and maintain an optimal mix of capable, flexible employees, contractors and cost effective technology.

Developing our people

As at 30 June 2002 there were 605.6 full time equivalent employees of Goulburn-Murray Water compared with 598 at the same time last year. The increase is generally attributable to the extent of additional project activity (Woorinen and Normanville pipeline projects) and government service contracts in natural resource management.

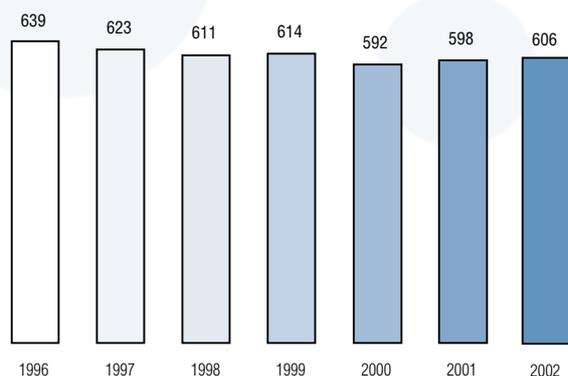
Ongoing vocational training is an important part of ensuring that our employees are able to meet the needs and expectations of our customers and communities. We also play a major role in training advisory bodies, nationally through the Water Industry Education and Training Association of Australia and in Victoria through the Victorian Water Enterprise Training Advisory Board.

Training increased to 1,792 individual training person days during the year, compared with 1,557 in the previous year, partly attributable to the introduction of a Workplace English Literacy and Leadership program.

Creating a safer work place

Improving occupational health and safety was a priority. This year we saw the number of lost time injuries per million hours worked drop to 18.1, compared with 26.9 in the previous year.

However, the injuries that did occur were more severe, with back injuries being the major area of concern. The average number of days lost per injury increased from 10.3 last year to 20.2 in 2001-2002. Through education, more vigilant reporting of injuries and incidents and advice and support, we will continue to work hard to improve our knowledge and performance in this area.



Workforce as at 30 June

Trainee Shelley Luvara with John Dainton (left) and Denis Flett



Case Study - Traineeship Program

Six trainees obtained a Certificate II in Water Industry Operations in Goulburn-Murray Water's traineeship program. This is the second year of the program and provides ongoing training and development for people commencing in the water industry.

Along with the first group, all of this year's graduates have obtained ongoing employment with Goulburn-Murray Water. Based on the success of the program a third group of trainees commenced in January this year.

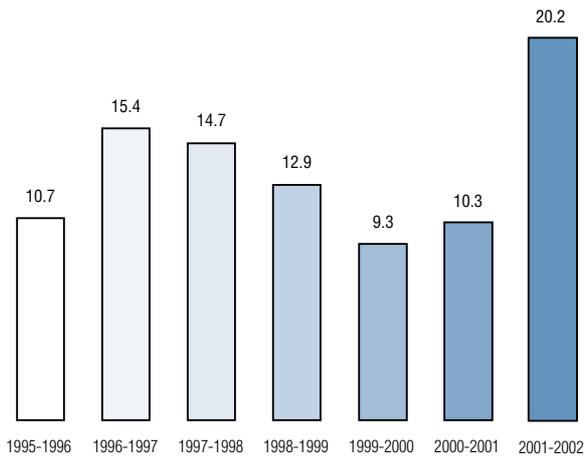
Major Occupational Health and Safety Achievements

An Occupational Health and Safety Coordinator was appointed and the SafetyMAP program, as the means of OHS compliance and audit, was adopted.

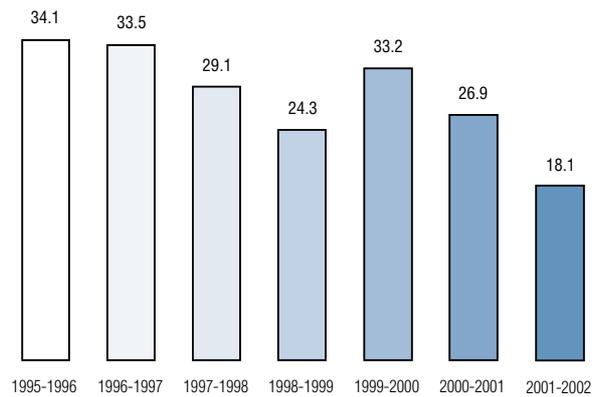
An update and release of a revised OHS Policy Statement was distributed to all employees. A continued revision and update of procedures was also undertaken. In addition a workshop incorporating employee representatives was held to define the direction of, and determine initiatives for, future developments.

The expansion of an electronic database of risk assessments and safety data sheets was undertaken and distributed to geographically dispersed work locations.

A commitment to more vigilant reporting of injuries and incidents was also made, as well as the commencement of a revision of incident and injury investigation and reporting procedures.



Average lost time rate
(Average number of days lost per injury)



Lost time injury frequency rate
(Lost time injuries per million hours worked)

OHS Key Indicators

	2001-2002	2000-2001
Number of health and safety employee representative committees	10	10
Number of meetings of OHS committees held during the year	49	43
Number of lost time injuries for the year	18	25
Number of days lost to injuries incurred during the year	364	264
Workcover initial premium	\$655,349	\$778,921
Lost Time Injury Frequency Rate (lost time injuries per million hours worked)	18.1	26.9
Average Lost Time Rate	20.2	10.3

Improving our Technological Systems

During the year we implemented a number of programs to improve the technology we use. This included:

- improved internet connection
- unified messaging trial (voice mail and electronic fax)
- introduction of a new in-house human resource management system
- upgrades to the disk storage and backup tape systems in the Tatura office
- improved disaster recovery and business continuity capabilities
- implementation of a financial module for the AssetLife asset management system
- continued enhancement of the customer care and billing system
- purchase of licences to install the latest Microsoft products

Charity Golf and Bowls Day

Once again employees of Goulburn-Murray Water contributed a considerable amount of their own time and effort in the organisation of two golf and bowls days to raise money for various charities. Highly successful events held at Cohuna and Tatura raised over \$20,000 with funds distributed to charities within Goulburn-Murray Water's region.

Golfers enjoying the charity event



Performance Measures and Targets	Achievements/Outcomes
Performance Management Annual performance management program delivered: Performance plans established for all employees	Achieved. A new performance appraisal system was introduced
Performance assessment against targets conducted as scheduled with feedback provided to employees	Assessments were conducted although some mid year reviews were deferred
Occupational Health and Safety Frequency- less than 25 lost time injuries per million hours worked	Achieved. A frequency rate of 18.1 was achieved
Severity – less than 8 days lost per lost time injury	Not achieved. The lost time rate increased to 20.2

To meet the real operating and capital cost of each bulk and rural water service and ensure long term business viability for each service.

Trading Result

The current drought sequence continues to severely affect Goulburn-Murray Water's financial performance. For 2001-2002 the amount of Sales revenue increased by \$1.9 million, with this increase being in the Murray System. Again the Goulburn System water allocation was restricted to Water Right only, leading to worsening financial results for the four Goulburn System Irrigation Areas.

These pressures led to significant price increases in the Goulburn System services for 2002-2003.

The Authority had an operating loss of \$7.5 million in 2001-2002, with improvement from previous years due mainly to a \$9 million revenue item for assets received free of charge. During the financial year the Authority took over legal responsibility for several community surface drain assets. This item was treated as revenue for accounting purposes, however, there will be no matching cash inflow.

Gravity irrigation Sales totalled \$8 million in 2001-2002. These were in the Murray System and are well below the rolling ten-year average for sales of approximately \$13 million prior to the commencement of the drought.

By comparison results for the last five years were:

	<i>Result (after abnormal items)</i>	<i>Sales</i>
2000-2001	\$19.5m loss	\$ 6.1m
1999-2000	\$26.3m loss	\$ 2.3m
1998-1999	\$21.2m loss	\$ 6.3m
1997-1998	\$ 5.9m loss	\$ 6.1m
1996-1997	\$ 7.4m loss	\$17.3m

Customer Services Officer, Shelley Luvara



Goulburn-Murray Water collects and sets aside adequate funding to maintain the condition of required infrastructure, mainly storages channels and drains, using the renewals annuity approach. This involves planning and setting aside funds for future asset replacement and refurbishment, rather than including in prices a depreciation charge based on existing assets.

The financial statements were prepared in accordance with Australian Accounting Standards which required that asset consumption be measured using conventional depreciation charges based on replacement costs and expected asset lives. This approach means that in an average year Goulburn-Murray Water maintains commercial viability, whilst showing a loss in the financial statements.

The following table reconciles the financial result shown in the financial statements with that based on the renewals annuity approach.

	<i>2001-2002 \$'000s</i>	<i>2000-2001 \$'000s</i>
Loss for the year	(7,526)	(19,545)
Add back depreciation	31,954	25,459
Deduct renewals annuity	(15,929)	(14,844)
Profit (loss) for the year after Renewals annuity	8,499	(8,930)
Deduct non-cash revenue item For assets received free	(9,045)	-
Renewals loss for the year after Non-cash revenue deducted	(546)	(8,930)

The following key assumptions have been used in determining the renewals annuity charge:

- annuity period Storages - 100 years
 Bulk carriers - 100 years
 Distribution assets - 20 years
- interest rate 4.0% (real)
- future inflation not required as real interest rate is assumed

The renewals results for each of the Authority's retail water services will be available from the Business and Finance Group at the Tatura office after 1 December 2002.

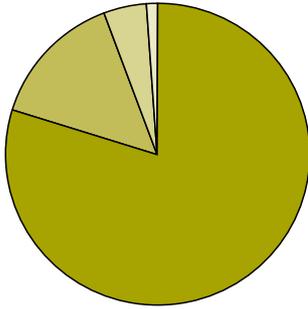
Financial Framework with Victorian Government

Goulburn-Murray Water is committed to the establishment of a financial framework with the Victorian Government with regard to a range of issues. These issues include: pricing, productivity improvements, dividends, taxation equivalents, sharing of the cost of dam safety upgrades, and security of cash reserves set aside for asset replacement.

Achievement of an agreed outcome will improve future planning and investment decisions for customers, secondary industry and Goulburn-Murray Water.

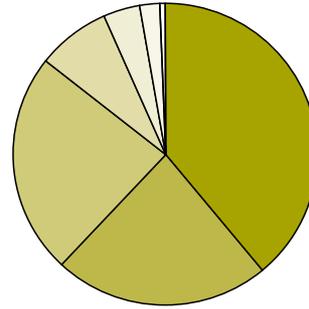
Goulburn-Murray Water entered the Victorian State Tax Equivalent Regime on 1 July 2001, and will progress to the national tax equivalent scheme from 1 July 2002.

<i>Performance Measures and Targets</i>	<i>Achievements/Outcomes</i>
Financial modelling used to demonstrate long term viability of each service	Achieved
Prices consistent with long term viability approved by the Board by 30 April 2002	Achieved
Financial productivity targets for all services established by September 2001	Achieved



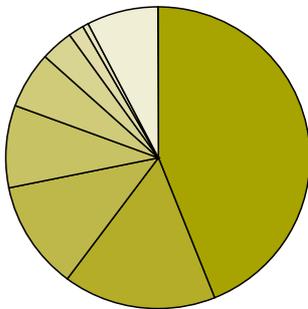
Capital expenditure by type

79.1% Infrastructure Assets	\$23,539,662
15.2% Salinity	\$4,522,338
4.5% Equipment	\$1,346,000
1.2% Buildings, Plant and Motor Vehicles	\$360,000
100%	\$29,768,000



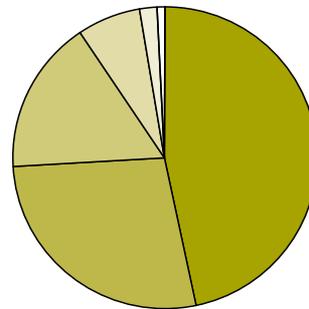
Total expenditure by resource

39.8% Contracts and private plant hire	\$56,589,512
23.8% Labour and related costs	\$33,911,403
22.4% Depreciation	\$31,953,961
7.7% Materials	\$10,966,808
3.9% Other	\$5,569,794
2.2% Electricity and fuel	\$3,076,975
0.2% Finance charges	\$242,745
100%	\$142,311,198



Revenue by source

43.9% Rates - water and drainage	\$46,060,000
16.6% Other external clients	\$17,458,000
10.5% Consumptive charges	\$11,018,000
8.5% Victorian Government service fee	\$8,944,000
6.2% Other revenue	\$6,520,000
4.1% Sale of bulk water	\$4,262,000
1.3% Interest	\$1,350,000
0.3% Sale of fixed assets	\$328,000
8.6% Assets received free	\$9,045,000
100%	\$104,985,000



Operating expenditure by activity

45.7% Operations	\$51,432,000
28.4% Depreciation of fixed assets	\$31,954,000
15.7% Maintenance	\$17,695,000
8.1% Management and administration	\$9,120,000
1.5% Written down value of disposed assets	\$1,682,000
0.6% Finance charges and payment to consolidated fund	\$628,000
100%	\$112,511,000

General Information

Consultancies

We engaged consultants during 2001-2002 to assist with:

- The provision of expert analysis and advice to facilitate decision-making
- Specific one-off tasks or set of tasks
- The provision of skills not currently available within the Authority

Consultants engaged at a contract cost of less than \$100,000 numbered 20 at a total contract amount of \$504,374.

No consultants were engaged at a contract price of \$100,000 or more.

Merit, Equity and Privacy

Goulburn-Murray Water's advertisement and employee selection processes continued to follow policies based on the State Government's merit and equity principles. During the year 22 internal and 37 external applicants filled 59 positions within the organisation.

Equal Opportunity, Harassment and Workplace Bullying and Grievance Policies were reviewed and re-drafted. All employee grievances and complaints were handled, with satisfactory conclusions reached within the Authority.

The State's Privacy Act was examined and action commenced to develop policies and procedures to conform to the requirements of this legislation.

Industrial Relations

Agreement was reached on the Goulburn-Murray Water Enterprise Agreement in July 2001. This was later ratified by the Industrial Relations Committee of Cabinet and certified in the Australian Industrial Relations Commission in November 2001. All back pay and condition changes were implemented within three weeks of the certification.

A new Central Consultative Committee, with employee and management representatives, was established as was a Productivity and Salaries Consultative Committee which undertook positive work in relation to productivity and salary payment gains. Both of these committees were established as a result of the Enterprise Agreement.

There was no time lost due to industrial disputes or bans during 2001-2002.

Auditors

Internal: AFS & Associates Pty Ltd

External: Victorian Auditor General

Building Act

The Authority continued to ensure that it complies with statutory requirements set down by the Building Act 1993 and the accompanying Building Regulations 1994.

Freedom of Information

We received three applications for information under the Freedom of Information Act 1982. Information was provided as requested in two cases. In the third case, information was partially provided due to parts of the requested information being exempt in terms of the Freedom of Information Act 1982.

Culturally Appropriate Services

We are committed to policies, programs and strategies aimed at delivering culturally appropriate services to all Victorians. No special initiatives were needed by the Authority to meet statutory obligations. Outcomes of the Authority's deliberations were adequately communicated to the culturally and linguistically diverse participants in the State's water sector.

National Competition Policy

Goulburn-Murray Water will continue to comply with Victorian Government policies and timeframes for National Competition Policy, including Competitive Neutrality, as requirements are developed.

Information Available

The accountable officer will, on request, provide information listed in Part 9.1.3(iv) of the guidelines to the Financial Management Act 1994.

Lake Mulwala drawn down during upgrade works to Yarrawonga Weir



Whistleblowers Protection Act

The Whistleblowers Protection Act 2001 came into effect on 1 January 2002. The Act is designed to protect people who disclose information about serious wrongdoing within the Victorian Public Sector and to provide a framework for the investigation of these matters.

Employees of Goulburn-Murray Water attended information and training sessions about the Whistleblowers Act to assist with the development of policy and procedures to implement the requirements of the Act. There were no disclosures made under the Act and there were no disclosures made to or referred to the Ombudsman.

Disclosures of improper conduct or detrimental action by Goulburn-Murray Water or its employees, may be made to the following:

The protected disclosure coordinator:
David Roberts
Manager Organisation Development
40 Casey Street, Tatura 3616
Phone: (03) 5833 5570
email: davidro@g-mwater.com.au

The Ombudsman Victoria
Level 22, 459 Collins Street, Melbourne Vic 3000
Telephone: (03) 9613 6222 Toll free: 1800 806 314

Corporate Directory

40 Casey Street, PO Box 165, Tatura Victoria 3616
(DX 32951)
Telephone: (03) 5833 5500
Facsimile: (03) 5833 5501
Email: reception@g-mwater.com.au
Website: www.g-mwater.com.au

Bulk Water Services

Headworks Goulburn
Goulburn Headworks Manager - Bob Klos
Lake Eildon, High Street, Eildon 3713

Headworks Murray
Murray Headworks Manager - David Jeffery
Hume Dam, Private Bag 2, Wodonga 3691

Headworks Loddon
Loddon Headworks Manager - Ivan Smith
Cairn Curran Reservoir, Maldon 3463

District Services

Shepparton Area
Area Manager - Darren Nabbs
21 Wheeler Street, Shepparton 3630

Central Goulburn Area
Area Manager - Graham Smith
40 Casey Street, Tatura 3616

Rochester-Campaspe Area
Area Manager - Graham Clark
49 High Street, Rochester 3561

Pyramid-Boort Area
Area Manager - David Kent
24 Barber Street, Pyramid Hill 3575

Murray Valley Area
Area Manager - Kevin Preece
Dillon Street, Cobram 3644

Torrumbarry Area
Area Manager - Lester Haw
Koondrook Road, Kerang 3579

Diversion Services

Shepparton
21 Wheeler Street, Shepparton 3630

Cobram
Dillon Street, Cobram 3644

Rochester
49 High Street, Rochester 3561

Kerang
Koondrook Road, Kerang 3579

Newlyn
Midland Highway, Newlyn North 3364

Wangaratta
'Tara Court', Ford Street, Wangaratta 3677

Other Significant Projects for the Year

Bulk Water Services

- Receipt of the Institution of Engineers Australia Excellence Award for dam improvements at Lake Eppalock
- Replacement of radial gate side seals at Cairn Curran Reservoir
- Commissioning of the Lake Eppalock main service gate into flow
- Installation of five new trestles for Mildura Weir
- Planting of 90 hectares of native species in perimeter land at storages including Waranga Basin, Cairn Curran Reservoir and Lake Eppalock
- Planning for the closure of the Chinaman's Bridge Caravan Park at Nagambie
- Development of a Land and On-Water Management Plan for Lake Mulwala

District Services

- Old Deakin Drain 5 and Mosquito Depression Drain Stage 9
- Stage 2 of the Muckatah Depression Project
- Ball's Weir, on the Broken Creek
- Stage 2 of the Timmering Depression Drainage Project
- Wanalta Drainage Course Declaration
- Automatic weir and fishway at Melville Street Numurkah
- Timmering Environmental Regulator and Mansfield Swamp outlet structure
- Monitoring of the in-line nutrient trial site at Invergordon
- Technical advice for 213 whole farm plan referrals
- Projects 4 and 5 of the Shepparton Irrigation Region Surface Drainage Strategy Review
- Support to many groups for the implementation of community surface management schemes
- Finalist in the Banksia Awards in the category of Bush, Land and Waterway for our part in the rehabilitation of the Broken Creek System

Water Systems and Environment

- Shepparton Irrigation Region, 16 drain diversion plans were completed for drain catchments, with plans for the remaining four catchments substantially completed
- Annual reviews of drain nutrient data were completed, together with a trend analysis of the complete data set since 1990
- In conjunction with Waterwatch, a water quality-monitoring program was implemented along Murray Valley Drains 6 and 13 to provide information at a more detailed level
- A drain Management Plan template was trialed on the new Muckatah and Campaspe 3A drains, and the existing Murray Valley Drain 13
- Installation of metering of drain diversions
- The Loddon-Murray Surface Water Management Strategy revised and approved by the Minister for Environment and Conservation. Design of the Benwell aNo 1 Primary Drain
- Development of Groundwater Management Plans for the Campaspe Deep Lead and Katunga Groundwater Supply Protection Areas
- Implementation of the Spring Hill Groundwater Management Plan initiated following Ministerial approval
- The first steps towards development of groundwater markets initiated with temporary trading in groundwater licences in the Spring Hill Groundwater Supply Protection Area
- Metering programs for groundwater pumps continued with the Mid-Loddon Groundwater Management Area, Spring Hill Groundwater Supply Protection Area (90% metered) and Shepparton Irrigation Region Groundwater Supply Protection Area effectively fully metered
- Collection of groundwater pump salinity samples and water level monitoring

GOULBURN-MURRAY
WATER



Goulburn-Murray Water

Financial Statements 2001-2002

DELIVERING PRICE EFFICIENT,
SUSTAINABLE WATER SERVICES



Statement of Financial Performance

For the Year Ended 30 June 2002

	Notes	2001/02 \$'000	2000/01 \$'000
Revenue from ordinary activities			
Operating activities			
Rates - water and drainage	3	46,060	42,010
Consumptive charges		11,018	8,738
Sale of bulk water	4	4,262	3,788
Victorian Government service fees	5	8,944	5,427
Other external clients	6	17,458	9,756
Interest from customers		184	203
Other revenue		2,092	2,133
Assets received free of charge	8	9,045	-
Non-operating activities			
Interest on investments		1,166	1,387
Other revenue		4,428	4,553
Proceeds from sale of fixed assets		328	433
Total revenue		104,985	78,428
Expenses of ordinary activities			
Operations	7	(51,432)	(42,311)
Maintenance		(17,695)	(17,038)
Management and administration	9	(9,120)	(8,957)
Finance charges		(243)	(209)
Written down value of assets sold		(325)	(288)
Written down value of assets abandoned	10	(1,357)	(3,361)
Depreciation of fixed assets	1.13,18	(31,954)	(25,459)
Payment to consolidated fund	11	(385)	(350)
Total expenses		(112,511)	(97,973)
Net loss for the year	12	(7,526)	(19,545)
Increase in asset revaluation reserve	21(a)	77,206	3,857
Total changes in equity other than those resulting from transactions with the Victorian State Government as owner.			
	21(d)	69,680	(15,688)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2002

	Notes	2001/02 \$'000	2000/01 \$'000
Current assets			
Cash at bank and on hand	20, 32	19,510	10,082
Investments	14,32	10,000	15,000
Receivables	15,32	18,049	12,889
Inventories	16	1,839	2,443
Total Current Assets		49,398	40,414
Non-Current assets			
Fixed assets	18	1,687,161	1,604,778
Total assets		1,736,559	1,645,192
Current liabilities			
Payables	17,32	21,273	12,579
Provision for employee entitlements	19	3,408	3,192
Total current liabilities		24,681	15,771
Non-Current liabilities			
Provision for employee entitlements	19	8,696	8,517
Total liabilities		33,377	24,288
Net assets		1,703,182	1,620,904
Equity			
Contributed capital	21(b)	1,624,136	1,611,538
Asset revaluation reserve	21(a)	173,957	96,751
Accumulated deficit	21(c)	(94,911)	(87,385)
Total equity		1,703,182	1,620,904

The accompanying notes form part of these financial statements.

Statement of Cash Flow

For the Year Ended 30 June 2002

	Notes	2001/02 \$'000	2000/01 \$'000
Cash flows from operating activities			
Receipts from customers		54,422	52,336
Receipts from other external clients		27,314	14,931
Receipts from Government		8,944	5,427
Goods and services tax collected		3,878	2,867
Refund of goods and services tax		2,352	1,854
Payments to suppliers and employees		(68,554)	(66,868)
Interest and other costs of finance paid		(243)	(209)
Payment to consolidated fund		(385)	(350)
Goods and services tax paid		(6,458)	(4,871)
Net cash from operating activities	23	21,270	5,117
Cash flows from investing activities			
Payment for construction of infrastructure assets, and purchase of property, plant and equipment		(29,768)	(19,713)
Proceeds from sale of property, plant and equipment		328	433
Net decrease in investments		5,000	10,000
Net cash used in investing activities		(24,440)	(9,280)
Cash flows from financing activities			
Capital contributions Victorian Government		12,598	9,254
Net cash flows from financing activities		12,598	9,254
Net increase/(decrease) in cash held		9,428	5,091
Cash held at the beginning of the year		10,082	4,991
Add investments recognised as cash	20	10,000	-
Cash held at the end of the year	20	29,510	10,082

The accompanying notes form part of these financial statements.

Notes to and Forming Part of the Financial Statements

1. Summary of significant accounting policies

1.1 Accounting basis

The financial statements are a general purpose financial report prepared in accordance with Australian Accounting Standards, other mandatory professional reporting requirements (Urgent Issue Group Consensus Views), the requirements of the Financial Management Act 1994 and applicable Directions issued thereunder.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets which, as noted, have been periodically revalued. The accounting policies adopted in preparing the financial statements are consistent with those of the previous year, except where otherwise stated.

All amounts shown in the financial statements are expressed to the nearest thousand dollars.

1.2 Investments

Investments are brought to account at cost with interest revenue recognised in the statement of financial performance when it is earned. All investments expected to be disposed of within 12 months of balance date are classified as current assets and all others are classified as non-current assets. [refer note 14, 32]

The current pricing policy provides for future asset replacement and rehabilitation by including an asset renewal charge which requires the setting aside of funds in the form of investments for such future works.

1.3 Inventories

Inventories are valued at the lower of cost and net realisable value, and consist of materials and supplies for asset construction, systems operation, and general maintenance, and finished goods at the Tatura Precast Factory. Costs are assigned to inventory quantities on hand at balance date on an average cost basis. [refer note 16]

1.4 Income recognition

Revenue is brought to account when services have been provided or when a rate is levied or determined. Charges for water delivered are made progressively through the year, with the final billing scheduled in June after all meters have been read.

The value of goods and services provided free of charge is recognised as revenue when the Authority gains control of them.

Any fees paid by developers or contributions for on farm works are recognised as revenue when received or receivable. Contributions for capital works from the State Government which are of the nature of owner contributions and are used exclusively to construct non-current assets are accounted for as Equity - Capital Contributions. All other capital contributions are treated as revenue when received.

In accounting for the sale of fixed assets, the gross proceeds from sales are included as other revenue and the written down value of the assets disposed is disclosed as an operating expense.

1.5 Accounts receivable

Trade debtors are carried at amounts due. The collectibility of debts is assessed at balance date and specific provision is made for doubtful debts.

1.6 Bad and doubtful debts

A provision is made for doubtful debts based on a review of all outstanding receivables at balance date. Bad debts are written off in the period in which they are recognised.

1.7 Payables

Liabilities are recognised for amounts payable in the future for goods and services received, whether or not billed to Goulburn-Murray Water (G-MW).

1.8 Employee entitlements

The calculation of employee entitlements includes all relevant oncosts.

Salaries, annual leave and sick leave

Liabilities for salaries and annual leave are recognised, and are measured as the amount unpaid at current rates, including oncosts, in respect of employees services up to balance date. Sick leave is non-vesting and is not expected to exceed current and future sick leave entitlements and, accordingly, no liability is recognised in these financial statements.

Long service leave

A liability for long service leave is recognised, and measured as the amount unpaid at current pay rates, including oncosts, in respect of employees' services up to balance date. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash flows. The estimated amount to be paid for long service leave in the next financial year is shown as a current liability. [refer note 19]

1.8 Employee entitlements (continued)

Performance payments

Performance based payments for G-MW's employees are based on a percentage of the annual salary package and tied to successful completion of performance targets in their employment contract. The amount accrued under these contracts at balance date has been recognised as a current liability.

1.9 Superannuation

Goulburn-Murray Water contributes in respect of its employees to a number of superannuation schemes administered by the State Superannuation Board, the Local Authorities Superannuation Board and other miscellaneous funds managers. The amounts of these contributions are determined by each scheme's actuary in accordance with statutory requirements, and are further detailed at note 22.

Goulburn-Murray Water has no unfunded superannuation liabilities.

1.10 Leases [refer note 25]

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits associated with the ownership of leased non current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the present value of the minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

1.11 Fixed assets

Fixed assets include land, buildings, plant and equipment, motor vehicles and infrastructure assets. Assets with a cost of \$2,000 or more are capitalised. All other assets acquired are expensed. The cost of assets constructed by G-MW includes all direct labour and materials used in construction together with an appropriate proportion of applicable overheads. [refer note 18]

1.12 Valuation of fixed assets

All infrastructure assets, land and buildings are revalued on a cyclic basis each three years, unless valuation indicators show that revaluation is required earlier. Infrastructure assets are valued at written down replacement cost and land and buildings are valued at market value based on existing use. All other assets are recorded at cost. The Authority will ensure that all land, buildings and infrastructure assets are valued in accordance with the Fair Value concept, as set out in AASB 1041 Revaluation of non-current assets, by 2005.

Revaluation increments are credited to a revaluation reserve except that, to the extent that the increment reverses a revaluation decrement previously recognised as an expense in the statement of financial performance in respect of that same class of assets, it would be recognised as revenue in the statement of financial performance for the reporting period. Revaluation decrements are recognised as an expense in the statement of financial performance except that, to the extent that a revaluation decrement reverses a revaluation increment previously credited to and still included in the balance of the asset revaluation reserve, the decrement is debited directly to that reserve up to the value of that prior increment.

During 2001/02 Distribution Assets, comprising all channels, drains and associated structures forming the infrastructure works of the Retail Business, were revalued as at 1 July 2001 [refer note 18, 21(a)]. The revaluation was carried out in accordance with the deprival valuation principles, as allowed under clause 8.10 of Australian Accounting Standard AASB 1041, with a determination of the replacement cost for each asset, which was then written down to reflect its remaining useful life to the Authority, after taking technical and economic obsolescence into account. The replacement cost was calculated based on current construction costs and then written down based on age and the condition based assessments of remaining life made by trained engineering staff. There is no market for these assets.

1.13 Depreciation of non-current assets

Depreciation is calculated on a straight line basis to allocate the cost or revalued amount of each non-current asset item (except land) over its expected useful life to G-MW. Depreciation of infrastructure assets is calculated in accordance with their assessed remaining life. The assessments are made by engineering staff who have been appropriately trained. Buildings are depreciated based on assessments provided by qualified valuers. Additions to fixed assets in the financial year are depreciated from their respective dates of acquisition. Works in progress are not depreciated until they are put into use. [refer note 18]

The expected lives nominated for the different classes of assets are:

<u>Class of Assets</u>	<u>Estimated Life (years)</u>
Buildings	40
Bulk Carriers	up to 120
Storages	up to 200
Equipment and Furniture, fittings and computer equipment	3 to 10
Distribution assets	40 to 100
Plant and Motor Vehicles	2 to 5

These depreciation rates are the same as last year.

During 2001/02 the depreciation of existing infrastructure at the Normanville and Woorinen irrigation services has been accelerated. This is due to agreements to construct new pipelines in replacement of the existing infrastructure, which will be abandoned at the end of 2002/03. An amount of \$4.9 million in additional depreciation is included in these statements.

1.14 Cash at bank and on hand

Cash at bank and on hand includes petty cash on hand, G-MW's bank balance, deposits at immediate or 24 hour call with financial institutions and is net of any bank overdraft. [refer notes 20, 32]

For the purposes of the statement of cash flows, cash also includes highly liquid investments with short periods to maturity that are readily convertible to cash on hand and are subject to insignificant risk of changes in value. This is as required by Accounting Standard AASB 1026, which has been applied for the first time in 2001/02.

1.15 Reporting on lines of business

These statements include separate reporting of the two main lines of business of G-MW; a wholesale headworks bulk water business and a retail water distribution business. [This is shown in note 27.] This method of reporting is in accordance with the requirements of the Ministerial Directions under Section 51 of the Financial Management Act 1994.

1.16 Taxation

The Authority was notified by the Treasurer of Victoria on 18 June 2001, of the Government's decision to extend the application of the Victorian tax equivalent regime to Rural Water Authorities. For the financial year 2001/02 G-MW will be subject to the rules applicable under the State Tax Equivalence Regime administered by the Department of Treasury and Finance Victoria, and will complete a tax return. The accounting disclosures required under AAS 3 are contained in these financial statements.

The Authority was further notified by the Treasurer of Victoria on 17 May 2002, of the Government's decision to direct Rural Water Authorities to become subject to the National Tax Equivalence Regime (NTER) from 1 July 2002. The NTER is administered by the Australian Taxation Office.

Tax effect accounting is applied using the liability method whereby income tax is regarded as an expense calculated on accounting profit after allowing for permanent differences. To the extent timing differences occur between the time items are recognised in the financial report and when items are taken into account in determining taxable income, the net related taxation benefit and liability, calculated at tax rates applicable at the point of reversal, is disclosed as a future income tax benefit or a provision for deferred income tax. The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised.

G-MW expects to be in a tax loss position and therefore not pay income tax for the foreseeable future [refer note 31].

2 Background to Goulburn-Murray Water

(a) Goulburn-Murray Rural Water Authority

The Goulburn-Murray Rural Water Authority was created on 1 July 1994, trading as Goulburn-Murray Water. G-MW is one of four successor bodies of the Rural Water Corporation.

(b) Transfer of headworks assets

By Order-in-Council dated 30 June 1995 ownership of the storages, distribution canals and other assets of the headworks business located within the Goulburn Murray region was vested in G-MW. These assets were previously owned by the Rural Water Corporation and managed on its behalf by G-MW.

(c) Wholesale business

The headworks system comprises the two major water systems from which G-MW takes its name, reflecting the dominant sources of the water resources on which the rural water sector in northern Victoria is based. The Goulburn System comprises storages, weirs and connecting channels which integrate the supply of water from the Broken, Goulburn, Campaspe and Loddon River catchments. The Murray System includes the operation of both Murray-Darling Basin Commission (MDBC) and State owned headworks assets located on the River Murray or within the Murray's Victorian tributary catchments of the Mitta Mitta, Kiewa and Ovens Rivers. The State's share of the MDBC assets and liabilities are not included within these statements. G-MW is the Victorian Constructing Authority for the MDBC. G-MW operates salinity mitigation works on the River Murray downstream of Nyah and in the Kerang region. Bulk water is delivered to supply points for nine other organisations which deliver water for irrigation, stock and domestic, private diversion and urban consumption.

(d) Retail business

Goulburn-Murray Water is responsible for delivery of rural water services to customers on 24,611 serviced properties. These properties are located within the six management areas of Shepparton, Central Goulburn, Rochester-Campaspe, Pyramid-Boort, Murray Valley and Torrumbarry and along the river systems of northern Victoria. The rural water supply services provided to these customers include gravity irrigation, pumped irrigation, surface and sub surface drainage, surface and groundwater diversion, and stock and domestic water supply.

(e) Pricing

Goulburn-Murray Water operates an accounting and cost recording system which separately identifies the costs and revenues of each business line which has a separate price. This is designed to ensure the elimination of any cross subsidies. Both wholesale and retail pricing policy is based on setting price to break even in the longer term and includes a renewal annuity calculated to provide adequate funding to maintain the condition of existing infrastructure assets in perpetuity.

Wholesale prices are set separately for the two major water systems, the Goulburn and Murray.

Retail prices are set at the level of each separate service within each of the management areas. The services are gravity irrigation, pumped irrigation, domestic and stock, surface diversions, groundwater diversions, surface drainage, sub-surface drainage and flood protection. There are currently 35 services in total with separate prices set.

	2001/02 \$'000	2000/01 \$'000
3 Revenue - Rates water and drainage		
Irrigation and drainage - gravity	41,691	38,030
Irrigation and drainage - pumped	825	836
Domestic and stock	504	476
Diversions	3,040	2,668
Total	<u>46,060</u>	<u>42,010</u>

4 Revenue - Sale of bulk water		
Total bulk water sales	18,636	18,111
Bulk water sales to G-MW retail business [refer note 7]	(14,374)	(14,323)
Bulk water sales to other organisations	<u>4,262</u>	<u>3,788</u>

5 Revenue - Victorian Government service fees

The salinity program, the national landcare program, the water savings program and some other works are performed under an agreement with the Victorian Government. Costs reimbursed by the Victorian Government, and amounts paid for works not yet commenced, are included as Victorian Government service fees in the Statement of Financial Performance. The cost of provision of this service is included in operating expenses.

	<u>8,944</u>	<u>5,427</u>
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6 Revenue - Other external clients

Murray-Darling Basin Commission	15,976	7,513
Other external clients	1,482	2,243
Total	<u>17,458</u>	<u>9,756</u>

	2001/02 \$'000		2000/01 \$'000	
	Bulk Water	Total Expense	Bulk Water	Total Expense
7 Expenses - Operations				
Irrigation and drainage - gravity	13,234	30,700	13,183	26,874
Irrigation and drainage - pumped	110	424	110	419
Domestic and stock	51	587	49	555
Diversions	979	2,287	981	2,225
Government services contract	-	5,683	-	6,170
Headworks	-	10,796	-	13,492
Murray Darling Basin Commission [refer note 2(c)]	-	15,329	-	6,899
Sub-total	14,374	65,806	14,323	56,634
Deduct bulk water		<u>(14,374)</u>		<u>(14,323)</u>
Total		<u>51,432</u>		<u>42,311</u>

The bulk water charge is an internal charge levied on retail services by the wholesale business [refer note 4]. This charge is not included as an operating expense in the Statement of Financial Performance, but is included as an operating expense in reporting the Wholesale and Retail Operations at note 27.

8 Assets received free of charge

After consultation with the Department of Natural Resources and Environment, G-MW has agreed to take ownership and control of community surface drainage schemes previously owned by farmers and managed on their behalf by local government. Legal ownership and control will only pass to G-MW after agreement by the existing owners and the completion of any works required after an initial risk assessment. During 2001/02 G-MW assumed legal responsibility for five such schemes within the Central Goulburn irrigation area.

	2001/02	2000/01
	\$'000	\$'000
9 Expenses		
Included in management and administration expenses are the following items:		
Auditor General - audit fees	72	72
Bad debts written off	-	29

10 Written down value of assets abandoned

Each year G-MW negotiates with customers to rationalise parts of the irrigation infrastructure where changed circumstances permit the realignment of channels and structures. Where this proves cost effective there will be subsequent abandonment of some assets. In previous years the written down value of these assets has been included with the written down value of assets sold.

11 Payment to consolidated fund

Following a determination by the Treasurer of Victoria under section 5 (1A) of the Public Authorities (Dividends) Act 1983, G-MW made a payment to consolidated fund.

	385	350
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12 Net loss for the year

Net loss for the year includes the following specific net gains and expenses.

Net profit on sale of fixed assets	3	145
Employee entitlement expense	8,409	7,545

13 Expense - Insurance

G-MW arranged its major insurance covers for 2001/02 for storages, properties and liability in a consortium of rural water authorities comprising Southern Rural Water, Sunraysia Rural Water, Wimmera Mallee Water and G-MW. G-MW also purchases insurances for specific construction projects, Directors and Officers Liability, Professional Indemnity and Marine Hull.

	812	818
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G-MW retains a broker to handle its insurances and to advise on insurance matters as and when required.

14 Investments [refer notes 1.2, 20]

Investments are bank bills and promissory notes with financial institutions.

	10,000	15,000
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	2001/02 \$'000	2000/01 \$'000
15 Receivables		
Trade debtors	18,044	12,681
Less provision for doubtful debts	(100)	(100)
Prepayments	105	308
Total	18,049	12,889

16 Inventories [refer note 1.3]		
Materials	1,674	2,242
Finished goods - Tatura Precast Factory	165	201
Total	1,839	2,443
Equipment worth \$1.1 million delivered for the Woorinen pipeline was included in inventory for 2001/02 (\$1.6 million in 2000/01).		

17 Payables [refer note 1.7]		
Trade creditors and accruals	20,658	11,677
Payroll related accruals	615	902
Total	21,273	12,579

18 Fixed assets [refer note 1.11,1.12,1.13]	Value	Deprec.	Accum.	Written-	Written-
	30/6/2002 \$'000	2001/02 \$'000	30/6/2002 \$'000	Down Value 30/6/2002 \$'000	Down Value 30/6/2001 \$'000
Wholesale					
Land	30,922	-	-	30,922	30,934
Buildings	8,139	216	3,744	4,395	4,748
Bulk carriers	51,960	331	14,003	37,957	29,526
Storages	864,369	6,080	256,111	608,258	609,781
Equipment	1,077	133	610	467	257
Furniture, fittings and computer equipment	897	77	523	374	387
Total as at 30 June [refer note 27]	957,364	6,837	274,991	682,373	675,633
Retail					
Land	1,838	-	-	1,838	1,703
Buildings	10,296	263	4,515	5,781	5,884
Distribution assets	1,781,625	22,877	793,500	988,125	911,223
Motor vehicles	1,374	53	565	809	968
Plant	2,043	146	910	1,133	1,512
Equipment	2,352	163	1,658	694	536
Furniture, fittings and computer equipment	18,004	1,615	11,596	6,408	7,319
Total as at 30 June [refer note 27]	1,817,532	25,117	812,744	1,004,788	929,145
Total for Authority as at 30 June	2,774,896	31,954	1,087,735	1,687,161	1,604,778

Storages and bulk carriers were revalued as at 1 July 1999. Land and buildings were revalued as at 1 July 2000. Distribution assets were revalued as at 1 July 2001. All other assets are at cost.

18 Fixed Assets (continued)

Reconciliations

The reconciliation of movement in the written down value of each class of fixed assets is set out below.

2002	Opening WDV \$000's	Additions \$000's	Transfers	Disposals \$000's	Revaluation increase \$000's	Depreciation \$000's	Closing WDV \$000's
Land	32,637	134	(11)	-	-	-	32,760
Buildings	10,632	226	(199)	(4)	-	(479)	10,176
Distribution assets	911,223	32,366	(107)	(1,357)	68,877	(22,877)	988,125
Motor vehicles	968	-	(34)	(72)	-	(53)	809
Plant	1,512	-	-	(233)	-	(146)	1,133
Equipment	793	499	166	(1)	-	(296)	1,161
Furniture, fittings and computer equipment	7,706	847	(64)	(15)	-	(1,692)	6,782
Storages	609,781	4,308	249	-	-	(6,080)	608,258
Bulk carriers	29,526	433	-	-	8,329	(331)	37,957
Total	1,604,778	38,813	-	(1,682)	77,206	(31,954)	1,687,161

	2001/02 \$'000	2000/01 \$'000
19 Provision for employee entitlements [refer note 1.8]		
Current		
Long service leave	654	641
Annual leave	2,754	2,551
Total Current	3,408	3,192
Non-current		
Long service leave	8,696	8,517
Total	12,104	11,709

20 Cash at bank and on hand [refer notes 1.14, 32]

Cash at bank and on hand	19,510	10,082
The above total reconciles to the Cash held at the end of the year on the Statement of Cash Flows as follows:		
Cash at bank and on hand as above	19,510	10,082
Investments	10,000	-
Cash held at the end of the year	<u>29,510</u>	<u>10,082</u>

Investments are cash equivalents for the Statement of Cash Flows, as defined in AASB 1026, para 14.1.1, which has been applied for the first time in 2001/02. Comparative amounts for 2000/01 have not been adjusted.

21 Equity and movements in equity

(a) Reserves

Asset revaluation reserve		
Balance 1 July 2001	96,751	92,894
Increment on revaluation of land and buildings		3,857
Increment on revaluation of distribution assets and bulk carriers	77,206	-
Balance 30 June 2002	173,957	96,751

(b) Contributed capital

Balance 1 July 2001	1,611,538	1,602,284
Salinity program capital contributions	4,348	5,754
Water savings program contributions	8,250	3,500
Balance 30 June 2002	1,624,136	1,611,538

The treatment of capital contributions is as agreed with the Department of Natural Resources and Environment and in accordance with UIG 38, Contributions by Owners to Wholly Owned Public Sector Entities.

	2001/02 \$'000	2000/01 \$'000
21 Equity and movements in equity (continued)		
(c) Accumulated deficit		
Accumulated deficit at the beginning of the year	(87,385)	(67,840)
Net result for the year	<u>(7,526)</u>	<u>(19,545)</u>
Accumulated deficit at the end of the year	<u><u>(94,911)</u></u>	<u><u>(87,385)</u></u>
(d) Nature and purpose of reserves		
Asset revaluation reserve		
The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1.12.		
Reconciliation of equity		
Total equity at the beginning of the year	1,620,904	1,627,338
Total changes in equity recognised in the statement of financial performance	69,680	(15,688)
Contributed capital for the year [refer note 21(b)]	12,598	9,254
Total equity at the end of the year	<u><u>1,703,182</u></u>	<u><u>1,620,904</u></u>

22 Superannuation

Goulburn-Murray Water contributes in respect of its employees, to the superannuation schemes of the Boards and Authorities listed below. Contribution details are:

	Employee Numbers	Contribution Rate %		
State Employee Retirement Benefits Board (defined benefits scheme)	19	12.50	87	92
State Superannuation Board, Revised Scheme (defined benefits scheme)	71	15.50	570	542
State Superannuation Board, New Scheme (lump sum benefit scheme)	266	9.20	1034	1055
Local Authorities Superannuation Scheme (defined benefits scheme)	10	9.25	79	73
Local Authorities LASPLAN Scheme (accumulation fund)	238	8.00	738	755
Other minor schemes	5	8.00	8	16
Total Contributions to all Funds			<u>2,516</u>	<u>2,533</u>

At 30 June 2002 the total of outstanding superannuation contributions was \$195,288 (2001 \$163,307), which forms part of creditors and accrued expenses.

23 Reconciliation of results from ordinary activities to net cash flows from operating activities

Net loss for the year	(7,526)	(19,545)
Depreciation	31,954	25,459
Assets received free of charge	(9,045)	-
Profit on sale of fixed assets	(3)	(145)
Abandoned assets	1,357	3,361
Change in assets and liabilities		
(Increase)/decrease in inventories	604	(1,672)
(Increase)/decrease in debtors and prepayments	(5,160)	(5,451)
Increase/(decrease) in creditors and accrued expenses	8,694	3,232
Increase/(decrease) in provision for employee entitlements	395	(122)
Net cash flows from/(used in) operating activities	<u><u>21,270</u></u>	<u><u>5,117</u></u>

	2001/02 \$'000	2000/01 \$'000
24 Capital commitments		
Pipeline construction	14,383	3,016
Channel and structure replacement	813	842
Other capital expenditure outstanding at 30 June	247	45
Total	<u>15,443</u>	<u>3,903</u>

This represents commitments outstanding on contracts for capital works. The increase is due to construction contracts for the Woorinen pipeline. These commitments all fall due within one year.

25 Leases [refer note 1.10]

Non-capitalised lease rental charges	<u>4,599</u>	<u>4,076</u>
<u>Operating lease commitments at 30 June:</u>		
Not later than 1 year	3,651	3,404
Later than 1 year and not later than 5 years	4,978	5,099
Later than 5 years	4,966	5,506
Total	<u>13,595</u>	<u>14,009</u>
<u>Finance lease commitments as at 30 June:</u>		
Not later than 1 year	32	50
Later than 1 year and not later than 5 years	-	32
Minimum lease payments	32	82
Less future finance charges	<u>2</u>	<u>9</u>
Provided for in accounts	30	73
Representing lease liabilities:		
Current	30	40
Non-current	-	33
	<u>30</u>	<u>73</u>

26 Contingent liability

Legal actions have been instituted against G-MW as a result of damages claims. Whilst G-MW has denied any liability, for annual report purposes it recognises that contingent liabilities exist.

	<u>626</u>	<u>655</u>
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27 Wholesale and retail operations

	Wholesale		Retail	
	2001/02 \$'000	2000/01 \$'000	2001/02 \$'000	2000/01 \$'000
Bulk water sales [refer note 4]	18,636	18,111	-	-
Rates - water and drainage	-	-	46,060	42,010
Water supplied by agreement (Sales)	-	-	11,018	8,738
Other revenue	20,263	12,231	23,382	11,661
Total revenue	38,899	30,342	80,460	62,409
Operating expenditure	(26,125)	(20,391)	(39,681)	(36,243)
Maintenance	(4,258)	(4,133)	(13,437)	(12,905)
Depreciation	(6,837)	(6,974)	(25,117)	(18,485)
Other expenditure	(2,792)	(2,738)	(8,638)	(10,427)
Total expenditure	(40,012)	(34,236)	(86,873)	(78,060)
Profit/(Loss)	(1,113)	(3,894)	(6,413)	(15,651)
Investments	9,000	9,450	1,000	5,550
Fixed Assets [refer note 18]	682,373	675,633	1,004,788	929,145
Capital Expenditure	4,741	2,151	25,027	16,717
Equity Contribution [refer note 21(b)]	-	-	12,598	9,254

Included in bulk water sales is the amount levied on the retail business by the wholesale business. This amount is included in the revenue of the wholesale business and the expenses of the retail business (refer notes 4 and 7). These amounts are eliminated in the Statement of Financial Performance.

28 Responsible persons

The names of persons who were responsible persons for the financial year are:

Ministers

The Hon. Sherryl Garbutt MLA
(The Minister was not remunerated by G-MW)

Directors of the G-MW Board

John Ernest Dainton (Chair)
Sarah Cordelia Crooke (Deputy Chair)
Mark Gerard Lawlor
Donald James Little, AO
John Maurice Pettigrew
Vicki Jean Sutherland
Kendall Myles Treseder
Denis William Flett (Chief Executive and accountable officer)

The total directors' remuneration was \$474,572 (2000/01 \$467,102). Payments were made to individual directors within the following bands:-

Remuneration Band	Number of Directors	
	2001/02	2000/01
\$20,000 to \$30,000	6	6
\$50,000 to \$60,000	1	1
\$220,000 to \$230,000	-	1
\$230,000 to \$240,000	1	-

The total remuneration to non-director executive officers receiving more than \$100,000 was \$1,510,443 (2000/01 \$1,163,770).

Payments exceeding \$100,000 were made to non-director executive officers within the following bands:-

Remuneration Band	Number of Executive Officers	
	2001/02	2000/01
\$100,000 to \$110,000	6	5
\$110,000 to \$120,000	2	1
\$120,000 to \$130,000	2	2
\$130,000 to \$140,000	1	2
\$140,000 to \$150,000	2	-

There were no other transactions between Responsible Persons or their related parties and G-MW other than those that occur within normal arm's length transactions between G-MW and its customers.

	2001/02	2000/01
	\$'000	\$'000
29 Transactions with other Victorian Government controlled entities		
Transactions between entities within the Natural Resources and Environment Portfolio		
Revenues and capital contributions	21,542	14,681
Expenses	8,167	9,085
Transactions with other entities controlled by the Victorian Government		
Expenses	2,231	2,225

30 Post Balance Day Events

No material events have occurred since balance date.

31 Income Tax [refer note 1.16]

Goulburn-Murray Water will not pay income tax for 2001/02. Projections show that the likelihood of G-MW making consistent profits at a level likely to offset the large tax losses which will accumulate is unlikely. Accordingly tax losses are not disclosed in the Statement of Financial Performance and Statement of Financial Position.

Prima facie Tax Calculations	2001/02 \$'000
Loss from ordinary activities	(7,526)
Prima facie tax calculated at 30%	(2,258)
Tax effect of permanent differences	
Non-deductible depreciation	144
R & D concessional expenditure	(133)
Prima facie income tax expense	<u>(2,247)</u>
Income tax expense comprises:	
Deferred income tax provision	25,128
Future income tax benefit	(27,375)
	<u>(2,247)</u>
Tax loss write offs	
Deferred income tax provision - Timing differences offset by losses	(25,128)
Future income tax benefit - Offset against Timing differences	25,128
Future income tax benefit - Losses not to be booked	2,247
Income tax expense disclosed in financial statements	<u>-</u>

The timing differences in the Deferred income tax provision have been offset by losses in the Future income tax benefit as these will reverse in the same period.

The benefit of the tax losses has not been brought to account as realisation is not virtually certain. The benefit will only be obtained if:

- (i) the Authority derives future assessable income of a nature sufficient to enable the benefits from deductions of losses and reversal of timing differences to be realised.
- (ii) no changes in tax legislation or rulings adversely affect the Authority.

32 Financial Instruments

32(a) Terms, conditions and accounting policies

Goulburn-Murray Water's accounting policies including the terms and conditions of each class of financial asset, liability and equity instrument, both recognised and unrecognised at balance date, are as follows:

Recognised financial instruments	Note reference	Accounting policies	Terms and conditions
(i) Financial assets			
Cash at bank and on hand	1.14, 20	Cash at bank and on hand includes petty cash on hand, G-MW's bank balance, deposits at immediate or 24 hour call and is net of any bank overdraft.	G-MW receives a competitive interest rate on its bank balance.
Investments	1.2, 14, 20	Investments are brought to account at cost with interest revenue recognised in the statement of financial performance when it is earned.	All investments are bank bills or promissory notes with financial institutions, and are placed for short terms, usually 30 to 60 days.
Receivables - Debtors	1.5, 1.6, 15	Debtors are carried at the nominal amounts due less any provision for doubtful debts. A doubtful debts provision is made for any amounts considered unlikely to be collectable.	If payments are not made by the due date, debtors must agree to a payments schedule which will clear the debt before the next irrigation season. Supply is withheld if debtors default.
(ii) Financial liabilities			
Payables	1.7, 17	Creditors and accruals are recognised for future amounts to be paid in respect of goods and services received, whether or not billed to G-MW.	Settlement of creditors is normally by the end of the month following the month invoiced.
Finance lease	1.10, 25	A lease liability has been recognised for a finance lease after excluding the interest expense component.	Payments will be split between interest expense and reduction of lease liability.

32(b) Interest rate risk

Goulburn-Murray Water's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at balance date, are as follows:

Financial instrument	Notes	Floating interest rate \$'000	Fixed interest maturing		Non-interest bearing \$'000	Total \$'000
			In 1 year or less \$'000	Over 1 to 5 years \$'000		
2002						
(i) Financial assets						
Cash	20	19,510	-	-	-	19,510
Receivables - debtors	15	2,316	-	-	15,733	18,049
Investments	14	-	10,000	-	-	10,000
		21,826	10,000	-	15,733	47,559
Weighted average interest rate		5.0%	4.7%			
(ii) Financial liabilities						
Payables	17,25	-	32	-	21,241	21,273
		-	32	-	21,241	21,273
Interest rate			8.0%		-	
Net financial assets/(liabilities)		21,826	9,968	-	(5,508)	26,286

Financial instrument	Notes	Floating interest rate \$'000	Fixed interest maturing		Non-interest bearing \$'000	Total \$'000
			In 1 year or less \$'000	Over 1 to 5 years \$'000		
2001						
(i) Financial assets						
Cash	20	10,082	-	-	-	10,082
Receivables - debtors	15	3,872	-	-	9,017	12,889
Investments	14	-	15,000	-	-	15,000
		13,954	15,000	-	9,017	37,971
Weighted average interest rate		7.5%	6.3%			
(ii) Financial liabilities						
Payables	17,25	-	40	33	12,506	12,579
		-	40	33	12,506	12,579
Interest rate			8.0%	8.0%	-	
Net financial assets/(liabilities)		13,954	14,960	(33)	(3,489)	25,392

Credit risk exposures

Goulburn-Murray Water's maximum exposure to credit risk at balance date for each class of recognised financial assets is the carrying amount of those assets as disclosed in the statement of financial position.

Concentrations of credit risk

Goulburn-Murray Water's debtors are concentrated in the farming sector, predominantly dairy, grazing, cropping and horticulture.

Levels of debt are managed closely, with interest charged at a rate above general overdraft rates and supply withheld if scheduled payments are not made. The Water Act 1989 fixes debt as a charge on the property and gives G-MW the ability to sell a property to recover debt. The Act also gives G-MW first call on the proceeds of a sale.

There are a large number of debtors and G-MW is not materially exposed to any individual debtor.

32(c) Net fair values

Goulburn-Murray Water's aggregate fair values of financial assets and financial liabilities both recognised and unrecognised at balance date, are as follows:

	Total in statement of financial position.		Aggregate fair value	
	2001/02 \$'000	2000/01 \$'000	2001/02 \$'000	2000/01 \$'000
(i) Financial assets				
Cash	19,510	10,082	19,510	10,082
Receivables - debtors	18,049	12,889	18,049	12,889
Investments	10,000	15,000	10,000	15,000
Total financial assets	47,559	37,971	47,559	37,971
(ii) Financial liabilities				
Payables	21,273	12,579	21,273	12,579
Total financial liabilities	21,273	12,579	21,273	12,579

The following methods and assumptions are used to determine the net fair values of financial assets and financial liabilities:

Recognised financial instruments

Cash, cash equivalents and
short term investments

These financial instruments have a short term to maturity. Accordingly it is considered that carrying amounts reflect fair values.

Receivables - debtors

Carrying amounts reflect fair values

Creditors and accruals

Carrying amounts reflect fair values

Lease liability

Fair value obtained by discounting expected future cash flows by the current interest rate for cash.

We certify that the financial statements of the Goulburn-Murray Rural Water Authority have been prepared in accordance with the Financial Management Act 1994, applicable Australian Accounting Standards and other mandatory professional requirements.

In our opinion the statement of financial performance, statement of financial position, statement of cash flows and notes to and forming part of the financial statements present fairly the financial transactions during the financial year 2001/2002 and the financial position of the Goulburn-Murray Rural Water Authority as at 30 June 2002.

At the date of signing the financial statements we are not aware of any circumstances that would render any particulars included in the statements to be misleading or inaccurate.

Chair



Chief Executive



20 September 2002



AUDITOR GENERAL VICTORIA

AUDITOR-GENERAL'S REPORT

To the Members of the Parliament of Victoria, the responsible Ministers and the Members of the Board of the Goulburn-Murray Rural Water Authority

Matters relating to the electronic presentation of the Audited Financial Report

This audit report relates to the financial report of the Goulburn-Murray Rural Water Authority for the financial year ended 30 June 2002 included on the Authority's web site. The Chief Executive of the Authority is responsible for the integrity of the Authority's web site. I have not been engaged to report on the integrity of the Authority's web site. The audit report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Audit Scope

The accompanying financial report of the Goulburn-Murray Rural Water Authority for the financial year ended 30 June 2002, comprising the statement of financial performance, statement of financial position, statement of cash flows and notes to the financial statements, has been audited. The Members of the Board are responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the Members of the Parliament of Victoria, responsible Ministers and Members of the Board as required by the *Audit Act* 1994.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and the financial reporting requirements of the *Financial Management Act* 1994, so as to present a view which is consistent with my understanding of the Authority's financial position, financial performance and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the financial reporting requirements of the *Financial Management Act* 1994, the financial position of the Goulburn-Murray Rural Water Authority as at 30 June 2002, its financial performance and cash flows for the year then ended.

MELBOURNE
26 September 2002



J.W. CAMERON
Auditor-Genera

Victorian Auditor-General's Office Level 34, 140 William Street, Melbourne Victoria 3000
Telephone (03) 8601 7000 Facsimile (03) 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

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Years of Auditing in the Public Interest

Bulk Entitlement (River Murray - Goulburn-Murray Water) Reporting

This appendix is included in the Goulburn-Murray Water 2001/2002 Annual Report in compliance with the requirements of Clause 22.3 of the *Bulk Entitlement (River Murray - Goulburn-Murray Water) Conversion Order 1999*, which obliges the Authority to report on certain matters as specified in Clause 22.1 of the same Order. The period of Reporting is 1 July 2001 to 30 June 2002.

BE Clause	Item	Report		Notes
22.1(b)	Offtake points			
	Yarrowonga Main Channel		561.9 GL	
	National Channel		897.9 GL	
	Ashwins pump		1.1 GL	
	Pental Island pumps		5.4 GL	
	Swan Hill No 9 channel offtake (when Fish Point Weir and Little Murray Weir are open)		0 GL	
	Swan Hill pumps		30.0 GL	
	Nyah pumps		7.0 GL	
	Private diversion points		94.9 GL	
	Total offtake diversion		1598.2 GL	
22.1(c)	New offtake points		None	
22.1(d)	Return points			
	Broken Creek irrigation return		0.7 GL	See note 1
	Yarrowonga Main Channel outfall		13.7 GL	
	Torrumbarry returns			
	Koondrook spillway		41.4 GL	
	Loddon River at Kerang Weir		57.2 GL	
	Sheepwash Creek Weir		0 GL	
	Little Murray Weir		12.6 GL	See note 2
	6/7 channel outfall		0 GL	See note 3
	Lake Boga outfall channel		0 GL	
	Barr Creek at Capel's Crossing		13.5 GL	See note 4
	Total irrigation returns		139.1 GL	
22.1(e)	G-MW supplies to other Authorities	BE Volume	Diversion	
	Coliban Water			See note 5
	Cohuna	677 ML	839 ML	
	Gunbower	131 ML	112 ML	
	Leitchville	422 ML	599 ML	
	Lower Murray Water			
	Kerang	1700 ML	1125 ML	
	Murrabit	58 ML	34 ML	
	Woorinen	231 ML	0 ML	See note 6
	Nyah West	275 ML	0 ML	See note 6
	Goulburn Valley Water			
	Katamatite	84 ML	58 ML	
	Nathalia	652 ML	424 ML	
	Numurkah/Wunghnu	1206 ML	1254 ML	
	Picola	44 ML	34 ML	
	NRE environmental allocation	27600 ML	5766 ML	
22.1(f)	Supply to primary entitlements		1093945 ML	See note 7
22.1(g)	Metering program	Developed and implemented, yet to be submitted		
22.1(h)	Temporary and permanent transfers of BE		Permanent: 6389 ML Temporary: 10275 ML	See note 8
22.1(i)	Transfers to G-MW		Permanent: 891 ML Temporary: 11249 ML	See note 9
22.1(j)	Amendment to this BE		None	
22.1(k)	New BE granted to G-MW		None	
22.1(l)	BE compliance failures	Yarrowonga Main Channel diversion rate		See note 10
		Murray Valley Irrigation Area losses		See note 11
22.1(m)	BE compliance difficulties		None	See note 12

Notes

1. Assessed at Rice's Weir on Broken Creek and refers to flow deemed in excess of water ordered from Murray Valley Irrigation Area which is passed to Broken Creek via the Murray Valley channel network to assist the Murray-Darling Basin Commission in overcoming Barmah Choke channel capacity constraints.
2. Returns counted only when Fish Point Weir is closed.
3. Returns counted only when Fish Point Weir is open.
4. Barr Creek at Capel's Crossing return volume is net of Barr Creek pumps.
5. Overall Coliban Water BE also covers several towns with direct diversion from the River Murray.
6. Woorinen and Nyah West have been supplied from Swan Hill since May 2000.
7. Supply to primary entitlements comprises:

Irrigation Areas	641361 ML	Water Right and Domestic & Stock
	357622 ML	Sales
Private diversions	82581 ML	Licensed Volume and Domestic & Stock
	12381 ML	Sales
8. The clause refers to permanent and temporary transfers of entitlement, including temporary transfers of Sales allocations, to areas not covered by this order.
9. The clause refers to permanent and temporary transfers of entitlement, including temporary transfers of Sales allocations, from areas not covered by this order.
10. The maximum allowable diversion rate of 3,100 ML/day on the Yarrawonga Main Channel was exceeded on 29 days between 15 August 2001 and 15 May 2002. The maximum recorded diversion rate was 3,129 ML/day between 19 December and 23 December 2001. The discrepancy is within nominal measurement accuracy.
11. Actual losses for the Murray Valley Irrigation Area exceeded the losses allowed by the bulk entitlement order. Total diversions from the River Murray were within allowable limits.
12. G-MW is developing strategies to reduce system losses and comply with the maximum allowable diversion rate on the Yarrawonga Main Channel.

Bulk Entitlement (Eildon - Goulburn Weir) Reporting

This appendix is included in the Goulburn-Murray Water 2001/2002 Annual Report in compliance with the requirements of Clause 17.3 of the *Bulk Entitlement (Eildon - Goulburn Weir) Conversion Order 1995*, which obliges the Authority to report on certain matters as specified in Clause 17.1 of the same Order. The period of Reporting is 1 July 2001 to 30 June 2002.

BE Clause	Item	Report	Notes
17.1(d)	Goulburn Weir offtake channels		See note 1
	Cattanach Canal	432553 ML	
	Stuart Murray Canal	683506 ML	See note 2
	East Goulburn Main Channel	310552 ML	
	Total Goulburn Weir offtake diversion	1426611 ML	
17.1(e)(i)	Diversion by primary entitlement holders licensed under Section 51(1)(a) of the <i>Water Act 1989</i>	29346 ML	
17.1(e)(ii)	Diversion by other Authorities	25437 ML	
17.1(g)	Storage contents		
	Lake Eildon	711.0 GL	Vol 30/6/02
	Goulburn Weir	22.8 GL	Vol 30/6/02
	Waranga Basin	164.5 GL	Vol 30/6/02
	Greens Lake	7.6 GL	Vol 30/6/02
17.1(h)	Target filling releases	None	
17.1(i)	Credits	None	
17.1(j)	Temporary and permanent transfers of BE	Permanent: 7376 ML Temporary: 1968 ML	See note 3
17.1(k)	Transfers to G-MW	Permanent: 858 ML Temporary: 26890 ML	See note 4
17.1(l)	Goulburn Weir releases	None	
17.1(m)	Changes to entitlements - Schedule 1		
	Domestic and stock allowance	Increased by 537 ML	See note 5
	Water Right	Decreased by 4719 ML	See note 6
	Licensed Volume	Decreased by 2096 ML	See note 7
	Changes to entitlements - Schedule 3	None	
17.1(n)	Transfers of primary entitlements	See appendices C and D	
17.1(o)	Supply to primary entitlements	1144624 ML	See note 8
17.1(p)	Amendments to this BE	None	
17.1(q)	New BE granted to G-MW	None	
17.1(r)	Environmental Management and Metering programs	Programs submitted and implemented	
17.1(s)	BE compliance failures	None	
17.1(t)	BE compliance difficulties	None	

Notes

- Volumes were obtained from hydrographic data collected by Thiess Services:

Cattanach Canal	SI No 405702
Stuart Murray Canal	SI No 405700
East Goulburn Main Channel	SI No 405704
- Volume passed by outlet and meter testing back to Goulburn River is deducted from the flow diverted to the Stuart Murray Canal (SI No 405700).
- The clause refers to permanent and temporary transfers of entitlement, including temporary transfers of Sales allocations, to areas not covered by this order.
- The clause refers to permanent and temporary transfers of entitlement, including temporary transfers of Sales allocations, from areas not covered by this order.
- Alteration due to permanent transfers of entitlement and conversion of Water Right to Domestic and Stock.
- Alteration due to permanent transfers of entitlement and conversion of diversion licences (Licensed Volume) to Water Right.
- Alteration due to permanent transfers of entitlement and conversion of diversion licences (Licensed Volume) to Water Right.
- Supply to primary entitlements comprises:

Irrigation Areas	1051276 ML	Water Right and Domestic & Stock
	10024 ML	Sales
Private diversions	75724 ML	Licensed Volume and Domestic & Stock
	7600 ML	Sales

**BULK ENTITLEMENT (EILDON - GOULBURN WEIR) REPORTING
DIVERSIONS BY OTHER AUTHORITIES WITH BULK ENTITLEMENTS: JULY 2001 - JUNE 2002**

Authority	Town	BE Volume	Diversion	Notes	
Goulburn Valley Water	Bonnie Doon	112 ML	64 ML		
	Eildon	480 ML	211 ML		
	Alexandra	916 ML	418 ML		
	Seymour	5340 ML	1860 ML		
	Nagambie	825 ML	526 ML	See note 1	
	Shepparton/Murchison/Toolamba	18820 ML	14373 ML	See note 2	
	Murchison	350 ML	201 ML		
	Katandra West (channel supply)	44 ML	50 ML	See note 3	
	Dookie (channel supply)	180 ML	117 ML		
	Tongala (channel supply)	1200 ML	1376 ML	See note 4	
	Corop (channel supply)	44 ML	12 ML		
	Girgarre (channel supply)	100 ML	84 ML		
	Kyabram (channel supply)	2000 ML	1481 ML		
	Tatura (channel supply)	2600 ML	1985 ML		
	Merrigum (channel supply)	204 ML	0 ML	See note 5	
	Rushworth (channel supply)	530 ML	444 ML		
	Colbinabbin (channel supply)	89 ML	36 ML		
	Stanhope (channel supply)	200 ML	113 ML		
		TOTAL	34034 ML	23363 ML	
	Coliban Water	Boort (channel supply)	425 ML	272 ML	
Pyramid Hill (channel supply)		300 ML	263 ML		
Lockington (channel supply)		130 ML	96 ML		
Mitiamo (channel supply)		60 ML	77 ML		
Dingee (channel supply)		50 ML	6 ML		
Rochester (channel supply)		1400 ML	1349 ML		
Macorna (channel supply)		40 ML	6 ML		
Mysia (channel supply)		15 ML	6 ML		
		TOTAL	2420 ML	2075 ML	
TOTAL ALL AUTHORITIES		36454 ML	25438 ML		

Notes

1. Nagambie BE received a temporary transfer of 20 ML from Seymour BE.
2. Shepparton/Mooroopna/Toolamba temporary transfer 500 ML from Mooroopna.
3. Katandra West BE received a temporary transfer of 15 ML from Kyabram BE.
4. Tongala BE received a temporary transfer of 200 ML from Seymour BE.
5. Merrigum is now supplied from Kyabram.

Bulk Entitlement (Campaspe System - Goulburn-Murray Water) Reporting

This appendix is included in the Goulburn-Murray Water 2001/2002 Annual Report in compliance with the requirements of Clause 18.3 of the *Bulk Entitlement (Campaspe System - Goulburn-Murray Water) Conversion Order 2000*, which obliges the Authority to report on certain matters as specified in Clause 18.1 of the same Order. The period of Reporting is 1 July 2001 to 30 June 2002.

BE Clause	Item	Report	Notes
18.1(c)	G-MW share of Lake Eppalock annual inflow	15996 ML	See note 1
18.1(f)	Supply to primary entitlements	52711 ML	See note 2
18.1(g)	Annual evaporation losses	21263 ML	See note 3
18.1(h)	Internal spills from G-MW's share of storage	None	
18.1(i)(a)	Minimum passing flows between Lake Eppalock and the Campaspe Weir pool	Not implemented	See note 4
18.1(i)(b)	Minimum passing flows between the Campaspe Siphon and the River Murray	Not implemented	See note 4
18.1(j)	Credits	None	
18.1(k)	Temporary and permanent transfers of BE	Permanent: 0 ML Temporary: 3937 ML	See note 5
18.1(l)	Transfers to G-MW	Permanent: 0 ML Temporary: 1650 ML	See note 6
18.1(m)	Seasonal allocations in any month	15 August: 180%	See note 7
18.1(n)	Alteration to primary entitlements (Schedules 1 and 2)		
	Domestic and Stock	Increased by 2 ML	
	Water Right	Decreased by 32 ML	
	Licensed Volume	Increased by 30 ML	
	Additional Supply (G-MW Campaspe supplement)	No change	
18.1(o)	Transfers of primary entitlements	See Appendices C, D	
18.1(p)	Ministerial transfers of primary entitlements	None	
18.1(q)	Amendments to this BE	None	
18.1(r)	New BE	None	
18.1(s)	Environmental Management and Metering programs	In progress	
18.1(t)	BE compliance failures	None	
18.1(u)	BE compliance difficulties	None	See note 4
18.1(v)	Interruptions to minimum passing flows	Not implemented	

Notes

- Annual inflows were defined in accordance with principles agreed between G-MW and Coliban Water.
- Supply to primary entitlements comprises:

Campaspe Irrigation District	22668 ML	Water Right and Domestic and Stock
	13490 ML	Sales
Private diversions	12344 ML	Licensed Volume and Domestic and Stock
	4209 ML	Sales
- Annual evaporation losses were calculated in accordance with Clause 6 of Schedule 4 of the Bulk Entitlement order.
- Minimum passing flow obligations do not come into effect until cessation or completion of the 'Effect of Flow Manipulation on the Biota of a Lowland River' project conducted by the Cooperative Research Centre for Freshwater Ecology (Clause 11.3). The project is scheduled for completion in October 2003.
- The clause refers to permanent and temporary transfers of entitlement, including temporary transfers of Sales allocations, to areas not covered by this order.
- The clause refers to permanent and temporary transfers of entitlement, including temporary transfers of Sales allocations, from areas not covered by this order.
- The maximum permissible seasonal allocation in the Campaspe system is 220% Water Right.

**BULK ENTITLEMENT (AXEDALE, GOORNONG AND PART ROCHESTER) REPORTING
DIVERSIONS BY OTHER AUTHORITIES WITH BULK ENTITLEMENTS: JULY 2001 - JUNE 2002**

Authority	Town	BE Volume	Diversion	Notes
Coliban Water	Axedale	215 ML	73.6 ML	See note 1
	Goornong		121.5 ML	See note 1
	Part Rochester	285 ML	442.0 ML	See note 2
TOTAL		500 ML	637.1 ML	

Notes

1. Axedale and Goornong have a combined maximum annual volume of 215 ML.
2. Rochester has a maximum volume of 285 ML over the months of May, June, July, August and September, but must not exceed an annual average of 134 ML per annum over any consecutive 10 year period. Coliban Water temporarily transferred 250 ML from its Campaspe River bulk entitlement to G-MW to comply with diversion limits for Rochester.

IRRIGATION DELIVERIES FOR SEASON 2001/2002

Area / District	Total Permanent Entitlements Allocated (incl. Irrigation Areas, Private Diversions) * ML	Gross Supply at Offtakes (excluding Volumes Passed to Other Areas) ML	Usage in Area / District				Diversion from Rivers, Streams Lakes and Main Channels			Total Usage ML
			Under Water Rights & Domestic & Stock Allowance ML	Sales of Water *** ML	Total Delivered in Area or District ML	Usage supplied outside Area or District ** ML	Total Delivered by Area or District ML	Usage Under Entitlement & Domestic & Stock Allowance ML	Sales Usage ML	
# Shepparton	179,301	267,567	173,956	535	174,490	138	174,628			174,628
# Central Goulburn	389,121	614,973	435,308	4,968	440,276	4,598	444,874			444,874
# Rochester	187,946	251,072	220,183	1,083	221,266	1,897	223,163			223,163
# Pyramid-Boort	227,653	290,097	221,829	3,438	225,266	4,760	230,027			230,027
Campaspe District	20,307	41,378	22,668	13,490	36,158	0	36,158			36,158
River Diversions (includes tributaries)										
- Broken River	26,951	17,986						16,186	1,800	17,986
- Goulburn River	61,827	46,332						41,067	5,266	46,332
- Campaspe River	18,559	18,261						14,032	4,229	18,261
- Loddon River	37,072	19,006						18,471	534	19,006
Goulburn System Total	1,148,737	1,566,672	1,073,943	23,513	1,097,456	11,393	1,108,850	89,756	11,829	1,210,434
# Murray Valley	259,063	586,811	266,641	136,073	402,714	1,750	404,464			404,464
# Torrumbarry	342,937	826,379	359,802	233,328	593,130	8,529	601,659			601,659
# Woorinen	11,084	7,584	6,464	296	6,761	0	6,761			6,761
Tresco	8,307	5,895	5,495	58	5,553	0	5,553			5,553
Torrumbarry System Total	362,328	839,858	371,761	233,682	605,443	8,529	613,972			613,972
Nyah	11,118	6,822	6,201	2	6,203	0	6,203			6,203
River Diversions (includes tributaries)										
- Murray River (above Hume)	3,762	1,697						1,697	0	1,697
- Murray River (Hume to Nyah)	71,048	58,678						48,314	10,364	58,678
- Mitta Mitta River	19,573	14,528						13,180	1,348	14,528
- Kiewa River	11,811	4,314						3,993	321	4,314
- Ovens River	38,929	15,745						15,398	347	15,745
Murray System Total	777,632	1,528,453	644,604	369,756	1,014,360	10,279	1,024,639	82,581	12,381	1,119,601
Goulburn-Murray Water Total	1,926,369	3,095,125	1,718,547	393,269	2,111,816	21,672	2,133,489	172,337	24,209	2,330,035
# GMID Total	1,597,104	2,844,483	1,684,183	379,719	2,063,903	21,672	2,085,575			
GMID % WR				24%	129%		131%			

* Permanent entitlements allocated as at 30 June 2002 (excludes Temporary TWE, D&S and other allocations)
 ** Supplies outside Area/District from channel network includes deliveries to urban systems & waterworks districts.
 *** Sales Volumes for Goulburn System and Campaspe District represent Water Delivered as Other Allocation

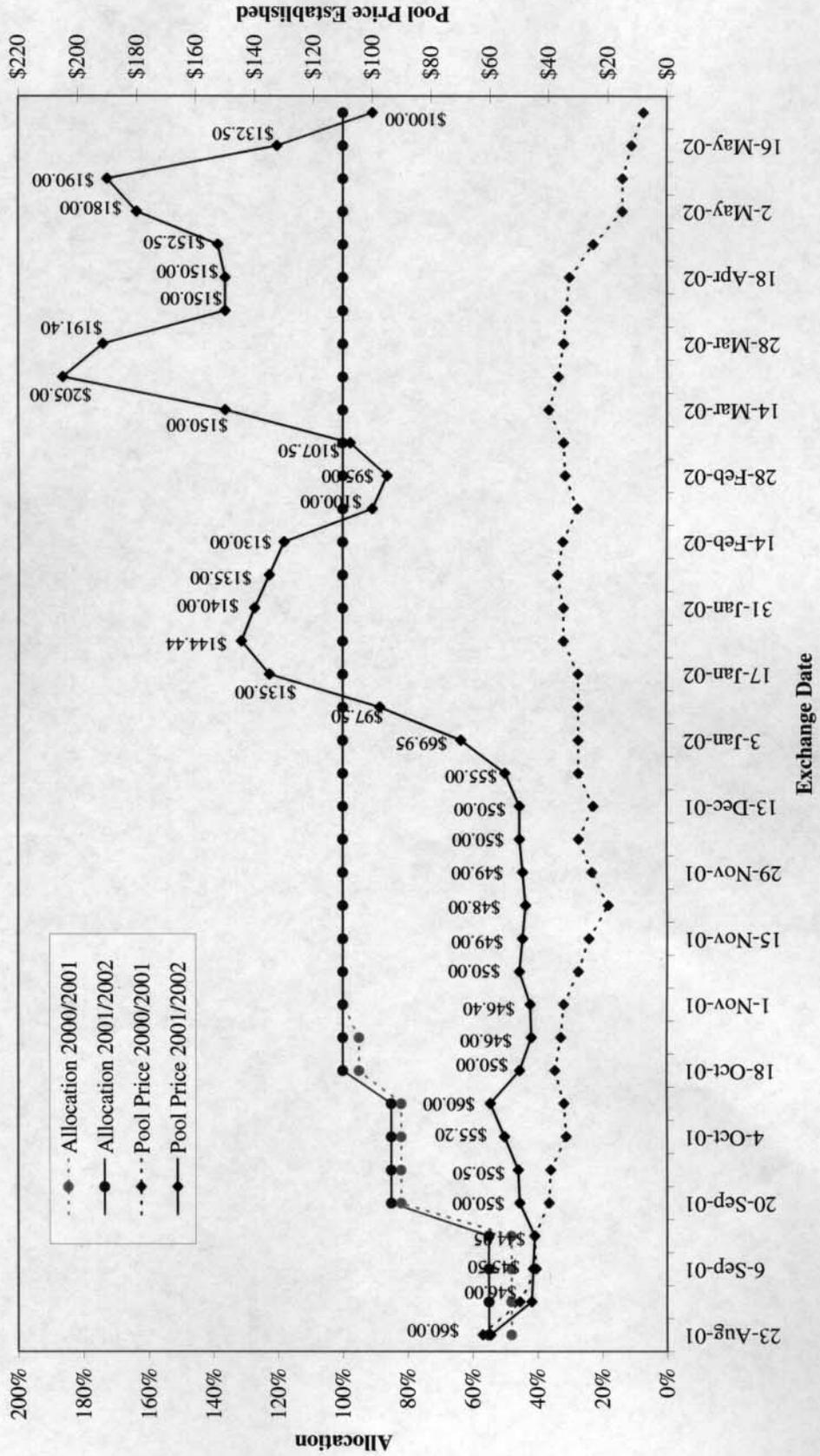
**Permanent Transfer Of Water Rights And Diversion Licences
Processed By The Authority During Year Ending 30 June 2002.**

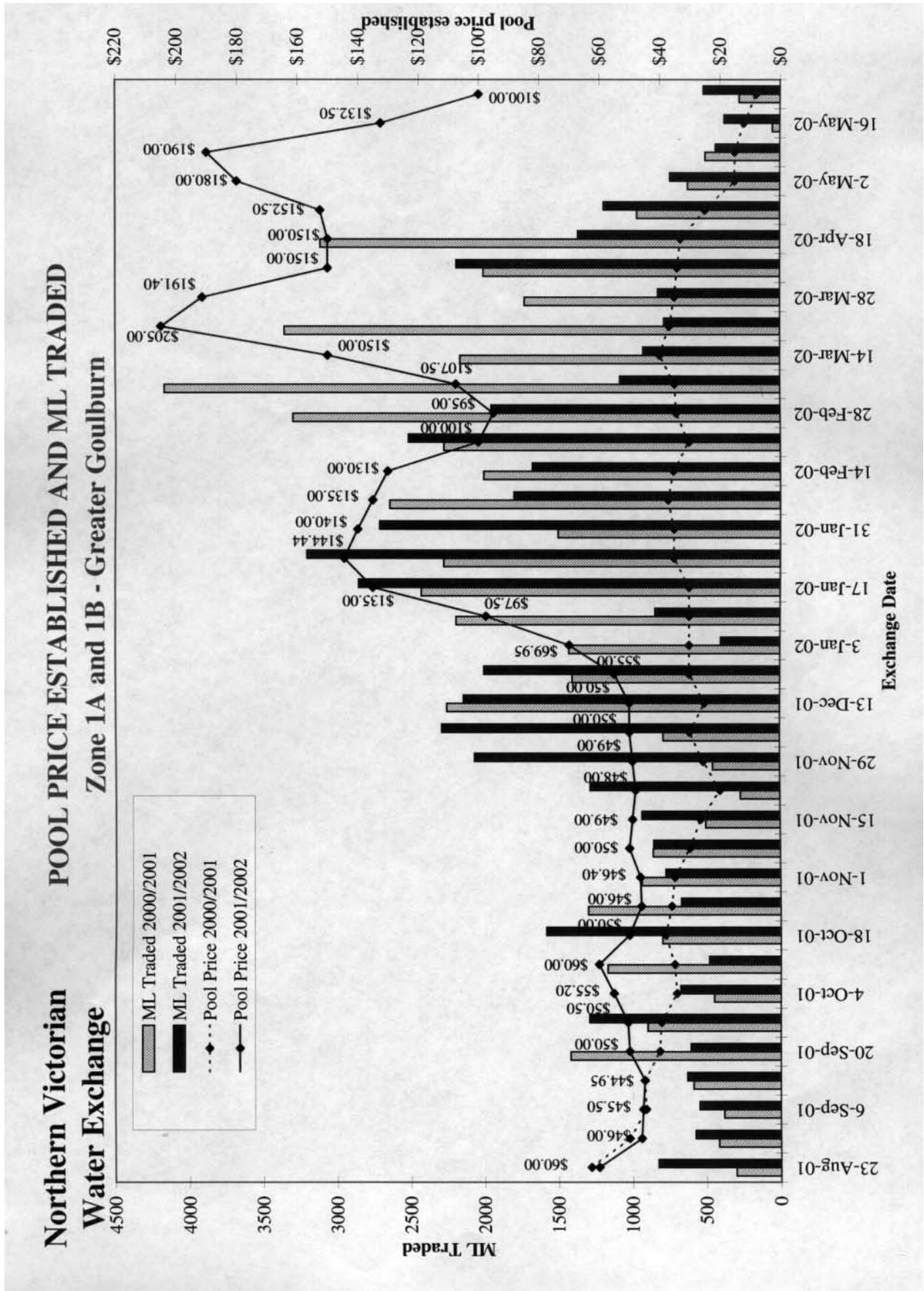
District/Area or Waterway	Buyers		Sellers		Net Increase for District/Area or Waterway
	No.	ML	No.	ML	ML
Shepparton	9	197.0	33	2,157.0	-1,960.0
Central Goulburn	22	818.3	50	2,566.8	-1,748.5
Rochester	27	1,812.0	20	1,721.0	91.0
Pyramid-Boort	47	5,937.0	44	8,539.0	-2,602.0
Broken River	4	136.0	4	136.0	0.0
Goulburn River	9	87.0	14	385.5	-298.5
Loddon River	9	318.0	3	15.0	303.0
Goulburn System Total	127	9,305.3	168	15,520.3	-6,215.0
Murray Valley	9	425.0	11	616.0	-191.0
Kerang-Cohuna	15	1,248.0	29	3,793.0	-2,545.0
Swan Hill	2	19.0	27	2,146.5	-2,127.5
Woorinen	3	153.0	3	168.0	-15.0
Nyah	5	30.0	4	115.0	-85.0
Tresco	0	0.0	5	82.8	-82.8
Mitta River	3	115.0	1	15.0	100.0
Murray River	5	463.0	14	1,015.0	-552.0
Kiewa River	2	71.0	2	71.0	0.0
Ovens-King River	4	44.0	4	44.0	0.0
Murray System Total	48	2,568.0	100	8,066.3	-5,498.3
Campaspe District	2	80.0	2	55.0	25.0
Campaspe River	9	167.0	9	192.0	-25.0
Campaspe System Total	11	247.0	11	247.0	0.0
Goulburn-Murray Total	186	12,120.3	279	23,833.6	-11,713.3
Sunraysia Rural Water	83	10,643.8	0	0.0	10,643.8
Goulburn Valley Water	4	200.0	0	0.0	200.0
North East Water	0	0.0	0	0.0	0.0
Lower Murray Water	6	869.5	0	0.0	869.5
Other Authorities Total	93	11,713.3	0	0.0	11,713.3
Total Transfers	279	23,833.6	279	23,833.6	0.0

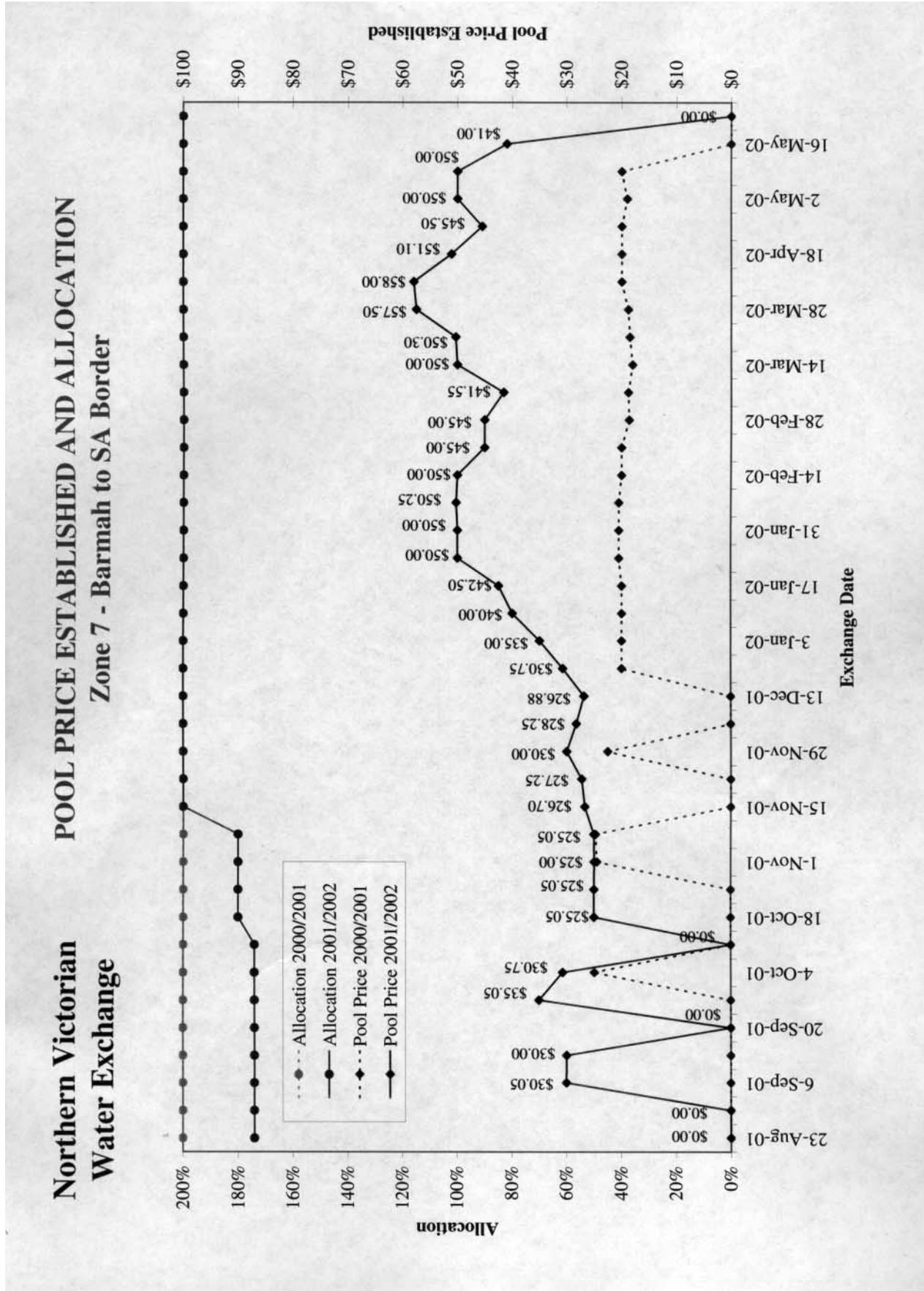
**Temporary Transfer Of Water Rights, Diversion Licences And Sales
Processed By The Authority During Year Ending 30 June 2002.**

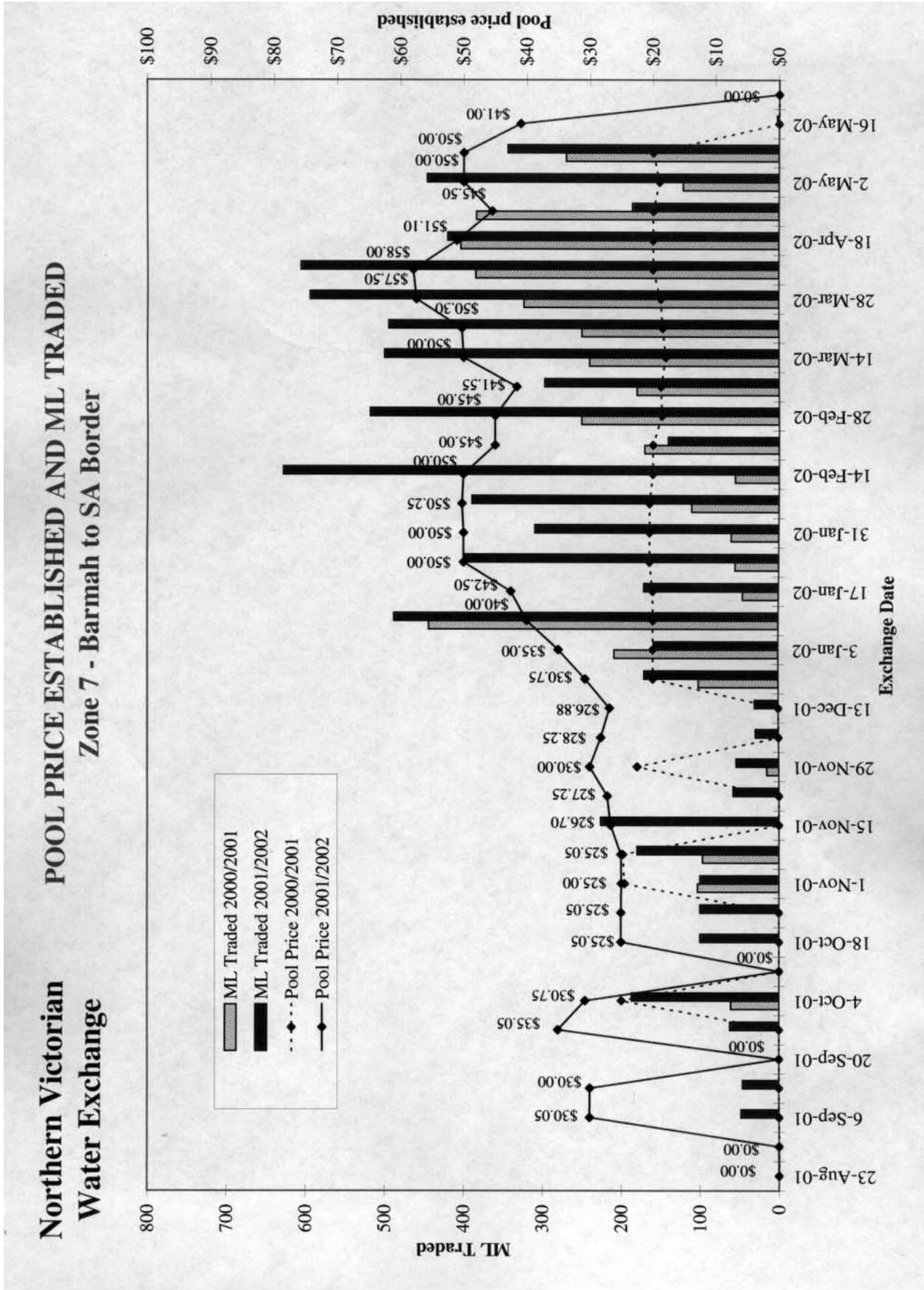
District/Area or Waterway	Buyers			Sellers			Net Increase for District/Area or Waterway	
	No.	Water Right ML	Sales ML	No.	Water Right ML	Sales ML	Water Right ML	Sales ML
Shepparton	893	27,850.9	30.0	1,155	33,006.4	0.0	-5,155.5	30.0
Central Goulburn	2,083	77,321.0	85.0	1,589	40,930.3	0.0	36,390.7	85.0
Rochester	884	46,240.9	888.0	577	20,920.3	214.0	25,320.6	674.0
Pyramid-Boort	459	34,634.2	38.5	560	45,625.0	0.0	-10,990.8	38.5
Broken River	15	1,322.0	0.0	15	1,322.0	0.0	0.0	0.0
Goulburn River	115	7,070.1	4,353.6	388	19,199.5	0.0	-12,129.4	4,353.6
Loddon River	51	1,983.4	0.0	124	5,542.6	0.0	-3,559.2	0.0
Goulburn System Total	4,500	196,422.5	5,395.1	4,408	166,546.1	214.0	29,876.4	5,181.1
Murray Valley	250	13,293.6	1,332.3	201	9,301.6	1,508.3	3,992.0	-176.0
Kerang-Cohuna	398	20,232.6	2,169.7	156	6,047.2	2,333.8	14,185.4	-164.1
Swan Hill	143	5,020.4	1,541.0	202	6,280.7	2,174.7	-1,260.3	-633.7
Woorinen	3	60.0	0.0	59	1,639.5	554.4	-1,579.5	-554.4
Nyah	13	132.0	0.0	88	2,234.9	0.0	-2,102.9	0.0
Tresco	14	215.8	56.0	25	621.9	0.0	-406.1	56.0
Mitta River	2	49.0	0.0	15	1,639.0	0.0	-1,590.0	0.0
Murray River	35	2,590.8	53.0	195	13,103.8	0.0	-10,513.0	53.0
Kiewa River	7	505.0	0.0	7	505.0	0.0	0.0	0.0
Ovens-King River	31	1,572.0	0.0	31	1,572.0	0.0	0.0	0.0
Murray System Total	896	43,671.2	5,152.0	979	42,945.6	6,571.2	725.6	-1,419.2
Campaspe District	45	2,181.1	104.8	35	814.5	328.8	1,366.6	-224.0
Campaspe River	29	1,775.1	0.0	87	5,204.9	0.0	-3,429.8	0.0
Campaspe System Total	74	3,956.2	104.8	122	6,019.4	328.8	-2,063.2	-224.0
Goulburn-Murray Total	5,470	244,049.9	10,651.9	5,509	215,511.1	7,114.0	28,538.8	3,537.9
Sunraysia Rural Water	8	945.0	406.2	51	5,672.6	0.0	-4,727.6	406.2
New South Wales	21	2,905.1	298.9	9	0.0	4,295.0	2,905.1	-3,996.1
South Australia	0	0.0	0.0	0	0.0	0.0	0.0	0.0
Coliban Water	0	0.0	0.0	11	3,218.0	0.0	-3,218.0	0.0
Dept. Natural Resources	0	0.0	0.0	183	12,987.3	0.0	-12,987.3	0.0
Wimmera Mallee Water	0	0.0	0.0	0	0.0	0.0	0.0	0.0
First Mildura Irr Trust	0	0.0	0.0	1	70.0	0.0	-70.0	0.0
Goulburn Valley Water	1	174.0	52.0	85	10,331.0	0.0	-10,157.0	52.0
Lower Murray Water	1	5.0	0.0	0	0.0	0.0	5.0	0.0
North East Water	0	0.0	0.0	2	289.0	0.0	-289.0	0.0
Headworks	0	0.0	0.0	0	0.0	0.0	0.0	0.0
Other Authorities Total	31	4,029.1	757.1	342	32,567.9	4,295.0	-28,538.8	-3,537.9
Total Transfers	5,501	248,079.0	11,409.0	5,851	248,079.0	11,409.0	0.0	0.0

Northern Victorian Water Exchange
 POOL PRICE ESTABLISHED AND ALLOCATION
 Zone 1A and 1B - Greater Goulburn









Groundwater Extractions as at 30 June 2002

Groundwater Management Area	Irrigation			Other		Total
	Licences	Authorised Volume	Authorised Area	Licences	Authorised Volume	Authorised Volume
	No.	ML	Ha	No.	ML	ML
Alexandra	7	1498.0	235.0	10	123.0	1621.0
Ascot	51	5914.7	1630.7	51	838.2	6752.9
Barnawartha	1	120.0	20.0	6	469.0	589.0
Bungaree	0	0.0	0.0	1	45.0	45.0
Campaspe Deep Lead	105	46154.8	8232.8	100	395.0	46549.8
Ellesmere	4	930.0	158.3	5	194.0	1124.0
Goorambat	5	1386.0	266.0	7	134.0	1520.0
Katunga	132	58056.4	10214.6	199	2956.7	61013.1
Kialla 1	5	1416.6	276.5	3	107.0	1523.6
Kialla 2	4	522.0	95.0	4	106.0	628.0
Kinglake	41	1521.3	444.6	42	303.0	1824.3
Mid Loddon	51	23840.2	4597.4	41	370.0	24210.2
Moolort 1	18	2956.2	535.8	10	20.0	2976.2
Moolort 2	6	745.1	186.7	6	408.0	1153.1
Mullindolingong 1	4	135.7	25.0	17	172.0	307.7
Mullindolingong 2	13	889.8	150.5	27	152.0	1041.8
Murmungee	161	11589.3	2468.5	81	375.8	11965.1
Nagambie	34	6028.0	1289.0	23	446.0	6474.0
Shepparton	904	168367.6	38018.1	841	20583.2	188950.8
Spring Hill	51	4552.1	1449.6	23	397.0	4949.1
Other Areas	416	21013.7	5464.2	451	8243.1	29313.8
Grand Total	2013	357637.5	75758.3	1948	36838.0	394532.5

Water Supply Protection Area (Spring Hill Groundwater Management Plan) Reporting

This appendix is included in the Goulburn-Murray Water 2001/2002 Annual Report in compliance with Section 32C of the Water Act (Report on administration and enforcement of the Spring Hill Groundwater Management Plan). The Groundwater Management Plan (GMP) was approved on 28 January 2002. The period of reporting is from 28 January 2002 to 30 June 2002.

GMP Clause	Item	Report	Notes
8.1	Maintain monitoring bores	Complied	See Note 1
8.2(a)	Determine quarterly water levels for bores specified in Schedule 2 of the GMP.	Complied	See Note 1
8.2(b)	Determine quarterly water levels for bores specified in Schedule 3 of the GMP.	Complied	
8.2(c)	Record potentiometric water levels in the State Groundwater Database	Complied	
8.3	Conduct salinity monitoring program	Not implemented	See Note 2
9.1	Install and maintain meters	In progress	See Note 3
9.2	Record groundwater use from licensed bores	Complied	See Note 4
10	Groundwater license entitlements must not exceed 5062ML	Complied	See Note 5
11.2	Permanent transfer of licence entitlement	0ML	
11.3(a)	Temporary transfer of licence entitlement	165 ML	See Note 6
11.3(e)	Transfers recorded onto database	Complied	
12	Notification of Domestic and Stock Use	Not implemented	See Note 2
13(a)	Authorisation to take and use above licence entitlement	Not implemented	See Note 7

Notes:

1. Responsibility of the Department of Natural Resources and Environment
2. Goulburn-Murray Water was notified of the approval of the Groundwater Management Plan in February 2002. An implementation program has been established with target dates to achieve full implementation of each clause of the GMP. The Plan will be fully implemented in 2002/2003.
3. Approximately 6 operational bores are yet to be metered. The full metering program will be effectively implemented by November 2002. The metering program will then be ongoing to facilitate the metering of any newly equipped bores.
4. Data collected for metered bores.
5. Total licensed commitments (excluding Domestic and Stock allowance) is 5030 ML
6. Four transfers conducted in accordance with Plan rules.
7. Insufficient monitoring data available to make such an authorisation.

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