

# Annual Report 2019/20



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## Responsible Body's Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present Goulburn-Murray Rural Water Corporation's Annual Report for the year ending 30 June 2020.



**Diane James AM**

Chairman

Goulburn-Murray Water

3 September 2020

## Acknowledgement

Goulburn-Murray Water (GMW) proudly acknowledges the lands of Yorta Yorta, Dja Dja Wurrung, Taungurung and Gunnaikurnai, which are within the GMW region and pays respects to their elders past and present.

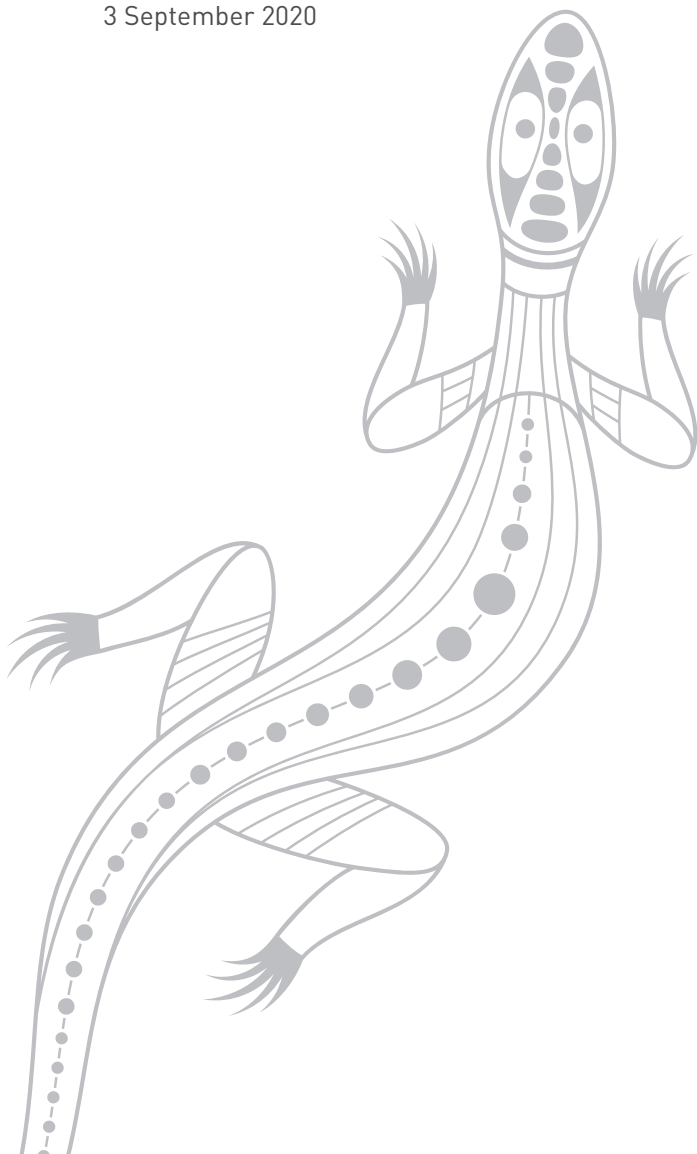
GMW acknowledges Aboriginal people as Australia's first peoples, and as the Traditional Owners and custodians of the land and waterways where we work and live.

We recognise and value the ongoing contribution of Aboriginal people and communities to Victorian life, and how this enriches us all.

We recognise that Aboriginal cultures and communities are diverse, and the value we gain in celebrating these cultures and communities.

We acknowledge that the land is of spiritual, cultural and economic importance to Aboriginal people.

We recognise the intrinsic connection of Traditional Owners to Country and acknowledge their contribution in the management of land, water, the natural landscape and our built environments.



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# Vision and Values

## Vision

GMW's vision of **'Delivering for our region and our future'** recognises the significant role we have in contributing to the prosperity of our region. We do this by providing essential rural water services to our customers at an affordable long-term cost<sup>1</sup>. We take pride in knowing that we are custodians of the infrastructure and services that form such an integral component of economic activity in our region.

Our five Strategic Outcomes, listed below, reflect our corporate aspirations.

- **Safe, skilled, engaged people**
- **Satisfied customers, trusting partners**
- **Innovation, data and technology driven services**
- **Sustainable business, viable customers**
- **Water security and other water values are recognised**

## Values

Core values are essential and enduring principles of an organisation, which underpin our culture and provide a filter for employees to measure their actions and behaviours. Accordingly, GMW has committed to the following organisational values that will guide our culture:



### Excellence

We pursue quality, innovation and continuous improvement in everything we do.



### Honesty

We are truthful and transparent in all our dealings and communications.



### Accountability

We take responsibility and ensure we follow through on all our commitments.



### Courage

We take considered risks and step forward with conviction into a new future.



### Caring

We look out for each other and demonstrate genuine empathy for our customers.

1. In November 2019 we submitted our Pricing Submission for 2020 – 2024 to the Essential Services Commission. Our submission captured the views of customers across all segments and relevant stakeholders and proposes A Fairer Deal for All. The ESC approved the submission in June 2020 following public consultation.

# Chairman and Managing Director's Report

What a year this has been for our region. Climate change has delivered drought and raging bushfires, and the coronavirus (COVID-19) has delivered a pandemic. These have created significant social and economic impacts for our communities. They have challenged GMW too. However, we are pleased to report that based on a sound vision and strong leadership, the business has reached a new level of achievement and a new level of resilience. We have demonstrated the ability to persist when our approach was right, to be agile and adapt as circumstances changed and to transform those aspects of our business for which transformation was the only appropriate response.

The business and our customers continue to face the challenge of declining water availability. This year was only the second time this decade we have fallen below 1,000 GL in Goulburn-Murray Irrigation District (GMID) deliveries, reaching record low delivery levels that were last seen in the Millennium Drought. Our 2019/20 water deliveries were down over 50% on the year prior, which was already a relatively poor year for water availability. Facing a future of uncertain water availability means that GMW has focussed on increasing efficiency of water delivery, maintaining service levels in low flow environments and controlling costs.

GMW's approach to designing, building and delivering infrastructure to meet the needs of our irrigating communities has been sound and we have persisted with that approach. The \$2 billion Connections Project remains on-track for completion in October 2020. In 2019, the Project installed nearly 100km of pipeline, decommissioned more than 250km of channel, and worked with almost 1500 landowners to efficiently connect them to the upgraded irrigation network. This has increased the water savings total to 420 GL/year (subject to audit and verification).

This year we also delivered \$3.8 million in Information and Communication Technology enhancements, and a \$11.6 million Capital Works program across our delivery network. The maintenance works, undertaken ahead of the irrigation season which opened in August, keep the delivery system running efficiently to meet irrigation demands. Persisting with this approach to regular, important maintenance and refurbishment work continues to ensure the adaptability of our networks. The 2019/20 works were mainly undertaken by local businesses and regional contractors, so they also delivered a much needed boost to our regional economy.

Our ability to adapt has been well tested by the drought, bushfires and COVID-19. In uncertain and rapidly escalating circumstances we had one day in March in which to run a test and operate the business remotely. We found our system was robust and we were well prepared. From that success we almost immediately closed our doors and began to service our customers from our homes. Achieving this required the rapid deployment of new approaches and higher levels of trust and autonomy for our teams. This success has demonstrated the willingness of our people to embrace many new ways of working while still maintaining our commitment to delivering outstanding customer service at every touch point.

GMW's 2020-24 Pricing Submission embraced the need to adapt the way we engage with our customers. We broadened our range of methods, strengthened our inclusiveness and raised our level of transparency. This was well received by customers, as were the outcomes.

We took the opportunity to go back to first principles and consider our business model – what we do, how we achieve that and where we can improve. A restructure of our internal resources has delivered significant efficiencies. Through an Early Retirement Program combined with natural attrition, our workforce has reduced in size from 654 to 552 (total headcount). This has enabled us to redirect our resources to the areas that matter most.

We have aggressively reduced our future operating expenditure and created asset management systems, such as the Channel-by-Channel assessment, that optimise our assets. This has enabled us to budget for a modest capital spend in the coming four-year term of about \$25 million per annum.

This organisational transformation that has been driven from the top down and embraced from the bottom up is the strongest driver of GMW's resilience. The revenue requirement for our 2020-2024 Pricing Submission is \$439.5 million. This is \$65 million lower than that approved in the previous pricing period and an average reduction of \$16 million per year, allowing us to deliver much needed price relief to almost all of our customers.

These achievements announce GMW as a renewed and resilient business. We have set the foundations to deliver – for our customers, our communities and our region. Reassured by our strength in 2019/20, we look forward confidently to delivering the next steps in our renewal in 2020-21.



**Diane James AM**  
Chairman



**Charmaine Quick**  
Managing Director

## Manner of Establishment and the Responsible Minister

GMW is a statutory Corporation constituted by Ministerial Order under the provisions of the *Water Act 1989*. The relevant Minister for the period from 1 July 2019 to 30 June 2020 was The Hon. Lisa Neville MP, Minister for Water.

## Nature and Range of Services Provided

Deliver water to our region:

- provide water storage and delivery services in northern Victoria as the Minister's appointed storage manager
- provide water to our customers within agreed service standards
- manage customer accounts, including fees and charges
- monitor compliance and appropriate usage of water allocation
- Minister's delegate for licensing groundwater and surface water diversions and private dams, and for functions related to water shares, allocation and water use in regulated systems.

Monitor the quality of our water:

- monitor salinity and algae levels for public safety and irrigation use
- ensure developments (proposed planning applications) do not affect the quality and/or quantity of water.

Build and maintain infrastructure:

- build, provide and maintain infrastructure to support water storage and delivery
- deliver on the Victorian and Commonwealth Governments' commitment to modernise and maintain water delivery infrastructure to improve water delivery efficiency
- provide drainage services with GMW drains to remove excess runoff.

Manage our water supply:

- allocate water to meet our region's needs within our delegation as the northern Victorian Resource Manager, making the seasonal determinations for all northern Victorian declared water systems
- provide water registry services for water trading
- plan for the future to safeguard and maximise the diminishing water resource
- support Government policy development and implementation regarding water resource management.

Support strong and vibrant communities:

- inform and engage the community on water resource management, including resource availability, general operations and emergencies, including flood safety
- educate the community in better use of water for improved sustainability
- facilitate recreational use on and around our lakes and reservoirs
- provide feedback to Governments on their policies and the impacts on the diverse needs of our community.

Legislative and reporting requirements:

- comply with legislative requirements under the Act and other relevant governing legislation
- meet reporting obligations to Government in accordance with statutory requirements
- set prices to collect revenue for GMW's prescribed and non-prescribed services
- comply with the regulator's requirements for setting water prices.



# Purpose, Functions, Powers and Duties

## About us

GMW is a statutory Corporation constituted by Ministerial Order under the provisions of the *Water Act 1989*. An Independent Board of Directors (the Board) governs GMW. The Board operates under part 6 of the Act and reports annually to the Minister for Water and the Treasurer.

We are ultimately accountable to the Minister for Water and have functions and powers under the Act to provide, manage and operate an irrigation district (pursuant to section 221 of the Act), a water district (pursuant to section 163 of the Act) and a waterway management district (pursuant to section 189 of the Act).

We are Australia's largest rural water corporation and manage Australia's largest irrigation delivery network. The irrigated agriculture sector in northern Victoria alone generates more than \$6 billion of production value annually and directly supports over 10,000 jobs in the GMID.

GMW manages water related services in a region of 68,000 square kilometres, bordered by the Great Dividing Range in the south and the River Murray in the north, stretching from Corryong in the east down river to Nyah. We have more than 20,000<sup>1</sup> customers using over 39,000 services in northern Victoria. We manage 24 water storages that can hold approximately 11 million ML of water and also have responsibility for managing more than 100,000 hectares of public land surrounding our storages.

GMW is the northern Victorian Resource Manager appointed by the Minister for Water and is responsible for making the seasonal determination for all northern Victorian declared water systems. GMW is a partner in the Victorian Water Register, which manages more than \$7 billion of water entitlements and over \$300 million in water share and allocation trade for Victoria.

We are Victoria's largest inland boating authority and manage boating and recreational activities across the majority of our

storages. In addition, we service and supply a diverse range of Urban Water Authorities, Catchment Management Authorities (CMAs) and the Murray-Darling Basin Authority (MDBA).

GMW maintains recreational infrastructure and services and manages safe boating access at 15 of our 24 storages. The non-prescribed management portfolio includes 722 houseboat licences, 11 caravan park leases and 63 clubs. To varying degrees, all the dams managed by GMW are available to the public for recreational use such as boating, fishing and swimming. The 71 recreation reserves located around GMW and MDBA storages are funded by GMW, the MDBA and partly or fully by local Government.

We are also delivering the \$2 billion Connections Project (the Project), funded by the Victorian and Commonwealth governments. This is the most significant upgrade to the region's irrigation infrastructure in its 100-year history and is the largest irrigation modernisation project in Australia.

The Project will automate much of the water delivery network, replace ageing irrigation infrastructure, enhance measurement accuracy through installing modernised meters and ensure equitable access to maintain the true value of water. The Project will also reduce the GMID footprint and make water use sustainable by preparing us for future challenges and opportunities. The project has created hundreds of jobs for local contractors, designers, manufacturers and other irrigation industry businesses.

## Statutory Planning

In 2019/20, 1,703 planning applications were referred to GMW and a further 14 Planning Scheme Amendment submissions were received. Under the *Planning and Environment Act 1987*, GMW is required to respond to matters referred within 28 days or within the time period determined by the relevant Council.

The GMW Statutory Planning Section is also involved in developing Domestic Wastewater Management Plans (DWMP) for Councils largely within Special Water Supply Catchments across regional Victoria. Within GMW's area of jurisdiction, 20 Councils have developed DWMPs over recent years. During 2019/20, GMW continued to work with Councils to develop and update the plans where required.

1. Based on single customer view as at 30 June 2018.

## Functions and Powers

GMW has functions and powers under the Act to provide, manage and operate:

- irrigation districts
- water districts
- waterway management districts.

GMW also has responsibilities as a delegate or appointee of the Minister for Water and the Water Registrar pursuant to the *Water Act 1989* and the *Murray-Darling Basin Act 1993*:

- for licensing activities (unregulated streams, groundwater, works on waterways, water use), and approval of water share and allocation applications
- as storage manager and resource manager for all declared water systems in northern Victoria
- as Victoria’s relevant water authority (constructing authority) for the MDBA
- for recording of certain water share dealings.

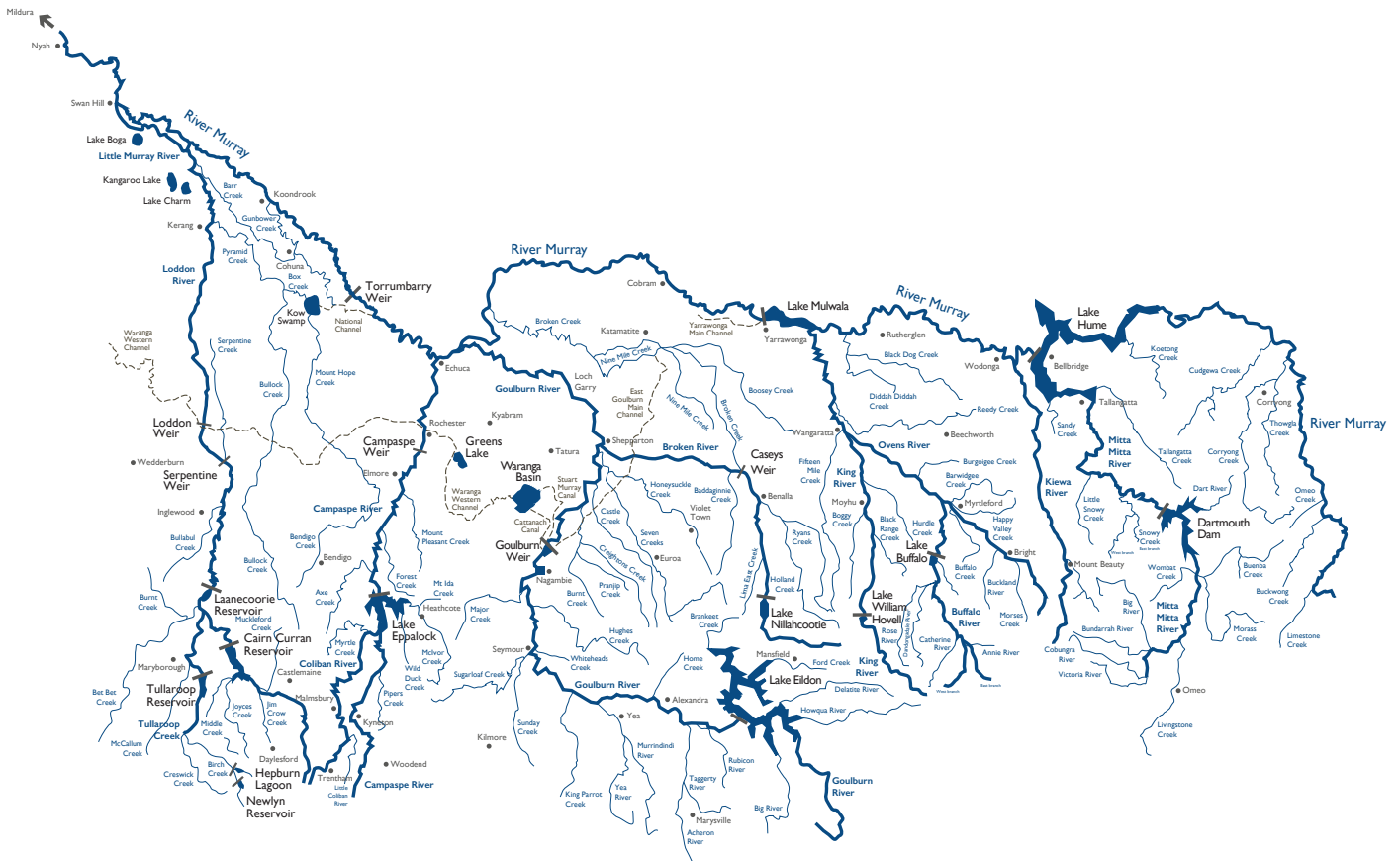


Diagram 1: GMW’s operational area

## Coronavirus (COVID-19)

The impacts of the global coronavirus (COVID-19) pandemic have been significant and far reaching. The impacts have challenged us all to respond and adjust to a rapidly evolving situation. GMW, aligned with the advice of Government, has taken unprecedented measures to maintain the Health and Safety of our people, customers and community whilst effectively maintaining the provision of critical services.

In the current COVID-19 situation GMW has adapted to providing service remotely, which has been well received by both our customers and staff. While unexpected, it has tested GMW's remote working capability with positive results. The specific actions undertaken as part of GMW's COVID-19 response have included:

- ensuring the health and safety of our staff by actively monitoring wellbeing
- our Customer Contact staff working remotely whilst maintaining high levels of customer service
- temporarily closing our offices to the public and encouraging customers to use our online services, WaterLINE or our contact centre
- our operations teams continuing to monitor the network and associated infrastructure by working remotely and rostering their activities to achieve effective social distancing
- our maintenance and construction teams continuing to perform critical works on the network and implementing appropriate controls to ensure that social distancing and other hygiene measures can be achieved. This has also supported important continuation of work for local contractors
- over 250 of our staff adapting to effectively work from home, using our systems and online tools to remain engaged and connected to the business

- our Board conducting several online briefings and all scheduled Board Meetings to ensure continuity of effective Governance.

Supporting the coordinated Government response to the COVID-19 situation, GMW provided rent relief on leases and licences for non-prescribed services to the value of \$451,847 for 2019/2020. GMW is currently seeking reimbursement for this from the Department of Environment, Land, Water and Planning (DELWP).

GMW will continue monitoring the developments of the COVID-19 pandemic and adjust our operations as needed to ensure the ongoing safety of our customers and staff, while continuing to provide effective customer service.

## Transformation Working Plan

The GMW Transformation Working Plan (TWP) was adopted in February 2019, in response to the recommendations of the Strategic Advisory Panel (SAP) report published in January 2018. An audit of progress against the SAP recommendations shows that GMW has successfully completed (or addressed) 22 of the recommendations, with four scheduled for completion in the short term and the remaining four long term actions to be addressed through our new Strategy Framework. Development of the TWP included extensive external and internal analysis by GMW with a focus on delivering reliable water services to our customers at efficient and affordable prices. At the core of our business challenges is the need to identify a financially sustainable pathway to finance the costs associated with replacing, maintaining and operating our extensive network of infrastructure.

GMW has made significant progress on implementing the TWP throughout 2019/20. Many of the initiatives completed have contributed to the material reduction in costs within the business, which results in price reductions for the majority of GMW's customers in 2020/21. The notable achievements during the period include:

- Culture and leadership – GMW has established a People and Culture strategy to continually enhance our organisational maturity, overseen by the People and Culture Committee of the Board
- Financial – GMW, through engagement with our customers, developed and submitted a Pricing Submission which resulted in a landmark reduction in revenue requirement and enabled price reductions to be realised for most customers
- Organisational resources – GMW delivered a significant adjustment to our business structure to align to the strategic objectives of the business
- Asset management approach – GMW has completed a comprehensive update of our Dams Portfolio Risk Assessment. This process informs our future investment plans for Water Storage Services. GMW has also further developed a data driven Channel-by-Channel tool, which is used to support investment decisions in the Gravity Irrigation business
- Digital Strategy – GMW has developed a four-year Digital Strategy that is aimed at achieving the vision that “Our services are supported by innovative, efficient and customer and people focused digital solutions”
- Communication and engagement – GMW has progressed implementation of our Communication, Engagement and Partnerships Strategy to enhance our customer and stakeholder experience.

## Strategic Plan

In 2019/20, the Board and the Executive Leadership Team worked together to develop a strategy framework that will allow us to meet the various expectations of GMW. These include addressing:

- the significant challenges confronting delivery of rural water services
- the expectations of GMW made clear in the Victorian Government’s Water for Victoria policy direction
- the imperative for business transformation as per GMW’s Transformation Working Plan adopted in February 2019

Central to the strategy framework is GMW’s vision – **‘Delivering for our region and our future’** - supported by five Strategic Outcomes. The Strategic Outcomes have been developed to express the key aspirations for our organisation.

The framework is completed by the identification of key strategies which will progressively be presented to the Board for approval during 2020/21<sup>1</sup>. Implementing these strategies will provide clear direction and alignment of organisational resources.

The Strategy Framework, illustrated below, demonstrates our Vision, Values and the alignment of our Strategic Outcomes with the Board endorsed strategies.

1. The People & Culture Strategy and the Communication, Engagement and Partnerships Strategy have already been approved by the Board.

# Delivering for our region and our future



Diagram 2: Strategy Framework

## Performance Reporting – Non-Financial

This Annual Report evaluates our performance against our corporate priorities and our progress towards the activities and deliverables of the organisation as set out in our 2019/20 Corporate Plan. This report describes how GMW is delivering on our commitments to Government and regulatory authorities, our customers, staff and communities.

### *Performance against the Minister's Letter of Expectations Key Performance Indicators*

GMW is focusing our attention on improving performance in relation to the Minister's Letter of Expectations. The information on the following pages provides GMW's performance against the key performance indicators relevant to the priority areas as set out in *Water for Victoria*. Appendix C contains detailed information on measures and definitions as described in the Minister's Letter of Expectations.

### Climate Change

Climate change is a critical challenge that is affecting both our environment and our communities. GMW is committed to minimising our environmental impacts and mitigating climate change through implementing adaptation strategies and actions.

## Emissions Reductions

GMW currently has very low emissions when compared to most other Victorian water corporations. GMW has a unique emissions profile as the majority of our water supplied is delivered through gravity irrigation systems. As we modify and upgrade our water delivery infrastructure we will monitor changes to emissions and identify the responses necessary to achieve our target.

GMW has a program to ensure our emissions reduce, and has pledged to reduce CO<sub>2</sub> emissions by 20 per cent below the five-year average up to 2015/16 to approximately 10,400 tonnes CO<sub>2</sub> emissions by July 2025, inclusive of MDBA assets. GMW aspires to achieve zero Scope 2 emissions by the pledge target date of 2050 through continuous improvement and renewable energy initiatives. In 2019/20 GMW had a target reduction to 11,799 tonnes of CO<sub>2</sub> emissions. The total of CO<sub>2</sub> emissions for the year reached 9,577 tonnes. Purchase of green power, decreased electricity usage at GMW's staffed locations and use of video conferencing has contributed to a lower total net greenhouse gas emission for 2019/20.

GMW will continue to look at investing in initiatives to reduce emissions which will include but not be limited to:

- review of our vehicle fleet to reduce vehicle numbers and increase fuel efficiencies, including introducing hybrid vehicles to the fleet
- modernising water delivery infrastructure (remote operations to reduce travel)
- investigating solar array installation at GMW offices and assets
- implementing efficiency programs across all GMW-owned buildings, including LED lighting upgrades and auditing buildings to identify areas to be improved.

## Climate Adaptation

GMW applies the recommendation from *Guidelines for Assessing the Impact of Climate Change on Water Supplies in Victoria* (DELWP, 2016) for our storage inflow statistics, seasonal determination outlooks, public engagement and longer term research planning

for surface water and groundwater resources. In 2019/20, all outlooks for seasonal determinations used climate-adjusted data to ensure resource availability was not overstated.

GMW began preparing our *Water Resources Strategy* in 2019/20 to address the challenges of climate change and more variable water availability amid changing demand characteristics. The strategy, to be completed in 2020/21, will outline how GMW will ensure the resilience of our business, customers, stakeholders and communities. The strategy will also consider how best to update GMW's current low-flow contingency measures for the expected changes to future water availability. The current contingency measures are based on the lessons of the Millennium Drought and the Water Resources Strategy is intended to bring greater agility to GMW service plans and business operations. Anticipated guidelines from the DELWP Water Resource Strategy division will aid the GMW update.

Preparation of GMW Climate Change Adaptation Action Plan, delayed in 2019/20 due to urgent input to inter-valley trade rule adjustments and Connections Project Stage 1 entitlements, is another intended outcome of the Water Resources Strategy for 2020/21.

## Customer and Community

### Customer Satisfaction

Customers and the community are centrally important at GMW, so we aim to deliver our services in a way that best meets and reflects our customers' needs. GMW supports the standardised Rural Water Corporation (RWC) Customer Satisfaction Survey as per the Minister for Water's Letter of Expectations. Throughout 2019, GMW provided customer data and resources to assist in the development, proposed methodology and implementation of the RWC survey. GMW will continue to support DELWP throughout the implementation phase of this survey. In addition, GMW has developed and will be carrying out our own customer satisfaction survey which is due to be rolled out in September/October 2020.

Table 1 outlines additional customer satisfaction goals and GMW's achievement against these goals.

Minister's Letter of Expectation Key Performance Indicator	Performance <sup>1</sup>
C1.4 Orders delivered at time agreed (Number of orders delivered/total number of order *100)	Pumped Districts 99% as at 30 June 2020 (target 98%) Gravity Systems 94% as at 30 June 2020 (target 93%)
C1.5 Percentage of applications completed within agreed timeframes <sup>2</sup> (Number of applications completed/total number of applications)	99% as at 30 June 2020
<b>C1.6 Rural Bills</b>	
C1.6.1 Total rural bill gravity irrigation <sup>1</sup> (100 ML irrigation customer)	Shepparton: \$9,212 Central Goulburn, Rochester and Loddon Valley: \$6,835 Murray Valley and Torrumbarry: \$7,086
C1.6.2 Total rural bill gravity irrigation <sup>2</sup> (100 ML irrigation customer)	Nyah: \$8,887 Tresco: \$8,642 Woorinen: \$8,273
C1.6.3 Total rural bill domestic and stock supply <sup>3</sup> (2ML stock and domestic customer)	Normanville: \$2,110 Tungamah: \$1,691 East Loddon (South): \$1,237 East Loddon (North): \$957 West Loddon: \$837

Table 1: 2019/20 Customer satisfaction performance

### Customer and Community Engagement

The *GMW Communications, Engagement and Partnerships Strategy 2018* ensures our communication and engagement with customers and stakeholders continually improves. Implementation of the strategy is now well underway.

During the past year the Your Say campaign drove conversations with our customers, stakeholders and communities throughout our region, to gain feedback from all segments in our customer base. In addition, we conducted an extensive engagement program, which included a vast suite of activities such as workshops, drop-in days, meetings, online opportunities and a three-day, independently facilitated, customer forum. Information gained from these campaigns was critical in informing our Pricing Submission, which was accepted by the Essential Services Commission, virtually without change. This work is now guiding delivery of the organisation's services and prices from 2020-2024.

## Water for Aboriginal Cultural, Spiritual and Economic Values

### Engaging with Aboriginal Communities

GMW values the ongoing contribution of Traditional Owners to our region, and continues efforts to engage with these communities to achieve mutual benefits through recognising and supporting Aboriginal cultural values and economic inclusion in the water sector.

Our engagement activities with Aboriginal communities throughout the year included meetings between our Managing Director and both the Taungurung Land and Waters Council Aboriginal Corporation (TLWCAC) and Yorta Yorta Nation Aboriginal Corporation (YYNAC).

In a major step forward, an experienced GMW staff member recently commenced a funded, year-long secondment to work

1. Calculated based on a customer having one domestic and stock and one irrigation service point and using 100ML of water allocation.

2. Calculated based on a customer having one service point and using 100ML of water allocation.

3. Calculated based on based on a small typical customer.



with the Yorta Yorta people, strengthening our relationship and establishing mechanisms to connect our organisations more strongly. He is now heading the Whole of Country Unit (water, fire, general natural resource management) and working on YYNAC's 10 year strategic Whole of Country Plan. Another key aspect of his role is to coordinate projects with DELWP, Parks Victoria, local Government, MDBA, and CMAs. Discussions on implementing their Recognition and Settlement Agreement have also commenced with the TLWCAC. The Hume Region's Environment Portfolio Group, chaired by the Regional Director of DELWP, is facilitating the discussions.

#### *Engagement of Traditional Owners*

GMW will continue to build capability and understanding through creating further engagement opportunities with Traditional Owner Groups on projects to support inclusion of Aboriginal values in water planning. GMW's engagement throughout 2019/20 included:

- weed spraying by Djandak (Dja Dja Wurrung Clans Aboriginal Corporation works crew)
- participating in the Murray Goldfields District Joint Fuel Management Program Planning Committee in regards to cultural burns
- working with YYNAC, who would like to complete a cultural burn on GMW freehold land at Kanyapella Basin
- working on several Cultural Heritage Management Plans.

#### *Aboriginal Inclusion Plan*

GMW has developed and is implementing our Aboriginal Inclusion Plan, with a suite of initiatives identified in areas of employment, cultural water, procurement, natural resource management and training.

The overarching objectives for this Aboriginal inclusion plan are to:

- recognise and include Aboriginal values and traditional ecological knowledge in water planning
- support Aboriginal access to water for economic development

- build capacity to increase Aboriginal participation in water management
- support Aboriginal contractors to realise opportunities
- provide pathways into the water sector for Aboriginal people.

GMW is building further relationships with local community leaders to make GMW a preferred place of employment for Aboriginal peoples. It is further developing working relationships in partnership with DELWP's Hume regions Aboriginal Employment Group and the Rumbalara Aboriginal Co-Operative.

## Recognising Recreational Values

While the majority of GMW's functions are essential rural water services, it also performs a number of non-prescribed functions such as providing recreational facilities across our network of storages and waterways, for the economic and social benefit of Victorians. GMW continually engages with local communities, ensures consistent and reliable information is provided for recreational sites and drives successful project deliveries to ensure the safety, functionality and sustainability of these sites.

GMW has delivered a number of site-based projects at storages to maximise the benefits of recreational use, including:

- following the announcement by Premier Andrews during the 2018 election that several storages would be opened up for recreational boating, GMW have worked closely with the Victorian Fishing Authority and DELWP to open a second storage (Hepburns Lagoon) to non-powered boating in August 2019. GMW also assisted Coliban Water in preparing four of their storages for recreational boating
- GMW partnered with DELWP through their Boosting Recreational Water Use Initiative to replace outdated amenity facilities at Lake Eppalock (Randells Cove) and Lake Eildon (Jerusalem Creek). Additional works under this scheme included boat ramp upgrades at Lake Eildon's Alliance boat ramp and Hutchinson's Road boat ramp
- works commenced on extension of parking area and provision of toilet facilities at the Majors Creek boat ramp at Bundalong on Lake Mulwala. NSW Roads and Maritime Services provided \$150,000 towards these works, with completion expected in early 2020/21



- GMW is partnering with Regional Development Victoria and the Murrindindi Council to upgrade the boat ramp access into Lake Eildon Marina. The upgrade will provide safer facilities to launch and retrieve the new, larger houseboats, which are now being built following changes to the Houseboat regulations in 2013 to permit construction of larger houseboats. Planning and design has been completed and construction will take place over the next 12 months
- the Greens Lake Amenity block was rebuilt, with Victorian Government 'Pick my Project' funding of \$185,000
- stage 3 of a large foreshore restoration project (800m) at Lake Mulwala was completed in late 2019, after stages 1 and 2 were completed in 2015 and 2018. This project was made possible with the assistance of the MDBA, Moira Shire Council, Lotus Living and the Commonwealth Government 'Jobs and Investment' funding
- the Lake Eildon Masterplan was delivered in partnership with Regional Development Victoria, Murrindindi Shire Council, Mansfield Shire Council and Tourism North East. The masterplan included detailed business plans to prioritise projects and investment in the region. GMW will continue to partner with regional stakeholders to implement the projects identified in the Masterplan.

In 2019/20 and in line with *Water for Victoria* actions, GMW has also:

- continued to conduct Land and On Water Implementation Groups (LOWIG) meetings across our storages
- collaborated with the Victorian Fisheries Authority (VFA), Transport Safety Victoria and local communities to open Hepburns Lagoon to boating and fishing
- participated in the VicWater and DELWP working group investigating passive boating access to Victorian storages, which are currently closed to boating
- participated in the Better Boating Victoria study on Regional Victoria Boating Facilities, and promoted our recreation customers to participate in the associated survey

- worked with partner organisations to increase public awareness and safety, most notably Maritime Safety Victoria
- commenced the development of a Land and On Water Strategy for the business.

Through engagement with communities and stakeholders, GMW has established a number of Land and On Water Management Plans (LOWMPs), which consider short, medium and long-term water resource management and define agreed future actions for GMW storages. GMW will continue to provide public progress reporting for these management plans. LOWMPs are currently in place for Lake Boga, Lake Buffalo, Cairn Curran Reservoir, Lake Eildon, Lake Eppalock, Green's Lake, Lake Hume, Lake Mulwala, Kow (Ghow) Swamp, Lake Nillahcootie, Nagambie Waterways, Waranga Basin and Lake William Hovell.

## Resilient and Liveable Cities and Towns

### *Integrated Water Management*

GMW is a vital part of life in northern Victoria. Our role in delivering reliable and affordable water drives a regional economy underpinning our collective prosperity and improving the wellbeing and daily lives of hundreds of thousands of people. We understand our role in contributing to healthy communities by supporting safe, affordable, high quality services and resilient environments.

GMW is a partner in all the Integrated Water Management (IWM) Forums across our region, including the Goulburn Broken, Central Highlands, Coliban, and North East. Within the Coliban IWM Forum, GMW is the lead agency for the Potential for Managed Aquifer Recharge Project in the Campaspe Valley Project. Within the Goulburn Broken IWM Forum, GMW is contributing to the Liveable Nathalia Plan and the Seven Creeks Flow Investigation Study. GMW is also a project partner for a range of projects across all forums.

GMW's ongoing participation means that we provide expertise to optimise the outcomes of water cycle planning and management to achieve environmental, social and economic benefits for our communities.

GMW provides services to customers in peri-urban settings across the towns and cities in our region. Our engagement strategy for the Essential Services Commission Pricing Submission for 2020-2024 sought input from this customer group. Development of this pricing submission included a range of customer-focused workshops, drop-in days, online campaigns and ongoing conversations with our customers and stakeholders.

#### *Payment Management and Hardship*

GMW understands that the livelihoods of many customers depend on the water services that we provide, hence we want to ensure we maximise our customers' ability to pay in ways that best serve customer needs. GMW is striving to improve communication with our customers to reduce the number of accounts referred to collection agencies, improving negotiation outcomes, offering payment arrangements and offering early payment discounts.

We work with our customers on an individual basis to determine the nature of their financial hardship. This assessment includes consideration of whether a customer is in receipt of government payments, the expected period of the hardship, the information provided by financial counselling services and a range of other matters. In addition to financial counselling service information, information on the Plan2Farm program coordinated by the North Central Catchment Management Authority (NCCMA) is also being offered.

GMW is committed to ensuring transparent, fair and equitable debt management principles for our customers, and will continue to improve access to instalment plans and further understand hardship trends. The table below outlines our payment management and hardship figures.

Payment Management	Number of accounts
Number of instalment plans at the end of the reporting period	486 <sup>1</sup>
Number of customers awarded hardship grants	0

Table 2: GMW's payment management and hardship accounts for the year 2019/20

1. This represents 1.4% of our approximate 34,000 accounts.

## Leadership and Culture

The culture of an organisation begins with effective leadership across all levels of the organisation. GMW will continue to invest in our capability and facilities to ensure our people have the tools necessary to provide the transformational leadership and collaboration required to embed our values and achieve our strategic outcome of safe, skilled, engaged people. GMW is striving to reflect the needs of our diverse communities and develop strategies and goals that will increase cultural diversity in the workforce and gender equity in executive leadership.

#### *Diversity and Inclusion*

The GMW Diversity and Inclusion Plan outlines activities to achieve priority areas over the period up to 2020, through best practice policies and processes driven by leadership. Specific programs delivered to our staff included Code of Conduct and Mental Health awareness training. We continue to support a range of local and water industry programs, initiatives and groups, including facilitating the secondment of one of our employees to YYNAC.

In 2019/20 we undertook an in-depth Culture Survey. The participation rate was 80 per cent, which is a 16 per cent increase on the most recent survey. The survey reported positive responses to diversity and inclusion questions, including the ability to be your authentic self at work, leadership support for diversity and inclusion, and equal opportunity at GMW.

GMW's achievements towards our diversity targets during 2019/20 are on page 58.

#### *Board Performance*

GMW completes an annual Board performance review to monitor and improve the Board's effectiveness in leading our organisation. GMW submitted the review for the 2019/20 reporting period to the Minister for Water in July 2020. The report identified the strengths of the Board and actions for continuous improvement. Completion of the previous year's actions has had a positive result on the Board's ability to lead the organisation. Our Board remains committed to achieving successful outcomes for GMW, our customers and key stakeholders.

GMW's Board Performance Assessment includes:

- a review of actions from the last assessment
- a review of attendance figures
- a self-assessment questionnaire
- the results of Board Committee self-assessments.

### *Health and Safety*

GMW believes that our people are our greatest asset and considers the safety and wellbeing of our staff, contractors, customers and general public as our highest priority. In 2019/20 we have continued to build on our culture of care and accountability by continuing to focus on developing and implementing health and safety plans designed to improve our safety performance. The results of our recent cultural survey shows our people believe safety is an area where we are performing well, which reflects the progress we have made in both safety awareness and engagement.

GMW is currently planning the next stages of safety and continuous improvement with the development of our 2020-2024 safety strategy. The safety strategy specifically targets both system and behavioural programs which will further improve accountability, engagement, system simplicity and staff wellbeing. Our future focus areas will be around personal safety, asset safety and safe systems and processes, which will further enhance our safety performance and capability into the future.

Further information on GMW's performance against health and safety indicators is on page 55.

## **Financial Sustainability**

At GMW, we understand that our organisational stability contributes to the success of our customers, and that we must deliver safe and cost-effective water services in a financially sustainable manner. Our current regulated pricing regime has been approved by the ESC, which has a form of price control termed 'revenue cap'. This means there is an inherent incentive

to continue to reduce costs to remain below the four-year revenue limit. The 2019/20 financial year marks the last year of the 2016 Pricing Submission. As a result of transformation GMW came in below the four-year revenue cap by \$5.5m.

Additionally, GMW is putting in place various actions to reduce our operating expenditure, including various actions identified in our Transformation Working Plan, which has enabled GMW to reduce prices during our Pricing Submission 2020-2024. In line with our Transformation Working Plan, GMW's financial objective is to be financially sustainable in the short and long term. Financial sustainability requires prices at a level that customers can afford, the revenue generated is sufficient to provide the services required, and GMW's current and forecast debt levels can be financed.

GMW's performance against the eight financial indicators (F1-F7) is within the Performance Report on page 44 and demonstrates our financial sustainability.

### *Delivery Share Review*

GMW completed the majority of the assigned actions arising from the 2018 Delivery Share Review (DSR). The key achievements included:

- integration of DSR requirements throughout the engagement and consultation processes leading to the final pricing submission for regulatory period 2020/21 to 2023/24
- provision of additional information to customers about delivery shares and related topics, including the need to seek new delivery shares through market mechanisms
- investigation and case studies on conditions to alter delivery services to align customer requirements and strategic infrastructure plans
- integration of data and mapping tools to align with Channel-by-Channel investment plans, customer information requirements and other mapping projects conducted with partner agencies.

### *Environmental Water Charges*

GMW contributed information on water delivery charges to consultants working for DELWP. Draft policies on charges for environmental water delivery and bulk water charges for environmental entitlements were prepared, but formal consultation during 2019/20 did not occur due to the coronavirus (COVID-19) pandemic. GMW anticipates DELWP will commence engagement during 2020/21 and the policies will be in place for full integration into price determinations from 2023/24.

### *Share of Connections Stage 1 Water Savings*

GMW supported the Irrigators' Share Consultative Committee, convened by DELWP and independently chaired by former MP Paul Weller, in its assessment and evaluation of options for the distribution of entitlements generated by Connections Project Stage 1 water savings. The committee met on several occasions through 2019/20.

The committee comprised Water Services Committee chairs or representatives and members of the Victorian Farmers Federation.

GMW supported the public consultation process for seeking feedback on the committee's draft recommendations.

### *Basin Plan*

The GMW Connections Project continued to recover water towards Victoria's Murray Darling Basin Plan targets through irrigation infrastructure upgrades. This has increased the water savings total to 420 GL annually (subject to audit and verification).

Under the Sustainable Diversion Limit Adjustment Mechanism, GMW is supporting environmental works and measures coordinated through the \$330M Victorian Murray Floodplain Restoration Project. The project is currently progressing through a concept development and regulatory approvals phase.

GMW supported the Victorian Government in the completion of Victoria's Water Resource Plans, and in the implementation of interim changes to use of water from tagged accounts.

GMW supplied required annual information to the MDBA about security of critical human water needs for 2020/21.

GMW was a key partner in the steps to reduce Goulburn inter-valley trade deliveries to protect the environmental values of the lower Goulburn River.

GMW and DELWP jointly presented to Murray-Darling Basin Water Resources Interim Inspector-General's review of Murray-Darling Basin water resources management in January 2020.

GMW continued to support water recovery objectives through the following initiatives:

- Mitiamo Domestic and Stock pipeline project
- preliminary level assessment for the Wakiti Creek Water Loss Recovery Project.

Victoria secured \$14.5 million in Commonwealth co-funding for the construction of the Mitiamo Domestic and Stock pipeline project in May 2020. The project, which is estimated to cost \$29 million, will recover 1,000 ML for the Commonwealth while greatly improving water security and service delivery to existing and potential customers in the central west region of the GMW management area.

### *Submission and approval of 2020-24 Pricing Submission*

In November 2019 we lodged our Pricing Submission 2020-2024 with the Essential Services Commission. The ESC approved the submission in June 2020 following public consultation.

Our Pricing Submission 2020-2024 includes significant cost savings to ensure GMW delivers cost-effective water services. We have done this by aggressively reducing future operating expenditure and creating asset management systems, such as the Channel-by-Channel assessment tool that optimises our assets.

This has enabled a modest capital spend in the 2020-2024 period of approximately \$25 million per annum. These initiatives have resulted in a landmark drop in our revenue requirement, from \$504.6 million (during the previous regulatory period) to \$439.5 million over the next four years. We are returning these savings as price reductions of an average of 10 per cent for most of our customers.

Our pricing submission was based on extensive engagement with our customers through workshops, drop-in sessions, summit meetings and thousands of customer conversations over the past two years.

Customers have been clear on the outcomes they're seeking from us, including:

- **Reliable supply** – we need our water to stay in the region
- **Credible business** – we need GMW to be transparent, honest and trustworthy and have a stable leadership team
- **Fair pricing** – we need prices that fairly reflect the true use of infrastructure by all water users (including irrigators, investors and the environment)
- **Efficient operations** – we need the business to run lean enough to deliver affordable prices that support farmers to stay on the land
- **Responsive services** – we need GMW people and systems to deliver the right flow rates in the right timeframes
- **Simple systems** – we need digital information and communications systems that are fast and simple (for customer service, water delivery and billing).

Based on what we have heard from our customer interactions, we developed proposals that will:

- provide price reductions for almost all our customers
- drive efficiencies and cost reductions (without impacting on levels of service)
- reprioritise expenditure into the areas that provide customers with the best value for money
- reform customer tariffs to be simpler and more equitable.

## Performance against Corporate Plan Objectives

Our 2019/20 Corporate Plan focused on the Transformation Working Plan actions, to deliver on the goals of the organisation. Table 3 shows how these actions align with GMW's five Strategic Goals, and outlines the progress made throughout 2019/20. Further information on GMW's strategy framework can be found on pages 11-13.

Key Objectives to be achieved in 2019/20	Achievements during 2019/20	Objective met?
<b>Culture and Leadership - Safe, skilled, engaged people</b>		
1 GMW will conduct tailored leadership training to ensure our people are equipped with the necessary skills to transform our business.	Aligned to People and Culture Strategy approved by the Board in February 2020. Framework development and modules in progress. Leadership Program module 1 currently being rolled out. Program will be delivered over 2020/21.	Yes
2 GMW will conduct a routine survey to monitor the progress of aligning our culture to a transformed GMW.	Aligned to People and Culture Strategy approved by the Board in February 2020. Delivered June 2020. Outcomes and improvement opportunities will be delivered and monitored until the next survey in April 2021.	Yes
3 GMW will undertake minor works to contemporise employee office accommodation, to promote collaboration and inclusiveness.	Consultation on office accommodation complete. Project now in implementation phase.	Yes
<b>Financial - Sustainable business, viable customers</b>		
4 GMW will establish financial reports to monitor implementation of identified operational savings and avoidance in capital programs.	Financial reports showing operating and capital expenditure and variances have been developed for each business unit and service group. These reports are aligned with GMW's new structure and provide greater transparency and accountability of financials for all levels of the organisation.	Yes
5 GMW will confirm the asset financing requirement in the short term for the Pumped districts of Nyah and Tresco through the Price Submission for the period 2020-2024.	The two districts were assessed at the Channel-by-Channel level. Pricing Submission 2020-2024 will see a basic level of investment in necessary meter and pump station upgrades, as a future strategy is concurrently developed to reflect the unique needs and characteristics of these stand-alone services.	Yes
6 GMW will develop a longer-term Financing Strategy by pricing entity through engagement with Government, customers and the regulator.	Combine this action with the Financial Sustainability Strategy included as part of GMW Strategic Framework.	Partially - Objective included in the Financial Sustainability Strategy
7 GMW will engage with customers on the correction to identified cost allocation methods where the prior justification is considered to have been surpassed.	During the past year the <i>Your Say</i> campaign and other extensive programs drove conversations with customers, stakeholders and communities throughout the region to gain feedback from segments in our customer base. This information is now guiding some major tariff reforms.	Yes
8 GMW will complete a Tariff and Pricing Review leading to the November 2019 Pricing Submission.	An extensive engagement program was conducted and information gained which was critical in informing our Pricing Submission, which was accepted by the Essential Services Commission. This work is now guiding delivery of the organisation's services and prices.	Yes

## YEAR IN REVIEW

GOVERNANCE AND  
ORGANISATIONAL STRUCTURE

## WORKFORCE DATA

## OTHER DISCLOSURES

## FINANCIAL STATEMENTS

Key Objectives to be achieved in 2019/20	Achievements during 2019/20	Objective met?	
<b>Non-Prescribed services - Water security and other values recognised</b>			
9	Based on the updated financial analysis, GMW will develop individual business plans for each of the non-prescribed activities.	Combine this action with the Land and On Water Strategy included as part of GMW Strategic Framework.	Partially - Objective included in the Land and On Water Strategy
10	GMW will develop a financial distribution policy that defines how profit from non-regulated services will be distributed to parent prescribed services.	Combine this action with the Land and On Water Strategy included as part of GMW Strategic Framework.	Partially - Objective included in the Land and On Water Strategy
11	GMW will develop a position paper to advocate to Government in relation to the following: <ul style="list-style-type: none"> <li>the level of current Regional Urban Storage Ancillary Fee (RUSAF) model for funding capital improvement in General Public Use services</li> <li>divestment of individual locations to other agencies (e.g. Greens Lake) or the operation of specific assets</li> <li>funding for activities associated with the Waterway Management role</li> <li>amendments to legislation to allow the sale of additional Houseboat licenses at Lake Eildon.</li> </ul>	Combine this action with the Land and On Water Strategy included as part of GMW Strategic Framework.	Partially - Objective included in the Land and On Water Strategy
<b>Organisational Resources - Sustainable business, viable customers</b>			
12	Through consultation GMW will implement a transition strategy to bring into effect organisational structural change whilst supporting our people to transition.	All staff transitioned.	Yes
13	GMW will consult on options to consolidate our operations to a reduced number of locations.	Preparation of a Regionalisation Strategy and review of all GMW operational facilities to enable a business case to be developed to deliver a cost effective and operationally functional model moving forward.	Ongoing and on track
14	GMW will complete delivery of the Fleet Management Efficiency Plan, resulting in operational savings.	Review completed and new policy and procedure currently being finalised.	Ongoing and on track
<b>GMW's Asset Management Approach - Sustainable business, viable customers</b>			
15	GMW will develop high level investment plans for each of the 213 individual pods in the GMID to support identification of investment requirements in our next pricing submission.	Pending outcome of Action #16 below regarding the principles that apply to application of agreed service-based and asset investment options for individual pods.	On Track
16	GMW will engage with customer representatives to determine the principles that apply to application of agreed service-based and asset investment options for individual pods.	External engagement planned to commence in August/September to develop principles.	Partially - Minor delay

## YEAR IN REVIEW

GOVERNANCE AND  
ORGANISATIONAL STRUCTURE

## WORKFORCE DATA

## OTHER DISCLOSURES

## FINANCIAL STATEMENTS

Key Objectives to be achieved in 2019/20	Achievements during 2019/20	Objective met?
<b>GMW's Asset Management Approach - Sustainable business, viable customers</b>		
<b>17</b> GMW will develop a suite of innovative capital and maintenance interventions suited to the different pod categories.	Aligns with Action #16 above. To enable engagement as part of Channel-by-Channel process. Initial interventions will be identified and agreed.	Partially - Minor delay
<b>18</b> GMW will update the Dam Safety Program based on the outcomes of the updated Portfolio Risk Assessment (PRA) and the newly developed Dams Strategy.	Dam Safety Program based on updated PRA approved by the Board on recommendation from the Service Planning Committee in March 2020. Price modelling to be completed as part of Service Plan development.	Ongoing and on track
<b>19</b> GMW will revise and publish our dam safety policy statement, including the circumstances in which As Low As Reasonably Practical (ALARP) improvements must be funded by customers through price.	To be included in Asset Management Strategy as part of GMW Strategic Framework.	Partially - Objective included in the Asset Management Strategy
<b>20</b> GMW will implement the revised asset investment framework which will allow the business to achieve optimal risk allocation and value for money.	The Investment Framework was approved in March 2020.	Yes
<b>21</b> GMW will implement the identified actions to achieve Asset Management Accountability Framework (AMAF) compliance by 2019/20.	Basic AMAF compliance achieved – the Asset Management Strategy will outline further maturity opportunities.	Yes
<b>System and Process Improvements - Innovation, data and technology driven services</b>		
<b>22</b> GMW will implement a revised decision making framework to eliminate additional processes that slow decision making and are inconsistent with delegated authorities.	Policies, procedures and delegations have been revised and simplified.	Yes
<b>23</b> GMW will implement a Data and Information Steering Committee (DISC) to focus on improving GMW's data collection and management and make recommendation on steps necessary to cleanse existing data.	Establishment of DISC was deferred until completion of the Digital Strategy, which was completed in June 2020. A revised date for establishment has been set for 2 October 2020, with associated action tasks and committed dates to be agreed and rescheduled as a part of this.	Ongoing and on track
<b>24</b> GMW will implement a revised Performance Management System to ensure that the organisation's activities are clearly aligned to our strategic and operational imperatives.	Over the year, GMW developed and implemented a new Performance Framework to communicate, align and cascade strategic goals through all tiers of GMW. The framework includes a performance management system which allocates individual accountability, tracks achievement of targets and enables leaders to evaluate individual performance.	Yes



Key Objectives to be achieved in 2019/20	Achievements during 2019/20	Objective met?
<b>Engaging with Customers, Stakeholders and Employees - Satisfied customer, trusting partners</b>		
<b>25</b> GMW will implement the Communication, Engagement and Partnerships Strategy.	Implementation is underway and being monitored by the Customer and Stakeholder Board Committee.	Yes
<b>26</b> GMW will develop and implement a new Customer Service Strategy that addresses identified service and communication needs of specific customer segments and demographics.	From a strategy development perspective, it was determined a Customer Experience Plan should cascade from the Service Strategy.	Ongoing and on track
<b>27</b> Broaden our customer engagement - Review the current Water Services Committee (WSC) operating rules	An online engagement plan has been developed and is now being implemented. This has been strengthened by need, through the advent of the coronavirus (COVID-19) and limited opportunities for face-to-face engagement. A suite of information sessions and updates are being complemented by more interactive issue-based engagements with customers across the region.	Ongoing and on track
<b>28</b> GMW will implement new policies and processes, supported by public information that will result in 'a simple pathway for potential investors'.	Policy and Procedure in draft form. GMW participating in trial process with Goulburn-Broken CMA.	Ongoing and on track

Table 3: Progress against 2019/20 Corporate Plan Objectives

## Performance in Operations

### Water Delivery

GMW manages water-related services in a region of 68,000 square kilometres, bordered by the Great Dividing Range in the south and the River Murray in the north, stretching from Corryong in the east down river to Nyah. We have more than 20,000 customers using over 39,000 services in northern Victoria. GMW manages both regulated and unregulated river systems that flow into the Murray and administers groundwater within this area.

### Our Customers

Table 4 shows our diverse range of customers. GMW is currently developing a communications plan that recognises our various customer segments and demographics to more effectively tailor our messaging. This will further strengthen the improvements delivered through a suite of new engagement methods, enabling customers to better participate in GMW decisions.

Primary Service Segment <sup>1</sup>	Example Customers	Number of Customers <sup>1</sup>	Revenue as a %	Annual Water Use in GL <sup>2</sup>
<b>Irrigation</b>	<ul style="list-style-type: none"> <li>Horticulture, dairy, mixed farming</li> </ul>	11,680	58.8	706.1
<b>Domestic and stock</b>	<ul style="list-style-type: none"> <li>Rural residential</li> <li>Mixed farming</li> <li>Intensive animal industries (e.g. piggeries)</li> </ul>	6,809	2.5	15.1
<b>Environmental watering</b>	<ul style="list-style-type: none"> <li>Commonwealth and State environmental water holders</li> </ul>	3	9.9	776.1
<b>Bulk water for urban and rural water supply</b>	<ul style="list-style-type: none"> <li>Urban water corporations</li> </ul>	12	7.6	623.4
<b>Water investment</b>	<ul style="list-style-type: none"> <li>Investment funds</li> <li>Agriculture corporations</li> </ul>	1,231	2.5	12.2
<b>Flood protection</b>	<ul style="list-style-type: none"> <li>Protection of land and property in flood protection districts</li> </ul>	30	0.0	0.0
<b>Recreation</b>	<ul style="list-style-type: none"> <li>Houseboat operators</li> <li>Recreation clubs</li> </ul>	984	1.4	0.7
<b>Commercial leasing</b>	<ul style="list-style-type: none"> <li>Livestock graziers</li> <li>Forestry corporations</li> <li>Caravan parks</li> </ul>	17	0.3	0.0
<b>Contract services</b>	<ul style="list-style-type: none"> <li>MDBA</li> <li>Local government and catchment management authorities</li> <li>Commercial contracts</li> </ul>	335	13.9	1.9
<b>Power generation</b>	<ul style="list-style-type: none"> <li>Hydroelectric power utilities</li> </ul>	1 <sup>3</sup>	3.1	0.0
<b>Other</b>	<ul style="list-style-type: none"> <li>Sundry customers</li> </ul>	439	0.1	0.1
	<b>Total</b>	21,541	100%	2,135.1 GL

Table 4: Customer numbers by segment

1. The customer segments have been identified using a single customer view methodology that groups customers based on their primary need. For example, if a customer accesses a gravity irrigation service and a domestic and stock service, they are classified as in the irrigation segment if their gravity irrigation charges exceed their domestic and stock charges.

2. For the 2019/20 period, as at June 2020.

3. This segment includes hydroelectric power utilities and customers with licences to divert and return water for purpose of hydro generation.

### *Understanding and responding to customer needs*

Delivering what is important to our customers remains core business for GMW. We derive insights from our many customer touchpoints including our Contact Centre, local Customer Service Centres, Waterline users and our frontline staff.

The GMW website and mobile app have seen continual improvements throughout the year providing a better user interface and customer experience. The MyGMW platform on the GMW website continues to be refined, currently providing customers with online access to their information and accounts, the ability to make online payments and to update contact details as required.

Well-established customer working groups continue to provide GMW with an effective way to deliver customer engagement, providing the forum to listen and collaborate with our customer base on the key issues that affect them.

GMW successfully submitted our pricing submission to the ESC this year, which was then endorsed. The success of the pricing submission was largely due to the customer engagement carried out with strategic working groups, a 'Your Say' campaign, customer drop-in sessions and customer workshops and forums that were held to determine fairness and equity in the prices we charge.

GMW is committed to providing our customers, stakeholders and community members with a meaningful way to have input into the future of the Goulburn-Murray region.

### *Customer complaints*

The number of complaints received in the 2019/20 financial year increased to 66, in comparison to the 50 complaints received in 2018/19.

GMW has improved our complaints recording process, including more categories to ensure a greater understanding of areas requiring attention and improvement.

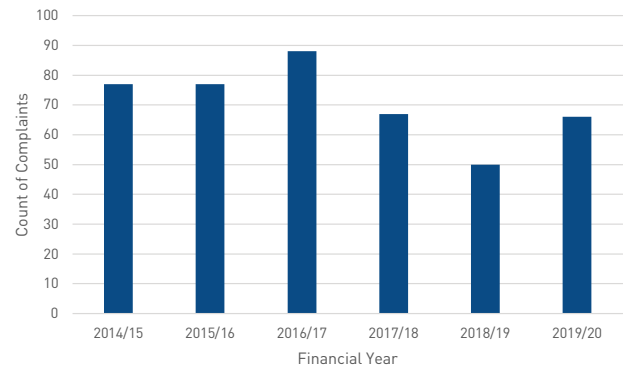


Figure 1: GMW Water Storage and Delivery complaints since 2014/15

In 2019/20 GMW received the most complaints in relation to fees and charges (30 per cent), administration (15 per cent) and gravity service/supply (11 per cent). Figure 1 shows the total number of complaints received by GMW since 2014/15.

Our management of complaints is consistent with the Australian Standard AS ISO 10002:2006, and the ESC's Customer Service Code. GMW ensures that we will:

- provide sufficient resources to adequately manage and investigate all complaints
- encourage and expect employees to actively listen to a customer making a complaint
- resolve the complaint, or make the complainant aware of the progress towards resolving their complaint, within 10 business days
- do our best to assist in a resolution that is to the satisfaction of all parties within the bounds of legislative and policy requirements.

**GMID Irrigation Deliveries**

During the 2019/20 irrigation season, a total of 511,749 ML was delivered to GMW customers in the GMID, which was 555,652 ML less than the previous season in 2018/19. The below graph shows GMW’s GMID deliveries since 2000/01. We are conscious that our customers are struggling with declining water availability, and that GMW must hence adapt to remain resilient in the rapidly changing face of irrigation within the GMID. GMW will persist with our approach to designing, building and delivering infrastructure to meet the changing needs of our irrigating communities. Our annual maintenance works ensure we can keep the delivery system running efficiently, and through various programs, such as the Connections Project, we are reinforcing the adaptability of our delivery networks. Further information on GMW’s water deliveries based on service type is on page 34.

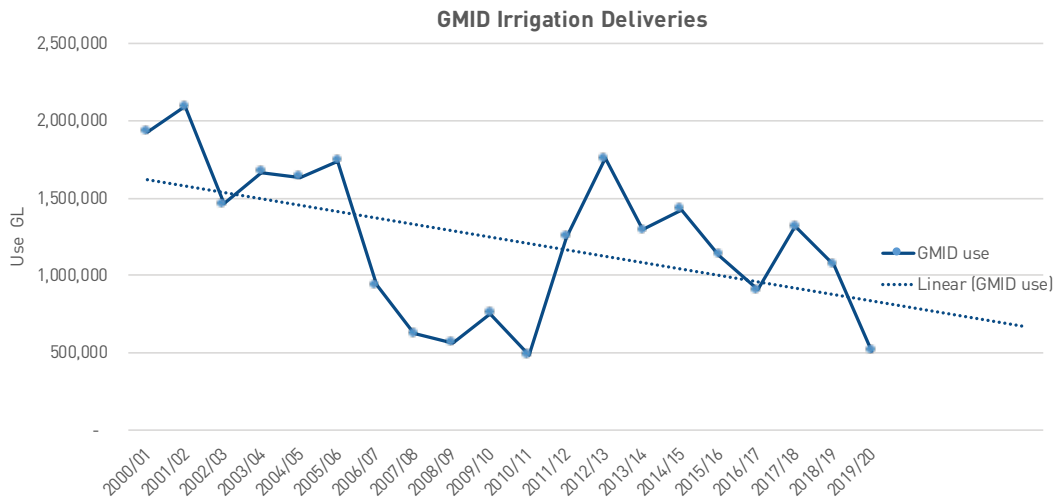


Figure 2: GMID Irrigation Deliveries since 2000/01

Of the 85,443 irrigation orders received, 94.4 per cent were delivered on the day requested by the customer. Over half (66 per cent) of the irrigation orders received were lodged via electronic means, demonstrating our customers’ appetite for self-service and online convenience.

Percentage of orders delivered on day (regardless of notice)		
	Actual	Target
Gravity	94%	93%
Pumped	99%	98%

Table 5: Percentage of orders delivered on day regardless of notice

*Water trading*

During the 2019/20 irrigation year, 18,601 trades were processed involving 3,225,920 ML of allocation. Demand for allocation was strong – with the price of traded water being high for most of the season, customers were looking to the water market to sell any excess water.

Customers managing allocation now have unprecedented access to the water market through online tools supplying up to date information and the ability to transact online. Customers can also trade allocation with one of the many water brokers who are enabled to transact online through the Broker Portal.

This has resulted in a highly active water market, allowing customers to secure allocation when required or quickly on-sell when the individual season or market dictates. GMW continues to support development of the water market working closely with DELWP to provide trading solutions through the Victorian Water Register platform.

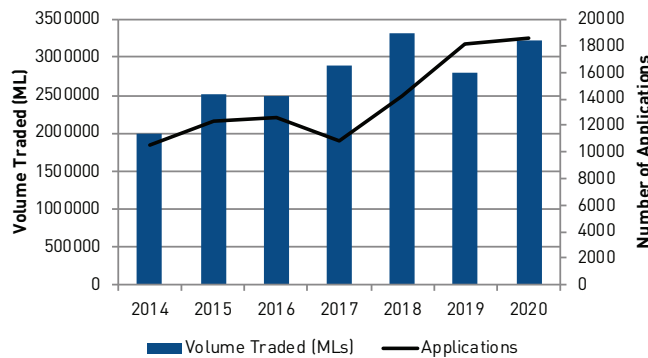


Figure 3: Retail and environmental allocation trades and volumes since 1 July 2013.

GMW received 2,275 applications to transfer 120,629 ML of water share throughout the 2019/20 irrigation year, representing a decrease in volume over last year.

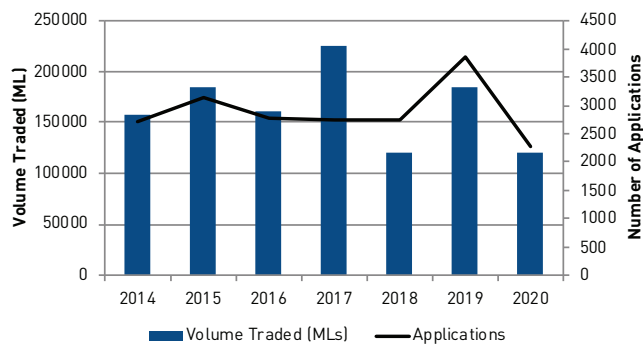


Figure 4: Water share transfers and volumes since 1 July 2013.

Water Share Transfers and Allocation Trades		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Water share transfers	Volume (ML)	158,110	184,591	160,545	225,855	120,352	184,962	120,629
	Number	2,724	3,130	2,777	2,741	2,739	3,859	2,275
Allocation trades	Volume (ML)	1,991,213	2,513,653	2,495,866	2,884,883	3,324,634	2,795,006	3,225,920
	Number	10,531	12,321	12,608	10,860	14,232	18,211	18,601

Table 6: Water share transfers and allocation trades since 1 July 2013.

## The Connections Project

The GMW Connections Project (the Project) is contributing to the sustainable future of productive agriculture in the GMID. Funded by the Commonwealth and Victorian Governments, it is the most significant upgrade to the region's irrigation infrastructure in its 100-year history.

The Project is an important and fundamental change for irrigated agriculture in the GMID and contributes to Victoria's water savings targets as outlined in the Murray-Darling Basin Plan.

The Project is investing more than \$2 billion to improve delivery of water to irrigation businesses across the GMID. The Project is focused on modernising infrastructure and improving service standards while generating water savings, and is working to provide long-term sustainability of irrigation in the region. The Project is key to ensuring water for the environment is provided through infrastructure upgrades. Delivering such a complex project is not without its challenges, particularly given the many variables that need to be managed throughout the project.

The Project is on-track for successful delivery of 429 GL of water savings by October 2020.

### *Project background*

The Commonwealth Government, Victorian Government and Melbourne water retailers have provided the \$2 billion of funding for the Project. In return, the Governments, water retailers and irrigators will receive a defined share of the water savings achieved from improving the efficiency of the channel delivery network. The Commonwealth and Victorian Governments' shares of the water savings will be used to deliver environmental benefits.

### *Project developments in 2019/20*

Following approval of the Connections Reset Delivery Plan in September 2016, the Project has continued to implement the reset scope of works. The Project is on track for delivery on time and within budget by October 2020.

As of the end of June 2020, the Project has met or exceeded all required contractual milestones and achieved 98 per cent of the required water savings (subject to audit and verification processes).

Key activities completed in 2019/20 included a substantial annual works program involving pipelining, channel automation, meter installations and asset rationalisation including:

- delivery of 420 GL of water savings (subject to audit and verification processes) as of 30 June 2020, with continued water savings achievements made since this date

- continued delivery of solutions for GMID customers and as of June 2020 had installed 9,119 modernised meter outlets and decommissioned 1,627km of channel
- completion of a significant annual program of works including installation of 65km of pipeline, 31 automation sites, decommissioned over 180km of channel, installed 1,026 modernised meters, rationalised over 670 meters and remediated 2.1km of channel. The 2019/20 works program focused on increased on-farm works connecting to the modernised network
- safety kept as a key focus for delivery and successfully completed the intensive construction of the Winter Works period with a recorded rolling Lost Time Injury Frequency Rate (LTIFR) of 2.62 LTIs per million man hours worked, which compares favourably to the heavy construction industry LTIFR of 13.7
- further consolidation of the complaints management process to provide customers with more timely and consistent resolutions to issues raised
- continued certification of the Project's management systems to International and Australian Standards for Quality, Environment and Safety (ISO 9001:2015; ISO 14001:2015 and AS 4801:2001)
- continued implementation of a revised engagement model using statutory reconfiguration powers with remaining works to be delivered through Reconfiguration Plans (RPs). To the end of June 2020, a total of 140RPs have been formally gazetted under the *Water Act 1989*. In total to the end of June 2020, the Project has finalised connections with over 7,307 landowners
- providing a stimulus to the regional GMID economy through the Project's annual construction program, creating an estimated 1,541 FTEs in the region (direct and indirect employment) and generating an estimated regional GDP increase of \$165.7 million for the 12-month reporting period

#### *Next steps in 2020*

The Connections Project team continues to respond to the coronavirus (COVID-19) global pandemic, adhering and adapting Project delivery in-line with protocols set by the Victorian Government. The Project is on track for successful delivery with completion by October 2020 amid the challenges that the COVID-19 global pandemic present.

The Project has undertaken a robust works planning process to ensure it can deliver on the Project aims and milestones by October 2020. Key activities to achieve these milestones include the construction of works associated with Reconfiguration Plans.

The Project team has finalised the required Reconfiguration Plans and the associated engagement with landowners has also been completed. The result of this is a refined construction scope to finalise Project delivery and construction through to completion by October 2020.

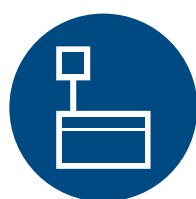
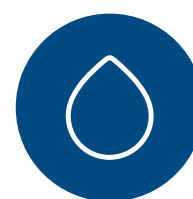
A large winter works program scheduled for completion in 2020 to maximise construction during the irrigation shutdown period will achieve more than 13GL of water savings towards project completion. These winter works include construction of over 50km of pipeline, decommissioning over 80km of channel, installing 20 regulators and installing or decommissioning over 540 outlets.

The Project team and GMW have been implementing the Project Completion and Transition Plan to close out commitments and transition Project activities into GMW business as usual activities. A range of activities has been identified to deliver the remaining scope, meet contractual and reporting obligations through to the end of the contractual period and to transfer knowledge and expertise into GMW business.

Project and GMW staff will focus on delivering activities against this plan in parallel with the finalisation of construction through to Project completion in 2020.

### Project milestones

As of 30 June 2020, the project has achieved the following milestone targets:

**9,119**service points  
installed**308.6km**of channel  
remediated**1,627.4km**of channel  
decommissioned**420GL**of water savings  
(subject to audit and  
verification processed)

### Project completion

The Connections Project is on track to deliver its milestone targets by the end of October 2020. The Project team has developed a detailed scope of works for the 2020/21 financial year that will see the Project finish on time and within budget.

A Connections Project Transition and Completion Plan has been completed and an internal Transition Team formed and tasked with responsibility for coordinating all remaining transition and completion project activities as documented in the plan. The plan has been implemented to ensure the successful transition of the Connections Project into GMW.

Key Objectives to be achieved in 2019/20	Achievements during 2019/20	Objective met?
<b>Connections completion and transition</b>		
GMW will explore initiatives for staff retention and transfer of knowledge, including determining resource requirements for post-construction activities.	Workforce planning activities have been implemented in conjunction with the Project's Completion and Transition Plan (C&TP). Resource planning includes post-completion activities (i.e. defects, audits, reporting, etc.) to late 2021.	Yes
GMW will close out works and defect liabilities and will deliver on legacy agreements. GMW will dispose of surplus assets.	On track for close out works and management of defect liability periods post-Project completion.	On track
GMW will transfer information into corporate management systems, and determine requirements for off-site storage. GMW will conduct reviews and seek to share the learnings gained from the information and management systems used.	Completion and Transition Plan implemented, which includes ongoing information transfer pre- and post-Project completion.	On track
GMW will undertake review of budget allowances for land dealing and completion requirements. GMW will undertake audits and finalise water share transfers as required.	Budget requirements were reviewed and funds allocated for post-completion activities.	Yes
With DELWP, GMW will agree on a definition of 'complete' and ongoing governance arrangements. Audits and reviews will be conducted to determine legal liabilities and to close out legal obligations in preparation for final Project reporting.	DELWP and GMW have implemented an agreed Completion Plan to oversee all aspects of Project close-out.	Yes

Table 7: Connections completion and transition actions.



## Water Storage

GMW manages 24 storages (including four on behalf of the MDBA and four Victorian Mid-Murray storages) to harvest, store and supply water for irrigation, urban/rural and environmental use in northern Victoria. The 20 Victorian owned storages are of varying size, capacity, reliability and consequence category across northern Victoria, and aged between 35 and 145 years.

GMW operates these major storages in accordance with the Australian National Committee on Large Dams (ANCOLD) guidelines. GMW maximises harvesting opportunities, and manages stored water efficiently for our customers.

The storages provide additional benefits including flood mitigation, recreation and public use, support to local tourism, environment and economies, and hydropower generation. These are the non-prescribed services provided by GMW.

### *Bulk water operations and maintenance*

During the 2019/20 year, GMW delivered a number of initiatives to improve the operations and services provided at and around our storages. Some of the highlights of the year are summarised below:

- at Cairn Curran Reservoir, a new CCTV system has been installed with a fully integrated digital system, which will enhance operational safety, surveillance and asset security
- the original gantry crane at Cairn Curran Reservoir was replaced during the year
- an access bridge to the outlet tower at Newlyn Reservoir was constructed, which greatly improves access, safety and efficiencies in staff accessing the outlet works
- office extensions/refurbishment at Cairn Curran, Eildon and Goulburn Weir, which improves operational capability and security at the sites
- new stairs and platforms were installed at Yarrawonga Weir, Lake William Hovell and at the Eppalock outlet tower to improve access for operations staff and reduce OH&S risks
- maintenance shed replacement on the island at Mildura Weir was completed, providing improved working conditions, secure storage and an OH&S compliant facility
- an environmental watering event was conducted to fill Lake Kramen, part of the Hattah Lakes complex. The water level reached 45.29 AHD and delivered 12.3 GL, similar to the last event in December 2014
- GMW detected and responded to blue green algae blooms at numerous water bodies across the region during the year, including in Lake Mulwala and the River Murray where we liaised with WaterNSW and other stakeholders
- close cooperation with the Goulburn Broken CMA, DELWP and the MDBA on summer deliveries from the Goulburn inter-valley trade account to ensure minimisation of damage to the environment of the Goulburn River downstream of Murchison
- full refurbishment of pump no. 4 and extensive maintenance repairs undertaken on pump no. 7 at Hattah Lakes Pump Station. Both pumps were successfully recommissioned
- comprehensive dam safety inspections (five-yearly) were undertaken at Waranga Basin, Cairn Curran Reservoir and Lake Eppalock, with no major issues identified
- desktop exercises testing the Flood Incident Management Plans and Dam Safety Emergency Plans for all 16 dams were undertaken during the year
- a combined Dartmouth, Hume and Yarrawonga Dam Safety Emergency Plan exercise, including power station owners, and representatives of the Murray-Darling Basin Commission and Water NSW was conducted in May 2020. The exercise was designed to test the relevant Dam Safety Emergency Plans and communication protocols between the agencies
- in accordance with the ANCOLD guidelines, dam safety design reviews for Mildura Weir, Torrumbarry Weir, Lake Buffalo and Waranga Basin commenced during the year, which will review the design and performance of these structures over the last 20 years, against current-day design and construction standards
- at Dartmouth, a detailed review of the dam safety instrumentation network and assessment of its reliability has been completed

- a 10-yearly review and update of the Dams Portfolio Risk Assessment, inclusive of 12 GMW owned dams and four dams managed on behalf of MDBA, was completed during the year. The strategy reports informed the requirements for future dam safety-related investments, including investigations, design reviews and upgrade projects, and have been incorporated into our recent Pricing Submission
- detailed design was completed to address the deterioration of concrete joints in the floor of the Eildon spillway chute, and the work was tendered in the open market. Due to COVID-19 and the low dam safety risk in not being able to complete the project, the works have been deferred to 2020/21
- Stuart Murray Canal Offtake radial gate replacement commenced in May 2019 and was completed mid-July 2019, in time for the 2019/20 irrigation season
- three bridge crossings with culverts were replaced over the Lake Tutchewop drain. These are integral assets of the Barr Creek Salt Interception Scheme. Further review and assessments for bridge replacements are planned during 2020/21
- following identification and subsequent completion of the five key projects (Tourism Strategy, Kimbolton Foreshore Rejuvenation, Recreational Boating and Fishing Enhancement strategy, External and Internal Signage Upgrade and Communications strategy), the work of the Lake Eppalock Advisory Group has been completed and the group has been disbanded. The Land and On Water Implementation Group will continue to support implementation of the Land and On Water Plan at Lake Eppalock
- decommissioning the Greens Lake pump station for operational use continues to progress and with the assistance of funding from Pick my Project, new toilet block facilities have been constructed and opened
- COVID-19 response including closure and reopening of areas and facilities, signage of recreation facilities, including boating at 19 storages

- bushfires over the summer period affected a number of storages, particularly Dartmouth Dam and Lake Buffalo. Our response was implemented in collaboration with emergency services, with storage staff enacting their fire plans to ensure safety of all personnel and protect assets.

## Water Delivery Services

During the 2019/20 year, GMW delivered a number of initiatives to improve the operations and services provided in and around our water delivery networks. Some of the highlights of the year are summarised below:

- following the 2020 northeast Victorian bushfires, additional water quality sensors were installed at a number of stream monitoring stations to improve early warning of poor water quality to water users and help assess the environmental effects. These upgrades were undertaken in conjunction with other stakeholders including North East Water (NEW), North East CMA, DELWP, MDBA and the Environment Protection Authority.
- as part of the bushfire response, GMW was asked to establish a temporary Domestic and Stock supply point for the region of Tintaladra. This temporary supply point enabled severely bushfire affected farmers access to water their stock. The supply point was operated by GMW Infrastructure and Delivery staff for a number of weeks during the emergency
- coordination of environmental and inter-valley trade deliveries (33.6 GL) to the Murray via the East Goulburn Main Channel and lower Broken Creek
- management of qualified rights for customers in the Broken system to ensure access to essential domestic and stock water
- completion and implementation of the Lake Meran Local Management Plan. Restrictions on access by users were implemented to protect domestic and stock use and the environment. A temporary qualification of rights was gazetted to enforce the restrictions

## YEAR IN REVIEW

GOVERNANCE AND  
ORGANISATIONAL STRUCTURE

## WORKFORCE DATA

## OTHER DISCLOSURES

## FINANCIAL STATEMENTS

- continued collaboration with NEW on the Water Security for Wangaratta project
- partnership with northern Victoria Urban Water Authorities with the Integrated Water Management (IWM) Forums. Key projects from the IWM process include Water Security for the Seven Creeks, Managed Aquifer Recharge Urban Analysis and the Tullaroop Creek Environmental Review
- collaboration with Gippsland Water to secure water supply for Dinner Plain through groundwater management
- the Cornella Creek Catchment Drainage Course Declaration (DCD) was approved and obstruction removal works program delivered successfully
- the Upper Deakin DCD obstruction removal works program is progressing very well, and is approximately 75 per cent complete
- the Shepparton Irrigation Region (SIR) Public Groundwater Pump Rationalisation Project commenced, with all pump deactivation works completed in Rochester Irrigation Area and works close to complete in the Murray Valley Irrigation Area by the end of 2019/20
- the Linear Program (repairing channel banks) continued at a number of locations including; the Yarrawonga Main Channel near Yarrawonga, the East Goulburn Number 10 and 11 Channels at Shepparton East and Taylors Creek near Gunbower
- a number of bridge works occurred as part of our ongoing Structures Program. These include; Swainstone Road bridge near Shepparton, Peppertree Lane in Kyabram and Bulls Syphon near Rochester

- work continued on structures on drains in the Murray Valley, Shepparton and Torrumbarry areas, as well as works on the Deakin and Coram Drains in the Central Goulburn area.

*Water management*

GMW is the northern Victorian Resource Manager appointed by the Minister for Water with responsibility for making the seasonal determination for all northern Victorian declared water systems. GMW delivers a range of catchment and water resource planning services to implement government surface water and groundwater management regulations and policy.

GMW released the first water availability outlook for 2019/20 in December 2018 when the Annual Water Outlook was published. This document indicated that seasonal determinations in 2019/20 were unlikely to reach 100 per cent under dry inflow conditions. Further seasonal determination outlooks for 2019/20 were published on 15 February 2019 and 15 May 2019 which provided an indication of water availability under various inflow scenarios.

Following the low inflows in 2018/19, 2019/20 continued with dry conditions through winter and spring and into summer. The cumulative impact of low inflows through 2018/19 and into 2019/20 lead to seasonal determinations less than 100 per cent high-reliability water shares (HRWS) for most of the systems, with only the Bullarook system reaching a final seasonal determination of 100 per cent HRWS and low-reliability water shares (LRWS).

Water availability in the Broken system was particular low in 2019/20 with the seasonal determination remaining on 0 per cent HRWS until 16 March 2020 when a 2 per cent seasonal determination was announced.

Seasonal Determinations for Northern Victorian Water Systems												
Season	Murray		Broken		Goulburn		Campaspe		Loddon		Bullarook Creek	
	HRWS%	LRWS%	HRWS%	LRWS%	HRWS%	LRWS%	HRWS%	LRWS%	HRWS%	LRWS%	HRWS%	LRWS%
2018/19	100	0	37	0	100	0	100	0	100	0	100	100
2019/20	66	0	2	0	80	0	80	0	80	0	100	100

Table 8: Seasonal Determinations for Northern Victorian Water Systems since 1 July 2018.

The first outlook on water availability for 2020/21 was released in December 2019 when the Annual Water Outlook was published ([www.g-mwater.com.au/water-resources/water-resource-update](http://www.g-mwater.com.au/water-resources/water-resource-update)). This initial outlook indicated that seasonal determinations in 2020/21 could be very low if low inflow conditions experienced in 2019/20 continued into 2020/21.

A welcome early autumn break in March 2020 increased catchment flows and storage volumes that continued through to the start of the 2020/21 water year. This improved the outlook for 2020/21 seasonal determinations, particularly when compared with the previous season.

Recognising there could be supply issues in 2019/20, GMW commenced dry inflow contingency planning activities in April 2019. This included agreements with Catchment Management Authorities to vary passing flow arrangements in the Loddon and Broken systems over winter in an effort to prolong supplies during 2019/20. Broken system customers received a letter in June 2019 outlining the possibility of supply issues during 2019/20 if inflows remained low. While seasonal determinations were very low, carried over allocation was able to be delivered. In December 2019, the Minister for Water temporarily qualified rights in the Broken system to enable water to be accessed for critical domestic and stock purposes.

Table 9 describes GMW's water deliveries based on service type.

Service	Total Delivered (ML)	Total Delivered (ML)
	2018/19	2019/20
GMID (Total)	1,196,739	601,951
GMID (Irrigation)	1,067,401	511,749
GMID (Environment)	118,546	80,440
GMID (Urban)	10,793	9,762
Pumped Districts (Irrigation)	22,416	18,929
Regulated Diverters (Irrigation)	89,731	52,051
Regulated Diverters (Environment)	333,440	729,058
Regulated Diverters (Urban)	53,622	58,227
Unregulated Diverters	29,698	27,790
Groundwater <sup>1</sup>	154,514	128,637
<b>Total</b>	<b>3,076,900</b>	<b>2,218,594</b>

Table 9: GMW water deliveries based on service type.

### Carryover

Northern Victorian water entitlement holders carried over 1,027 GL into the 2019/20 season, approximately 76 GL more than the 2018/19 season.

In our role as Resource Manager, GMW declared a low risk of spill on 1 July 2019 for all three systems where spillable water accounts are applicable; the Goulburn, Murray and Campaspe systems. There were no deductions from spillable water accounts in 2019/20. The low risk of spill declarations allowed customers to trade or use allocation held in spillable water accounts. The volume returned from spillable water accounts was only 180 ML. The total volume of allocation available to regulated entitlement holders in 2019/20 was 3,099 GL.

### Groundwater

Northern Victoria experienced below average rainfall for the first half of 2019/20, which contributed to high groundwater use across the GMW region for the second year in a row. Use was particularly high in the Loddon Highlands, Lower Campaspe Valley, and Katunga Water Supply Protection Areas. Entitlement transfers were consistent with below average rainfall, with 18.7 GL transferred within the groundwater management areas. All Groundwater Management Units across the region received a maximum allocation in 2019/20, except for the Newlyn Zone of the Loddon Highlands Water Supply Protection Area and the Barnadown Zone of the Lower Campaspe Water Supply Protection Area; each zone received a 75 per cent allocation.

### System efficiency

Modernisation in GMW's irrigation areas improves the operational efficiency of our channel delivery networks. However, with a reduction in deliveries of more than 50% on the year prior, it is difficult to maintain efficiency even with an upgraded system. Efficiency is a measure of delivery versus diversion into the districts, where diversion is equivalent to the volume of delivery plus the volume of loss. Due to the large portion of fixed losses associated with running the irrigation districts, the low volume of deliveries in 2019/20 was the primary driver behind the drop in GMID system efficiency compared to the previous two seasons.

1. Excludes Shepparton Irrigation Region (SIR) Groundwater Management Area (GMA) estimated usage.

The following table shows system efficiencies in 2019/20 compared with 2017/18 and 2018/19. System efficiency reflects the percentage of water diverted into an irrigation area recorded at customers' service points.

GMW System Efficiency within Irrigation Areas			
	2017/18	2018/19	2019/20
Total	84.5%	82.0%	76.8%
Shepparton	86.1%	84.9%	84.5%
Central Goulburn	84.6%	82.0%	78.5%
Rochester	90.1%	84.2%	71.4%
Loddon Valley	83.5%	82.1%	76.2%
Murray Valley	80.8%	83.5%	82.0%
Torrumbarry	84.9%	77.3%	71.3%

Table 10: GMW system efficiency within irrigation areas.

The overall GMID efficiency was 76.8 per cent in the 2019/20 season. Deliveries in the GMID in the 2019/20 season were quite low, equal to nearly half the volume of delivery as the previous 2018/19 season.

A number of other factors also influence system efficiency including the start of season channel fill and end of season channel drawdown, operation of local system storages, seasonal weather conditions and local catchment inflows.

#### Sustainable resource management

GMW's water resource management and monitoring programs manage surface water and groundwater resources sustainably. GMW delivers these programs in conjunction with partner agencies including the MDBA, CMAs, DELWP and the Department of Economic Development, Jobs, Transport and Resources (DEDJTR)/Department of Jobs, Precincts and Regions (DJPR).

GMW has contributed to Integrated Water Management forums and project development with several groups across northern Victoria, including the urban water authorities North-East Water, Goulburn-Valley Water and Coliban Water.

GMW undertook water quality and quantity monitoring, surface and subsurface drainage operations and salt interception operations to manage the environmental risks within our area of operation.

Groundwater management plans have been implemented across the region providing important information and clear operating rules to our customers about the use of groundwater resources for a range of purposes, including irrigation and domestic and stock.

#### Our environment

GMW has a comprehensive process to report and monitor compliance against legal, regulatory and Statement of Obligations requirements. An annual attestation of compliance against these obligations is reported to the Board and Executive Management Team.

In the instance a breach is identified an action plan is developed in consultation with the relevant business unit to identify appropriate control measures to mitigate future occurrences.

As required, breaches are reported to the relevant regulatory authorities. GMW attests that one breach of our legal, regulatory, or Statement of Obligations requirements came to the corporation's notice during the 2019/20 reporting period; GMW received an Environment Protection Agency clean up notice for an historic waste site. Remediation works were completed and compliance with the notice achieved.

GMW fulfilled our obligations under the *Safe Drinking Water Act 2003* and *Safe Drinking Water Regulations 2015*. GMW undertook monitoring of blue-green algae and other water quality parameters at key locations to ensure effective management and communication of risks to water users and other stakeholders.

GMW manages our interactions with the environment through our Environmental Management System (EMS). GMW's EMS is certified to the International Standard for Systems AS/NZ ISO 14001 and has maintained this certification throughout 2019/20. Performance against this standard was assessed through the completion of external third party audits.

# Performance Reporting – Financial

## *GMW Financial Structure*

GMW disaggregates the activities of the business into two major components. Due to the size and impact on the consolidated business a disaggregated note has been included in the Financial Statements. The two major components are:

1. **Water Storage and Delivery** – these are the operating activities of GMW which include harvesting, storing and delivering water to customers.
2. **Connections Project** – these are the activities relating to the delivery of the \$2 billion Victorian and Commonwealth Governments' irrigation modernisation and renewal program in northern Victoria to achieve water savings. The Connections Project operates as a business unit of GMW and results are consolidated.

Operations of the Connections Project are accounted for separately from Water Storage and Delivery operations as required by the Commonwealth and Victoria. This assists delivering governance, financial and operational accountability for the business. It also prevents cross-subsidy between either GMW's customers' or the governments' funding for the Project. Approved financial transactions between the Water Storage and Delivery business and the Connections Project are eliminated in producing GMW's financial statements, to avoid double counting of revenue and expenses. Note 2 of the Financial Statements disaggregated information.

## Five Year Financial Summary

Summary of Financial Results - Water Storage & Delivery and Connections Project (before internal adjustments)						
	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
	(' \$000)	(' \$000)	(' \$000)	(' \$000)	(' \$000)	(' \$000)
<b>Water Storage &amp; Delivery</b>						
Profit & Loss						
Total revenue	169,125	185,624	168,259	170,312	164,333	169,982
Expenses excluding interest, depreciation and amortisation	139,275	150,218	164,311	138,126	137,910	133,048
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>29,850</b>	<b>35,405</b>	<b>3,948</b>	<b>32,186</b>	<b>26,423</b>	<b>36,934</b>
Depreciation and amortisation	102,676	100,084	100,231	102,759	69,381	69,691
Interest expense	7,119	6,930	7,118	7,424	7,732	7,942
Net result before tax - Water Storage & Delivery	(79,945)	(71,608)	(103,401)	(77,996)	(50,690)	(40,699)
Cash Flow						
Net cash flow from operations	36,736	8,801	38,722	10,886	38,693	25,749
Payments for property, plant, equipment and infrastructure	13,139	23,762	35,232	37,564	36,082	21,938
<b>Connections Project (Integrated into GMW on 1 July 2012)</b>						
Profit & Loss						
Funding revenue	116,268	92,076	63,422	68,873	106,143	94,189
Project Expenditure						
Project costs	106,673	100,881	60,322	66,954	49,600	50,919
Other project costs (1)	13,135	15,866	18,282	14,270	20,108	20,345
<b>Total Project Expenditure</b>	<b>119,808</b>	<b>116,747</b>	<b>78,605</b>	<b>81,225</b>	<b>69,708</b>	<b>71,264</b>
<b>Net result before tax - Connections Project</b>	<b>(3,540)</b>	<b>(24,671)</b>	<b>(15,181)</b>	<b>(12,351)</b>	<b>36,434</b>	<b>22,924</b>
Cash Flow						
Net cash flow from operations	(92,095)	(27,247)	54,186	124,704	(31,706)	45,631
Payments for property, plant, equipment and infrastructure	89,050	118,554	96,723	80,201	96,530	61,143
(1) Includes employee expenses, other operating costs, depreciation and interest						
<b>Summary of Financial Results - Total GMW (after internal adjustments)</b>						
Profit & Loss						
Total revenue	269,406	242,479	211,411	211,296	259,603	249,683
Total expenses	352,890	338,757	329,990	301,642	273,998	267,459
<b>Net result before tax - GMW</b>	<b>(83,485)</b>	<b>(96,278)</b>	<b>(118,580)</b>	<b>(90,347)</b>	<b>(14,395)</b>	<b>(17,776)</b>
Balance Sheet						
Assets						
Current	206,508	352,356	376,908	314,852	147,215	199,815
Non-current	4,712,121	4,727,023	4,734,348	4,765,406	4,820,608	4,185,516
<b>Total assets</b>	<b>4,918,629</b>	<b>5,079,379</b>	<b>5,111,256</b>	<b>5,080,259</b>	<b>4,967,824</b>	<b>4,385,330</b>
Liabilities						
Current	112,161	183,423	253,915	194,920	85,456	150,672
Non-current	567,906	610,451	634,354	668,675	726,178	557,251
<b>Total liabilities</b>	<b>680,067</b>	<b>793,874</b>	<b>888,268</b>	<b>863,595</b>	<b>811,634</b>	<b>707,923</b>
Cash Flow						
Net cash flow from operations	(52,868)	(18,446)	92,908	135,590	6,987	71,380
Payments for property, plant, equipment and infrastructure	102,189	142,316	131,955	117,765	132,613	83,081

Table 11: Summary of financial results since 1 July 2014.

### Current Year Financial Review

In early 2019, GMW adopted our Transformation Working Plan; this plan supports a significant change program for GMW reflected in favourable price paths for customers and efficiency of operation across the business. 2019/20 completes the fourth and final year of the four-year price regulated period (termed 'Water Plan 4').

Other highlights include:

- the Annual Report sets out the operational and financial information relating to the business as a whole this includes the consolidated financial statements for Water Storage and Delivery (WSD) and the Connections Project
- total Revenue of \$269 million was higher than the prior year. The Water Storage and Delivery total revenue reduced in line with the reduction in expenditure as GMW focuses on reducing our revenue requirement and returning savings to our customers as price reductions. Connections Project revenue increased against prior year in-line with increased expenditure
- the Net Result before tax of (\$83.5 million) loss was affected mainly by asset decommissioning occurring through the planned actions of the Connections Project, as well as depreciation not being fully covered in the regulatory pricing and revenue-setting regime

- the current COVID-19 pandemic has not significantly impacted GMW's prescribed business or the Connections Project. Increases in remote working network and communications costs have been offset by reduction in general office expenses. The loss of revenue in our non-prescribed services has been the largest single financial impact to our business due to rent relief provided as part of COVID-19 response as per State Government requirements
- GMW continues to support our customers offering hardship, payment arrangements and extensions. These are available to all customers not only those impacted by COVID-19, bushfires and other natural disasters.

### Significant Changes in Financial Position

For significant changes in financial position please refer to the current year financial review commentary.

### Significant Changes or Factors Affecting Performance

For significant changes or factors affecting performance please refer to the current year financial review commentary.

Revenue (\$'000)

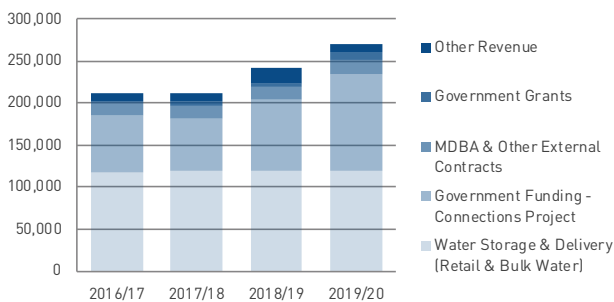


Figure 5: Revenue by source (\$'000s) since 1 July 2016

Expenditure (\$'000s)

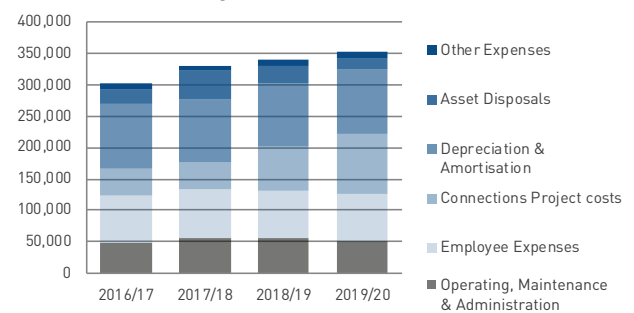


Figure 6: Expenditure breakdown (\$'000s) since 1 July 2016



## Capital Projects

GMW delivered capital works in two main areas: in the normal course of our Water Storage and Delivery business, and through the Connections Project as outlined in the sections below. The majority of construction activity occurs while the gravity irrigation system is non-operational and occurs in the months either side of June 30.

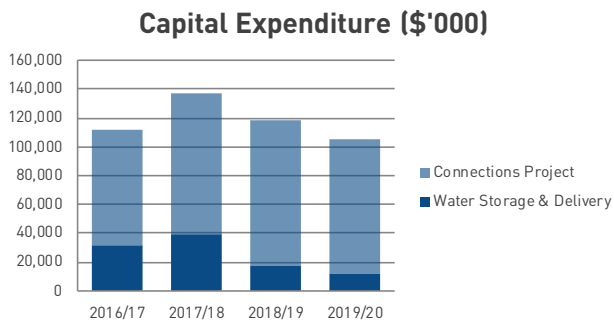


Figure 7: Capital expenditure breakdown between business units (\$'000s) since 1 July 2016

## Capital Projects – Water Storage and Delivery

During 2019/20 GMW delivered \$12.2M of customer funded capital projects, upgrading many water delivery and water storage infrastructure assets. GMW delivers our works through a mix of direct management with internal resources and outsourcing to regionally-based contractors or Melbourne-based specialist contractors.

Some of the major projects or programs undertaken were:

### Water delivery:

- \$2.3 million irrigation structure replacements at 33 sites
- \$1.6 million irrigation channel refurbishment projects at 12 sites
- \$0.5 million irrigation meter replacements at 19 sites.

### Water storages

- \$1 million intake tower access upgrades at Newlyn Reservoir, Lake Nillahcootie and Lake William Hovell

- \$500,000 Cairn Curran spillway gantry crane upgrade
- \$450,000 Stuart Murray Canal offtake radial gates replacements
- \$400,000 new amenity blocks for public recreation areas at Lake Eildon (Jerusalem Creek) and Lake Eppalock (Randells Cove)
- \$330,000 new amenity blocks for public recreation areas at Greens Lake.

### MDBA assets (GMW is the State Construction Authority for MDBA)

- \$750,000 Barr Creek; replacement of three bridge structures
- \$720,000 Torrumbarry Weir; new residence for storage staff, depot upgrade works including drainage and asphalt surfacing; and upgrade to the gantry crane lay down area
- \$700,000 Hattah Lakes; improvements works at the pump station, including pump set refurbishment and preparations (design etc.) for replacement of a section of the main high voltage supply cable to the pump station.

## Project delivery services for other government entities

GMW provides project delivery services, including planning and design, construction, commissioning and handover to local government agencies and catchment management authorities within the GMID. Some of the major projects delivered this year include:

- \$1.8 million Upper Deakin Drainage program to upgrade 43 structures on behalf of GBCMA
- \$1.6 million Lake Mulwala foreshore improvement works for the Yarrawonga Tourism Trail on behalf of Moira Shire Council
- \$330,000 Koondrook Weir Fishway design phase on behalf of the North Central CMA
- \$235,000 Cornella Creek Drainage program to upgrade seven structures on behalf of GBCMA

## Capital Projects – The Connections Project

The intensive construction period occurred predominantly during the winter works period between May and August when the channel systems were largely dewatered, although works are now being delivered year-round without interrupting irrigation supply.

Some of the infrastructure projects undertaken were:

- channel automation, including automation of structures of varying types and sizes
- a small length of channel remediation, consisting of remediation types High-Density Polyethylene plastic, clay lining and outer bank remodelling
- continuation of the meter installation program
- a number of pipelines were constructed during the year and a number of pipelines were under construction and scheduled for completion early in the new financial year.

These major capital programs are part of the overall Connections Project with a completion date of October 2020.

## Performance – Water Storage & Delivery

The 2019/20 financial year for Water Storage and Delivery was one where water deliveries were lower than the prior year and recent year average volumes. Continued focus on expenditure control ensured another strong financial performance. This year's net result, of (\$79.9 million) loss was \$8.3 million higher than the prior year (\$71.6 million) due to lower asset disposals from decommissioning activity completed by the Connections Project and transferred to Water Storage & Delivery.

The main drivers of the operating result for 2019/20 were revenue in line with budget combined with lower 'controllable' operating costs. Controllable operating costs exclude depreciation, asset write-down expenses through the Connections Project asset rationalisation, and other expenditure that is funded by external parties and offset by increased revenue.

The Water Storage and Delivery business achieved an EBITDA result of \$27.4 million compared to 2018/19 of \$35.4 million. The main factor was the increased revenue for the Connections Project, which is eliminated in the consolidated accounts.

Positive operational cash flows of \$36.7 million were achieved compared to \$8.8 million in 2018/19. As detailed above, several 'one off' factors can impact the operating results and present a timing variance year by year, although it is important to note the underlying EBITDA and operating cash performance remains strong.

## Performance – The Connections Project

The Connections Project received government funding of \$115 million during 2019/20. Overall the Project entered the 2019/20 year with a strong cash position due to the funding received ahead of the intensive construction period between May and August. Cash holdings at 30 June 2020 were \$143.8 million.

## Subsequent Events

There were no events after 30 June 2020 likely to affect GMW's financial performance in a material way.

## ***Certification of Performance Report for 2019/20***

We certify that the accompanying Performance Report of Goulburn-Murray Rural Water Corporation in respect of the 2019/20 financial year is presented fairly in accordance with the *Financial Management Act 1994*.

The Performance Report outlines the relevant performance indicators for the financial year as determined by the Minister for Water and as set out in the 2019/20 Corporate Plan, the actual and comparative results achieved for the financial year against predetermined performance targets and these indicators, and an explanation of any significant variance between the actual results and performance targets and/or between the actual results in the current year and the previous year.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the Performance Report to be misleading or inaccurate.



Diane James AM  
Chairman  
3 September 2020



Charmaine Quick  
Managing Director  
3 September 2020



Michael Gomez  
General Manager Business & Finance  
3 September 2020

## Performance Report

### Financial Indicators

KPI Number	Key Performance Indicator	2018/19 Result	2019/20 Result	2019/20 Target	Variance to prior year	Variance to target	Notes
F1	<b>Cash Interest Cover</b> Net operating cash flows before net interest and tax/net interest payments	-2.2	-7.7	-6.0	250.0%	28.3%	1
F2	<b>Gearing Ratio</b> Total debt/total assets*100	2.2%	2.3%	2.3%	3.0%	-0.8%	2
F3	<b>Internal Financing Ratio</b> Net Operating cash flow less dividends/ net capital expenditure*100	-13.0%	-51.9%	-20.0%	299.7%	159.6%	3
F4	<b>Current Ratio</b> Current assets/current liabilities (excluding long term employee provisions and revenue in advance)	8.2 times	2.6 times	2.1 times	-68.3%	23.8%	4
F5	<b>Return on Assets</b> Earnings before net interest and tax/average assets*100	-1.8%	-1.6%	-2.5%	-12.9%	-37.9%	5
F6	<b>Return on Equity</b> Net profit after tax/average total equity*100	-1.6%	-1.4%	-2.2%	-13.2%	-37.7%	6
F7	<b>EBITDA Margin</b> Earnings before Interest, Tax, Depreciation and Amortisation/ total revenue*100	4.3%	9.5%	-9.6%	120.6%	-198.8%	7

Table 12: Results against financial performance indicators

#### Notes:

1. Cash Interest Cover results year on year and against target are significantly impacted by timing of receipts and payments relating to the Connections Project. The result is negative in the current year due to the Connections Project receiving minimal grant funding for operations and instead reducing the unearned revenue balance
2. The Gearing Ratio in line with 2018/19. Borrowing and total debt have decreased while total assets have decreased in 2019/20
3. The Internal Financing Ratio is negative in the current year due to negative operating cash flows. This is due to timing of cash receipts relating to the Connections Project as per Note 1.
4. The Current Ratio has reduced from 8.2 in 2018/19 to 2.6 in 2019/20 due to a reduction in Connections Project Funding received. The ratio is favourable to budget due to lower current liabilities offsetting the lower cash holdings for the Connections Project.
5. Return on Assets is favourable due to significantly lower loss before interest and tax than 2018/19 and budget. Return on Assets is negative as GMW reports a net loss before net interest and tax due to the annual depreciation expense which was \$103m in 2019/20 (2018/19 \$100m and target \$108m). GMW is regulated and pricing principles restrict GMW from pricing to fully recover statutory depreciation.
6. Return on Equity is unfavourable overall due to the net loss but favourable to the prior year and target due to lower loss after tax. Net profit after tax is negative for the same reasons as reported in Note 5 above.
7. EBITDA Margin is favourable in 2019/20 due to Connections funding revenue and lower asset disposals expenses resulting in a higher EBITDA 2019/20 (\$25.6m) vs 2018/19 (\$9.5m). The EBITDA margin target was negative due the Corporate Plan assumption of higher asset disposals.

## Water Service Performance

KPI Number	Key Performance Indicator	2018/19 Result	2019/20 Result	2019/20 Target	Variance to prior year	Variance to target	Notes
WSR1	<b>Gravity: Rural water supply deliveries</b> Number of orders delivered/ total number of orders *100	92.9%	94%	93%	1.2%	1.1%	
WSR1	<b>Pumped: Rural water supply deliveries</b> Number of orders delivered/ total number of orders *100	98.9%	99.2%	98%	0.3%	1.2%	
WSR2	<b>Unavailability of Domestic and Stock supply</b> Duration that domestic and stock service is unavailable in excess of on-property storage	0%	0%	1.5%	0%	-100%	1
WSR3	<b>Groundwater supply</b> Number of transfers processed within target period/total number of transfers processed *100	85.7%	81.3%	73%	-5.1%	11.4%	2

Table 13: Performance against Water Performance Indicators

### Notes:

- Despite being shown as a negative variance; the 2019/20 result is a positive result with no unavailability during 2019/20.
- GMW achieved the target during the 19/20 season despite trending down from the 18/19 result. The variance between seasons was due to the high number and nature of transactions coupled with resourcing constraints throughout transformation.

## Customer Responsiveness

KPI Number	Key Performance Indicator	2018/19 Result	2019/20 Result	2019/20 Target	Variance to prior year	Variance to target	Notes
CR4	<b>Billing Complaints</b> Number of complaints per 1,000 customers	0.01	0.0	0.02	-100%	-100%	1

Table 14: Performance against customer responsiveness performance indicators

### Notes:

- GMW continues to engage with customers and improve services and processes to minimise customer complaints. Customer billing is a function of the business that has not received a complaint this year, further improving on last year's result.

## Environmental Performance

KPI Number	Key Performance Indicator	2018/19 Result	2019/20 Result	2019/20 Target	Variance to prior year	Variance to target	Notes
E2	<b>Net tonnes CO<sup>2</sup> equivalent</b>	11,977 tonnes	9,577 tonnes	11,799 tonnes	-20.0%	-18.8%	1, 2

Table 15: Performance against environmental performance indicators

### Notes:

- The purchase of green power and the decrease in electricity usage at GMWs staffed locations has contributed to lower total net greenhouse gas emissions for 2019/20.
- GMW's emissions target was incorrectly reflected in the 2019/20 Corporate Plan. The 2019/20 has been corrected and is reflected in this table.



Victorian Auditor-General's Office

## Independent Auditor's Report

### To the Board of the Goulburn-Murray Rural Water Corporation

<b>Opinion</b>	<p>I have audited the accompanying performance report of the Goulburn-Murray Rural Water Corporation (the corporation) for the year ended 30 June 2020, which comprises the:</p> <ul style="list-style-type: none"> <li>• financial performance indicators</li> <li>• water service performance indicators</li> <li>• customer responsiveness performance indicators</li> <li>• environmental performance indicators</li> <li>• certification of performance report.</li> </ul> <p>In my opinion, the performance report of the Goulburn-Murray Rural Water Corporation in respect of the year ended 30 June 2020, presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 7 of the <i>Financial Management Act 1994</i>.</p>
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<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance report in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
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<b>Board's responsibilities for the performance report</b>	<p>The Board is responsible for the preparation and fair presentation of the performance report in accordance with the performance reporting requirements of the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance report that is free from material misstatement, whether due to fraud or error.</p>
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**Auditor's responsibilities for the audit of the performance report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance report.

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the corporation's internal control
- evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE  
10 September 2020



Paul Martin  
*as delegate for the Auditor-General of Victoria*

# Organisational Structure

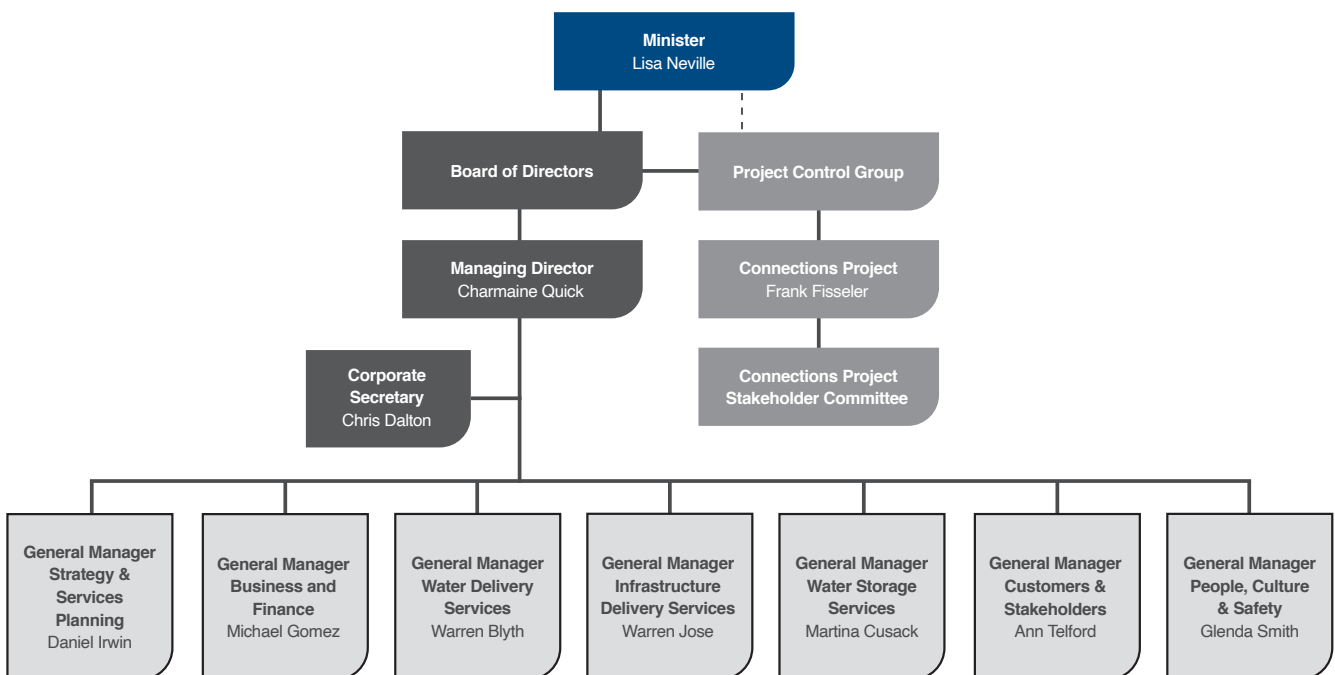


Diagram 3: Governance and organisational structure as at 30 June 2020

## Our business units

On a practical level, the employees of GMW are divided within functionally separated division and business units, which work collaboratively to achieve our strategic and operational business objectives. GMW's divisions for the 2019/20 financial year are as follows:

**Water Storage Services and Water Delivery Services** are accountable for delivering services to our diverse customer base. The focus is on delivering efficient and affordable water services and being accountable for transparency in cost allocation. They are responsible for providing customer service, retail, wholesale and construction related operations. This includes, but is not

limited to, continual improvements in delivery of our customer experience, implementation of lean business processes, and in doing so reducing costs for customers, operation and monitoring of key infrastructure including dams, channels, drains, pipelines and associated assets, and engineering and technical support.

**Infrastructure Delivery Services** is responsible for providing construction and maintenance services for the two operational divisions, Water Delivery and Water Storages, as well as providing services to external agencies.

**Strategy and Service Planning** works across GMW to support the development of informed and effective business strategies and plans, respond to sector policy matters, implement asset management plans that align to GMW's strategic service needs, manage technical standards and provide accessible business intelligence and data and information governance services.



**Corporate Secretariat** provides support services to GMW in the areas of strategic and operational corporate governance, business integrity, regulatory and statutory compliance, and corporate legal matters for the Board, Executive Team and the overall business.

**Business and Finance** is comprised of three teams: Finance, Information Technology and Commercial. The Finance team supports the business with financial and regulatory accounting, finance business partnering, accounts payable and revenue and financial analysis. The Information Technology team supports GMW with business systems administration, service desk and infrastructure support, digital strategy and information technology architecture, project delivery and security support. The Commercial team includes the functions of procurement and contracts, business improvement, facilities management, statutory planning support, property and fleet management.

**People, Culture and Safety** supports GMW with human resource and safety business partnering support, bringing to life our strategic outcome of safe, skilled, engaged people. HR functions include payroll services, change management, talent development, management and acquisition. Our Safety, Wellbeing and Environment team also manages our return to work function and environmental support across the organisation.

**Customers and Stakeholders** is comprised of two teams, the Communications and Engagement team and the Customer Experience team. The Communications and Engagement team provides support to GMW in the areas of internal and external communications, education and awareness, customer and stakeholder engagement, media, online management, events and partnerships. The Customer Experience team provides support to our external customers with water administration, customer enquiries and support, accounts receivable, water trading and land and licensing.

**Managing Director's Office** includes the services of the Executive Business Support team that provides high value business support to the GMW divisions.

**The Connections Project** is responsible for the delivery of the \$2 billion Connections Project. The Project is the single most important upgrade of the GMID in its 100-year history. The Project improves farm productivity, reduces the GMID footprint and benefits the health of the local environment and the Murray-Darling Basin by generating water savings through infrastructure upgrades.

## Board of Directors

### *Independent directors*

The independent non-executive directors for the financial year were:

#### **Diane James AM, Chairman**

Diane James AM is a business consultant and company director. Her career includes establishing two start-up companies and serving on numerous state and national boards. She is Chairman of Southern Rural Water and a former director of Barwon Water.

Diane was a founding director of GenU, a national disability, ageing and lifestyle services organisation and was Chairman of the Victorian Coastal Council for 12 years. In recognition of her contribution to the environment and natural resource management, Diane was awarded a Member of the Order of Australia (AM) in 2011.

She is an accredited leadership coach, holds a Graduate Certificate in Innovation and Entrepreneurship and is a Fellow of the Australian Institute of Company Directors.

**Margot Henty**

Margot Henty has been an irrigation dairy farmer at Cohuna for 30 years and has strong understanding of water use and management in the Goulburn Murray region.

She is a director of the board of Water Partners Australia, a water trading business operating not-for-profit. Margot has contributed extensively to regional resource management plans over the last thirty years of changing times, including the Torrumbarry Reconfiguration and Asset Modernisation Strategy and the Barr Creek Salinity Management Plan.

Ms Henty has a Bachelor of Arts and Graduate Diploma in Education (Geography). MAICD.

**Alana Johnson AM**

Alana Johnson AM is a rural development specialist and principal of Lurg Cattle Co.

She is Acting Chair of the Victorian Catchment Management Council, Chair of the Victorian Women's Trust, past President of Voices for Indi and founding member of Australian Women in Agriculture.

Alana has served on a range of Ministerial advisory committees and statutory and not-for-profit boards. She was named in the inaugural 100 Women of Influence in Australia by the Australian Financial Review and the inaugural 100 Women in Australian Agribusiness by Rural Press and was the Rural Women's Award Victorian winner and Australian runner up in 2010. Alana was inducted onto the Victorian Honour Roll of Women in 2018.

Alana is a graduate of the Australian Rural Leadership Program and the Australian Institute of Company Directors and holds a BA and BSW.

In recognition of her service to women through leadership and advisory roles, Alana was awarded an Order of Australia (AM) in 2020.

**Patrick McNamara, Deputy Chairman**

Patrick McNamara was formerly a member of the Victorian Legislative Assembly representing Benalla. He was Deputy Premier of Victoria from 1992 to 1999 and held several ministerial positions, including Minister for Agriculture and Resources (including water), Minister for Tourism, Minister for Police and Emergency Services and Minister for Corrections.

Patrick was appointed Chair of the Victorian Bushfire Appeal Advisory Panel in early 2020, after chairing the 2009 Bushfire Appeal. He is the Chair of the Connections Project Control Group.

**Jonathan Koop**

Jonathan Koop was appointed a Goulburn-Murray Water director in October 2017, having previously served as director with North East Water.

Jonathan owns and manages a 700-hectare grazing and cropping property in north east Victoria (part-time 12 years, full-time since 2010). Previously Jonathan had a career in senior finance positions with Murdoch Books Pty Ltd (2008 to 2011), where he was also Company Secretary, Fairfax Media Ltd (2003 to 2007), and TNT Express (2001 to 2003).

Jonathan has a Bachelor of Economics and is a Chartered Accountant and Graduate of the Australian Institute of Company Directors.

**Margaret O'Rourke**

Margaret O'Rourke is a former General Manager of Telstra. Margaret's leadership roles in Telstra involved working extensively in regional, rural and remote communities throughout Australia. These roles also included infrastructure, sales and customer experience.

Margaret is a consultant to industry using her specialist skills in digital economy strategies, community facilitation, telecommunications infrastructure and leadership consultancy; which has taken a back seat since becoming a Councillor at the City of Greater Bendigo (CoGB) in 2016.

She is currently Mayor of CoGB and Deputy Chair of Bendigo Kangan Institute.

Margaret is also a Fellow of the Australian Institute of Company Directors.

**Dennis Quinn**

Dennis Quinn has a background in engineering, marketing and sales management. He operates a small beef farm in North East Victoria.

Dennis's previous roles have included CEO at Engenco Ltd and Managing Director and General Manager of Cummins South Pacific. Dennis has also spent many years in senior positions in large multi-national industrial businesses. These businesses operated both in Australia and the USA in the agricultural and construction sectors.

Dennis has a Master of Arts (Marketing) from Macquarie University, a Bachelor of Engineering (Agr) from Melbourne University and is a graduate member of Australian Institute of Company Directors.

**Ari Suss**

Ari Suss is CEO of Fox Special Projects, part of the private family investment arm of the Linfox Group, joining the company in 2004. Ari is also a Board Member of Avalon Airport Australia.

Between 1999 and 2004, Ari was a senior adviser to former Premier Steve Bracks. During this time, he specialised in policy and advice in the areas of infrastructure development, transport, ports, major projects, multicultural affairs and parliamentary strategy.

In 2011, Ari also commenced in his role as General Manager of the Linfox-owned Australian Automotive Research Centre, an 1100-hectare vehicle test facility in Anglesea, Victoria.

In 2018, Ari was appointed a director of Fed Square Pty Ltd.

Ari has a Master's degree in Public Policy and Management from Monash University, is a graduate member of the Australian Institute of Company Directors, and has completed leadership studies at Harvard Business School.

**David McKenzie**

David McKenzie is a property valuer based in Shepparton, specializing in the valuation of agricultural supply chain assets and water assets. He is regarded as one of the foremost experts in Australia in the analysis of water markets and valuation of water assets.

David has a long history in the Victorian water sector, having served as a director of Goulburn Valley Water for five years, and Chair of North East Water for six years, before joining GMW in 2018. David co-Chairs the GMID Water Leadership Forum, a water policy think tank. David was the inaugural Chair of the Committee for Greater Shepparton.

David also chairs the Goulburn Regional Partnership and the Regional Development Advisory Committee, reporting directly to the Victorian Minister for Regional Development.

David has also served as a member of the Commonwealth Water Minister's independent socio-economic advisory panel, exploring the impact of water reform on the communities and industries of the Murray-Darling Basin.

## Executive Director

### Charmaine Quick (Managing Director)

Charmaine Quick joined GMW with more than two decades of experience in the water industry and a strong history in leading change.

Prior to her appointment at GMW, Charmaine was the Executive General Manager, Service Delivery at Melbourne Water. She is known for her ability to influence and drive change at an organisation level, nationally and internationally for asset management, relationship contract management and customer service.

Charmaine is a long-time Shepparton resident and grew up on the family farm in the Wimmera, which helped her understand the value of water and its importance to the region's communities.

Charmaine's qualifications include Bachelor of Civil Engineering (Melbourne University), and Master Environmental Science (Monash University), and she is also a graduate of the Australian Institute of Company Directors.

## Conflicts of interests

GMW's directors and committee members declare their potential and/or actual conflicts of interest (including pecuniary interests):

- in their declaration of interests: directors complete their declarations upon appointment and then review them at least annually
- in a list of standing declarations that is included in the Meeting papers for each Board and Committee meeting
- whenever a matter arises at a Board meeting that would constitute an actual conflict of interest: the director is then excluded from the meeting when that matter is discussed and decided upon.

Directors Dennis Quinn, Margot Henty, Patrick McNamara and Jonathan Koop are customers of GMW. Section 110(2)(a) of the *Water Act 1989* provides that being a customer of GMW is not a pecuniary interest (conflict of interest) if the director is receiving a service in common with other customers.

## Board meetings

Directors attended the following scheduled meetings:

### Number attended/eligible to attend

	Board		Risk, Audit & Finance	People & Culture	Customer & Stakeholder	Service Planning
	Ordinary	Special				
Margot Henty	9/9	3/4	1/2		2/3	2/2
Diane James AM <sup>1</sup>	9/9	3/4	2/3	3/4	3/3	2/2
Alana Johnson AM	8/9	3/4		2/2	3/3	
Jonathan Koop	9/9	3/4	3/3			2/2
Patrick McNamara	9/9	3/4	1/1			
David McKenzie	8/9	3/4		2/2	1/2	2/2
Marg O'Rourke	9/9	3/4	2/3		1/1	
Charmaine Quick	8/9	3/4	3/3	4/4	2/3	2/2
Dennis Quinn	7/9	3/4	3/3	4/4		2/2
Ari Suss	8/9	3/4		4/4	2/3	

Table 16: Board member attendance and eligibility from 1 July 2019.

1. The Chairman is an ex-officio member of all Committees. She is not required to attend the committee meetings, but if she does, she is able to vote.

## Board Committees

The Board establishes committees with specific objectives in order to use directors' time more efficiently. These committees make recommendations to the Board. The Board retains collective responsibility for decision making. The membership of these committees consists of directors.

From 1 July 2019 to 30 June 2020 the following Board committees operated:

Committee	Purpose
<b>People and Culture</b> Chair: Dennis Quinn	Oversees GMW's: <ul style="list-style-type: none"> <li>remuneration policy</li> <li>management remuneration</li> <li>diversity policies and initiatives</li> <li>culture</li> <li>management and mitigation of health, safety and wellbeing risks</li> </ul>
<b>Customer and Engagement</b> Chair: Alana Johnson AM	Oversees GMW's: <ul style="list-style-type: none"> <li>strategic engagement with its customers and stakeholders</li> <li>performance against its customer service standards</li> </ul>
<b>Risk, Audit and Finance</b> Chair: Jonathan Koop	Oversees GMW's: <ul style="list-style-type: none"> <li>financial reporting</li> <li>internal and external audit function</li> <li>risk management and compliance</li> <li>annual budget</li> <li>annual financial statements</li> </ul>
<b>Service Planning</b> Chair: David McKenzie	Oversees GMW's: <ul style="list-style-type: none"> <li>development, implementation and review of innovative strategies/programs</li> <li>contribution of strategic asset management planning</li> <li>capital works program and research program</li> <li>development of capital expenditure measures, targets and benchmarks</li> <li>implementation of the Asset Management Accountability Framework (AMAF)</li> </ul>

Table 17: GMW Board committees and purpose.

## Audit Committee Membership and Roles

GMW during 2019/20 had a Risk, Audit and Finance Committee. The key responsibilities of this Committee are shown above.

Membership of this Committee consisted of independent members appointed by the Board. The following persons were the independent members of the Committee in 2019/20:

<b>Jonathan Koop</b>	Member (Chair)
<b>Margot Henty</b>	Member (to 30 December 2020)
<b>Marg O'Rourke</b>	Member
<b>Dennis Quinn</b>	Member
<b>Patrick McNamara</b>	Member (from 1 January 2020)
<b>Diane James AM</b>	Ex-officio member

Table 18: Membership of GMW's Audit Committee.

Meetings of the Committee were held quarterly and at any other time on request of a committee member. In 2019/20, the Risk, Audit and Finance Committee met three times.

## Connections Project Control Group

The role of the Connections Project Control Group (PCG) is to:

- oversee, monitor and be responsible for the management and delivery of the Connections Project
- ensure effective project governance
- ensure appropriate use of government funds in accordance with funding agreements
- ensure key stakeholder requirements are met during the implementation of the project
- notify the GMW Board and governments of any material variations to the project.
- The Connections PCG has a direct reporting line to both the GMW Board and the Minister for Water.

Membership of the Connections PCG during 2018/19 consisted of:

- Peter McManamon (Chair until 7 August 2020)
- Patrick McNamara (Chair from 8 August 2020)
- Campbell Fitzpatrick
- Frank Fisseler (non-voting member)
- Richard Anderson (non-voting member)
- Charmaine Quick (non-voting member)

## Water Services Committees

Water Services Committees are advisory committees to the Board, created under section 122(c) of the *Water Act 1989*. The committees are comprised of customers proposed or voted for and appointed by the Board. There are six gravity irrigation committees, four regional committees and one water district committee.

# Occupational Health and Safety

The 2019/20 period saw GMW successfully transition our accredited OHS Management System from AS/NZS 4801 and OHSAS 18001 to the new ISO45001 standard.

The Safety, Wellbeing and Environment team has reviewed its current Safety Management System (SMS) and has identified a number of opportunities to make it simpler and easier to apply in the field. This review, combined with the 2020-2024 Safety Strategy will introduce simplicity and accountability in safety over the next 12 to 18 months.

## Key Performance Indicators

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of health and safety employee representative committees	9	8	3	4	8	7	5
Number of lost time injuries for the year	16	16	16	16	11	10	9
Lost Time Injury Frequency Rate (lost time injuries per million hours worked)	13.1	13.2	11.2	12.8	9.1	9.4	7.08
Average Lost Time Rate (average number of days lost per lost time injury)	10.1	22.8	25.7	6.9	26.1	4.2	43.33
Number of reported hazards/incidents for the year per 100 full-time equivalent staff members	25.6	17.8	15.4	13.5	11.1	20.5	52.5
Number of lost time standard claims for the year per 100 full-time equivalent staff members	0.94	1.19	1.16	0.67	1.72	0.61	0.023
Average cost per claim for the year (including payments to date and an estimate of outstanding claim costs as advised by WorkSafe)	\$4,469	\$52,215	\$73,860	\$15,655	\$34,449	\$5,020	\$51,221
Updated: Average cost per claim for the year (including payments to date and an estimate of outstanding claim costs as advised by WorkSafe)		\$105,722	\$112,796	\$61,420	\$28,400	\$26,588	\$51,221

Table 19: Results against occupational health and safety key performance indicators.

## Rehabilitation and Return to Work

In 2019/20 GMW has focused on working with staff and management to make sure staff have access to rehabilitation services to ensure they make a sustainable, early and safe return to work. With changes to positions and roles as part of transformation, a focus has been placed on making sure staff physical capabilities are matched to the new or altered positions.

Injuries sustained 2019/20 average cost claim figure has increased due to the type of injury sustained and delay in treatment via specialist medical consultations due to COVID-19. Three of the nine lost time injuries recorded this financial year averaged 98 days of lost time. These three claims relating to back injuries from manual handling tasks, have significantly inflated GMW's safety statistics, overshadowing all the good work done in 2019/20.

Manual handling and body stressing dominated the types of injuries sustained this financial year as well as mental health, slip, trips and falls.

# Public Administration Values and Employment Principles

GMW has continued to comply with all employment obligations relevant to its business including those within the *Equal Employment Opportunity Act 2010*, the *Public Administration Act 2004* and the *Disability Act 2006*.

Consistent with these obligations and in support of GMW's commitment to be a high performing organisation, a number of initiatives have taken place over 19/20. These have included a whole of organisation realignment and restructure, a retirement program, development of a new People and Culture Strategy and implementation of a five-year program of work as part of that strategy to develop our leadership and improve our culture.

GMW continues to celebrate major diversity and inclusion dates and is an active member of many community working groups to enhance diversity and inclusion not only for our own employees but also our wider community.

Celebrating our diverse workforce and working closely with our wider community sends an important message from our business that everyone should feel included and valued. Our 2020 Culture Survey outcomes confirm that our employees do feel valued and that they can be their authentic selves at work.

## Comparative workforce data

Through our restructure, GMW has seen some significant changes to the workforce make up and numbers. This has resulted in customer savings through reducing labour spend. Even without the need for increased working from home due to COVID-19, GMW has seen an increase year on year for accessing flexible working arrangements with work life blend being the highest scoring culture outcome.

GMW employs a total of 552 staff (figures include full time, part time, casual employees and exclude Directors and Chair) equivalent to 534.4 FTE.

The demographic data for GMW's workforce for the period 1 July 2019 – 30 June 2020 is listed below:

Employee Demographic							
	Ongoing employees				Fixed term and casual		Total
	Number (headcount)	Full time (headcount)	Part time (headcount)	FTE	Headcount	FTE	Number (Headcount)
<b>June 2020</b>	463	434	29	451.4	89	83.0	552
<b>June 2019</b>	507	468	39	495.4	147	132.5	654

Table 20: GMW's workforce data by classification.



Employee Demographics								
	June 20				June 19			
	Ongoing		Fixed term and casual		Ongoing		Fixed term and casual	
	Number (headcount)	FTE	Number headcount	FTE	Number headcount	FTE	Number (headcount)	FTE
<b>Gender</b>								
Male	347	346.0	52	50.4	391	388.2	96	84.9
Female	116	105.4	37	32.7	116	107.2	51	47.6
<b>Age</b>								
< 25	7	6.6	3	2.3	1	1.0	11	7.1
25 – 34	82	76.8	18	16.5	73	69.6	34	32.6
35 – 44	120	116.8	23	21.3	131	128.2	32	29.6
45 – 54	146	144.8	18	17.7	147	145.2	28	27.7
55 – 64	95	93.7	23	22.4	132	129.8	37	33.2
65>	13	12.7	4	2.8	23	21.7	5	2.3
<b>Classification</b>								
Band A	78	75.6	9	7.3	99	97.2	22	16.0
Band B	151	147.0	7	6.8	165	161.4	19	18.8
Band C	104	101.4	26	23.2	117	113.7	42	38.9
Band D	81	78.5	17	16.9	73	70.7	28	26.0
Band E	26	26.0	14	12.8	35	34.6	13	12.4
Band F	23	23.0	7	7.0	18	17.8	15	15.0
EO	0	0.0	9	9.0	0	0.0	8	5.3

Table 21: GMW's workforce data by classification, gender and age demographics.

## Workforce Inclusion Policy

GMW has implemented and actively promotes to our staff the following strategies, procedures and policies that demonstrate we are working towards achieving a balanced workforce:

- GMW People and Culture Strategy
- GMW Gifts, Benefits and Hospitality Policy framework
- GMW Conflict of Interest Policy.
- Victorian Public Sector Code of Conduct
- Victorian Charter of Human Rights.
- Family Violence Policy

GMW continues to grow our extensive online course library along with scheduled classroom-style training to ensure that all policies and expected employee workplace practices

are explained to all new and existing employees to ensure compliance and adherence.

Any employee or candidate can voice any grievance, dispute any decision or give feedback. GMW's dispute resolution processes through the Human Resources Department allow for escalation points to the General Manager of People Culture and Safety to ensure that all issues are dealt with in a timely manner.

GMW also provides an Employee Assistance Program (EAP) through Career Money Life (CML), which has a range of quality psychologists and counsellors across northern Victoria as well as a telephone and online counselling services. The service is completely confidential and no identifiable information is passed onto the business. It is also available for the family members of our employees.

# People and Culture Strategy

The 2024 People and Culture Strategy brings to life our strategic outcome of safe, skilled, engaged people: we have a safe, inspiring and diverse workplace where learning is encouraged and people are supported.

The Strategy continues to build accountability for diversity and inclusion in all its forms throughout the organisation by creating awareness through education and action. This in turn will create a culture that values employees and will assist GMW in recruiting, retaining and developing talented people.

Working in conjunction with the Victorian water industry GMW has reaffirmed our commitment to the Victorian water industry targets. The water industry aims to be collectively leaders in diversity and inclusion.

GMW's diversity targets ensure equitable gender balance, diversity and inclusion of all groups including but not limited to lesbian, gay, bisexual, transgender, intersex, queer, (LGBTIQ+), disabled and indigenous peoples. We also believe that all roles can be flexible. This ensures that GMW is employing people based on merit, treating all employees and candidates fairly and reasonably.

Our current diversity and inclusion targets and performance for 2019/20, are as per below.

GMW diversity and inclusion targets	2019/20 report on GMW diversity and inclusion targets
50/50 split of male to female in senior leadership positions	70/30 split of male to female in senior leadership positions
3% of our workforce will identify as Indigenous peoples	1.22% of our workforce currently identify as Indigenous peoples
7% will identify as LGBTI	3% currently identify as LGBTI
5% of our workforce will identify as having a disability	4% of our workforce currently identify as having a disability

Table 22: GMW's progress towards diversity and inclusion targets.

GMW adheres to the *Victorian Public Sector Code of Conduct*, and the *Victorian Charter of Human Rights*; both have been promoted to all staff and made available on our intranet. Mandatory training on the Code was delivered in 2020.

GMW actively promotes the Gifts, Benefits and Hospitality Policy framework and the Conflict of Interest Policy through intranet, email and the Corporate Secretariat Office.

## Executive Officer data

An Executive Officer (EO) is defined as a person employed as an EO at an annual remuneration rate not less than an EO employed by a department.

The following tables disclose the EOs of GMW for 2019/20:

- Table 23 discloses the number of EOs for GMW broken down by gender
- Table 24 provides a reconciliation of EO numbers presented between the report of operations and Note 10.3 in the financial statements
- Both tables also disclose the variations, denoted by 'var', between the current and previous reporting periods

Executive Officers								
Class	All		Male		Female		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
EO 1	2	(1)	1	(1)	1	0	0	N/A
EO 2	7	2	4	0	3	2	0	N/A
EO 3	0	(1)	0	(1)	0	0	0	N/A
Total	9	0	5	(2)	4	2	0	N/A

Table 23: Breakdown of EOs into gender.

The number of executives in the report of operations is based on the number of executive positions that are occupied at the end of the financial year. Note 10.3 in the Financial Statements lists the actual number of and amount of remuneration paid to EOs over the course of the reporting period. The Financial Statements note does not include the Accountable Officer, distinguish between executive levels or disclose separations. Separations are those executives who have left GMW during this year. To assist readers, these two disclosures are reconciled below.

Executive Officers		
Indicator	2020	2019
Executive	9	8
Accountable Officer		1
Less Separations		2
Total Executives at June 30	9	7

Table 24: Reconciliation of executive numbers.

The total number of executives stated above represents EOs who were employed under Victorian Government Sector Executive contracts, but does not include employees acting in EO positions employed under the GMW 2018 Enterprise Agreement.

## Local Jobs First

The *Victorian Industry Participation Policy Act 2003* requires government departments and agencies to report on commitments and outcomes against the Victorian Industry Participation Policy (VIPP) under the VIPP Act, relating to procurement activities that meet or exceed \$1 million in regional Victoria.

DEDJTR is responsible for implementing the VIPP across the Victorian Government on behalf of the Minister for Regional Development and Minister for Industry and Employment. GMW has submitted our annual return which forms part of the department's annual report.

## Disclosure of major contracts

During 2019/20 GMW commenced one contract valued at \$1,460,000 (inclusive of GST) in value, to which the VIPP was applied. This contract covers regional projects.

Project	Division	Tender #	Value (incl gst)
Internal Audit Services	GMW	2069	\$1,460,000

Table 25: Major contracts

## Government Advertising Expenditure

GMW's expenditure on government campaign expenditure in the 2019/20 reporting period did not exceed \$100,000 (excl. GST).

## Consultancy Expenditure

In 2019/20, there were five consultancies, all in excess of \$10,000, related to the Water Storage and Delivery business. The total expenditure incurred during 2019/20 in relation to these consultancies is \$835,985 (excl. GST).

In 2019/20, there were 12 consultancies in excess of \$10,000, and two consultancies below \$10,000 related to the Connections Project. The total expenditure incurred during 2019/20 in relation to these consultancies is \$221,185.60 (excl. GST).

Please note that the number of consultants refers to the number of consultants GMW used, not the number of times GMW used consultants.

Details of individual consultancies can be viewed at [www.gmwater.com.au](http://www.gmwater.com.au) under the annual reports section and in Appendix D of this Report.

# Information and Communication Technology Expenditure

For the 2019/20 reporting period, GMW had a total Information and Communication Technology (ICT) expenditure of \$15.1m, with the details shown below.

All operational ICT expenditure \$'000	ICT expenditure relating to projects to create or enhance ICT capabilities \$'000
Business As Usual (BAU) ICT expenditure	Non-Business As Usual (non-BAU) ICT expenditure (Total = Operational expenditure and Capital Expenditure)
9,169	5,941

Table 26: Information and communication technology expenditure since 1 July 2019

ICT expenditure refers to GMW's costs to provide business enabling ICT services within the current reporting period. It comprises Business as Usual (BAU) ICT expenditure and Non-BAU ICT expenditure.

Non-BAU ICT expenditure relates to extending or enhancing GMW's current ICT capabilities.

BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

## Compliance

GMW and our customers face significant sustainability challenges. These challenges arise from reduced water availability due to a drying climate, water recovery programs and water markets transferring water away from our operating area.

Water is a precious but limited resource. Our regional communities, industries, economy, land and waterways depend on water to support a healthy environment and for our region to grow and prosper.

A strong, clear system for compliance is vital to support community confidence that the same rules apply to everyone in water management. It is essential for GMW to deter people from illegally taking and using water and harming the environment and other water users.

GMW is working to modernise our compliance and enforcement system. The modernised system will maintain fair access to Victoria's water resources and impose tougher penalties for illegal take and use of water.

*Compliance and Enforcement Guidelines* were prepared by DELWP in late 2019 and GMW has created a *Water Use Compliance Strategy* in accordance with these Guidelines. GMW's *Water Use Compliance Strategy* is a risk-based strategy to ensure that resources are used efficiently, focussing more on areas where there are the greatest compliance risks.

GMW has a range of available compliance and enforcement tools. Use of these tools will be responsive and appropriate to the level of non-compliance and the risk associated with the non-compliance. GMW is committed to:

- a clear and logical escalation pathway in response to detected breaches, from warnings through to when prosecutions will be pursued

- an emphasis on engagement, education and awareness raising
- working in good faith with all parties and use our enforcement powers only when needed.

GMW will be transparent about our water use compliance strategies, protocols and compliance and enforcement activities.

Compliance priorities for the 2019/20 year included:

- development of GMW's Water Use Compliance Strategy
- development of GMW's Water Use Compliance Policy and Procedure
- regular desktop audits of water users to ensure water use does not exceed allocation allowance
- inspections to detect unauthorised users and/or uses of water
- actively pursuing complaints in relation to alleged breaches of compliance
- inspecting properties with irregular water trading and water-use activity patterns over the irrigation season
- reading meters outside scheduled meter reads
- spot checks for illegal infrastructure or tampering with meters
- reviewing licences to ensure correct details and authorised pumping location
- educating customers regarding their obligations when taking and using water
- cautioning and, where necessary, prosecuting offences under the Act
- 766 advisory and 128 caution letters sent to customers advising they had exceeded their water allocation and advising of potential prosecution
- investigating complaints received alleging breaches of the Act and issuing notices of contravention
- additional meter readings where overuse has been detected or previous unauthorised use has been identified

- commencing 19 prosecutions in the Magistrates' Court of Victoria for unauthorised take and use of water and/or unauthorised works
- licensing unit reviewing licences and revoking licences where necessary.

Minister for Water Lisa Neville appointed Des Pearson as an independent advisor to lead an independent review of systems and processes of Water Corporations with non-urban customers, ensuring adequate compliance measures are in place to meet the Ministers expectations of zero tolerance of unauthorised take. GMW has worked with Mr Pearson in undertaking this review and supports the recommendations arising from the review. GMW has incorporated these recommendations into the development of its Compliance and Enforcement Plan. GMW is developing this Plan as part of the Strategic Framework approved by the GMW Board in February 2020.

## Freedom of Information

The *Freedom of Information Act 1982* (the FOI Act) allows the public a right of access to documents held by GMW. The purpose of the FOI Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the FOI Act.

An applicant has a right to apply for access to documents held by GMW. This comprises documents both created by GMW or supplied to GMW by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes.

The FOI Act allows GMW to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include: some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to GMW in-confidence.

From 1 September 2017, the FOI Act has been amended to reduce the Freedom of Information (FOI) processing time for requests received from 45 to 30 days. However, when external consultation is required under section and subsection 29, 29A, 31, 31A, 33, 34 or 35, the processing time automatically reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied by a decision made by GMW, under section 49A of the FOI Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

## Making a request

Access to documents can be obtained through a written request to GMW's Freedom of Information Officer, as detailed in s 17 of the FOI Act.

Requests must be made in writing, provide necessary information to identify the documents sought and be accompanied by a \$29.60 application fee. If payment of the application fee would cause hardship, it may be waived or reduced. Additional access charges may also apply.

An FOI Application Form can be found on GMW's website at [www.gmwater.com.au/about/foi](http://www.gmwater.com.au/about/foi).

Requests for documents in the possession of GMW should be addressed to:

Freedom of Information Officer

Goulburn-Murray Water

PO Box 165

TATURA VIC 3616

Or, by email to [foi@gmwater.com.au](mailto:foi@gmwater.com.au)

## FOI statistics/timelines

During 2019/20, GMW received 16 new FOI requests. Of those, 13 requests related to Water Storage and Delivery, and three requests related to the Connections Project. Requests were received from various sections of the community including individuals, community groups, solicitors and organisations.

GMW made 11 FOI decisions during the 12 months ended 30 June 2020.

Ten decisions were made within the statutory 30 day time period; and one decision was made within 46 to 90 days.

During 2019/20, one request was subject to review by OVIC, and OVIC received two complaints concerning FOI requests handled by GMW.

There were no applications made to the Victorian Civil and Administrative Tribunal to review an FOI decision.

## Further information

Further information regarding the operation and scope of FOI can be obtained from the FOI Act; regulations made under the FOI Act; and [www.ovic.vic.gov.au](http://www.ovic.vic.gov.au)

# Energy and Water Ombudsman (Victoria) Limited

GMW is a member of the Energy and Water Ombudsman (Victoria) (EWOV) Dispute Resolution Scheme, which provides an independent third-party reconciliation process for resolving complaints by customers of electricity, gas and water service providers in Victoria.

During the 2019/20 financial year, EWOV referred 78 matters to GMW. The nature of these complaints is outlined as follows:

Type of EWOV complaint	Number
Enquiry	1
Unassisted Referral	11
Assisted Referral	38
Investigation	28
<b>Total</b>	<b>78</b>

Table 27: EWOV complaints, including Connections.

As at 30 June 2020, there were three outstanding complaints against GMW being investigated by EWOV.

The Energy and Water Ombudsman (Victoria) may be contacted by writing to:

The Energy and Water Ombudsman (Victoria)  
 Replay Paid 469  
 MELBOURNE VIC 8060  
 Or, by telephone on 1800 500 509

## Compliance with the *Building Act 1993*

GMW owns or controls premises at Tatura, Shepparton, Cobram, Wangaratta, Lake Hume Village, Dartmouth, Buffalo River, Eildon, Kyabram, Rochester, Cohuna, Kerang, Swan Hill, Pyramid Hill, Mildura, Cairn Curran, Laanecoorie, Tullaroop, Eppalock, Waranga, Yarrawonga, Goulburn Weir, Torrumbarry, Lake Nillahcootie and Lake William Hovell, and consequently is required to include a statement on its compliance with the building and maintenance provisions of the Building Act 1993 in relation to those buildings.

GMW requires appropriately qualified consultants and contractors to be engaged for all proposed works on land controlled by GMW and that their work and services comply with current building standards. All such consultants and contractors are expected to have appropriate mechanisms in place to ensure compliance with the building and maintenance provisions of the Building Act 1993.

In relation to existing buildings, the Asset Maintenance Unit is responsible for mandatory testing of emergency and exit lighting and lift equipment in accordance with relevant standards, monthly, quarterly and bi-annual inspection and preventive maintenance routine of mechanical services and monthly and annual fire service audits. These inspections inform the works program, which is delivered annually through existing maintenance contracts.

2019/20 Building Matters	Number
Number of building permits, occupancy permits or certificate of final inspection issued in relation to buildings owned by the entity	Four: <ul style="list-style-type: none"> <li>• Goulburn Weir office upgrade</li> <li>• Eildon office upgrade</li> <li>• Cairn Curran office upgrade</li> <li>• 40 Casey Street office upgrade (includes replacing carpets, internal painting and plastering, reducing partition heights, acoustics, air conditioning modifications, electrical works, some new office furniture and disability access to rear of building \$948,000)</li> </ul>
Number of building permits, occupancy permits or certificate of final inspection issued in relation to buildings owned by the entity	Four building permits were issued for works commencing in 2019/20
Number of emergency orders and building orders issued in relation to buildings	0
Number of buildings that have been brought into conformity with building standards during the reporting period:	65%

Table 28: Building matters in 2019/20.



Based on the findings of the recent building audit it was found that 52 per cent of the buildings are currently compliant with building standards. This has now been upgraded to 65 per cent of buildings complying as at 30 June 2020 through the schedule of works being implemented by GMW. With these works scheduled, we anticipate that all buildings will be brought into conformity with building standards by June 2022.

There are other buildings at premises that have not been assessed as part of the original audit including, but not limited to, public toilets, BBQ shelters, viewing platforms, pump buildings and enclosures. GMW also owns land with houses which have not yet been assessed. These other buildings and dwellings are scheduled to be audited in future years to establish their compliance with the *Building Act 1993* and building regulations. Any shortcomings identified will be prioritised accordingly and included in our schedule of rectification works.

## Competitive Neutrality Policy

Competitive neutrality seeks to enable fair competition between government and private sector businesses. Any advantages or disadvantages that government businesses may experience, simply as a result of government ownership, should be neutralised. GMW continues to implement and apply this principle in our business undertakings.

## Compliance with the *Public Interest Disclosures Act 2012*

The *Public Interest Disclosures Act 2012* (Public Interest Disclosures Act) enables people to make a disclosure about corrupt or improper conduct by a public officer or a public body.

GMW is a public body for the purposes of the Public Interest Disclosures Act.

### What is a Public Interest Disclosure?

A public interest disclosure is a complaint of corrupt or improper conduct by a public officer or a public body.

'Improper or corrupt conduct' involves substantial mismanagement of public resources, risk to public health or safety or the environment, or corruption.

GMW does not tolerate improper conduct by employees, or taking reprisals against those who come forward to disclose such conduct. GMW:

- is committed to ensuring transparency and accountability in our administrative and management practices
- supports making disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

### Making a public interest disclosure

You can make a public interest disclosure about GMW or our Board members, officers or employees by contacting IBAC (details below).

GMW is not able to receive public interest disclosure.

GMW has established a procedure for protecting persons from detrimental action in reprisal for making a public interest disclosure about GMW, our Board members, officers or employees. You can access GMW's procedure on our website at [www.gmwater.com.au](http://www.gmwater.com.au).

The Independent Broad-Based Anti-Corruption Commission (IBAC) Victoria may be contacted by writing to:

Independent Broad-Based Anti-Corruption Commission (IBAC)  
Victoria

GPO Box 24234

MELBOURNE VIC 3001

Or, by telephone on 1300 735 135

Or, online at [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au)

## Compliance with the *Disability Act 2006*

GMW actively promotes our diversity and inclusion across all minority groups. GMW's is aligned with *Absolutely everyone: state disability plan for 2017-2020*, which is the Victorian Government's framework for enabling people with a disability to participate and contribute to the social, economic and civic life of their community, and we work collectively to ensure no employee is disadvantaged in any way.

We continue to assist employees with modified workstations and equipment to assist with height, back and general accessibility issues. GMW continues to modify our site offices to be compliant for disability access. GMW actively promotes all diversity and inclusion sectors through recruitment, on boarding and corporate induction programs. Unconscious bias training provides all hiring managers with the skills to look at the overall capability and not the disability of any employee within GMW.

## Compliance with the *Water Act 1989*

There are no additional disclosures required to be made in this Annual Report under the *Water Act 1989*.

## Office-based environmental impacts

GMW recorded a 2,400 tonne decrease in Greenhouse Gas (GHG) emissions over the 2019/20 period compared with 2018/19. The result includes MDBA assets.

Greenhouse Emissions by Source							
CO2e by source (Tonnes)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Energy <sup>1</sup>	8,634	8,851	8,375	8,233	7,819	8,651	6,501
Vehicle Fleet <sup>2</sup>	4,223	3,822	4,026	3,724	3,720	3,326	3,076
<b>Total</b>	<b>12,857</b>	<b>12,673</b>	<b>12,401</b>	<b>11,957</b>	<b>11,539</b>	<b>11,977</b>	<b>9,577</b>

Table 29: Greenhouse emissions by source since 1/7/2013.

### Notes:

1. Electricity and gas to run offices and depot and deliver water to customers including MDBA assets. Previously MDBA assets had been excluded from GMW's emission, however these assets are included in GMW's pledge.
2. Fuel consumed by the vehicle fleet.

## Greenhouse gas and energy reporting

Performance Indicator	Greenhouse gas emission (Tonnes CO <sub>2</sub> -e)				Variance (%)	Commentary
	2019-20 Projected Emissions	2019-20 Result		Total emissions <sup>1</sup>		
		Scope 1 emissions	Scope 2 emissions			
Water Treatment and Supply	6,504		4,947	4,947	-23.9	The purchase of green power has also contributed to the lower total greenhouse gas emissions.
Wastewater Collection, Treatment and Recycling	0	0	0	0	0	GMW does not treat or manage any wastewater.
Transport	3,250	3,076		3,076	-5.4	GMW's ongoing fleet management processes, use of videoconferencing facilities and decrease in electricity usage at GMW's staffed locations due to Covid-19 restrictions have contributed to lower emissions.
Other (offices, depots and recreational facilities)	1,948		1,554	1,554	-20.3	Continued efficiency gains at our staffed locations and the purchase of green power have contributed to the lower total greenhouse gas emissions.
<b>Total</b>	<b>11,702</b>	<b>3,076</b>	<b>6,501</b>	<b>9,577</b>	<b>-18.2</b>	

Table 30: Greenhouse gas emissions by source.

### Notes:

- Sum of scope 1 and 2 emissions.

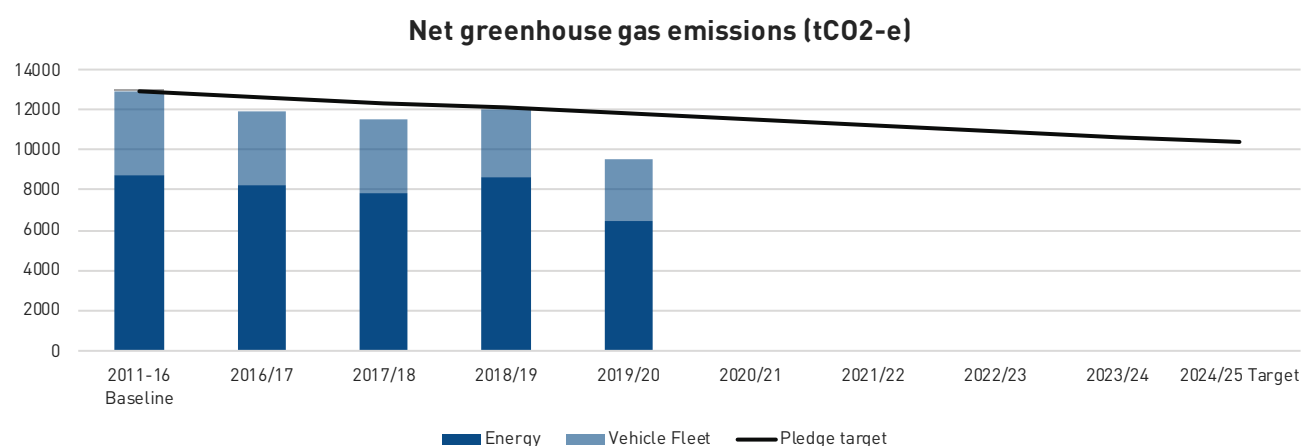


Figure 8: Total greenhouse gas emissions vs target emissions since 2011-16 baseline.

### Notes:

- GMW's pledge target includes both GMW and MDBA assets. An internal GMW pledge target excluding MDBA assets had been identified in previous years, however the 2011-16 baseline of which GMW pledge is calculated includes MDBA assets.

## Energy Consumption Reporting

Total electricity use	2018-19 Result (MWh)	2019-20 Result (MWh)	Commentary
Water treatment and supply	6,221	5,460	2019/20 was a lower water use year across the irrigation districts resulting in less intensive pumping events.
Sewerage Collection, Treatment and Recycling	0	0	GMW does not treat any or manage any sewerage.
Other (office, workshops, depots, etc)	1,861	1,826	GMW continues to make efficiency gains at its staffed locations.
<b>TOTAL</b>	<b>8,082</b>	<b>7,286</b>	

Table 31: Energy consumption by source.

Performance indicator	2018-19 Re-newable electricity used (MWh)	2019-20 Renewable electricity used (MWh)	Commentary
Solar	10	133	Figure now includes four GMW pump sites which have a solar array. This is an increase of three sites from last year's figure.
Hydroelectric	0	0	
Wind	0	0	
Biogas	0	0	
Green power	0	914	One-off green power purchase in April 2020.
Other	0	0	
<b>TOTAL</b>	<b>10</b>	<b>1,047</b>	
Percentage renewable electricity	0.12%	14.38%	

Table 32: Energy consumption.

## Corporate water consumption

Corporate water consumption at GMW's 15 major office locations was 19,426 kilolitres (KL) in 2019/20 equating to an office water consumption of 36.35 KL per FTE.

	Corporate Water Consumption						
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Water Consumption (KL)	16,017	19,704	22,503	24,314	13,351	19,263	19,426
Consumption per FTE	24	26	29	33	20	31	36

Table 33: Total water consumption in kilolitres and kilolitre consumption per FTE across major offices.

## Value of Community Service Obligations

During 2019/20, GMW granted \$314,233 in pension concessions compared to \$340,014 in 2018/19, and \$292,085 in 2017/18.

## Regional Catchment Strategies

GMW is actively involved in review, development and implementation of the Regional Catchment Strategies for each of the three catchment management regions within our area of operations.

GMW contributed to the Goulburn Broken and North Central Regional Catchment Strategy update projects through steering committee membership, workshop participation and community and stakeholder briefings. GMW also continued to play a key role in review and implementation of various sub-strategies, including floodplain, drainage and waterway strategies as well as land and water management plans. For example, during 2019/20 GMW provided input to the renewal of the North Central Catchment Management Authority's Loddon Campaspe Irrigation Region Land and Water Management Plan.

This year GMW participated in several catchment partner forums, as well as workshops and discussions on how to involve northern Victorian Aboriginal communities in catchment and water management. GMW continued discussions with the YYNAC on Kow (Ghow) Swamp operational management, and the TLWCAC about future operations at Greens Lake following the removal of the storage from the Goulburn distribution system as a water savings measure.

GMW has completed the final year of the Shepparton Irrigation Region (SIR) Surface Water Management Program (SWMP) in partnership with Goulburn Broken Catchment Management Authority. This four-year program, funded by the Victorian Government and which commenced in late 2016, targeted projects in irrigated catchments across the SIR where drainage

improvement opportunities exist, where there is clear community and GMW customer support to undertake drainage works and where productive agriculture has a sound future.

The primary focus of the SWMP was implementing a more cost-effective and unique 'hybrid' drainage approach based on improving linkages to, and increasing effectiveness of, natural drainage courses. This involved establishing Drainage Course Declarations (DCDs) in priority catchments, enabling GMW to remove obstructions to natural drainage flows.

Significant progress was made on developing and implementing three hybrid drainage priority projects in 2019/20. A large obstruction removal works program in Upper Deakin DCD is now about 80 per cent complete and all Cornella Creek Catchment DCD obstruction removal works were finished by May. A concept design and draft Guilfus Congupna DCD proposal were consulted with GMW customers and submitted for approval. Obstruction removal works to restore drainage flows in the Guilfus Congupna catchment are being planned in consultation with customers.

Funding is now being sought to extend the (SIR) SWMP for a further four years to deliver further DCD-based drainage projects and build on the significant successes and strong customer support achieved in the current program.

## Victorian Waterway Management Strategy

Regional Waterway Strategies are single planning documents for river, estuary and wetland management in each catchment management region and drive implementation of the management approach outlined in the Victorian Waterway Management Strategy.

GMW is involved in implementation activities associated with the Regional Waterway Strategies for the North East, Goulburn Broken and North Central catchment management regions, which all fall within GMW's region. Activities undertaken by GMW have included:

- participating in project groups
- funding and implementing water quality monitoring programs
- information and data sharing with CMAs and water corporations
- responding to environmental incidents
- facilitating delivery of environmental water.

GMW also carries out activities complementary to waterway health at our storages, such as erosion control works, fencing to protect native vegetation and facility upgrades.

Together with the North East CMA and MDBA, GMW will continue to implement the Lower Mitta Mitta Waterway works program, with a focus on fencing, revegetation and addressing erosion as a result of water transfers from Dartmouth to Hume Dam.

The 2019/20 program saw 600m of riparian zone fenced off from stock to reduce erosion and vegetation damage. Over 5,400 trees have been planted across the fenced riparian land, along with removal of willow trees and 560Ha of weed control. Bank stabilisation works have consisted of timber brushing and in excess of 2800m<sup>3</sup> of rock armouring of eroded sites. Engagement with landholders was critical to address these works, with 12 site assessments undertaken and 18 works sites completed.

GMW and NECMA are continuing to work with the Australian Trout Foundation and the Victorian Fishing Authority to place instream habitat in the form of rock seeding and lunkers, timber structures that provide habitat and refuge during high flow events.

GMW, in collaboration with Moira Shire, completed stage 3 of the River Road erosion works on Lake Mulwala. This project involved another 800 metres of steel sheet piling retaining wall installed for bank stabilisation, protection of roadway infrastructure and to provide improved access to the foreshore. The works involved removal of willow trees, bank reshaping, provision of walkways and establishment of landscaping with native vegetation. These works were critical to stop the undermining of the banks, reducing turbidity and the large scale slumping that presented risks to the public. This project was supported by Moira Shire Council, MDBA, and the Commonwealth Government's Regional Jobs and Investment Packages funding.

GMW continues to work with the MDBA and NSW Roads and Maritime Services on delivery of the Murray River Erosion Management Plan, concentrating on a 50km stretch of river between Bundalong and Corowa. This began with the public consultation period and submissions are now being collated for consideration by the committee, on which GMW sits. GMW has received further funding in anticipation of a ruling, initiating works to expand the vehicle/trailer parking area and provide toilet facilities at Majors Creek to enhance the upgrade works recently completed at the boat ramp.

GMW continues to revegetate and address erosion along the foreshore of Lake Mulwala on NSW and Victorian shorelines. Considerable effort has been made in establishing Phragmites (aquatic species) and installation of coir logs to address erosion. Fencing of foreshore land is also undertaken to reduce impacts from stock and unauthorised entry, and these areas are enhanced with plantings of native vegetation.

GMW completed the Dartmouth Land and On-Water Management Plan and will establish an implementation group to assist with meeting the guidelines and outcomes of the plan, as soon as practical in the current COVID-19 environment. This has involved extensive consultation with the community, agencies and Traditional Owners Dhuduroa-Waywarru Nations.

GMW is working with the traditional owners, YYNAC, and Aboriginal Victoria to finalise a Conservation Management Plan for Kow (Ghow) Swamp that will set priorities for management and support the proposed 'Protection Declaration Area' submission to the Minister for Aboriginal Affairs.

GMW has been active in our efforts to manage erosion and sites of cultural heritage significance at Kow Swamp. GMW is implementing trapping, baiting and surveillance activities to control feral pigs at Kow Swamp, and baiting and fumigation programs to control rabbits. GMW continues to support the Gunbower Landcare Group to revegetate perimeter lands at the swamp under the 20 Million Trees Program, funded by the Commonwealth Government through the National Landcare Program.

Following the devastating bushfires over summer 2019/20, GMW worked with regional stakeholders to assess the impacts on waterways and catchments. This included increased water quality monitoring, data sharing and regular liaison with North East Water, North East CMA, EPA, MDBA and other agencies.

## State Environment Protection Policy (Waters)

GMW has continued to work with community and agency stakeholders on a range of activities related to the SEPP including:

- implementing land and water management plans
- programs for improved irrigation, drainage and salinity mitigation practices
- improved recreation and waterway management
- comparing water quality monitoring results to SEPP objectives.

## Statement of availability of other information

Information held by GMW and available on request subject to the FOI Act includes:

- a. a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- b. details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- c. details of publications produced by GMW about itself, and how these can be obtained
- d. details of changes in prices, fees, charges, rates and levies charged by GMW
- e. details of any major external reviews carried out on GMW
- f. details of major research and development activities undertaken by GMW

- g. details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- h. details of major promotional, public relations and marketing activities undertaken by GMW to develop community awareness of the entity and our services
- i. details of assessments and measures undertaken to improve the OH&S of employees
- j. a general statement on industrial relations within GMW and details of time lost through industrial accidents and disputes
- k. a list of major committees sponsored by GMW, the purposes of each committee and the extent to which the purposes have been achieved
- l. details of all consultancies and contractors including:
  - i. consultants/contractors engaged
  - ii. services provided
  - iii. expenditure committed to for each engagement.

Requests for access to GMW documents under the FOI Act can be sent to:

Freedom of Information Officer  
Goulburn-Murray Water  
PO Box 165  
TATURA VIC 3616

## Compliance with the DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the information (all data tables and financials) included in this Annual Report will be available at [www.data.vic.gov.au](http://www.data.vic.gov.au) in electronic readable format.



Victorian Auditor-General's Office

## Independent Auditor's Report

### To the Board of the Goulburn-Murray Rural Water Corporation

<b>Opinion</b>	<p>I have audited the financial report of the Goulburn-Murray Rural Water Corporation (the corporation) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2020</li> <li>• statement of comprehensive income for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• statutory certification.</li> </ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the corporation as at 30 June 2020 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the corporation is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>



**Auditor's responsibilities for the audit of the financial report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the corporation's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the corporation to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE  
10 September 2020



Paul Martin  
as delegate for the Auditor-General of Victoria

# Financial Management Compliance

## Certification of Financial Management Compliance for 2019/20

I, Diane James, on behalf of the Responsible Body, certify that Goulburn-Murray Rural Water Corporation has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Diane James  
Chairman  
Goulburn-Murray Water  
3 September 2020

# Financial Statements 2019/20

## Corporation Statutory Certification

The attached financial statements for Goulburn-Murray Rural Water Corporation have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions (FRDs), Australian Accounting Standards (AASs) including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the statement of comprehensive income, balance sheet, statements of changes in equity, cash flow statements and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2020 and financial position of Goulburn-Murray Rural Water Corporation at 30 June 2020.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statement for issue on 3 September 2020.



Diane James  
Chairman  
3 September 2020



Charmaine Quick  
Managing Director  
3 September 2020



Michael Gomez  
General Manager Business & Finance  
3 September 2020

## Comprehensive Operating Statement for the period ended 30 June 2020

### Comprehensive Operating Statement for the period ended 30 June 2020

	Notes	2019/20 \$000	2018/19 \$000
<b>Revenue from operating activities</b>			
Revenue from service and usage charges	3.1.1	119,039	120,392
Government grants	3.2	9,390	4,141
Connections funding	3.3.1	115,258	83,273
Contracting services	3.1.2	16,447	15,163
Other income	3.1.3	9,271	19,510
<b>Total revenue</b>		<b>269,406</b>	<b>242,479</b>
<b>Expenses from operating activities</b>			
Operations, maintenance and administration expense Water Storage & Delivery	4.1.1	49,957	55,518
Connections Project costs	4.1.2	95,131	70,647
Employee expenses	4.2.1	77,573	75,721
Depreciation and amortisation	5.1.2	103,198	100,425
Environmental contribution	9.2	2,793	2,793
Interest expense	7.1.2	7,134	6,931
Loss on disposal	5.1.3	17,105	26,722
<b>Total expenses</b>		<b>352,890</b>	<b>338,757</b>
<b>Net result before tax</b>		<b>(83,485)</b>	<b>(96,279)</b>
Income tax expense/(benefit)	9.1.1	(25,026)	(29,059)
<b>Net result for the year</b>		<b>(58,458)</b>	<b>(67,220)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to net result			
Change in asset revaluation reserve		(3,549)	(595)
Income tax related to this change	9.1.2	1,065	179
<b>Other Comprehensive income, net of income tax</b>	5.1.5	<b>(2,484)</b>	<b>(417)</b>
<b>Total comprehensive result</b>		<b>(60,943)</b>	<b>(67,636)</b>

The above Comprehensive Operating Statement should be read in conjunction with the accompanying notes

## Balance Sheet as at 30 June 2020

### Balance Sheet as at 30 June 2020

	Notes	2019/20 \$000	2018/19 \$000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7.2	174,315	319,641
Receivables	6.1	28,059	28,317
Inventories		2,550	2,580
Prepayments		1,585	1,818
<b>Total current assets</b>		<b>206,508</b>	<b>352,356</b>
<b>Non-current assets</b>			
Receivables	6.1	109	110
Intangible assets	5.2	9,147	9,274
Right-of-use assets	6.3	1,879	-
Infrastructure, property, plant and equipment	5.1.1	4,700,986	4,717,639
<b>Total non-current assets</b>		<b>4,712,121</b>	<b>4,727,023</b>
<b>TOTAL ASSETS</b>		<b>4,918,629</b>	<b>5,079,379</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	6.2	53,288	32,144
Employee benefits	4.2.2	21,008	22,932
Lease Liabilities	6.3	1,353	-
Borrowings	7.1	17,299	2,163
Unearned revenue	3.4	19,214	126,184
<b>Total current liabilities</b>		<b>112,161</b>	<b>183,423</b>
<b>Non-current liabilities</b>			
Employee benefits	4.2.2	2,615	2,340
Lease Liabilities	6.3	571	-
Borrowings	7.1	92,946	110,246
Deferred tax liabilities	9.1.2	471,773	497,865
<b>Total non-current liabilities</b>		<b>567,906</b>	<b>610,451</b>
<b>TOTAL LIABILITIES</b>		<b>680,067</b>	<b>793,874</b>
<b>NET ASSETS</b>		<b>4,238,562</b>	<b>4,285,505</b>
<b>EQUITY</b>			
Contributed capital	7.3.1	3,016,955	3,002,955
Asset revaluation reserve	5.1.5	1,577,091	1,579,576
Accumulated surplus / (deficit)		(355,484)	(297,026)
<b>TOTAL EQUITY</b>		<b>4,238,562</b>	<b>4,285,505</b>

The above Balance Sheet should be read in conjunction with the accompanying notes

## Cash Flow Statement for the period ended 30 June 2020

### Cash Flow Statement for the period ended 30 June 2020

	Notes	2019/20 \$000	2018/19 \$000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from customers		150,806	163,313
Receipts from government		18,071	42,011
Interest received		1,067	1,264
GST received from ATO		21,055	22,894
<b>Payments</b>			
Payments to suppliers and employees		(233,946)	(238,172)
Interest and other costs of finance paid		(7,129)	(6,962)
Environmental contribution levy		(2,793)	(2,793)
<b>Net cash flow from operating activities</b>	7.2.1	<b>(52,868)</b>	<b>(18,446)</b>
<b>Cash flows from investing activities</b>			
Payment for infrastructure, property, plant and equipment		(102,189)	(142,316)
Proceeds from sale of property, plant & equipment		381	353
<b>Net cash (outflow) from investing activities</b>		<b>(101,808)</b>	<b>(141,963)</b>
<b>Cash flows from financing activities</b>			
Capital contributions from Victorian Government		14,000	130,156
Proceeds from / (Repayments) of borrowings		(2,163)	5,465
Principal element of lease liability		(2,485)	-
<b>Net cash inflow/(outflow) from financing activities</b>		<b>9,352</b>	<b>135,621</b>
<b>Net increase in cash and cash equivalents</b>		<b>(145,325)</b>	<b>(24,787)</b>
Cash and cash equivalents at the beginning of the year		319,641	344,428
<b>Cash and cash equivalents at the end of the year</b>	7.2	<b>174,315</b>	<b>319,641</b>

Goods and Services Tax paid to and received from the ATO is presented on a net basis.

The above Cash Flow Statement should be read in conjunction with the accompanying notes

## Statement for changes in Equity for the period ended 30 June 2020

### Statement of Changes in Equity

for the period ended 30 June 2020

	Notes	Contributed Capital \$000	Asset Revaluation Reserve \$000	Accumulated Surplus /(Deficit) \$000	Total \$000
<b>Balance at 1 July 2018</b>		<b>2,872,798</b>	<b>1,579,993</b>	<b>(229,806)</b>	<b>4,222,985</b>
Total comprehensive income/(loss) for the year	5.1.5	-	(417)	(67,220)	(67,637)
<b>Transactions with State in its capacity as Owner</b>					
Contributions by owner	7.3.1	130,157	-	-	130,157
<b>Balance at 30 June 2019</b>		<b>3,002,955</b>	<b>1,579,576</b>	<b>(297,026)</b>	<b>4,285,505</b>
Total comprehensive income/(loss) for the year	5.1.5	-	(2,484)	(58,458)	(60,943)
<b>Transactions with State in its capacity as Owner</b>					
Contributions by owner	7.3.1	14,000	-	-	14,000
<b>Balance at 30 June 2020</b>		<b>3,016,955</b>	<b>1,577,091</b>	<b>(355,484)</b>	<b>4,238,562</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

## 1. About this Report

### Basis of Accounting

The financial report includes separate financial statements for Goulburn Murray Rural Water Corporation (the Corporation or GMW) as an individual reporting entity. This financial report is a general purpose financial report, that consists of a Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes accompanying these statements for the period ending 30 June 2020. The general purpose financial report has been prepared in accordance with Australian Accounting Standards (AAS), Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board, and the requirements of the *Financial Management Act 1994* and applicable Ministerial Directions. GMW is a not for-profit entity for the purpose of preparing the financial statements.

GMW is a statutory Corporation constituted by Ministerial Order under the provisions of the *Water Act 1989*. The principal address is:

Goulburn Murray Water  
40 Casey Street  
Tatura Vic 3616

Where applicable, those AAS paragraphs applicable to not-for-profit entities have been applied.

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The annual financial statements were authorised for issue by the Board on 3 September 2020.

### Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year.

The following standard has been adopted by GMW:

- **AASB 15 Revenue from Contracts with Customers**

AASB 15 *Revenue from Contracts with Customers*, which replaces AASB 118, Revenue AASB 111 *Construction Contracts and related interpretations* requires GMW to recognise revenue when it satisfies a performance obligation by transferring a promised good or service to a customer. GMW has adopted AASB 15 as at 1 July 2019 and has applied the new rules on a modified retrospective basis as mandated by the DTF through FRD 121 *Transitional requirements on the application of AASB 15 Revenue from Contracts with Customers*. As a result, comparatives for 2018/19 in our 30 June 2020 accounts have not been restated.

No transition adjustment was required to retained earnings. Further disclosures relating to AASB 15 are at Note 3.1, 3.3 and 10.7 of this report.

- **AASB 1058 Income for Not-for-Profits**

AASB 1058 *Income for Not-for-Profits* replaces requirements of income transactions previously accounted for under AASB 1004 *Contributions*. It establishes principles for not-for-profit entities that apply to (a) transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit Corporation to further its objectives; and (b) the receipt of volunteer services. It will apply to capital grants from government and grants with no sufficiently specific performance obligation. GMW is required to determine whether a transaction falls under AASB 1058 or actually a contract with a customer under AASB 15. GMW has adopted AASB 1058 as at 1 July 2019 and has applied the new rules on a modified retrospective basis as mandated by the DTF through FRD 122

Transitional requirements on the application of AASB 1058 Income of Not-for-Profit Entities. As a result, comparatives for 2018/19 in our 30 June 2020 accounts have not been restated.

No transition adjustment was required to retained earnings. Further disclosures relating to AASB are at Note 3.3, 3.4 and 10.7 of this report.

- **AASB 16 Leases**

AASB 16 Leases was issued in February 2016 and replaces AASB 117 *Leases*. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed for lessees. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay the obligation for lease payments are recognised. GMW has adopted AASB 16 as at 1 July 2019 and has applied the new rules on a modified retrospective basis as mandated by the DTF through FRD 123 *Transitional requirements on the application of AASB 16 Leases*. As a result, comparatives for 2018/19 in our 30 June 2020 accounts have not been restated.

No transition adjustment was required to retained earnings. Further disclosures in relation to AASB 16 are at Note 6.3 and 10.7 of this report.

#### **Functional and presentation currency**

The financial statements are presented in Australian dollars, which is GMW's functional and presentation currency.

#### **Classification between current and non-current**

To determine if an asset or liability is current or non-current, GMW considers the time when the asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be realised or paid within the next twelve months - see 4.2.2 for a variation in relation to employee benefits.

#### **Rounding**

Unless otherwise stated, amounts in the report have been rounded to the nearest thousand dollars. Figures in the financial statements may not equate due to rounding.

#### **Historical cost convention**

These financial statements have been prepared under the historical cost convention, except for the revaluation of land, buildings and infrastructure.

#### **Accounting estimates**

GMW makes judgements, estimates and assumptions about financial information where required. The significant judgements made in the preparation of these financial statements are disclosed in the notes. Estimates and associated assumptions are based on professional judgements based on historical experience and other relevant factors. Actual results may differ from these estimates. Revisions to accounting estimates are made in the period in which the estimate is adjusted. Judgements and assumptions made by management in applying Australian Accounting Standards that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (note 8.3.2)
- estimation of useful lives (note 5.1.2)
- impairment of assets (note 5.1.1)
- employee benefit provisions and actuarial assumptions on likely leave patterns and tenure (4.2.2)
- superannuation (note 4.2.3)
- accruals (note 6.2)
- deferred tax liability (note 9.1.2)
- for leases, determining whether an arrangement is in substance short-term arrangement (note

6.3]



**Impact of COVID-19 on the 2019-20 Financial Report**

On 16 March 2020, an initial state of emergency was declared in Victoria to deal with the spread of coronavirus (COVID-19). The State Government has implemented a number of measures to reduce the spread of the virus. These measures included bans on public gatherings, rule of social distancing and unnecessary personal travel and instructions for individuals to work from home where possible.

While the initial state of emergency was lifted and certain restrictions eased, in July 2020 the State Government reintroduced stricter measures as cases of coronavirus began to increase.

**• Impact on customers**

Given that GMW's core focus is the provision of water storage and delivery to irrigation customers the impact of customers has been minimal.

The measures imposed to reduce the spread of the virus have impacted our leasing and licencing customers for which rent relief has been provided.

**• Impact on the financial report**

Management have assessed the impact of COVID-19 on this financial report including the ability of customers to settle amounts due to GMW. Based on management's assessment no significant impact was expected.

Assets and liabilities reported in the statement of financial position have not been impacted by COVID-19 and are concluded to be reported at fair value.

**• Going concern**

No impact is expected on GMW's ability to continue as a going concern.

## 2. Disaggregated information

### Introduction

This section provides high level information separating the Water Storage & Delivery business (WSD) from the Connections Project (CP). This is due to the need to segregate the impacts of a limited term project from the ongoing activities of GMW. These business segments are functionally segregated due to the requirement to effectively ring fence CP funding receipts and project expenditure.

The Connections Project is funded by the Australian and Victorian Governments. It is a limited term project with the target to achieve 429GL of water savings annually. This is being achieved through modernisation of GMW's aging infrastructure and on-farm modifications.

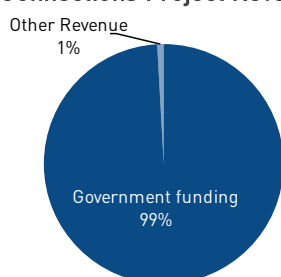
### Structure

- 2.1 Disaggregated Revenues & Results
- 2.2 Disaggregated Assets & Liabilities

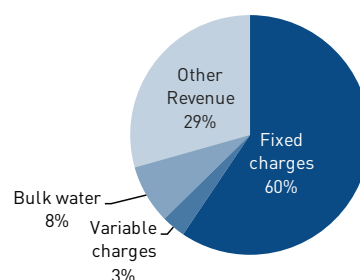
### 2.1 Disaggregated revenues and results

	Revenue		Net result	
	2019/20 \$000	2018/19 \$000	2019/20 \$000	2018/19 \$000
Water Storage & Delivery	169,125	185,624	(79,945)	(71,608)
Connections Project	116,268	92,076	(3,540)	(24,671)
Elimination of internal transactions	(15,988)	(35,220)	-	-
<b>Total</b>	<b>269,406</b>	<b>242,479</b>	<b>(83,485)</b>	<b>(96,279)</b>
<b>Net result before tax</b>			<b>(83,485)</b>	<b>(96,279)</b>

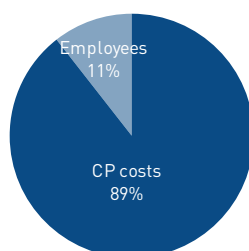
#### Connections Project Revenue



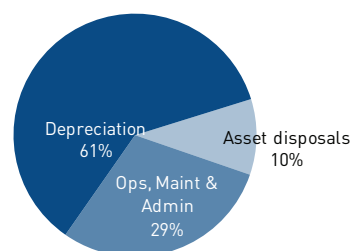
#### Water Storage & Delivery Revenue



#### Connections Project Expenditure



#### Water Storage & Delivery Expenditure



Disaggregated revenue is generated from customers both within and external to GMW. Revenue generated between WSD and CP in the current year was \$16m (2019: \$35.2m). These transactions are eliminated in the consolidated result to ensure that revenues and expenses are not artificially inflated.

Net result represents the earnings before tax after all administrative costs are allocated between the business divisions. Profits recognised by CP are due to timing differences and will be offset by losses over the life of the project to result in a breakeven position on completion.

## 2.2 Disaggregated assets and liabilities

	Assets		Liabilities	
	2019/20 \$000	2018/19 \$000	2019/20 \$000	2018/19 \$000
Water Storage & Delivery	4,615,085	4,593,150	165,288	157,148
Connections Project	307,242	490,251	46,702	142,881
<b>Total</b>	<b>4,922,326</b>	<b>5,083,402</b>	<b>211,990</b>	<b>300,029</b>
Deferred Tax Liability			471,773	497,865
Elimination of internal transactions	(3,693)	(4,022)	(3,693)	(4,022)
<b>Total as per balance sheet</b>	<b>4,918,629</b>	<b>5,079,380</b>	<b>680,067</b>	<b>793,872</b>

Assets and liabilities for WSD and CP are ring fenced. Allocations are based on the nature of the underlying transactions with the exception of the deferred tax liability, as GMW is a single entity for income tax purposes and lodges a consolidated return.

Disaggregated assets and liabilities reported above include receivables and payables between WSD and CP that result from internal transactions. These have been excluded in the elimination of internal transactions to calculate total assets and liabilities.

## 3. Funding delivery of our services

### Introduction

This section provides additional information about how GMW is funded and the relevant accounting policies.

GMW's core focus is the provision of water storage and delivery for irrigation customers using its network of infrastructure. Irrigation revenue is generated through prices that are regulated by the ESC. Revenue is also generated through activities such as; Government funding of the Connections Project, construction contracts, leases & licences, power generation and boating licences.

#### Structure

- 3.1 Revenue from contracts with customers
  - 3.1.1 Revenue from service and usage charges
  - 3.1.2 Contracting services
  - 3.1.3 Other revenue
  - 3.1.4 Revenue commitments - lessor
- 3.2 Government grants and contributions
- 3.3 Connections Project
  - 3.3.1 Government funding
  - 3.3.2 Funding commitments
- 3.4 Unearned Revenue

### 3.1 Revenue from contracts with customers

GMW derives revenue from the provision of water storage and delivery for irrigation customers over time and at a point in time in the following revenue streams. Revenue is recognised when, or as, the performance obligations to the customer are satisfied.

3.1.1 Revenue from service and usage charges	2019/20	2018/19
<b>Water storage &amp; delivery</b>	<b>\$000</b>	<b>\$000</b>
Fixed charges	100,114	98,081
Variable charges	5,462	9,689
Bulk water sales	13,463	12,622
<b>Total Service and Usage charges</b>	<b>119,039</b>	<b>120,392</b>

GMW has an ongoing obligation to supply water to its customers within its service region, with customers simultaneously receiving and consuming the benefit in line with GMW performing its obligations. Service and usage charges are recognised progressively throughout the year.

Fixed charges are billed annually in July and recognised over time as the customer simultaneously receives and consumes the services provided by GMW. Variable charges for water delivered are billed progressively, with the final billing in June after GMW has performed its obligations and all usage has been determined. Bulk water revenue is recognised over time based on the agreed entitlement volumes with each customer.

### 3.1.2 Contracting Services

Murray-Darling Basin Authority	15,874	14,702
Other external clients	573	460
<b>Total Contracting services</b>	<b>16,447</b>	<b>15,163</b>

GMW is the Victorian constructing authority for the Murray Darling Basin Authority (MDBA) and performs contracted works on a cost recovery basis for MDBA and other clients. Revenue is recognised when or as performance obligations are satisfied.

	2019/20 \$000	2018/19 \$000
<b>3.1.3 Other Revenue</b>		
Interest	1,288	1,539
Leasing and licences	2,092	1,865
Boating licences	1,542	1,508
Power generation	1,023	2,447
Connections Project - sale of water	-	7,289
Fees for services	734	751
Sale of water shares and water allocation	1,139	2,010
Other	1,451	2,101
<b>Total Other Revenue</b>	<b>9,271</b>	<b>19,510</b>

Interest revenue includes interest charged to customers on overdue debts and interest received on bank deposits. Interest from customers is recognised when it is charged and interest from bank deposits is recognised when it is earned.

Sale of water shares and trades of water allocations relate to fees charged to customers for these transactions. Revenue is recognised when the service is provided to the customer.

Other revenue includes income from property leases and licences, grazing and occupational licences, boating licences and power generation. This income is recognised over the period of the relevant lease or licence or when it is earned. The measures imposed to reduce the spread of the virus COVID-19 have impacted some leasing and licencing customers for which rent relief has been provided.

	2019/20 \$000	2018/19 \$000
<b>3.1.4 Revenue commitments - lessor</b>		
Nagambie Caravan Park		
No later than 1 year	440	438
Later than 1 year and not later than 5 years	1,895	1,887
Later than 5 years	24,253	25,385
<b>Total Non-cancellable operating lease revenue commitments (GST inclusive)</b>	<b>26,588</b>	<b>27,710</b>
Less GST payable to the Australian Tax Office	(2,417)	(2,519)
<b>Total Non-cancellable operating lease revenue commitments (GST exclusive)</b>	<b>24,171</b>	<b>25,191</b>

GMW has rental income from property leases which are recognised on a straight line basis over the term of the lease.

Other commitments can be found in section 4.3 (Operating expenditure commitments), section 5.1.4 (Capital expenditure commitments) and section 9.2.1 (Environmental contribution commitments).

	2019/20 \$000	2018/19 \$000
<b>3.2 Government grants and contributions</b>		
Salinity works	4,834	3,339
Other	4,556	802
<b>Total Government Grants WSD</b>	<b>9,390</b>	<b>4,141</b>

Income from grants (other than contribution by owners) is for contracted works on a cost recovery basis.

GMW applies AASB 1058 when the grants received by GMW are not enforceable and doesn't have sufficiently specific performance obligations. GMW also applies AASB 1058 to capital grants that are controlled by GMW.

Under AASB 15 income will only be recognised when or as the performance obligations under the contract are satisfied, potentially resulting in a deferral of income as compared to accounting under AASB 1004. The adoption of the new accounting standards have not had any impact of the 2019-20 results, compared to if the old standard was still in place. Therefore, no opening balance adjustment was required to opening retained income, based on a retrospective assessment of the impact of the new standard.

<b>3.3.1 Connections Project</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>\$000</b>	<b>\$000</b>
<b>Connections funding</b>	<b>115,258</b>	<b>83,273</b>

After the restructure of administrative arrangements (1 July 2012), the Northern Irrigation Renewal Project (NVRP) was integrated into GMW and renamed as the Connections Project – a division of GMW.

The Connections Project (the Project) objective is to deliver water savings. This is achieved through planning, designing and delivering a program to modernise the irrigation system throughout the Goulburn Murray Irrigation District (GMID).

Funding revenue received by the Project is recognised under the percentage of completion methodology in accordance with AASB 15. Any funding received that is not recognised as revenue in the current period is recognised as an unearned revenue liability on the balance sheet.

### 3.3.2 Funding Commitments - Connections Project

The Connections Project has two discrete funding streams for Stage 1 and Stage 2 of the project. In September 2016, the Minister for Water, the Hon Lisa Neville MP, approved the re-set of the Connections Project. The Stage 2 Reset Plan Funding Deed was approved in January 2017 followed by the Stage 1 Completion Plan in November 2017.

(i) Stage 1 funding of \$1,004m is being provided by the State Government via the Department of Environment, Land, Water and Planning (DELWP). Funding commenced in 2007-08.

(ii) Stage 2 funding of \$1,059m is being provided by the Federal Government (via the State Government) and the Department of Environment, Land, Water and Planning (DELWP).

(iii) Funding is received for each stage as follows:

- Output – funding which is received to meet direct operating costs and the cost of reconnecting landowners to the irrigation network is recognised as revenue on a percentage of completion basis in accordance with AASB 15 *Revenue from Contracts with Customers*.
- Capital – which will predominantly fund the construction of assets or the enhancement of existing assets owned by GMW, is recognised as a transfer through contributed capital in accordance with FRD 119A Transfers Through Contributed Capital.
- External - Funding received from stakeholders outside the funding agreements for Stage 1 and 2 with the State and Federal Government. This funding is received for projects that are independent of and/or supplement Stage 1 and 2.

Revenue commitments and the timing of receipt of funding are subject to the conditions within the appropriate funding agreements.

(iv) As part of the Reset Plan, the Victorian Government agreed to a reappropriation of the funding between Operational funding and Project works funding (Output and Capital).

**(a) Funding position project to date:**

	Total committed	Received / Receivable	Balance
Project works funding - Output & Operational	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Stage 1	430,552	430,552	-
Stage 2	540,999	508,506	32,492
<b>Total Output &amp; Operational</b>	<b>971,550</b>	<b>939,058</b>	<b>32,492</b>
Project works funding - Capital			
Stage 1	593,499	593,499	-
Stage 2	530,995	530,995	-
<b>Total Project works funding - Capital</b>	<b>1,124,494</b>	<b>1,124,494</b>	<b>-</b>
External funding			
Stage 1	29,879	29,879	-
Stage 2	11,877	11,877	-
Other	24,800	14,300	10,500
<b>Total external funding</b>	<b>66,557</b>	<b>56,057</b>	<b>10,500</b>
<b>Total funding commitments</b>	<b>2,162,602</b>	<b>2,119,609</b>	<b>42,992</b>

All funding commitments are nominal amounts. No GST is receivable.

	2019/20	2018/19
<b>3.4 Contract liabilities</b>	<b>\$'000</b>	<b>\$'000</b>
Funds held for government or governmental programs	6,653	8,896
Unearned revenue - Connections Project	12,561	117,289
<b>Contract liabilities</b>	<b>19,214</b>	<b>126,184</b>

GMW has determined that all grant income is recognised as income of not-for-profit entities in accordance with AASB 1058, except for grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers in accordance with AASB 15.

Government grants which have outstanding performance obligations are recognised in reference to the percentage of completion method. The stage of completion is measured by assessing the total expenditure incurred to date compared with the funding provided. A liability is recognised in the Balance Sheet in respect of grant revenue which is unearned at balance date to recognise the revenue in the reporting periods in which the services are rendered.

The adoption of the new accounting standards have not had any impact of the extent of revenue recognised in 2019-20, compared to if the old standard was still in place. Therefore, no opening balance adjustment was required.

Funding revenue received by the Connections Project is recognised under the percentage of completion methodology. Any funding received that is not recognised as revenue in the current period is recognised as an unearned revenue liability on the balance sheet.

	Note	2019/20
<b><i>(a) Reconciliation of revenue - Connections Project</i></b>		<b>\$'000</b>
Contract liability at 1 July 2019		(117,289)
Funding received/receivable during the year:		
Project works funding - Operational & Output		(10,716)
Interest revenue		185
<b>Total Project services performed recognised as revenue during the year:</b>		
Operational services		15,002
Project works services		<u>100,256</u>
<b>Contract liability at 30 June 2020</b>	<b>3.4</b>	<b><u>(12,561)</u></b>

Capital Contributions received for the Connections Project during the year have been accounted for in accordance with the requirements of FRD 119A 'Transfers Through Contributed Capital'. Refer Note 7.3 for details.



## 4. The cost of delivering our services

### Introduction

This section provides additional information about how GMW's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements.

GMW's core focus is the provision of water storage and delivery for irrigation customers using its network of infrastructure. Expenditure is incurred for operations, maintenance and administration activities to ensure that agreed customer service levels are met. Along with delivering the Connections Project and providing services for construction contracts, leases & licences, power generation and boating licences.

### Structure

- 4.1 Expenses incurred in delivery of services
  - 4.1.1 Operations, maintenance and administration expenses WSD
  - 4.1.2 Connections Project costs
- 4.2 Our People
  - 4.2.1 Employee benefits - comprehensive operating statement
  - 4.2.2 Employee benefits - balance sheet
  - 4.2.3 Superannuation
- 4.3 Operating expenditure commitments

### 4.1 Expenses incurred in delivery of services

Expenses from transactions are recognised as they are incurred, and reported in the relevant financial year.

#### 4.1.1 Operations, maintenance and administration expenses

Water Storage & Delivery	2019/20	2018/19
	\$000	\$000
Contracted services	14,135	13,890
GMW Contribution to the MDBA programme	11,348	14,400
Electricity	1,713	1,939
Insurances	1,340	1,231
Labour hire	545	1,305
Materials	2,516	2,508
MDBA and Government Services Contract	14,220	11,515
Plant and motor vehicles	585	3,437
Plant hire	1,265	1,767
Other (i)	2,290	3,526
<b>Total Operations maintenance and administration expenses</b>	<b>49,957</b>	<b>55,518</b>

(i) Other expenses includes other miscellaneous expenses and ex-gratia expenses. Refer 10.6.

Operations, maintenance and administration costs are expensed as incurred. Costs are capitalised and depreciated when maintenance activities relate to the replacement of an asset with an expected useful life longer than one year and if the cost exceeds the capitalisation threshold.

**4.1.2 Connections Project costs**

Connections Project - operations, maintenance & administration	999	1,063
Connections Project - project delivery costs	94,132	69,584
<b>Total Connections Project costs</b>	<b>95,131</b>	<b>70,647</b>

Project costs are costs associated with the delivery of a modernised irrigation system which will not result in an asset or enhance a fixed asset held by GMW. These generally relate to planning and on-farm modernisation works. Project costs are expensed as they are incurred.

<b>4.2 Our People</b>		<b>2019/20</b>	<b>2018/19</b>
		<b>\$000</b>	<b>\$000</b>
<b>4.2.1 Employee benefits - comprehensive operating statement</b>			
<b><i>Salary, wages and other costs</i></b>			
	Water Storage & Delivery	52,336	56,980
	Connections Project	10,985	12,444
<b><i>Superannuation</i></b>			
- Defined contribution plans	Water Storage & Delivery	4,031	4,255
	Connections Project	728	867
- Defined benefit plans	Water Storage & Delivery	660	776
	Connections Project	41	49
<b><i>Termination benefits</i></b>	Water Storage & Delivery	8,792	350
<b>Total Employee expenses</b>		<b>77,573</b>	<b>75,721</b>

Employee benefits include all costs relating to employment including wages and salaries, leave entitlements, fringe benefits tax, work cover premiums, payroll tax and superannuation contributions. These are recognised as an expense when they are incurred.

The amount charged to the Comprehensive Operating Statement for superannuation represents contributions paid or payable by GMW to the relevant superannuation fund. Superannuation contributions are made to the funds based on the relevant fund rules and compulsory superannuation requirements.

Termination benefits are payable when employment is terminated before normal retirement date or when an employee accepts a redundancy offer. Termination benefits are recognised when GMW is committed to terminating the employment of current employees.

The increase in termination benefits paid is due to a significant adjustment to the GMW business structure to align to the strategic objectives of the business. This has been part of the GMW Transformation Working Plan which was adopted in February 2019, in response to the recommendations of the Strategic Advisory Panel (SAP) report published in January 2018.

**4.2.2 Employee benefits - balance sheet**

<i>Current</i>	<b>2019/20</b>	<b>2018/19</b>
	<b>\$000</b>	<b>\$000</b>
<b>Annual leave</b>		
Unconditional, settlement expected within 12 months	6,427	6,485
<b>Long service leave</b>		
Unconditional, settlement expected within 12 months	1,323	2,198
Unconditional, settlement not expected within 12 months	11,539	12,189
<b>Oncosts</b>		
Unconditional, settlement expected within 12 months	176	237
Unconditional, settlement not expected within 12 months	1,543	1,823
<b>Total current employee benefits</b>	<b>21,008</b>	<b>22,932</b>
<i>Non-current</i>		
Conditional long service leave	2,244	2,050
Oncosts	372	290
<b>Total non-current employee benefits</b>	<b>2,615</b>	<b>2,340</b>
<b>Total employee benefits</b>	<b>23,623</b>	<b>25,271</b>
<b>Reconciliation of movement in on-cost provision</b>	<b>2019/20</b>	
	<b>\$000</b>	
Opening balance	2,350	
Additional provisions recognised	155	
Amounts utilised during period	(520)	
Effect of changes in the discount rate	106	
<b>Closing balance</b>	<b>2,091</b>	
Current	1,719	
Non-current	372	

Liabilities for annual leave and other relevant entitlements are recognised in the provision for employee benefits as 'current liabilities', and must be settled by employee request.

The settlement of liabilities for wages, salaries, annual leave and other leave are measured at:

- Nominal value – if GMW expects to settle within 12 months; or
- Present value – if GMW does not expect to settle within 12 months.

Long service leave (LSL) liability is recognised in the provision for employee benefits. GMW recognises LSL entitlement as a current liability as it must be settled at the employee request, even when GMW does not expect to settle the liability within 12 months.

The current LSL liability is measured at:

- Nominal value – if GMW expects to settle within 12 months; and
- Present value – if GMW does not expect to settle within 12 months.

Accrued LSL is disclosed as a non-current liability. There is no obligation to settle the accrual until the employee has completed the required years of service. This is measured at present value.

Employee benefit on-costs provision includes payroll tax, workers compensation and superannuation. Employee bonuses are performance based, calculated on a percentage of the annual salary. A liability is recognised for the expected payment to eligible employees. The accrual is classified as a current liability as payment is expected to occur within 12 months.

### 4.2.3 Superannuation

GMW makes the majority of its employer superannuation contributions to Vision Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, with each funded differently. Obligations for contributions to the Fund are recognised as a liability or prepayment and expensed in the period they relate.

#### Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9.5% required under Superannuation Guarantee legislation).

#### Defined Benefit

GMW does not use defined benefit accounting for its obligations under the Fund's Defined Benefit category because it is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as this is a floating obligation. The only time that the aggregate obligation is allocated to specific employers is when a call is made. GMW's participation in the Fund cannot be measured as a percentage of other participating employers. The Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purpose of AASB 119 *Employee Benefits*.

Contributions by GMW to superannuation plans of 9.5% for the financial year ended 30 June 2020 are detailed below:

	Paid contribution for the year		Contribution outstanding at year end	
	2019/20 \$000	2018/19 \$000	2019/20 \$000	2018/19 \$000
<b>Defined Benefit Plans</b>				
State Employee Retirement Benefits Board	70	72	2	2
Vision Super	60	85	-	-
Emergency Services and State Superannuation Fund	570	664	10	13
<b>Accumulation Funds</b>				
Vision Super Saver & Other accumulation funds	4,965	5,421	335	320
<b>Total</b>	<b>5,665</b>	<b>6,241</b>	<b>346</b>	<b>335</b>

#### State Superannuation Schemes - Defined Benefit Funds

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. GMW does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

	2019/20	2018/19
<b>4.3 Other expenditure commitments</b>		
Connections Project	26,186	43,715
Nagambie Caravan Park	13,294	13,855
Other	23,156	13,010
<b>Total Other expenditure commitments (GST inclusive)</b>	<b>62,635</b>	<b>70,580</b>
Less GST recoverable from the Australian Tax Office	(5,694)	(6,416)
<b>Total Other expenditure commitments (GST exclusive)</b>	<b>56,941</b>	<b>64,164</b>

Commitments for future operating expenditure include those arising from contracts. These are disclosed at their nominal value and inclusive of GST. Future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

These commitments are likely to fall within:

No later than 1 year	41,822	56,944
Later than 1 year and not later than 5 years	8,686	943
Later than 5 years	12,127	12,693
<b>Total Other expenditure commitments (GST inclusive)</b>	<b>62,635</b>	<b>70,580</b>

Other commitments can be found in section 3.1.4 (Revenue commitments), section 5.1.4 (Capital expenditure commitments) and section 9.2.1 (Environmental contribution commitments).

## 5. Key assets available to support output delivery

### Introduction

This section provides additional information about how GMW manages its infrastructure, other assets and capital commitments along with the material accounting policies. The majority of GMW controlled infrastructure and other assets are used for storing and delivering water to customers.

### Structure

- 5.1 Infrastructure, Property, Plant and Equipment: Carrying amount
  - 5.1.1 Reconciliation of movement in carrying value
  - 5.1.2 Depreciation and amortisation
  - 5.1.3 Other expenses
  - 5.1.4 Capital commitments
  - 5.1.5 Asset revaluation reserve
- 5.2 Intangible assets

### Significant judgements: Fair value measurement

Where the assets included in this section are carried at fair value, additional information on how those fair values were determined is disclosed in note 8.3.

### 5.1 Infrastructure, Property, Plant and Equipment: Carrying amount

	2019/20 \$000	2018/19 \$000
<b>Land</b>		
at Fair Value	54,077	54,073
<b>Buildings</b>		
at Fair Value	19,940	19,105
Less: Accumulated Depreciation	(2,806)	(2,139)
	17,134	16,966
<b>Plant &amp; Equipment</b>		
at Fair Value	35,644	36,509
Less: Accumulated Depreciation	(25,850)	(23,252)
	9,794	13,257
<b>Infrastructure</b>		
at Fair Value	4,802,744	4,688,344
Less: Accumulated Depreciation	(357,481)	(269,122)
	4,445,263	4,419,222
<b>Work in Progress</b>		
at Cost	174,718	214,122
<b>Total Infrastructure Property Plant &amp; Equipment</b>	<b>4,700,985</b>	<b>4,717,639</b>

All infrastructure, property, plant & equipment are initially recognised at cost and subsequently revalued to fair value less accumulated depreciation and impairment. This is in accordance with the requirements of Financial Reporting Direction (FRD) 103H *Non-Current Physical Assets*. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Carrying value is considered to be a reasonable approximation of fair value for infrastructure, property, plant and equipment.

In estimating the fair value of an asset GMW uses observable market data to the extent it is available. Information about the valuation techniques and inputs used in determining the fair value of Infrastructure, Property, Plant and Equipment is disclosed in Note 8.3.2.

Items with a cost greater than \$2,000 and a useful life of more than one year are recognised as an asset. Groups of items with an individual cost less than \$2,000 but with a value greater than \$2,000 as a group (i.e. computer equipment) are capitalised. All other items less than \$2,000 are expensed. Capital works in progress (WIP) are carried at cost, less any recognised impairment loss.

Fixed assets are subject to fair valuation every five years by an independent assessor in accordance with the requirements of FRD 103H *Non-Financial Physical Assets*. This may occur more frequently if management assessments indicate material changes in asset values. A movement in carrying value greater than 10 percent requires a management revaluation. A movement greater than 40 percent will require the Valuer General Victoria (VGV) to perform a detailed fair value assessment. Where movement is less than or equal to 10 percent, no change is made to carrying amounts.

Formal infrastructure assets revaluations (every five years) use specialised advisors. Revaluation increases or decreases arise from differences between an asset's carrying value and fair value. A full valuation of Land, Buildings and Infrastructure was undertaken in 2016. There has been no indication of material changes to asset values in 2020.

Revaluation decrements are recognised immediately as an expense, except if there is an asset revaluation reserve for the same class of assets, where they reduce the asset revaluation reserve. Net revaluation increases are recognised in other comprehensive income and accumulated in equity as an asset revaluation surplus. Where the net revaluation increase reverses a previously recognised decrease for the same class of assets, the previously recognised expense is reversed.

Revaluation increases and decreases relating to individual assets within a class (i.e. Infrastructure, property, plant and equipment) are offset. Revaluation movements are not offset between classes.

Asset revaluation reserves are not transferred to accumulated funds on disposal of an asset.

5.1.1 Reconciliation of movement in carrying value	Land \$000	Buildings \$000	Plant & Equipment \$000	Infrastructure \$000	WIP (a) \$000	Total \$000
<b>2019/20</b>						
Opening WDV	54,073	16,966	13,257	4,419,222	214,122	4,717,639
Additions	-	-	413	-	103,585	103,998
Transfers in/(out) of WIP	3	892	624	141,460	(142,978)	-
Disposals	-	(52)	(416)	(17,394)	(9)	(17,871)
Impairment <sup>2</sup>	-	-	-	(3,549)	-	(3,549)
Depreciation	-	(672)	(4,083)	(94,476)	-	(99,231)
<b>Closing WDV</b>	<b>54,076</b>	<b>17,134</b>	<b>9,795</b>	<b>4,445,263</b>	<b>174,719</b>	<b>4,700,986</b>
<b>2018/19</b>						
Opening WDV	54,040	17,033	13,401	4,372,796	269,504	4,726,775
Additions	-	-	753	-	117,231	117,984
Transfers in/(out) of WIP	33	610	4,596	167,375	(172,614)	-
Other Transfers <sup>1</sup>	-	-	-	-	-	-
Disposals	-	(1)	(1,025)	(26,607)	-	(27,633)
Impairment <sup>2</sup>	-	-	-	(595)	-	(595)
Depreciation	-	(676)	(4,469)	(93,747)	-	(98,892)
<b>Closing WDV</b>	<b>54,073</b>	<b>16,966</b>	<b>13,257</b>	<b>4,419,222</b>	<b>214,122</b>	<b>4,717,639</b>

<sup>1</sup> Other transfers relate to transfers between asset classes including transfers between WIP and intangibles (see Note 5.2).

<sup>2</sup> The Connections Project may impair previously capitalised infrastructure assets as a result of modernisation activities. If an asset is decommissioned then it is accounted for as a 'disposal' of infrastructure assets.



	Connectio ns Project \$000	Water Storage & Delivery \$000	Total \$000
<b>(a) Work in progress</b>			
<b>Opening Balance</b>	<b>171,860</b>	<b>42,262</b>	<b>214,122</b>
<b>Movement 2019/20</b>			
Additions	92,076	11,508	103,585
Transfers	(109,076)	(33,903)	9)
Total movement 2019/20	(17,000)	(22,404)	(39,404)
<b>Balance at 30 June 2020</b>	<b>154,860</b>	<b>19,858</b>	<b>174,719</b>

#### Connections Project

Costs associated with the delivery of a modernised irrigation system which result in a new asset or enhance an existing asset are recorded as work in progress. WIP is transferred to Water Storage & Delivery when assets are operational.

#### Water Storage and Delivery

WIP is valued at cost plus an appropriate share of overheads. Assets are transferred from work in progress when the asset is operational.

	2019/20	2018/19
<b>5.1.2 Depreciation and amortisation</b>		
	<b>\$000</b>	<b>\$000</b>
Depreciation of buildings	672	676
Depreciation of plant, equipment, furniture & fittings	4,083	4,464
Depreciation of infrastructure assets	94,476	93,747
Depreciation of right-of-use-assets	2,532	-
Amortisation of intangibles	1,435	1,538
<b>Total Depreciation and Amortisation</b>	<b>103,199</b>	<b>100,425</b>

All infrastructure and other non-current assets that have a limited useful life are depreciated. Depreciation rates are calculated on the asset's value, less any estimated residual value, over its estimated useful life. Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is shorter. Depreciation is calculated on a straight-line basis.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each year, adjustments are made where appropriate. Generally useful lives are within the following ranges:

Class of assets	Estimated life (years)
Buildings	5 to 50
Plant & Equipment	2 to 10
Right-of-use-assets	2 to 10
Intangibles	3 to 10
Infrastructure Systems:	
- Non Backbone	1 to 3
- Channels and Structures	5 to 200
- Dams & Drains	5 to 200
- Electronic Equipment	5 to 40

The component of channels and drains which are under water are considered to have an indefinite life and are not depreciated. The fair value of these components is \$456.5m (2019: \$468m). Depreciation is not recognised for these assets because their service potential has not diminished during the report period.

Intangible assets with finite useful lives such as computer software are amortised on a straight line basis and assessed for impairment annually. The useful life is reviewed at the end of each reporting period. Changes in the expected useful life are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives such as water shares and entitlements are not amortised, but are tested for impairment annually. The useful life assessment is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

	2019/20	2018/19
	\$000	\$000
<b>5.1.3 Loss on disposal</b>		
Loss on disposal of infrastructure, property, plant and equipment	17,105	26,722
<b>Total Loss on disposal</b>	<b>17,105</b>	<b>26,722</b>

Each year GMW negotiates with customers to rationalise parts of the irrigation infrastructure. Where assets are no longer in use, the book value of these assets is written off. The write off is recognised in the Statement of Comprehensive Income as a loss on disposal.

Any gain or loss on the disposal of fixed assets is recognised at the date of disposal and is determined after deducting the proceeds from the carrying value of the asset.

**Impairment expenses**

Fixed assets are assessed annually for indicators of impairment. If impairment indicators exist, the assets carrying value is compared to its recoverable amount. The recoverable amount is measured at the higher of depreciated replacement cost and fair value less costs to sell. Where an asset's book value exceeds its recoverable amount, the asset is considered impaired and is written down accordingly. The difference is written-off in the Statement of Comprehensive Income except when an asset has a revaluation reserve. The impairment is then recognised in other comprehensive income up to the amount of any asset revaluation reserve.

The reversal of an impairment loss on a revalued asset is recognised in equity as an asset revaluation increment except when an impairment loss on the same class of asset was previously recognised in the Statement of Comprehensive Income. A corresponding reversal of that impairment loss is also recognised in the Statement of Comprehensive Income.

	2019/20	2018/1
	\$000	\$000
<b>5.1.4 Capital commitments</b>		<b>9</b>
<b>Water Storage &amp; Delivery</b>		
Dams and Dam Safety Projects	307	422
Bridge Renewal and Upgrade Projects	2,524	2,746
Channel, Pipeline & Drain Upgrades	1,574	2,545
Outlet and Meter Upgrades	260	789
Information Technology Hardware & Software Upgrades	12	99
Other	1,796	2,731
<b>Total Water Storage &amp; Delivery (inclusive of GST)</b>	<b>6,473</b>	<b>9,332</b>
<b>Connections Project</b>		
Project works	34,586	28,569
<b>Total Connections Project (inclusive of GST)</b>	<b>34,586</b>	<b>28,569</b>
<b>Total Capital commitments (inclusive of GST)</b>	<b>41,059</b>	<b>37,901</b>
Less GST recoverable from the Australian Tax Office	(3,733)	(3,446)
<b>Total Capital commitments (exclusive of GST)</b>	<b>37,327</b>	<b>34,456</b>
These commitments are likely to fall within:		
No later than 1 year	41,059	37,901
<b>Total Capital commitments (inclusive of GST)</b>	<b>41,059</b>	<b>37,901</b>

Commitments for future expenditure include capital commitments arising from contracts. These commitments are disclosed at their nominal value and inclusive of the GST payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

Other commitments can be found in section 3.1.4 (Revenue commitments), section 4.3 (Operating expenditure commitments) and section 9.2.1 (Environmental contribution commitments).

	2019/20	2018/19
	\$000	\$000
<b>5.1.5 Asset revaluation reserve</b>		
Land	29,287	29,287
Buildings	3,374	3,374
Infrastructure	1,544,430	1,546,915
<b>Balance 30 June</b>	<b>1,577,091</b>	<b>1,579,576</b>

	Land \$000	Buildings \$000	Infrastruct ure \$000	Total \$000
<b>Movements during the reporting period</b>				1,579,576
Opening balance	29,287	3,374	1,546,915	76
Revaluation increment/(decrement)	-	-	(2,484)	(2,484)
<b>Closing balance</b>	<b>29,287</b>	<b>3,374</b>	<b>1,544,430</b>	<b>91</b>

## 5.2 Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance. Intangible assets are initially recognised at cost. Intangible assets with finite useful lives are carried at cost less any accumulated amortisation and impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to GMW.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset. These are recognised as revenue or an expense in the Statement of Comprehensive Income.

	2019/20	2018/19
	\$000	\$000
<b>Computer software</b>		
at cost	28,528	27,397
Less: Accumulated Amortisation	(24,753)	(23,358)
	3,776	4,039
<b>Native vegetation offsets (NVO) (a)</b>		
at cost	533	396
<b>Water shares (b)</b>		
at cost	4,839	4,839
<b>Total Intangible assets</b>	<b>9,147</b>	<b>9,274</b>

(a) From 1 January 2014, GMW must comply with the new Native Vegetation Permitted Clearing Regulations. Construction work that results in the loss of native vegetation creates an obligation for GMW. This requires GMW to purchase Native Vegetation Credits which are recognised as intangible assets. These credits are not amortised but are expensed as the offset is established and the consumption is then recorded. The balance of NVO's at 30 June 2020 represents the credits purchased which have not been formally offset against these obligations.

(b) GMW holds water shares both as part of the Water Storage & Delivery business and the Connections Project. The Intangible Assets include water shares that have been converted to bulk entitlements and water shares acquired from landowners, held by the Connections Project. Water shares have an indefinite life and are not amortised. Water shares held at year end for future sale are recorded as assets classified as held for sale. Where a decision has not been made regarding sale they are classified as Intangible Assets.

#### Movements during the reporting period

	Comput er Softwar e \$000	Native Vegetatio n Offsets \$000	Water Shares \$000	Total \$000
<b>2019/20</b>				
Opening WDV	4,039	396	4,839	9,274
Additions	1,172	556	-	1,728
Consumption	-	(419)	-	(419)
Amortisation	(1,435)	-	-	(1,435)
<b>Closing WDV</b>	<b>3,776</b>	<b>533</b>	<b>4,839</b>	<b>9,148</b>
<b>2018/19</b>				
Opening WDV	2,152	452	4,839	7,443
Additions	3,425	302	-	3,727
Consumption	-	(358)	-	(358)
Amortisation	(1,538)	-	-	(1,538)
<b>Closing WDV</b>	<b>4,039</b>	<b>396</b>	<b>4,839</b>	<b>9,274</b>

GMW holds water shares both as part of its normal operations, the Water Storage & Delivery business, and for the Connections Project. Water shares have an indefinite useful life and are not amortised. The two paragraphs below outline their use and classification:

(i) Water shares are held by the Water Storage & Delivery business. They are held as bulk entitlements and water shares for operational use and are classified as Intangible assets.

(ii) Water shares are acquired by the Connections Project during the course of the project. They are accounted for as assets in the reporting period in which they are acquired and an assessment made as to their carrying value based on their expected ultimate disposition. If it is expected that the water shares will ultimately be transferred as part of the project's obligations rather than sold, then they are treated as a cost of the project. Water shares held at year end for future sale are recorded as assets classified as held for sale. Where a decision has not been made regarding sale they are classified as Intangible Assets.

Native vegetation offsets are acquired by the Connections Project during the course of the project. An offset makes an equivalent contribution to Victoria's biodiversity for any native vegetation that is removed. They are accounted for as intangible assets in the reporting period in which they are acquired and when native vegetation is removed in the normal course of the project they are classed as consumed. Native vegetation offsets are measured at cost in accordance with the requirements of AASB 138 Intangible Assets and FRD109 *Intangible Assets*.

## 6. Other assets and liabilities

### Introduction

This section sets out assets and liabilities incurred by GMW in the natural course of operations.

#### Structure

- 6.1 Receivables
  - 6.1.1 Ageing analysis of contractual receivables
- 6.2 Payables
  - 6.2.1 Ageing analysis of contractual payables
- 6.3 Right-of-use-assets and lease liabilities

<b>6.1 Receivables</b>	<b>2019/20</b>	<b>2018/19</b>
<b>Current - Contractual</b>	<b>\$000</b>	<b>\$000</b>
Trade debtors - Water Storage & Delivery	22,728	23,620
Trade debtors - Connections Project	202	534
Expected credit loss allowance	(742)	(641)
<b>Current - Statutory</b>		
GST	5,872	4,804
<b>Total Current receivables</b>	<b>28,059</b>	<b>28,317</b>
<b>Non-Current - Contractual</b>		
Trade debtors - Water Storage & Delivery	109	110
<b>Total Non-Current receivables</b>	<b>109</b>	<b>110</b>
<b>Total Receivables</b>	<b>28,168</b>	<b>28,426</b>

Receivables consist of:

- Contractual receivables relating to debts for water rates, water consumption and contracting services provided. They are initially recognised at fair value and subsequently measured at amortised cost less any accumulated impairment.
- Statutory receivables, such as Goods and Services Tax (GST) input tax credits recoverable. They are recognised and measured similarly but separately from contractual receivables because they do not arise from a contract.

### 6.1.1 Ageing analysis of contractual receivables

GMW applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for contractual receivables.

On that basis, the loss allowance as at 30 June 2020 was determined as follows:

	Carrying Value \$'000	Not past due \$'000	<1 Month \$'000	1 - 3 Months \$'000	3 + Months \$'000
<b>2020</b>					
Trade debtors - WSD	22,836	7,917	44	583	14,292
Trade debtors - CP	202	25	-	-	177
<b>Total</b>	<b>23,038</b>	<b>7,942</b>	<b>44</b>	<b>583</b>	<b>14,469</b>
<b>Loss Allowance</b>	<b>742</b>	-	-	-	<b>742</b>
Expected loss rate	3%	0%	0%	0%	5%
<b>2019</b>					
Trade debtors - WSD	23,730	8,416	1,502	1,315	12,497
Trade debtors - CP	534	468	33	-	33
<b>Total</b>	<b>24,264</b>	<b>8,884</b>	<b>1,535</b>	<b>1,315</b>	<b>12,530</b>
<b>Loss Allowance</b>	<b>642</b>	-	-	-	<b>642</b>
Expected loss rate	3%	0%	0%	0%	5%

Receivables from service and usage charges are written off when there is no reasonable expectation of recovery. Indicators of this include failure to engage in a repayment plan and failure to engage with debt recovery agencies. Loss allowances are presented in other operational expenses within the comprehensive operating statement. Long outstanding debt is for owner-occupied irrigation properties. These debt are secured against the respective property. This is established through the *Water Act 1989*s274 (4), (4A) and (5). Once the property is sold or ownership changes, the debt is legally required to be repaid to GMW. Given these circumstances there was no impact on the impairment of trade debtors based on an assessment of expected credit losses given first time adoption of AASB 9 in 2018-19. Recoverability of debt is assessed on a case by case basis.

	2019/20 \$000	2018/19 \$000
<b>6.2 Payables</b>		
<b>Current - Contractual</b>		
Trade creditors - Water Storage & Delivery	15,524	3,940
Trade creditors - Connections Project	1,979	2,074
Accrued expenses	35,519	26,016
<b>Current - Statutory</b>		
Accrued expenses	266	114
<b>Total Payables</b>	<b>53,288</b>	<b>32,144</b>

Payables consist of:

- Contractual payables are liabilities for goods and services provided to GMW, which remain unpaid at year end. They are measured at amortised cost.
- Statutory payables include goods and services tax and fringe benefits tax payables. They are recognised and measured similarly but separately from contractual payables because they do not arise from a contract.

**6.2.1 Ageing analysis of contractual payables**

	Carrying Value \$'000	Not past due \$'000	<1 Month \$'000	1 - 3 Months \$'000	3 + Months \$'000
<b>2020</b>					
Trade creditors - WSD	24,124	23,826	224	72	2
Trade creditors - CP	28,898	28,379	221	265	33
<b>Total</b>	<b>53,022</b>	<b>52,205</b>	<b>445</b>	<b>337</b>	<b>35</b>
<b>2019</b>					
Trade creditors - WSD	11,833	11,529	246	11	47
Trade creditors - CP	20,197	19,787	219	73	118
<b>Total</b>	<b>32,030</b>	<b>31,316</b>	<b>465</b>	<b>84</b>	<b>165</b>

**6.3 Leases**

This note provides information for leases where GMW is a lessee.

**(i) Amounts recognised in the balance sheet**

The balance sheet shows the following amounts relating to leases:

	2019/20 \$000	2018/19* \$000
<b>Right-of-use assets</b>		
Building	187	-
Equipment	-	-
Vehicles	1,638	-
Others	52	-
<b>Total lease assets</b>	<b>1,878</b>	-
Finance lease asset	-	-
<b>Lease liabilities</b>		
Current	1,354	-
Non - Current	572	-
<b>Total lease liabilities</b>	<b>1,926</b>	-

Additions to the right-of-use assets during the 2020 financial year were \$679,122

**(ii) Amounts recognised in the statement of profit or loss**

The statement of profit or loss shows the following amounts relating to leases:

	2019/20 \$000	2018/19 \$000
<b>Depreciation charge of right-of-use assets</b>		
Building	189	-
Equipment	-	-
Vehicles	2,200	-
Others	144	-
<b>Total</b>	<b>2,532</b>	-



	2019/20 \$000	2018/19 \$000
Interest expense (included in finance cost)	175	-
Expense relating to short-term leases (included in administrative and other operating expenses)	68	-
Expense relating to leases of low-value assets that are not short-term leases (included in administrative and other operating expenses)	3	-
Expense relating to variable lease payments not included in lease liabilities (included in administrative and other operating expenses)	-	-
<b>Total</b>	<b>246</b>	<b>-</b>

The total cash outflow for leases in 2020 was \$3,010,096

### (iii) GMW's leasing activities and how these are accounted for

GMW leases various properties, equipment and vehicles. Rental contracts are typically made for fixed periods of 1 to 5 years, but may have extension options as described below.

Contracts may contain both lease and non-lease components. GMW allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone price.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but lease assets may not be used as security for borrowing purposes.

From 1 July 2019 leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by GMW.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to comprehensive operating statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease or GMW's incremental borrowing rate. Treasury Corporation of Victoria (TCV) / Department of Treasury's (DTF) calculator is used to determine incremental borrowing rate.

Right-of-use assets are initially measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If GMW is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While GMW revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use building held by GMW.

Subsequently the right-of-use assets are measured by applying a fair value model. GMW applies the revaluation model in AASB 116 to right-of-use assets that relate to the class of property, plant and equipment. The revaluation model is applied to all of the right-of-use assets that relate to that class or property, plant and equipment.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and photo copiers with individual values less than \$10,000 when new.

GMW is exposed to future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities. This includes exposure arising from:

- variable lease payments
- extension options and termination options
- residual value guarantees
- leases not yet commenced to which the lessee is committed, and
- expected impact of COVID-19 on lease receivables.

## 7. Financing our operations

### Introduction

This section provides information on the funding sources used by GMW, along with interest expenses and other information related to GMW's financing activities.

#### Structure

7.1 Interest bearing liabilities
7.1.1 Maturity analysis
7.1.2 Interest expense
7.2 Cash flow information
7.2.1 Reconciliation of net result to cash flow from operating activities
7.2.2 Cash balances with restrictions over use
7.2.3 Financing facilities
7.3 Equity
7.3.1 Contributed capital

7.1 Interest bearing liabilities	2019/20 \$000	2018/19 \$000
<i>Current</i>		
Lease liabilities - WSD	1,202	-
Lease liabilities - CP	152	-
Loans from TCV - WSD	17,299	2,163
<b>Total current borrowings</b>	<b>18,653</b>	<b>2,163</b>
<i>Non-current</i>		
Lease liabilities - WSD	527	-
Lease liabilities - CP	45	-
Loans from TCV - WSD	92,947	110,246
<b>Total Non-current borrowings</b>	<b>93,519</b>	<b>110,246</b>
<b>Total Borrowings</b>	<b>112,171</b>	<b>112,409</b>

All interest bearing liabilities are initially recognised at the fair value of the liability, less directly attributable transaction costs. Interest bearing liabilities are subsequently measured at amortised cost.

Interest bearing liabilities are classified as current liabilities unless GMW has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

GMW's credit rating is A (2019: A)

7.1.1 Maturity analysis	2019/20		2018/19	
	Leases	Loans	Leases	Loans
Less than 1 year	1,354	17,299	-	2,163
1-2 years	419	4,943	-	17,299
2-3 years	130	10,097	-	2,443
3-4 years	17	5,260	-	7,597
4-5 years	6	6,579	-	10,260
> 5 years	-	66,067	-	72,647
<b>Total Carrying Amount</b>	<b>1,926</b>	<b>110,245</b>	<b>-</b>	<b>112,409</b>

**7.1.2 Interest expense**

Interest expense	5,729	5,758
Interest on finance leases under AASB 16	175	-
Financial accommodation levy	1,230	1,172
<b>Total Interest Expense</b>	<b>7,134</b>	<b>6,931</b>

Interest expense represents costs incurred from borrowings, recognised in the period they are incurred. Interest expenses relate to interest on short and long term borrowings including the Financial Accommodation Levy and lease charges.

**7.2 Cash flow information**

Cash and cash equivalents on the balance sheet comprise of cash on hand, cash at bank and deposits at call. These are held for the purpose of meeting short term cash commitments rather than for investment purposes. Cash and deposits are measured at nominal value.

	2019/20	2018/19
	\$000	\$000
<i>Cash and cash equivalents</i>		
Cash at bank	34,363	141,447
Cash on deposit	139,952	178,194
<b>Total Cash and cash equivalents</b>	<b>174,315</b>	<b>319,641</b>

**7.2.1 Reconciliation of net result to cash flow from operating activities**

Net profit/(loss) for the period before tax	(83,485)	(96,279)
<b>Non-cash movements:</b>		
Loss on disposal of infrastructure, property, plant and equipment	17,105	26,722
Depreciation and amortisation	103,198	100,425
<b>Movements in assets and liabilities:</b>		
(Increase)/decrease in receivables	260	(664)
(Increase)/decrease in inventories	30	103
(Increase)/decrease in other non-financial assets	419	358
Increase/(decrease) in payables	18,226	(7,476)
Increase/(decrease) in employee benefits	(1,650)	1,523
Increase/(decrease) in unearned revenue	(106,971)	(43,158)
<b>Net cash flows from/(used in) operating activities</b>	<b>(52,868)</b>	<b>(18,446)</b>

**7.2.2 Cash balances with restrictions over use**

Funds held to finance externally funded projects - Water Storage & Delivery	6,653	8,896
Funding received in advance - Connections Project	12,561	117,289
<b>Total cash balances with restrictions over use</b>	<b>19,214</b>	<b>126,184</b>

**7.2.3 Financing facilities**

Unused borrowings	88,700	82,900
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**7.3 Equity****7.3.1 Contributed capital**

Balance 1 July	3,002,955	2,872,798
Capital contributions - Connections Project	14,000	130,157
<b>Balance 30 June</b>	<b>3,016,955</b>	<b>3,002,955</b>

Additions to net assets which are contributions by owners are recognised as contributed capital in accordance with FRD119A *Transfers through contributed capital*. Treatment of capital contributions is set out in Allocation Statements signed by the Chief Financial and Accounting officer of DELWP and GMW's Chief Financial Officer.

## 8. Risks, contingencies and valuation judgements

### Introduction

This section sets out financial instrument specific information, including items that are contingent or require a higher level of judgement to be applied. GMW applies fair value determination where possible.

GMW is exposed to risk from its activities and outside factors. It is often necessary to make accounting judgements and estimates for items in the financial statements.

#### Structure

- 8.1 Financial instrument specific disclosures
  - 8.1.1 Financial instruments: categorisation
  - 8.1.2 Financial risk management objectives and policies
- 8.2 Contingent assets and contingent liabilities
- 8.3 Fair value determination
  - 8.3.1 Fair value determination: financial assets and liabilities
  - 8.3.2 Fair value determination: Non- financial physical assets

### 8.1 Financial instrument specific disclosures

Financial assets and liabilities are recognised when GMW enters contractual provisions of a financial instrument.

Loans, receivables and cash are financial instruments with fixed and determinable payments. These assets and liabilities are initially recognised at fair value plus any direct costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest rate method.

The following financial instruments are recognised in this way;

- cash assets;
- receivables (excluding statutory receivables);
- payables (excluding statutory payables); and
- borrowings.

	2019/20	2018/19
	\$000	\$000
<b>8.1.1 Financial instruments: categorisation</b>		
<b><i>Financial assets at amortised cost</i></b>		
Cash and cash equivalents	174,314	319,640
Receivables	23,038	24,264
<b>Total</b>	<b>197,352</b>	<b>343,904</b>
Financial liabilities at amortised cost		
Contractual payables	(53,281)	(32,026)
Borrowings	(112,171)	(112,409)
<b>Total</b>	<b>(165,452)</b>	<b>(144,435)</b>

### 8.1.2 Financial risk management objectives and policies

The main financial risks include credit risk, liquidity risk and interest rate risk. GMW seeks to manage these risks and the associated volatility of its financial performance within government policy parameters. Primary responsibility for the identification and management of financial risks rests with the Board of GMW.

**(a) Credit risk**

GMW's exposure to credit risk arises from the potential default of a customer resulting in financial loss. This is influenced by the individual characteristics of each customer. The receivables balance primarily consists of unpaid rates and variable charges. Levels of debt are closely managed with interest charged and supply withheld if scheduled payments are not made. The *Water Act 1989* fixes this debt as a charge on the property and gives GMW priority on the proceeds of sale. There is credit risk exposure to receivables due from rent of land for grazing and commercial purposes which are not protected under the Act. An analysis of the ageing of receivables at reporting date has been provided in Note 6.1.1

**(b) Liquidity risk**

Liquidity risk is the risk that GMW would be unable to meet its obligations as and when they fall due. GMW operates under the Government fair payments policy of settling financial obligations in 30 days and in the event of dispute, making payments within 30 days of the date of resolution. The maximum exposure to liquidity risk is the carrying amount of financial liabilities as disclosed on the balance sheet. Liquidity risk is managed by maintaining adequate banking and borrowing facilities, monitoring forecasts and actual cash flows and managing maturity profiles.

**(c) Market risk****Foreign currency risk**

There is no exposure to foreign currency risk.

**Interest rate risk**

Interest rate risk is the risk of changes in interest rates. GMW has exposure to interest rate risks through its cash and deposits which are at a floating rate.

**Interest rate exposure of financial instruments**

	Weighted average % interest rate	Carrying Amount \$000	Fixed interest rate	Variable interest rate	Non- interest bearing
	%	\$000	%	%	\$000
<b>2020</b>					
Cash	0.8%	174,314	-	0.8%	-
Contractual receivables	4.0%	23,038	4.0%	-	7,256
Contractual payables	0.0%	(53,281)	-	-	(53,281)
Borrowings	6.2%	(112,171)	2.5% to 7.2%	-	-
<b>Total</b>		<b>31,899</b>			<b>(46,025)</b>
<b>2019</b>					
Cash	1.5%	319,640	-	1.5%	-
Contractual receivables	5.0%	24,264	5.0%	-	8,367
Contractual payables	0.0%	(32,026)	-	-	(32,026)
Borrowings	6.2%	(112,409)	2.5% to 7.2%	-	-
<b>Total</b>		<b>199,469</b>			<b>(23,659)</b>

Contractual receivables and payables balances above do not include statutory amounts.

**(d) Sensitivity disclosure analysis and assumptions**

GMW's sensitivity to interest rate risk is determined by data over the last 12 months and existing market conditions, with all other variables held constant. Management cannot be expected to predict movements in market rates and prices. Sensitivity analysis shown is for illustrative purposes only. The following movements are possible over the next 12 months:

- An interest rate movement of 50 basis points up and down.

The following table shows the impact on the net result and equity for each category of financial instrument held at the end of the reporting period if the above movement were to occur.

	Total	Interest rate risk			
		+50 basis points Net Result	+50 basis points Equity	-50 basis points Net Result	-50 basis points Equity
<b>2020</b>					
<i>Financial Assets</i>	\$000	\$000	\$000	\$000	\$000
Cash	174,314	872	872	(872)	(872)
Contractual receivables	23,038	-	-	-	-
<b>Total Financial Assets</b>	<b>197,352</b>	<b>872</b>	<b>872</b>	<b>(872)</b>	<b>(872)</b>
<i>Financial Liabilities</i>					
Contractual Payables	(53,281)	-	-	-	-
Borrowings	(112,171)	-	-	-	-
<b>Total Financial Liabilities</b>	<b>(165,453)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total increase and decrease</b>	<b>31,899</b>	<b>872</b>	<b>872</b>	<b>(872)</b>	<b>(872)</b>
<b>2019</b>					
<i>Financial Assets</i>					
Cash	319,640	1,598	1,598	(1,598)	(1,598)
Contractual receivables	24,264	-	-	-	-
<b>Total Financial Assets</b>	<b>343,903</b>	<b>1,598</b>	<b>1,598</b>	<b>(1,598)</b>	<b>(1,598)</b>
<i>Financial Liabilities</i>					
Contractual payables	(32,026)	-	-	-	-
Borrowings	(112,409)	-	-	-	-
<b>Total Financial Liabilities</b>	<b>(144,435)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total increase and decrease</b>	<b>199,468</b>	<b>1,598</b>	<b>1,598</b>	<b>(1,598)</b>	<b>(1,598)</b>

**8.2 Contingent assets and contingent liabilities**

Contingent assets and liabilities are not recognised on the balance sheet but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable.

	2019/20 \$000	2018/19 \$000
<b>Contingent assets:</b>		
Other	-	696
<b>Total Contingent Assets</b>	<b>-</b>	<b>696</b>

As part of the Milestone 9a, DELWP reduced the payment by \$696k. This was in accordance with the funding agreement between the State and GMW. During the 2019/20 financial year this amount was paid by DELWP to the Project.

Contingent liabilities generally arise through legal actions against GMW as a result of damages claims primarily relating to flooding events and channel overtopping. In many of these matters GMW has disclaimed liability and is defending the actions. Any liability that may arise from these claims will be immaterial.

	2019/20	2018/19
	\$000	\$000
Contingent liabilities:		
Potential labour disbursements (i)	-	193
Connections Project - verbal agreements with irrigators (ii)	4,262	22,799
<b>Total Contingent Liabilities</b>	<b>4,262</b>	<b>22,992</b>

(i) A potential issue was identified in relation to a small number of employees. During the 2018/19 financial year this error was rectified to the benefit of most identified employees with the remaining employees impacted being rectified during the 2019/20 financial year.

(ii) All amounts included in contingent liabilities are GST inclusive. The amount disclosed in relation to verbally agreed contracts / agreements with landholders represents the Connections Project's expected liability for incentives to be paid or delivery shares and water shares to be purchased. The extent of the economic outflow is contingent upon formal execution of the contracts. In the case of water shares, the final settlement of the transactions.

### 8.3 Fair value determination

#### *Significant judgements: Fair value measurement*

Fair value determination requires judgement and the use of assumptions. Changes to significant assumptions could have a material impact on the results and financial position of GMW.

Land held by GMW is predominately around storages with management assessing that there has been no impact on land valuations as a result of COVID.

All assets measured at fair value are categorised within the fair value hierarchy. The hierarchy has 3 levels. Starting at Level 1 the first appropriate valuation is applied.

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

GMW has determined asset classes based on the nature and characteristics of assets. The level of the fair value hierarchy is applied to asset classes. Transfers between levels are assessed at the end of each reporting period.

The Valuer-General Victoria (VGV) is GMW's independent valuation agency. GMW, in conjunction with VGV and other external valuers, monitor changes in the fair value of each asset through relevant data sources to determine whether revaluation is required.

Management considers a range of indicators to assess any changes in fair value measurements from period to period, including valuation movements in relevant indices, market factors and asset use.

#### 8.3.1 Fair value determination: financial assets and liabilities

GMW currently holds financial instruments where the carrying amounts are approximately fair value. This is generally due to their short term nature or the expectation they will be paid in full by the end of the reporting period. These financial instruments include:



<i>Financial assets</i>	<i>Financial liabilities</i>
Cash and deposits	Payables
Receivables	

	30 June 2020		30 June 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$'000	\$'000	\$'000	\$'000
<i>Financial liabilities</i>				
Borrowings	(112,171)	(140,249)	(112,409)	(141,625)
<b>Total Financial liabilities</b>	<b>(112,171)</b>	<b>(140,249)</b>	<b>(112,409)</b>	<b>(141,625)</b>

The fair value of interest bearing financial liabilities is determined by discounting the expected future cash flows against current interest rates

### 8.3.2 Fair value determination: Non-financial physical assets

#### Non-specialised land

Non-specialised land is valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value. Non-specialised land is classified as Level 3 where it contains significant, unobservable adjustments.

For non-specialised land, an independent valuation was performed as at 30 June 2016 by independent valuers Egans Valuers on behalf of the Valuer General Victoria to determine the fair value using the market approach. Since then, no material movements have been identified.

#### Specialised land and specialised buildings

The market approach is used for specialised land, although it is adjusted for the Community Service Obligation (CSO) to reflect the specialised nature of the land being valued. The current use is considered to be highest and best use.

The highest and best use takes into account all feasible and legal asset uses. As adjustments of CSO are considered as significant unobservable inputs, specialised land is classified as Level 3 fair value measurements.

For GMW's specialised buildings, the depreciated replacement cost method is used. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of GMW's specialised land and specialised buildings was performed by Egans Valuers. The effective date of the valuation was 30 June 2016. No material movements have been identified.

#### Infrastructure assets

Infrastructure assets are valued using depreciated replacement cost. This represents the replacement cost of the asset after applying depreciation rates on a useful life basis. Replacement costs relate to replacing the current service capacity of the asset. Infrastructure assets are classified as Level 3 as depreciation adjustments are considered significant unobservable inputs.

An independent valuation of GMW's infrastructure assets was performed by Jacobs Valuers on behalf of the Valuer General Victoria. The valuation was performed based on the depreciated replacement cost of the assets. The effective date of the valuation was 30 June 2016 and no material movements have been identified.

#### Plant and equipment

Plant and equipment is held at fair value. These assets are classified as level 3. When plant and equipment is specialised in use, fair value is determined using the depreciated replacement cost.

There were no changes in valuation techniques throughout the period to 30 June 2020.

**Details of GMW's land, buildings and infrastructure assets and plant & equipment fair value hierarchy as at 30 June 2020:**

There have been no transfers between levels in the current financial year.

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Carrying amount</i>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>2019/20</b>				
Land	-	3,579	50,497	54,076
Buildings	-	-	17,134	17,134
Infrastructure	-	-	4,445,263	4,445,263
Plant & equipment	-	-	9,795	9,795
<b>Total Infrastructure assets, property, plant &amp; equipment</b>	<b>-</b>	<b>3,579</b>	<b>4,522,688</b>	<b>4,526,267</b>
<b>2018/19</b>				
Land	-	3,579	50,495	54,074
Buildings	-	-	16,965	16,965
Infrastructure	-	-	4,419,222	4,419,222
Plant & equipment	-	-	13,257	13,257
<b>Total Infrastructure assets, property, plant &amp; equipment</b>	<b>-</b>	<b>3,579</b>	<b>4,499,940</b>	<b>4,503,519</b>
	<b>Land</b>	<b>Buildings</b>	<b>Infrastructure</b>	<b>Plant &amp; equipment</b>
<b>Reconciliation of Level 3 fair value</b>				
<b>2019/20</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Opening Balance	50,495	16,966	4,419,222	13,258
Purchases/(sales) and asset class transfers	2	840	124,066	621
Revaluation increment / (decrement)	-	-	-	-
<i>Gains/(losses) recognised in net result</i>				
Impairment	-	-	(3,549)	-
Depreciation	-	(672)	(94,476)	(4,083)
<b>Closing Balance</b>	<b>50,497</b>	<b>17,134</b>	<b>4,445,263</b>	<b>9,796</b>
<b>2018/19</b>				
Opening Balance	50,462	17,032	4,372,796	13,402
Purchases/(sales) and asset class transfers	33	610	140,768	4,324
Revaluation increment / (decrement)	-	-	1	-
<i>Gains/(losses) recognised in net result</i>				
Impairment	-	-	(595)	-
Depreciation	-	(676)	(93,747)	(4,469)
<b>Closing Balance</b>	<b>50,495</b>	<b>16,966</b>	<b>4,419,222</b>	<b>13,258</b>

## Description of significant unobservable inputs to Level 3 valuations

Asset Type	Valuation technique	Significant unobservable inputs
<b>Specialised land</b>		
Land	Market Evidence (Based on Egans Valuers Valuation 2016)	Community Service Obligation (CSO) \$ per hectare
<b>Specialised buildings</b>		
Buildings	Depreciated replacement cost (Based on Egans Valuers Valuation 2016)	\$ per m2 Useful life of specialised buildings
<b>Infrastructure Assets</b>		
Dams • Foundation Works • Embankments • Spillways  • Outlet Works	Depreciated replacement cost (Based on Jacobs Valuation 2016)	\$ per m3 \$ per m3 \$ per m3 \$ per tonne \$ per m3 \$ per tonne Useful life of the Infrastructure
<b>Channels (excluding banks)</b> • Earthen Channels • HDPE Lined Channels • Concrete Lined Channels	Depreciated replacement cost (Based on Jacobs Valuation 2016). Unit rate will vary based on nominal flow (ML/day)	\$ per metre \$ per metre \$ per metre Useful life of the Infrastructure
<b>Structures</b> • Bridges • Culverts	Depreciated replacement cost (Based on Jacobs Valuation 2016)	\$ per m2 \$ per metre Useful life of the Infrastructure
<b>Meters</b>	Depreciated replacement cost (Based on Jacobs Valuation 2016)	Cost per unit Useful life of the Infrastructure
<b>Pipelines</b>	Depreciated replacement cost (Based on Jacobs Valuation 2016)	Cost per unit Useful life of the Infrastructure
<b>Plant, Equipment, Furniture &amp; Fittings</b>		
Plant, Equipment, Furniture & Fittings	Depreciated replacement cost	Cost per unit Useful life of assets

## 9. Statutory obligations

### Introduction

This section includes disclosures in relation to GMW's statutory obligations.

#### Structure

- 9.1 Tax
  - 9.1.1 Income tax
  - 9.1.2 Deferred tax assets and liabilities
- 9.2 Environmental contribution
  - 9.2.1 Environmental contribution commitments

### 9.1 Tax

GMW is subject to the National Tax Equivalent Regime (NTER), which is administered by the Australian Tax Office. The income tax expense or revenue for the period is calculated based on the current period's taxable income at the corporate tax rate of 30%, adjusted by changes in deferred tax balances.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

#### 9.1.1 Income tax

The income tax expense for the financial year differs from the amount calculated on the net result.

Reconciled as follows:

	2019/20 \$000	2018/19 \$000
<b>Current tax</b>		
Current tax expense/(benefit) in respect of current year	(2,211)	(6,420)
Adjustments recognised in the current year in relation to the current tax of prior years	16	(186)
	(2,195)	(6,605)
<b>Deferred tax</b>		
Deferred tax expense recognised in the current year	(22,832)	(22,453)
<b>Total income tax expense/(benefit) recognised in the current year relating to continuing operations</b>	<b>(25,026)</b>	<b>(29,059)</b>

#### (b) Reconciliation of income tax to prima facie tax payable

The Income tax for the year can be reconciled to the accounting profit as follows:

Profit / (loss) before tax from continuing operations	(83,485)	(96,279)
Income tax calculated at 30% (2019: 30%)	(25,045)	(28,884)
Provision for impairment of receivables	30	40
Accrued expenses	2,603	(2,237)
Employee benefits	(494)	457
Depreciation - Infrastructure assets, property, plant & equipment	20,696	24,205
<b>Tax effect of current year losses</b>	<b>(2,210)</b>	<b>(6,419)</b>
Deferred income tax expense	(22,832)	(22,453)
Adjustments recognised in the current year in relation to the current tax of prior years	16	(186)
<b>Total income tax expense/(benefit)</b>	<b>(25,026)</b>	<b>(29,059)</b>

### 9.1.2 Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled. No deferred tax asset or liability is recognised in relation to temporary differences if they arose in a transaction, that at the time of the transaction did not affect either accounting profit or taxable profit or loss. Deferred tax assets are recognised for deductible temporary differences and unused tax losses on the basis of there being sufficient taxable temporary differences relating to the same taxation authority and the expectation of future taxable profits.

	2019/20 \$000	2018/19 \$000
<b>Deferred tax asset / (liability) comprising:</b>		
Infrastructure assets, property, plant and equipment	(968,167)	(989,955)
<b>Offset by deferred tax asset comprising:</b>		
Tax losses	477,746	475,556
Provision for impairment of receivables	223	192
Accrued expenses	11,337	8,761
Employee benefits	7,087	7,581
<b>Net deferred tax asset / (liability)</b>	<b>(471,773)</b>	<b>(497,865)</b>
<b>Movement in net deferred tax asset / (liability)</b>		
Opening balance	(497,865)	(527,103)
Tax effect of current year tax losses	2,212	6,420
Movement charged to operating profit / (loss)	22,832	22,453
Movement charged to equity	1,065	179
Under / (over) provision for income tax	(16)	186
<b>Closing balance</b>	<b>(471,773)</b>	<b>(497,865)</b>

### 9.2 Environmental contribution

Environmental contribution	2,793	2,793
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The *Water Industry (Environmental Contributions) Act 2004* amended the *Water Industry Act 1994* to require environmental contributions to be paid by water supply authorities. GMW is obliged to pay annual contributions into the Department of Environment, Land, Water and Planning consolidated fund.

The purpose of the environmental contribution is to fund initiatives that promote the sustainable management of water or address water-related initiatives. GMW recognises the environmental contribution as an expense during the reporting period it is incurred.

In accordance with the Ministerial Order the Environmental Contributions Tranche 5 has been set to commence on 1 July 2020 till 30 June 2024. GMW's annual commitment during the four years is \$2.6m.

#### 9.2.1 Environmental contribution commitments

Environmental contribution	10,309	2,793
Total Other expenditure commitments (inclusive of GST)	10,309	2,793
Less GST recoverable from the Australian Tax Office	-	-
Total Other expenditure commitments (exclusive of GST)	10,309	2,793

These commitments are likely to fall within:

No later than 1 year	2,577	2,793
Later than 1 year and not later than 5 years	7,732	-
Total Other expenditure commitments (inclusive of GST)	10,309	2,793

Other commitments can be found in section 3.1.4 (Revenue commitments), section 4.3 (Operating expenditure commitments) and section 5.1.4 (Capital expenditure commitments).

## 10. Other disclosures

### Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

#### Structure

- 10.1 Events happening after balance date
- 10.2 Responsible persons
- 10.3 Remuneration of executives and other personnel
- 10.4 Related Parties
- 10.5 Remuneration of auditors
- 10.6 Exgratia expenses
- 10.7 Changes in accounting policies
- 10.8 Australian Accounting Standards issued that are not yet effective

### 10.1 Events happening after balance date

#### COVID developments subsequent to balance date

While the initial state of emergency was lifted and certain restrictions eased in response to the coronavirus, in July 2020 the State Government reintroduced stricter measures as cases of coronavirus began to increase and in August 2020 declared a state of disaster with further restrictions introduced.

Regional Victoria was placed under a Stage 3 lockdown protocol, while metropolitan Melbourne was placed under more stringent Stage 4 measures.

At the time of certification of the financial report an easing of restrictions was planned, commencing on 14 September 2020.

### 10.2 Responsible persons

The names of the responsible persons at any time during the financial year were:

#### Minister:

The Hon Lisa Neville MLA, Minister for Water

#### Period of position held

1 July 2019 to 30 June 2020

#### Directors of GMW:

Diane James AM (Chair)	1 July 2019 to 30 June 2020
Charmaine Quick (Managing Director)	1 July 2019 to 30 June 2020
David McKenzie (Board Member)	1 July 2019 to 30 June 2020
Margot Henty (Board Member)	1 July 2019 to 30 June 2020
Alana Johnson AM (Board Member)	1 July 2019 to 30 June 2020
Jonathon Koop (Board Member)	1 July 2019 to 30 June 2020
Patrick McNamara (Deputy Chair)	1 July 2019 to 30 June 2020
Margaret O'Rourke (Board Member)	1 July 2019 to 30 June 2020
Dennis Quinn (Board Member)	1 July 2019 to 30 June 2020
Ari Suss (Board Member)	1 July 2019 to 30 June 2020

**Remuneration****Remuneration of responsible persons**

Remuneration paid to Minister is reported in the Annual Report of the Department of Parliamentary Services. Other relevant interests are declared in the Register of Members Interests which each member of Parliament completes.

The remuneration received or receivable from GMW by responsible persons during the reporting period was in the range:

Remuneration Band	Number of Directors (Total Remuneration)	
	2019/20	2018/19
\$0 to \$9,999	-	2
\$30,000 to \$39,999	-	1
\$40,000 to \$49,999	7	6
\$50,000 to \$59,999	1	-
\$60,000 to \$69,999	-	1
\$90,000 to \$99,999	-	1
\$110,000 to \$119,999	1	-
\$180,000 to \$189,999	-	1
\$190,000 to \$199,999	-	1
\$240,000 to \$249,999	-	1
\$410,000 to \$419,999	1	-
<b>Total amount (\$)</b>	<b>\$920,878</b>	<b>\$1,093,456</b>
<b>Total numbers</b>	<b>10</b>	<b>14</b>

**10.3 Remuneration of executives**

The table below shows the number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by or on behalf of GMW, in exchange for services rendered, and is disclosed in the following categories.

**Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits.

**Post-employment benefits** include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

**Other long-term benefits** include long service leave, other long service benefits or deferred compensation. Termination benefits include termination of employment payments, such as severance packages.

**Remuneration of executive officers**

(including Key Management Personnel disclosed in Note 10.4)

	2019/20	2018/19
	\$000	\$000
Short-term employee benefits	2,527	1,744
Post-employment benefits	252	167
Other long-term benefits	17	24
Termination benefits	431	-
<b>Total remuneration</b>	<b>3,227</b>	<b>1,935</b>
<b>Total number of executives</b>	<b>14</b>	<b>10</b>
<b>Total annualised employee equivalents</b>	<b>10</b>	<b>7</b>

#### 10.4 Related Parties

GMW is a wholly owned and controlled entity of the State of Victoria.

Related parties of GMW include:

- All key management personnel and their close family members and other personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- All cabinet members and their close family members;
- All public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

**Key management personnel** of GMW includes the Portfolio Minister and Board members noted in Note 10.2, voting members of the Project Control Group (independent to GMW) and members of the executive team, which includes:

#### Key Management Personnel of GMW:

- PCG Chair, Peter McManamon	Period of position held 1 July 2019 to 8 August 2019
- PCG Chair / PCG voting member, Pat McNamara	1 July 2019 to 30 June 2020
- PCG voting member, Campbell Fitzpatrick	1 July 2019 to 30 June 2020
- GM Business and Finance, Michael Gomez	26 August 2019 to 30 June 2020
- GM Water Delivery Services, Warren Blyth	30 September 2019 to 30 June 2020
- GM Water Delivery Services, Mark Bailey	15 July 2019 to 2 October 2019
- GM Water Storage Services, Martina Cusack	1 July 2019 to 30 June 2020
- GM Infrastructure Delivery Services, Warren Jose	12 August 2019 to 30 June 2020
- GM Strategy & Services Planning, Daniel Irwin	15 July 2019 to 30 June 2020
- GM Customer and Stakeholders, Ann Telford	1 July 2019 to 30 June 2020
- GM People Culture and Safety, Glenda Smith	15 July 2019 to 30 June 2020
- Chief Financial Officer, Tracey Hood	1 July 2019 to 19 January 2020
- GM Water Delivery, Peter Clydesdale	1 July 2019 to 14 July 2019
- GM Corporate Services, Alan Arthur	1 July 2019 to 5 July 2019
- GM Infrastructure & Assets, Marc Lon Ho Kee	1 July 2019 to 27 January 2020
- Project Director, Frank Fisseler (Connections Project)	1 July 2019 to 30 June 2020

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives, and any payments to the Project Control Group. The minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report. Remuneration of the Project Control Group is set and paid by DELWP.

	2019/20	2018/19
	\$000	\$000
<b>Compensation of KMP's</b>		
Short-term employee benefits <sup>(i)</sup>	3,195	2,602
Post-employment benefits	292	199
Other long-term benefits	11	(7)
Termination benefits	431	153
<b>Total <sup>(ii)</sup></b>	<b>3,928</b>	<b>2,947</b>

(i) Total remuneration paid to KMPs through an external service provider have been reported under short-term employee benefits.

(ii) Note that some KMPs are also reported in the disclosure of remuneration of executives (Note 10.3) and Responsible persons (Note 10.2).



**Transactions with Key Management Personnel**

GMW's related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty, and other government fees and charges. Processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission.

Outside of normal citizen type transactions with the department, there were no related party transactions that involved key management personnel and their close family members.

No doubtful debt provision or bad debt expense has been recognised for related parties.

<b>Transactions with other related parties</b>	<b>2019/20</b>	<b>2018/19</b>
<b>Department of Environment, Land, Water and Planning</b>	<b>\$000</b>	<b>\$000</b>

GMW receives contributions from DELWP and from the Commonwealth through DELWP as funding for the Connections Project. These receipts are in the form of revenue or equity contributions based on the nature of expenditure by the project.

In addition, GMW received funding from DELWP for water allocation trading and public amenities upgrades. Payments made to DELWP relate to MBDA contributions, regional water monitoring, environmental contributions, water share and bulk entitlement costs.

<b>Receipts from DELWP</b>		
Revenue Funding (Connections Project)	9,334	34,136
Revenue Funding (Other)	1,523	1,216
Capital Funding (Connections Project)	14,000	130,156
Other	425	-
<b>Receivable from DELWP</b>		
Revenue Funding (Other)	-	-
<b>Payments to DELWP</b>		
GMW Contribution to the MDBA programme	-	29,887
Environmental Contributions	2,793	2,793
Regional Water Monitoring	1,715	975
Water shares & Bulk entitlements	536	750
Native Vegetation Offsets	556	-
Other	875	100
<b>Payable to DELWP</b>		
GMW Contribution to the MDBA programme	11,348	-

**Treasury Corporation of Victoria**

GMW borrows from and invests with the Treasury Corporation of Victoria.

Aggregate amount of borrowings	112,171	112,409
Interest expense	5,729	5,758

**Department of Treasury and Finance**

GMW pays amounts to the State Government of Victoria, via the Department of Treasury and Finance.

<b>Payments to DTF</b>		
Financial Accommodation Levy	1,230	1,172

**Victorian Environmental Water Holder**

GMW invoices the Victorian Environmental Water Holder for water use charges in line with Essential Services Commission approved pricing.

**Receipts from VEWH**

Revenue from water use	5,430	3,811
------------------------	-------	-------

**Lower Murray Urban and Rural Water Corporation**

GMW invoices Lower Murray Urban and Rural Water Corporation for water use charges and regional storage fees in line with Essential Services Commission approved pricing.

**Receipts from Lower Murray Urban and Rural Water Corporation**

Revenue from water use	112	148
------------------------	-----	-----

**Coliban Region Water Corporation**

GMW invoices Coliban Region Water Corporation for water use charges and regional storage fees in line with Essential Services Commission approved pricing.

**Receipts from Coliban Region Water Corporation**

Revenue from water use	1,267	1,707
------------------------	-------	-------

**Goulburn Valley Region Water Corporation**

GMW invoices Goulburn Valley Region Water Corporation for water use charges and regional storage fees in line with Essential Services Commission approved pricing.

**Receipts from Goulburn Valley Region Water Corporation**

	2019/20 \$000	2018/19 \$000
Revenue from water use	1,017	1,053

**North East Water**

GMW invoices North East Water for water use charges and regional storage fees in line with Essential Services Commission approved pricing.

**Receipts from North East Water**

Revenue from water use	959	898
------------------------	-----	-----

**Central Highlands Water**

GMW invoices Central Highlands Water for water use charges and regional storage fees in line with Essential Services Commission approved pricing.

**Receipts from Central Highlands Water**

Revenue from water use	325	324
------------------------	-----	-----

**Goulburn Broken CMA**

GMW invoices Goulburn Broken CMA for works carried out under the Sustainable Irrigation Program agreement.

**Receipts from Goulburn Broken CMA**

Sustainable Irrigation Program	3,814	3,555
Other receipts	12	370

**10.5 Remuneration of auditors**

External Audit - Victorian Auditor General's Office	197	182
Internal Audit	233	176
<b>Total Audit fees</b>	<b>430</b>	<b>358</b>

**10.6 Exgratia expenses**

Forgiveness or waiver of debt	13	53
<b><sup>(ii)</sup> Total ex gratia expenses</b>	<b>13</b>	<b>53</b>

(ii) Ex gratia expenses for both individual items and in aggregate that are greater than or equal to \$5,000. The total for ex-gratia expenses are also reported in 'other operating expenses' in Note 4.1.1 Expenses from operating activities.

### AASB 15 Revenue from Contracts with Customers

GMW has transitioned to AASB 15 Revenue from Contracts with Customers from 1 July 2019 (date of initial application). In accordance with the transition provisions in AASB 15 and as mandated by FRD 121 *Transitional requirements on the application of AASB 15 Revenue from Contracts with Customers*, this new standard has been adopted retrospectively (under the modified retrospective method). Comparatives for the 2019 financial year have not been restated. The reclassifications and the adjustments arising from this new standard are therefore recognised in the opening balance of retained earnings on 1 July 2019 only for contracts that are not 'completed contracts' at the date of initial application.

Additionally, as mandated by the DTF, GMW applied the practical expedient described in AASB 16.C5 (c), for contracts that were modified before the date of initial application. In applying this practical expedient, GMW did not retrospectively restate the contract for those modifications in accordance with AASB 15.20-21. Instead, it reflected the aggregate effect of all of the modifications that occur before the date of initial application when:

- Identifying the satisfied and unsatisfied performance obligations
- Determining the transaction price
- Allocating the transaction price to the satisfied and unsatisfied performance obligation

GMW has applied this practical expedient consistently to all contracts within the current reporting period.

AASB 15 accounting policies are disclosed in Note 3.1. There has been no transition adjustment made directly to retained earnings as a result of adopting this change in accounting policy.

### AASB 1058 Income for not-for-profits

GMW has transitioned to AASB 1058 Income for *not-for-profits* from 1 July 2019. In accordance with the transition provisions in AASB 1058 and as mandated by FRD 122 *Transitional requirements on the application of AASB 1058 Income of Not-for-Profit Entities*, this new standard has been adopted retrospectively (under the modified retrospective method). Under this transition method, the entity has elected to apply this standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application. A completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004 *Contributions*. Comparatives for the 2019 financial year have not been restated. The reclassifications and the adjustments arising from this new standard are therefore recognised in the opening balance of retained earnings on 1 July 2019.

GMW has not applied the fair value measurement requirements for right-of-use assets arising from leases with significantly below-market terms and conditions principally to enable the entity to further its objectives as allowed under temporary option under AASB 16 and as mandated by FRD 122.

AASB 1058 accounting policies are disclosed in Note 3.3.1 and 3.4. There has been no transition adjustment made directly to retained earnings as a result of adopting this change in accounting policy.

### AASB 16 Leases

GMW has transitioned to AASB 16 Leases from 1 July 2019. In accordance with the transition provisions in AASB 16 and as mandated by FRD 123 *Transitional requirements on the application of AASB 16 Leases*, the new rules have been adopted retrospectively (under the modified retrospective method). Comparatives for the 2019 financial year have not been restated. GMW has applied this approach to transition consistently to all of its leases for which it is a lessee.

On adoption of AASB 16, GMW recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 6.1%. On transition, DTF mandates measurement of ROU assets at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

There were no leases previously classified as 'finance leases'.

AASB 16 accounting policies are disclosed in Note 6.3.

#### (i) Practical expedients applied

In applying AASB 16 for the first time, GMW has used the following practical expedients to all its contracts as permitted by the standard and as mandated by the DTF:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 July 2019
- accounting for leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases
- excluding initial direct costs from the measurement of the right-of-use asset at the date of initial application
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and
- accounting for low value leases.

GMW has also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date GMW relied on its assessment made applying AASB 117 and Interpretation 4 Determining Whether an arrangement contains a lease.

#### (ii) Reconciliation of operating lease commitment to lease liability

	<b>\$000</b>
Operating lease commitments disclosed as at 30 June 2019	3,065
Discounted using the lessee's incremental borrowing rate at date of initial application	(179)
Add: finance lease liabilities recognised at 30 June 2019	-
(Less): short-term leases not recognised as a liability	(11)
(Less): low-value leases not recognised as a liability	(1)
Add/(less): contracts reassessed as lease contracts	-
Add/(less): adjustments from a different treatment of options (extend/terminate)	857
Add/(less): adjustments from changes in the index or rate affecting variable payments	-
<b>Lease liability recognised as at 1 July 2019</b>	<b>3,731</b>
Current lease liabilities	2,371
Non-current lease liabilities	1,360

#### (iii) Low value leases

GMW is not required to make any adjustments on transition for leases for which the underlying asset is of low value. GMW shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. GMW shall apply another systematic basis if that basis is more representative of the pattern of GMW's benefit. GMW shall account for those leases applying this Standard from the date of initial application.

**(iv) Adjustments recognised in the balance sheet on 1 July 2019**

The change in accounting policy affected the following items in the balance sheet on 1 July 2019:

- right-of-use assets – increase by \$3,731,468
- lease liabilities – increase by \$3,731,468

There was no impact on retained earnings on 1 July 2019.

**(v) Lessor and Intermediate lessor**

GMW as a lessor is not required to make any adjustments on transition for leases in which it is a lessor and accounts for those leases applying this Standard from the date of initial application.

## 10.8 Australian Accounting Standards issued that are not yet effective

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on Corporation's financial report
AASB 2018-7 <i>Amendments to Australian Accounting Standards - Definition of Material</i>	<p>This Standard principally amends AASB 101 <i>Presentation of Financial Statements</i> and AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>.</p> <p>The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.</p>	1 Jan 2020	GMW is in the process of analysing the impacts on this Standard. However, it is not anticipated to have a material impact.
AASB 2020-1 <i>Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current</i>	<p>This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.</p> <p>It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted however the AASB has recently issued ED 301 <i>Classification of Liabilities as Current or Non-Current - Deferral of Effective Date</i> with the intention to defer the application by one year to periods on or after 1 January 2023.</p>	1 Jan 2022	GMW is in the process of analysing the impacts on this Standard. However, it is not anticipated to have a material impact.

## Appendix A - Disclosure Index

The Annual Report of Goulburn-Murray Water is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of Goulburn-Murray Water's compliance with statutory disclosure requirements.

Legislation	Requirements	Page Reference
<b>REPORT OF OPERATIONS</b>		
FRD 30D	Standard requirements for the design and print of annual reports	Entire report
SD 5.2.3	Declaration in the report of operations	3
<b>Section 1: Year in Review</b>		
FRD 8D	Performance against objectives (financial)	38-42
FRD 8D	Performance against objectives (non-financial)	13-37
FRD 22H	Manner of establishment and the relevant Minister	8
FRD 22H	Purpose, functions, powers and duties	9-10
FRD 22H	Nature and range of services provided	8
FRD 22H	Five year financial summary	39
FRD 22H	Current year financial review	40
FRD 22H	Significant changes in financial position	40
FRD 22H	Significant changes or factors affecting performance	40
FRD 22H	Subsequent events	42
MRO	Chairman and Managing Director's Report	6-7
MRO	Vision and values	5
MRO	Capital projects	41-42
<b>Section 2: Governance and Organisational Structure</b>		
FRD 22H	Organisational structure and corporate governance	48-54
FRD 22H	Occupational health and safety	55
SD 3.2.1.1	Audit Committee membership and roles	54
<b>Section 3: Workforce Data</b>		
FRD 21C	Executive officer disclosures	59
FRD 22H	Public Administration values and employment principles	56
FRD 29C	Comparative workforce data	56-57
FRD 22H	Workforce Inclusion Policy	57
<b>Section 4: Other Disclosures</b>		
FRD 12B	Major contracts	60
FRD 22H	Consultancy expenditure	60
FRD 22H	Government advertising expenditure	60
FRD 22H	ICT expenditure	61
FRD 22H	<i>Freedom of Information Act 1982</i>	62-63
FRD 22H	<i>Building Act 1993</i>	64-65
FRD 22H	<i>Public Interest Disclosures Act 2012</i>	65
FRD 22H	Competitive Neutrality Policy Victoria	65
FRD 22H	Statement of availability of other information	71
FRD 22H	Summary of environmental performance	45, 67-68
FRD 24D	Office-based environmental impacts	66
FRD 25D	Local Jobs First - Victorian Industry Participation Policy	60
MRO	Compliance with DataVic Access Policy	71
SD 3.7.1	Attestation for compliance with Ministerial Standing Direction	74



<b>FINANCIAL REPORT</b>		
Audit Act 1994	Auditor-General's Report	46-47, 72-73
SD 5.2.1	Comprehensive operating statement	75
SD 5.2.1	Balance sheet	76
SD 5.2.1	Cash flow statement	77
SD 5.2.1	Statement of changes in equity	78
SD 5.2.1	Notes to the Financial Statements	79-127
SD 5.2.2	Declaration in the financial statements	74
<b>Other requirements under Standing Directions 5.2</b>		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	74
SD 5.2.1(a)	Compliance with Standing Directions	74
SD 5.2.1(b)	Compliance with Model Financial Report	74-127
<b>Other disclosures are required by FRDs in noted to the financial statements</b>		
<b>Ministerial Reporting Directions</b>		
MRD 01	Performance reporting	13-37
MRD 02	Water consumption	68
MRD 03	Environmental and social sustainability reporting	37, 69-71
MRD 04	Disclosure of information on bulk entitlements	130-144
MRD 06	Greenhouse gas and energy reporting	45, 67-68
MRD 07	Disclosure of information on the Letter of Expectations	13-21
<b>Legislation</b>		
	<i>Building Act 1993</i>	64-65
	<i>Building Regulations 2006</i>	64-65
	<i>Disability Act 2006</i>	66
	<i>Equal Employment Opportunity Act 2010</i>	56
	<i>Financial Management Act 1994</i>	3, 43, 74, 79
	<i>Freedom of Information Act 1982</i>	62-63
	<i>Murray-Darling Basin Act 1993</i>	10
	<i>Planning and Environment Act 1987</i>	9
	<i>Public Interest Disclosures Act 2012</i>	65
	<i>Public Administration Act 2004</i>	56, 121
	<i>Safe Drinking Water Act 2003</i>	37
	<i>Victorian Industry Participation Policy Act 2003</i>	60
	<i>Water Act 1989</i>	66
<b>Appendices</b>		
FRD 10A	Appendix A: Disclosure Index	128-129
MRD 04	Appendix B: Bulk Entitlements	130-144
MRD 07	Appendix C: Minister's Letter of Expectations	145-146
	Appendix D: Schedule of Consultancies	147
	Appendix E: Abbreviations	148

## Appendix B - Bulk Entitlements

<b>Appendix B1 Bulk Entitlement (Eildon - Goulburn Weir) Reporting</b>			
<p>This appendix is included in the Goulburn-Murray Water 2019/20 Annual Report in compliance with the requirements of clause 17.3 of the Bulk Entitlement (Eildon - Goulburn Weir) Conversion Order 1995 ("BE"), 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 2019 to 30 June 2020. Hydrographic data has been used where available, operational data has been used where hydrographic data was not available.</p>			
<b>BE Clause</b>	<b>Item</b>	<b>Report</b>	<b>Notes</b>
17.1(d)	<b>Annual amount taken from waterway at Goulburn Weir offtake channels:</b>		
	Cattanach Canal	171,626 ML	
	Stuart Murray Canal	446,831 ML	
	East Goulburn Main Channel	149,699 ML	
	<b>Total Goulburn Weir offtake diversion:</b>	<b>768,156 ML</b>	
17.1(da)	<b>Annual amount of distribution loss in Goulburn Irrigation Districts:</b>		
	Shepparton	21,256 ML	
	Central Goulburn	39,337 ML	
	Rochester/ Pyramid Hill- Boort	48,226 ML	
	<b>Total distribution loss:</b>	<b>108,819 ML</b>	
17.1(e)(i)	<b>Diversion by primary entitlement holders taken directly from waterway:</b>		
	Private river diverters water shares	13,268 ML	
17.1(e)(ii)	<b>Diversion by other authorities with Bulk Entitlements taken directly from waterway:</b>		See Note 1
	Urban Bulk entitlements	18,109 ML	
	Victorian Environmental Water Holder	621 ML	
17.1(g)	<b>Amount of water held in storage:</b>		Volume at 30 June 2020
	Lake Eildon	1,623,395 ML	
	Goulburn Weir	20,370 ML	
	Waranga Basin	370,301 ML	
17.1(h)	Additional releases from Lake Eildon as per Schedule 5	0 ML	See Note 2
17.1(i)	Credits granted as per Clause 14	No	
17.1(j)	Temporary or permanent transfers of this BE	None	
17.1(k)	Transfer of entitlement or allocation under the Act	None	
17.1(l)	Regulated releases for Inter Valley Trade, Murray Supplement or the Water Quality Reserve	198,643 ML	See Note 3
17.1(n)	Details of transfers of primary entitlements	See Victorian Water Register Entitlements, Allocation and Use Annual Report.	
17.1(o)	<b>Supply to primary entitlements:</b>		

	Water Shares in Irrigation Areas	335,623 ML	
	Water Shares of Private River Diverters	As for 17.1(e)(i)	
	Urban Bulk entitlements	See Appendix B2	
	Melbourne Water Authorities	See Appendix B2	
	Victorian Environmental Water Holder	See Appendix B2 plus 396,187 ML	See Note 4
	Water allowances in Water Works Districts	1,462 ML	
	<b>Total supply to primary entitlements:</b>	<b>795,968 ML</b>	
17.1(p)	Amendments to this BE	No	
17.1(q)	New BE granted for supply of primary entitlements in this BE	No	
17.1(r)	Environmental Management and Metering programs	Programs implemented	See Note 5
17.1(s)	BE compliance failures	Minor	
17.1(t)	BE compliance difficulties and responses	Yes	See Note 6
<b>Notes</b>			
<ol style="list-style-type: none"> <li>1. This is the usage against Bulk Entitlements held by other Authorities which is taken directly from waterways, excluding supplies from channel systems and in-stream environmental deliveries.</li> <li>2. There were no releases from Lake Eildon under target filling arrangements or spills from storage in 2019/20.</li> <li>3. This is the delivery of the Goulburn Inter-Valley Trade Account from the Goulburn system. This excludes the volume delivered to the Murray from the Campaspe Inter-Valley Trade Account. There were no releases made for the Water Quality Reserve or for Murray supplement in season 2019/20.</li> <li>4. The volume supplied to the Victorian Environmental Water Holder includes carryover and water traded from other entitlements.</li> <li>5. Environmental Management: Programs are coordinated with Goulburn-Murray Water's Environmental Management System (ISO 14001 certified). The Minister for Water approved the Metering Program for all Bulk Entitlements held by GMW in 2011.</li> <li>6. The Normanville Water Works District (WWD) was 7.5 ML over its annual loss allowance of 109.1 ML. East Loddon South WWD was 57 ML over its annual allowed loss volume, due to a delay in filling the pipeline storage due to Blue Green algae in 2018/19. East Loddon North WWD exceeded the allowed maximum diversion volume allowed in 2019/20 of 430 ML, by 175 ML partially due to high losses on delivery spurs.</li> </ol>			

<b>Appendix B2 Bulk Entitlement (Eildon - Goulburn Weir) Reporting</b>			
<b>Supply to primary entitlements of Other Authorities Bulk Entitlements</b>			
This is the supply to other authorities prescribed in Schedule 2 of the Bulk Entitlement			
<b>Authority</b>		<b>Diversion (ML)</b>	<b>Notes</b>
Goulburn Valley Water	Channel System Zone 1A	5,425	
	River Supply Zone 1A	3,921	
	River Supply Zone 3	14,175	
	<b>Total diversion:</b>	<b>23,521</b>	
Coliban Water	Channel system Zone 1A	728	
	Channel system Zone 1B	231	
	<b>Total diversion:</b>	<b>959</b>	
Grampians Wimmera Mallee Water	Quambatook	51	
	<b>Total diversion:</b>	<b>51</b>	
Melbourne Bulk Entitlements	City West Water, South East Water and Yarra Valley Water	12	
	<b>Total diversion:</b>	<b>12</b>	
Victorian Environmental Water Holder	Snowy Environmental Reserve	0	See Note 1
	The Living Murray Entitlements	24,885	
	Goulburn River Environmental Entitlement	0	
	Environmental Entitlement NVIRP savings	0	
	<b>Total diversion:</b>	<b>24,885</b>	
<b>Total Authorities (ML):</b>		<b>49,429</b>	
<b>Notes</b>			
1.	These figures only include deliveries against Bulk Entitlements, deliveries against other entitlements are shown in Appendix B1 17.1(o).		

<b>Appendix B3 Bulk Entitlement (River Murray - Goulburn Murray Water) Reporting</b>				
<p>This appendix is included in the Goulburn-Murray Water 2019/20 Annual Report in compliance with the requirements of clause 22.3 of the Bulk Entitlement (River Murray - Goulburn Murray Water) Conversion Order 1999 ("BE"), 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 2019 to 30 June 2020. Hydrographic data has been used where available, operational data has been used where hydrographic data was not available.</p>				
<b>BE Clause</b>	<b>Item</b>	<b>Report</b>	<b>Notes</b>	
22.1(b)	<b>Annual amount taken at the following off-take points as specified in clause 16.1:</b>		See Note 1	
	Cobram pump station	3,134 ML		
	Yarrawonga Main Channel	133,054 ML		
	National Channel	456,850 ML		
	Ashwin's pump	0 ML		
	Pental Island pumps	0 ML		
	Swan Hill No 9 channel off-take from Little Murray	3,280 ML		
	Swan Hill pumps	5,790 ML		
	Nyah pumps	5,188 ML		
	Woorinen pumps	11,838 ML		
	<b>Private Diversion Points along the River Murray to Nyah Pumps:</b>			See Note 1
	Environmental diversion	5,538 ML		
	Urban River diversion	19,925 ML		
	Private River diversions; Dartmouth to Nyah	17,514 ML		
<b>Total diversions at off-take points:</b>		<b>662,110 ML</b>		
22.1(c)	Any new agreed upon off-take points?	No		
22.1(d)	<b>Annual amount returned at the following points as specified in clause 16.2:</b>		See Note 1	
	Broken Creek bypass and tributary flow	20,684 ML		
	Yarrawonga Main Channel outfall	9,307 ML		
	Koondrook spillway	132,986 ML		
	Loddon River at Kerang Weir	108,328 ML		
	Sheepwash Creek Weir	0 ML		
	6/7 channel outfall	2,130 ML		
	Lake Boga outfall channel	263 ML		
	Barr Creek at Capel's Crossing	364 ML		
	Lake Charm outfall channel	0 ML		
	Chainman's Bend	0 ML		
<b>Total returns:</b>		<b>274,062 ML</b>		
22.1(e)	<b>GMW supplies to bulk entitlements held by other authorities:</b>		See Note 3	
	Coliban Water	3,820 ML		
	Lower Murray Water	5,152 ML		
	North East Water	10,015 ML		
	Grampians Wimmera Mallee Water	3,921 ML		

	Goulburn Valley Water	4,448 ML	
	Victorian Environmental Water Holder	257,721 ML	
	Flora and Fauna	31,618 ML	
	The Living Murray	7,860 ML	
	Snowy Environmental Reserve	0 ML	
	<b>Total supplies to Bulk Entitlements:</b>	<b>324,554 ML</b>	
22.1(f)	<b>GMW supplies to primary entitlement holders excluding bulk entitlements in (e):</b>		
	Murray Valley Irrigation Area	67,915 ML	
	Torrumbarry Irrigation Area (including Tresco and Woorinen)	116,575 ML	
	Nyah Irrigation District	4,758 ML	
	Private River Diverters	As for 22.1(b)	
	Lower Broken Creek	5,808 ML	
	Environmental Water Holders (non BE water)	1 ML	
	<b>Total supplies to primary entitlement holders excluding bulk entitlements:</b>	<b>206,763 ML</b>	
22.1(g)	Metering program	Program implemented	See Note 4
22.1(h)	Temporary or permanent transfers of this BE or primary entitlements	See Victorian Water Register Entitlements, Allocation and Use Annual Report.	See Note 5
22.1(i)	Transfer of entitlement or allocation under the Act to GMW or primary entitlement holders	As for 22.1(h)	
22.1(j)	Amendment to this BE	No	
22.1(k)	New BE granted to GMW for River Murray	No	
22.1(l)	BE compliance failures	No	See Note 6
22.1(m)	BE compliance difficulties and actions	Minor	See Note 6
22.1(n)	Murray Valley Losses	19,141 ML	
	Torrumbarry Losses (as per BE including Woorinen and Tresco)	63,789 ML	
	Victoria Mid Murray Storage losses	48,161 ML	
22.1(o)	Victoria Mid Murray Storage annual operating plan	Implemented	See Note 7
<b>Notes</b>			
1.	Cobram and Woorinen pump station have not yet been recognised as an off-take points in the BE. Chainman's Bend is a recognised return point in the MDBA diversion formula. These sites will be added to Schedule 4 of the BE.		
2.	Volume includes water supplied through GMW's channel distribution system, rivers and wetlands. Includes the Environmental and Urban diversion volumes reported in 22.1(b) and environmental water diverted from unregulated entitlements. It only includes supplies from the River Murray to sites upstream of Nyah. Volumes may be higher than entitlement volumes due to delivery of carryover, trade or water recredited from other systems.		

3. This volume includes water credited into the Murray from other systems and the delivery of traded volumes such as the water shares held by Victorian Environmental Water Holder and Commonwealth Environmental Water Office which were traded into ABAs linked to Environmental Bulk Entitlements. The majority of the environmental water delivered, was credited as return flows from Victorian tributaries for further use downstream. Only supplies deemed upstream of Nyah are included.
4. The Minister for Water approved the Metering Program for all Bulk Entitlements held by GMW in 2011.
5. There was no temporary or permanent transfer of this BE, only the trade of primary entitlements.
6. The losses attributed to the operation of the VMMS are based on the fixed distribution loss and the net evaporation from Kow Swamp, Kangaroo Lake, Lake Charm and Lake Boga. The losses for the Murray Valley and Torrumbarry Irrigation Areas are based on water balance calculations of the irrigation areas, using diversions, deliveries and returns. The loss incurred by Torrumbarry was 37.3 GL above the annually allowed loss volume, but was within the permitted annual tolerances once the dry season loss volume and additional annual loss allowances are included.
7. The 2019/20 Victorian Mid-Murray Storages Annual Operating Plan was endorsed in July 2019.

<b>Appendix B4 Bulk Entitlement (Campaspe System - Goulburn-Murray Water) Reporting</b>			
<p>This appendix is included in the Goulburn-Murray Water 2019/20 Annual Report in compliance with the requirements of clause 18.3 of the Bulk Entitlement (Campaspe System - Goulburn-Murray Water) Conversion Order 2000 ("BE"), 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 2019 to 30 June 2020. Hydrographic data has been used where available, operational data has been used where hydrographic data was not available.</p>			
<b>BE Clause</b>	<b>Item</b>	<b>Report</b>	<b>Notes</b>
18.1(e)	GMW share of Lake Eppalock annual inflow	51,668 ML	
18.1(f)	<b>Annual amounts taken from the system waterway for primary entitlements listed in Schedules 1 and 2:</b>		See Note 1
	Water shares (excluding water shares held by other authorities)	4,019 ML	
	Supplement to Goulburn system	0 ML	
	Victorian Environmental Water Holder	0 ML	
	Coliban Water	3,391 ML	
	Central Highlands Water	0 ML	
	<b>Total diversion:</b>	<b>7,410 ML</b>	
	Campaspe Inter Valley Trade Account delivery	7,073 ML	
18.1(g)	Annual evaporation losses to GMW share of Lake Eppalock	12,893 ML	See Note 2
18.1(h)	Internal spills to or from GMW's share of Lake Eppalock	0 ML	
18.1(i)	Minimum passing flows	Minimum passing flows were calculated as required by Clause 11	
18.1(j)	Credits granted as per Clause 14	No	
18.1(k)	Temporary or permanent transfers of this BE	None	
18.1(l)	Transfer of entitlement or allocation under the Act	None	
18.1(m)	Seasonal determination	1 Apr 2019 - 80% HRWS & 0% LRWS	
18.1(n)	Alterations to Schedule 1 and 2 entitlements as per Clause 8:	See Victorian Water Register Entitlements, Allocation and Use Annual Report. See 18.1(q)	
18.1(o)	Details of transfers of primary entitlements	See Victorian Water Register Entitlements, Allocation and Use Annual Report.	
18.1(p)	<b>Annual volume supplied to primary entitlements:</b>	As for 18.1 (f) excluding the Goulburn	See Note 3



		supplement diversion plus	
	Victorian Environmental Water Holder	20,438 ML	
	Living Murray	0 ML	
	<b>Total supply to primary entitlements:</b>	<b>27,848 ML</b>	
18.1(q)	Amendments to this BE	No	
18.1(r)	New BE granted for supply of primary entitlements in this BE	No	
18.1(s)	Environmental Management and Metering programs	Programs implemented	See Note 4
18.1(t)	BE compliance failures	No	See Note 5
18.1(u)	BE compliance difficulties and response	No	
18.1(v)	Details of interruptions to minimum passing flows	Yes	See Note 6
<p><b>Notes</b></p> <ol style="list-style-type: none"> <li>1. This figure only includes diversions from the waterway, instream deliveries are included in 18.1(p). Water from the Campaspe Inter Valley Trade account was delivered to the Murray system and incorporated as a delivery from the Goulburn Inter-Valley Trade account.</li> <li>2. Gross evaporation based on measured evaporation at Lake Eppalock.</li> <li>3. As there are no irrigation areas or districts in the Campaspe system the volume of diversion and delivery are the same, with the exception of environmental water delivered instream and the supplement provided to the Goulburn System.</li> <li>4. Environmental Management: Programs are coordinated with Goulburn-Murray Water's Environmental Management System (ISO 14001 certified)</li> <li>5. The Minister for Water approved the Metering Program for all Bulk Entitlements held by GMW in 2011.</li> <li>6. There were three days when the minimum flow was not provided in July due to an outage for maintenance works at Lake Eppalock. The minimum passing flows not provided were credited to the passing flow account and delivered at a later date as advised by the North Central Catchment Management Authority.</li> </ol>			

<b>Appendix B5 Bulk Entitlement (Broken System - Goulburn-Murray Water) Reporting</b>			
<p>This appendix is included in the Goulburn-Murray Water 2019/20 Annual Report in compliance with the requirements of clause 20.3 of the Bulk Entitlement (Broken System - Goulburn-Murray Water) Conversion Order 2004 ("BE"), which obliges the Authority to report on certain matters as specified in clause 20.1 of the same Order. The period of reporting is 1 July 2019 to 30 June 2020. Hydrographic data has been used where available, operational data has been used where hydrographic data was not available.</p>			
<b>BE Clause</b>	<b>Item</b>	<b>Report</b>	<b>Notes</b>
20.1(e)	Annual amounts taken from the system waterway as listed in Schedules 1 and 2:		
	Water shares (excluding Broken Creek and water shares held by other authorities)	1,345 ML	
	North East Water	85 ML	
	Supplement to Goulburn or Murray systems	0 ML	
	Total flow to Broken Creek	3,246 ML	
	<b>Total diversions:</b>	<b>4,676 ML</b>	
	Broken Inter Valley Trade Account delivery	0 ML	
20.1(f)	Annual evaporation losses from Lake Nillahcootie	2,352 ML	See Note 1
20.1(g)	Environmental minimum and maximum flows	Environmental flows were provided as specified in clause 12	
20.1(h)	Credits granted as per Clause 15	No	
20.1(i)	Temporary or permanent transfers of this BE	None	
20.1(j)	Transfer of entitlement or allocation under the Act	None	
20.1(k)	Alterations to Schedule 1 and 2 entitlements as per Clause 9:	See Victorian Water Register Entitlements, Allocation and Use Annual Report. See 20.1 (n)	
20.1(l)	Details of transfers of primary entitlements	See Victorian Water Register Entitlements, Allocation and Use Annual Report.	
20.1(m)	<b>Annual volume supplied to primary entitlements:</b>	As for water shares and North East Water diversions in 20.1 (e) plus	See Note 2
	Broken Creek water shares	96 ML	
	Broken Creek environmental delivery	597 ML	
	Broken Creek losses	1,997 ML	
	Broken River environmental delivery	0 ML	See Note 3

	<b>Total supply to primary entitlements:</b>	<b>4,120 ML</b>	
20.1(n)	Amendments to this BE	No	
20.1(o)	New BE granted for supply of primary entitlements in this BE	No	
20.1(p)	Environmental Management and Metering programs	Programs implemented	See Note 4
20.1(q)	BE compliance failures	Yes	
20.1(r)	BE compliance difficulties and response	Minor	See Note 5 and Note 6
20.1(s)	Details of interruptions to environmental minimum and maximum flow limits	Minor	See Note 6
<p><b>Notes</b></p> <ol style="list-style-type: none"> <li>Gross evaporation based on measured evaporation at Lake Nillahcootie.</li> <li>The volume of diversion and delivery are the same, with the exception of diversions to Broken Creek from the Broken system.</li> <li>This was an in-stream delivery of water that was traded into the Broken system to meet environmental objectives.</li> <li>The Minister for Water approved the Metering Program for all Bulk Entitlements held by GMW in 2011. Environmental Management: Programs are coordinated with Goulburn-Murray Water's Environmental Management System (ISO 14001 certified).</li> <li>During regulated conditions, the losses in Broken Creek were 147 ML above the annual allowance of 1,850 ML specified in schedule 2, clause 3 in the Broken BE. GMW are working with DELWP and have identified actions to attempt to rectify the ongoing issues with the Broken Creek loss allowance. The accuracy of the offtake measurement is an issue and improvement works are planned.</li> <li>Environmental minimum flows were reduced in winter and spring in agreement with the Goulburn Broken Catchment Management Authority. The flows not provided were banked and were available to the Goulburn Broken Catchment Management Authority for release.</li> </ol>			

<b>Appendix B6 Bulk Entitlement (Ovens System - Goulburn-Murray Water) Reporting</b>			
<p>This appendix is included in the Goulburn-Murray Water 2019/20 Annual Report in compliance with the requirements of clause 19.3 of the Bulk Entitlement (Ovens System - Goulburn-Murray Water) Conversion Order 2004 ("BE"), which obliges the Authority to report on certain matters as specified in clause 19.1 of the same Order. The period of reporting is 1 July 2019 to 30 June 2020. Hydrographic data has been used where available, operational data has been used where hydrographic data was not available.</p>			
<b>BE Clause</b>	<b>Item</b>	<b>Report</b>	<b>Notes</b>
19.1(e)	<b>Annual amounts taken from system waterway as listed Schedule 1 and 2:</b>		
	Water shares (excluding water shares held by other authorities)	10,454 ML	
	North East Water	3,245 ML	
	Environmental water holders	20 ML	See Note 1
19.1(f)	<b>Annual storage evaporation losses:</b>		See Note 2
	Lake Buffalo	3,170 ML	
	Lake William Hovell	781 ML	
19.1(g)	Environmental minimum flows	Environmental minimum flows were calculated and provided in accordance with clause 12 and Schedule 5	
19.1(h)	Credits granted as per Clause 15	No	
19.1(i)	Temporary or permanent transfers of this BE	None	
19.1(j)	Transfer of entitlement or allocation under the Act	None	
19.1(k)	Alterations to Schedule 1 and 2 entitlements as per Clause 9:	See Victorian Water Register Entitlements, Allocation and Use Annual Report. See 19.1 (n)	
19.1(l)	Details of transfers of primary entitlements	See Victorian Water Register Entitlements, Allocation and Use Annual Report.	
19.1(m)	<b>Annual volume supplied to primary entitlements:</b>	As for 19.1 (e) plus	See Note 3
	Environmental water holders delivery	142 ML	
	<b>Total supply to primary entitlements:</b>	<b>13,861 ML</b>	
19.1(n)	Amendments to this BE	No	
19.1(o)	New BE granted for supply of primary entitlements in this BE	No	
19.1(p)	Environmental Management and Metering programs	Programs implemented	See Note 4
19.1(q)	BE compliance failures	No	

19.1(r)	BE compliance difficulties and response	No	
19.1(s)	Details of interruptions to minimum passing flows	No	
<p><b>Notes</b></p> <ol style="list-style-type: none"> <li>1. 20 ML was delivered to Mullinmur wetland.</li> <li>2. Gross evaporation based on measured evaporation at each storage.</li> <li>3. As there are no irrigation areas or districts in the Ovens system the volume taken and supplied are the same, with the exception of the environmental water which was delivered in stream to the Buffalo and King Rivers. Environmental Management: Programs are coordinated with Goulburn-Murray Water's Environmental Management System (ISO 14001 certified).</li> <li>4. The Minister for Water approved the Metering Program for all Bulk Entitlements held by GMW in 2011.</li> </ol>			

<b>Appendix B7 Bulk Entitlement (Loddon System - Goulburn-Murray Water) Reporting</b>			
<p>This appendix is included in the Goulburn-Murray Water 2019/20 Annual Report in compliance with the requirements of clause 21.3 of the Bulk Entitlement (Loddon System - Goulburn-Murray Water) Conversion Order 2005 ("BE"), which obliges the Authority to report on certain matters as specified in clause 21.1 of the same Order. The period of reporting is 1 July 2019 to 30 June 2020. Hydrographic data has been used where available, operational data has been used where hydrographic data was not available.</p>			
<b>BE Clause</b>	<b>Item</b>	<b>Report</b>	<b>Notes</b>
21.1(f)	<b>Annual amounts taken from the system waterway for primary entitlements and additional supplies in Schedules 1 and 2:</b>		See Note 1
	Water shares (excluding Serpentine Creek, and water shares held by other authorities)	4,210 ML	
	Total flow to Serpentine Creek	5,307 ML	
	Coliban Water	241 ML	
	Central Highlands Water	465 ML	
	Victorian Environmental Water Holder (for delivery to Boort district wetlands)	1,612 ML	
	<b>Total diversions:</b>	<b>11,834 ML</b>	
	Supplement to Goulburn system	0 ML	
	Loddon Inter Valley Trade Account delivery	6,234 ML	
21.1(g)	<b>Annual storage evaporation losses:</b>		See Note 2
	Cairn Curran Reservoir	11,808 ML	
	Tullaroop Reservoir	6,822 ML	
21.1(h)	Credits granted as per Clause 15	No	
21.1(i)	Temporary or permanent transfers of this BE	None	
21.1(j)	Transfer of entitlement or allocation to GMW	None	
21.1(l)	Details of transfers of primary entitlements	See Victorian Water Register Entitlements, Allocation and Use Annual Report.	
21.1(m)	<b>Annual volume supplied to primary entitlements:</b>	As for 21.1 (f) excluding the Serpentine Creek diversion plus	See Note 3
	Serpentine Creek (excludes environmental supply)	457 ML	
	Victorian Environmental Water Holder	3,259 ML	
	<b>Total supply to primary entitlements:</b>	<b>10,243 ML</b>	
21.1(n)	Amendments to this BE	No	
21.1(o)	New BE granted for this system	No	
21.1(p)	Environmental Management and Metering programs	Programs implemented	See Note 4
21.1(q)	BE compliance failures	No	

21.1(r)	BE compliance difficulties and response	No
<p><b>Notes</b></p> <ol style="list-style-type: none"> <li data-bbox="336 622 1219 680">1. Environmental water delivered to wetlands in Loddon Valley irrigation area is included, while instream deliveries are excluded (see 21.1(m)).</li> <li data-bbox="336 689 1118 719">2. Gross evaporation based on measured evaporation at Cairn Curran.</li> <li data-bbox="336 728 1289 869">3. There are no irrigation areas or districts in the Loddon system. The volumes taken and supplied are the same, with the exception of diversions to Serpentine Creek and environmental water delivered in stream (Loddon River and Serpentine Creek). The volume supplied to the VEWH includes carryover and water traded from other entitlements.</li> <li data-bbox="336 878 1305 1014">4. Environmental Management: Programs are coordinated with Goulburn-Murray Water's Environmental Management System (ISO 14001 certified) and the Regional Water Monitoring Partnership. The Minister for Water approved the Metering Program for all Bulk Entitlements held by GMW in 2011.</li> </ol>		

<b>Appendix B8 Bulk Entitlement (Bullarook System - Goulburn-Murray Water) Reporting</b>			
<p>This appendix is included in the Goulburn-Murray Water 2019/20 Annual Report in compliance with the requirements of clause 17.2 of the Bulk Entitlement (Bullarook System - Goulburn-Murray Water) Conversion Order 2009 ("BE"), 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 2019 to 30 June 2020. Hydrographic data has been used where available, operational data has been used where hydrographic data was not available.</p>			
<b>BE Clause</b>	<b>Item</b>	<b>Report</b>	<b>Notes</b>
17.1 (d)	<b>Annual amounts of water taken from the system by primary entitlement holders:</b>		
	Water shares	690 ML	
	Central Highlands Water	222 ML	
	Victorian Environmental Water Holder	0 ML	
17.1(e)	Temporary or permanent transfers of this BE	None	
17.1(f)	BE temporarily or permanently transferred to GMW	None	
17.1 (g)	Details of transfers of primary entitlements	See Victorian Water Register Entitlements, Allocation and Use Annual Report.	
17.1 (h)	<b>Annual supply to primary entitlements:</b>	As for 17.1 (d) plus	See Note 1
	Victorian Environmental Water Holder	0 ML	
17.1 (i)	Amendments to this BE	No	
17.1 (j)	New BE granted for this system	No	
17.1 (k)	Environmental Management and Metering programs	Programs implemented	See Note 2
17.1 (l)	BE compliance failures	No	
17.1 (m)	BE compliance difficulties and responses	No	
<p><b>Notes</b></p> <ol style="list-style-type: none"> <li>As there are no irrigation areas or districts in the Bullarook system the volumes taken and supplied are the same, with the exception of environmental water which is delivered in stream.</li> <li>Environmental Management: Programs are coordinated with Goulburn-Murray Water's Environmental Management System (ISO 14001 certified) The Minister for Water approved the Metering Program for all Bulk Entitlements held by GMW in 2011.</li> </ol>			



## Appendix C - Minister's Letter of Expectations

Priority Area	Key Performance Indicator	Page Reference
<b>Climate Change</b> Provide services that minimise environmental impacts, mitigate climate change and put in place adaptation strategies and actions	<b>E2 Emissions reductions</b> Demonstrate reasonable progress toward achievement of the entity's emission reduction target specified in the Statement of Obligations (Emissions Reduction).	14, 45
	<b>E3 Climate adaptation</b> a) Apply the Guidelines for Assessing the Impact of Climate Change on Water Suppliers in Victoria and demonstrate adaptation by: <ul style="list-style-type: none"> <li>• developing low flow contingency plans that include an appropriate range of climate scenarios.</li> </ul> b) Integrate climate change adaptation into decision-making across the business (all sources of water, wastewater, and where relevant drainage and flood management) including: <ul style="list-style-type: none"> <li>• source waters and demand</li> <li>• built assets</li> <li>• natural environment</li> <li>• people and workplace</li> <li>• interdependencies</li> <li>• customer and product delivery.</li> </ul> c) Contribute to development of the DELWP Water Sector Climate Change Adaptation Action Plan, which will commence preparation in July 2019. Optional participation in delivery of the Pilot Water Sector Climate Change Adaptation Action Plan (published October 2018).	14
<b>Customer and Community Outcomes</b> All aspects of service delivery will be customer and community centred	<b>C1 Customer satisfaction</b> Overall, reporting on measures identified for this indicator should demonstrate high or improving levels of customer satisfaction over time.	14-15
	<b>C2 Customer and community engagement</b> Stakeholder engagement based on best practice that demonstrates approaches to engagement that are open, honest and occur frequently. The DELWP Community Charter or IAP2 framework could be considered as a guide.	15
<b>Water for Aboriginal cultural, spiritual and economic values</b> Recognise and support Aboriginal cultural values and economic inclusion in the water sector.	<b>AC1 Engagement of Aboriginal communities</b> Effective and genuine engagement of Aboriginal communities for involvement in business opportunities and access to water for economic development. Measures related to this indicator will not be considered in isolation. Rather, reported information will be used to help build a broad picture of engagement, taking into account the relevant local context.	15-16
	<b>AC2 Engagement of Traditional Owners</b> Effective and genuine engagement of Traditional Owners for inclusion of Aboriginal values in water planning. Measures related to this indicator will not be considered in isolation. Rather, reported information will be used to help build a broad picture of engagement, taking into account the relevant local context.	16
	<b>AC3 Aboriginal Inclusion Plan/ Reconciliation Action Plan</b> To be considered in conjunction with AC1 and AC2, taking into account the relevant local context.	16

<p><b>Resilient and liveable cities and towns</b> Contribute to healthy communities by supporting safe, affordable, high quality services and resilient environments.</p>	<p><b>L4 Payment management and hardship</b> Overall improved access to instalment plans for management of payments. Understand year on year trends in hardship grants.</p>	18
<p><b>Recognising recreational values</b> Support the wellbeing of rural and regional communities by considering recreational values in water management.</p>	<p><b>Rec1 Recreational values</b> Consideration of recreational values in carrying out functions and providing services</p>	16-17
<p><b>Leadership and Culture</b> Water corporations reflect the needs of our diverse communities.</p>	<p><b>G1 Diversity and inclusion</b> Improve gender and cultural diversity in workforce including gender equity in executive leadership. Diversity Inclusion plans to be based on best practice. The approach of the DELWP Diversity and Inclusion Strategy 2016-2020 could be considered as a guide.</p>	18
	<p><b>G2 Board performance review</b> Annual Board performance review to help monitor and improve the Board's effectiveness in leading the organisation.</p>	18-19
	<p><b>G3 Health and Safety</b> Sustained annual improvement against H&amp;S performance benchmarks (AS/NZS standard 4801).</p>	19
<p><b>Financial Sustainability</b> Delivering safe and cost-effective water and wastewater services in a financially sustainable way.</p>	<p><b>F1-F7 Financial Indicators</b> Overall reporting on these measures should demonstrate financial sustainability and provide a positive picture of a corporations' financial sustainability over time.</p>	19, 44

## Appendix D - Schedule of Consultancies

### GMW Consultancies for Water Storage and Delivery above \$10,000

Supplier	Approved	Received	Outstanding
Marsden Jacob Associates Pty Ltd	\$39,950	\$26,840	\$13,110
Deloitte Consulting Pty Ltd	\$129,100	\$0	\$129,100
Ernst & Young	\$249,022	\$233,250	\$15,772
Feehan Consulting Pty Ltd	\$142,500	\$39,750	\$102,750
Jacobs Group Australia Pty Ltd	\$274,413	\$189,101	\$85,311

### Connections Consultancies above \$10,000

Supplier	Approved	Received	Outstanding
O'Connor Marsden & Associates	\$35,000	\$19,247	\$15,753
Corporate Scorecard	\$30,000	\$5,402	\$17,515
Jacobs Group (Australia) Pty Ltd T/A Sinclair Knight Merz	\$69,070	\$17,072	\$0
Clayton Utz	\$11,818	\$9,488	\$0
Jacobs Group (Australia) Pty Ltd T/A Sinclair Knight Merz	\$23,480	\$23,480	\$0
Jacobs Group (Australia) Pty Ltd T/A Sinclair Knight Merz	\$36,870	\$25,769	\$11,100
GHD Pty Ltd	\$40,000	\$14,368	\$25,631
GHD Pty Ltd	\$18,494	\$224	\$0
GHD Pty Ltd	\$54,892	\$969	\$0
DMT Services Pty Ltd ATF Munro Family Discretionary Trust T/A Ian K Munro Advisory Services	\$23,000	\$20,110	\$2,889
Infrastructure Advisory Partners Pty Ltd	\$37,092	\$22,054	\$15,038
Jacobs Group (Australia) Pty Ltd T/A Sinclair Knight Merz	\$64,720	\$53,100	\$11,620

### Connections Consultancies below \$10,000

Supplier	Approved	Received	Outstanding
Currie & Brown (Australia) Pty Ltd	\$7,200	\$7,200	\$0
Currie & Brown (Australia) Pty Ltd	\$2,700	\$2,700	\$0

## Appendix E - Abbreviations

The following abbreviations are referenced throughout this report:

- **AASs** – Australian Accounting Standards
- **BAU** – Business As Usual
- **CMA** – Catchment Management Authority
- **CP** – Connections Project
- **CSO** – Community Service Obligations
- **DWMP** – Domestic Wastewater Management Plans
- **DEDJTR** – Department of Economic Development, Jobs, Transport and Resources
- **DELWP** – Department of Environment, Land, Water and Planning
- **EBITDA** – Earnings before Interest, Tax, Depreciation and Amortisation
- **EMS** – Environmental Management System
- **ESC** – Essential Services Commission
- **FOI** – Freedom of Information
- **FRD** – Financial Reporting Direction
- **FTE** – Full Time Equivalent employees
- **GBCMA** – Goulburn Broken Catchment Management Authority
- **GHG** – Greenhouse Gases
- **GL** – Gigalitres of water (one billion litres)
- **GMA** – Groundwater Management Area
- **GMID** – Goulburn Murray Irrigation District, Australia’s largest irrigation delivery network
- **GMU** – Groundwater Management Units
- **GMW** – Goulburn-Murray Rural Water Corporation (trading as Goulburn-Murray Water)
- **GST** – Goods and Services Tax
- **HRWS** – High-Reliability Water Shares
- **HSE** – Health, Safety, Environment and Sustainability
- **ICT** – Information, Communications and Technology
- **KL** – Kilotres of water (one thousand litres)
- **KMP** – Key Management Personnel
- **LGBTI** – Lesbian, gay, bisexual, transgender and intersex
- **LOWIG** – Land and On-Water Implementation Group
- **LOWMP** – Land and On-Water Management Plan
- **LRWS** – Low-reliability Water Shares
- **LSL** – Long service Leave
- **MDBA** – Murray Darling Basin Authority
- **ML** – Megalitres of water (one million litres)
- **MRD** – Ministerial Reporting Direction
- **NTER** – National Tax Equivalent Regime
- **NVIRP** – Northern Victoria Irrigation Renewal Project
- **OH&S** – Occupational Health & Safety
- **PCG** – Connections Project Control Group
- **RWC** – Rural Water Corporation
- **SCC** – Stakeholder Consultative Committee
- **SD** – Standing Direction
- **SIR** – Shepparton Irrigation Region
- **SO** – Strategic Outcomes
- **The Board** – Independent Board of Directors appointed by the Minister for Water
- **TLWCAC** – Taungurung Land and Waters Council Aboriginal Corporation
- **TWP** – Transformation Working Plan
- **VG** – Valuer General Victoria
- **VPSC** – Victorian Public Sector Commission
- **WSD** – Water Storage and Delivery
- **WSPA** – Water Supply Protection Area
- **YYNAC** – Yorta Yorta Nation Aboriginal Corporation