



G-M-W

Annual Report 2008/09





G-MW Our profile

Goulburn-Murray Rural Water Corporation [trading as Goulburn-Murray Water (G-MW or the Corporation)] is a statutory Corporation constituted by Ministerial order under the provisions of the Water Act 1989 (the Act). The Hon. Tim Holding, Minister for Water, is the responsible minister (the Minister) for the reporting period. The Corporation is the Resource Manager for northern Victorian water systems.

G-MW has functions and powers under the Water Act 1989 to provide, manage and operate an irrigation district (section 221), a water district (section 163) and a waterway management district (section 189).

G-MW 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 and stretching from Corryong in the east downriver to Nyah. G-MW also operates salinity mitigation works on the Murray downstream of Nyah, manages Mildura Weir, delivers bulk water to supply points outside its region and is the Victorian Constructing Authority for the Murray-Darling Basin Authority.

G-MW is the Victorian Resource Manager appointed by DSE and has been given responsibility for making the seasonal determination for all Victorian Murray entitlement holders. In this role G-MW works closely with the Murray-Darling Basin Authority. The Murray-Darling Basin Authority determines the volumes of water available and makes bulk water allocations to each of the Murray system states in accordance with the interstate sharing arrangements in the Murray-Darling Basin Agreement and also subject to the modifications agreed by the Council of Australian Governments (COAG). G-MW is a partner in the Victorian Water Register, using it to manage more than \$4 billion of water entitlements and trade.

The operations of the Corporation have been divided into four divisions –

- Business Modernisation
- Operations
- Technical Services
- Corporate Services

with each division being controlled by a General Manager who reports to the Managing Director and through him to the Board.

G-MW customer snapshot as at 30 June 2009

G-MW's Customer base	
Surface Irrigation Customers	Serviced Properties
Gravity irrigation (irrigation areas)	14,222
Pumped Irrigation (pumped systems in Nyah, Tresco, Woorinen)	667
Surface Water Diversions direct access from regulated rivers and streams	3,659
Surface Water Diversions direct access from unregulated rivers and streams	7,514
Total surface water irrigation customers	26,062
Groundwater Customers	
Groundwater Diversions (irrigation, D&S and commercial bores)	5080
Domestic and Stock customers	
Domestic and Stock (including Tungamah, Normanville, East Loddon and West Loddon water districts)	1271
Other Flood Protection Customers	122
Non Water Users – customers with water shares not associated with a water use licence or registration	554
Other Customers	
Urban Water Authorities – Goulburn Valley Water; Coliban, North East Water; Central Highlands	4
Urban/Rural Water Authorities – Grampian Wimmera Mallee Water; Lower Murray Water	2
Rural Water Authorities – First Mildura Irrigation Trust	1
Hydroelectric Companies – AGL and Pacific Hydro Industries	2
Lessees and Licensees – grazing and caravan parks	818
Houseboat Licensees	707

Front cover photos left to right:

Neville Holland from Picola with G-MW Managing Director David Stewart.

Excavator placing rock breaching on the downstream side of a replacement regulator site at the East Goulburn main offtake.

G-MW's Michael Wikman in front of Goulburn Weir, located on the Goulburn River, north of Nagambie

G-MW's Myra Pieterse helps customers with their water enquiries.

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Goulburn-Murray Water is referred to as G-MW throughout this report

- Number of Surface Irrigation Customers has increased significantly since 2007/08 due largely to a large number of Subdivisions being processed.
- First Mildura Irrigation Trust merged with Lower Murray Water during 2008/09
- G-MW's customer base is determined by the number of serviced properties. An individual or organisation may have more than one serviced property or may access more than one service type, for example, a customer may access surface water and groundwater.

Our Vision

To provide water related services that support regional development, vibrant and prosperous communities, growing businesses and a healthy natural environment of which we are proud to be part.

Our Mission

To provide outstanding water services to all customers.

Our Values

- Human safety, the environment and customer service are our highest priorities
- Sustainability is our commitment to future generations
- Cooperation based on the involvement of people is the key to progress
- Openness builds trust, knowledge and understanding
- Integrity, respect and pride are valued characteristics of our people
- Continual improvement is essential and underpins our future.

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Year at a glance

July 08

Taking a level reading from an observation bore

- G-MW begins the 2008/09 irrigation season with extremely low water reserves and announces a 0% HRWS allocation on 1 July.
- Customers on all G-MW's regulated river systems begin the 2008/09 season holding more than 160,000 ML of carryover.
- A 70% allocation is announced for the Katunga Deep Lead groundwater customers.
- G-MW's annual water trading ballot receives approximately 400 applications. Ballot is completed in 4 weeks, 3 weeks earlier than scheduled.
- Construction works commence at Laanecoorie Dam and to upgrade Goulburn Weir's operation and construction safety standards, including anchor replacement.
- Lowering of Lake Mulwala provides opportunity to address weed infestations. G-MW and MDBA met with local councils and tourism operators to discuss the process.



August 08

- A delayed start to the irrigation season was confirmed with G-MW announcing shortfalls of 224,000 ML on the Murray and 216,000 ML on the Goulburn system. The shortfalls represent the volume of water required to meet system operating requirements including channel distribution losses before G-MW can make opening allocations and begin operations of the gravity irrigation networks.
- G-MW held the first of three Industry Bodies Forums to update broader industry and service providers on the season outlook and G-MW's planned system operations.
- G-MW announces 17 local operating plans to support limited operations of the gravity irrigation network during extreme drought conditions.
- G-MW held elections for the Central Goulburn, Murray Valley and Pyramid-Boort Water Services Committees.
- The Victorian Water Register issue the first ever annual Allocation Bank Account statements.
- G-MW announced a 50% seasonal groundwater allocation for the Campaspe Water Supply Protection Area.
- G-MW's FutureFlow completes installation of 1,512 channel regulating gates, 5 km of channel bank remodelling and 28 km of channel lining within the 90 day winter works period across more than 900 individual work sites. All works were delivered on time, within budget and with one lost time injury.
- G-MW commenced works to deepen the Mokoan Inlet Channel as part of the Mokoan Diverters Pipeline project.

Automated channel regulators.



September 08

- G-MW announces opening allocations for Murray and Goulburn systems at 6% and 4% HRWS respectively. Allocations for all other water systems in northern Victoria remain at zero.
- G-MW launches updated drought response section on its website to provide irrigators, industry and the wider community with latest information regarding water resources, access and delivery and trading issues.
- G-MW in partnership with local Catchment Management Authorities and DSE takes steps to address the environmental risks in natural carriers, particularly the Gunbower and Broken Creeks, resulting from low water resources and limited system operations.
- The G-MW Board renewed their commitment to implement basin pricing but deferred setting a start date to allow time for the development of a transition strategy.



October 08

- Despite exceptionally poor monthly inflows to 15 October, seasonal allocations for the Murray system climbed to 13% and then 17% of high-reliability water shares (HRWS) and the Goulburn system climbed to 9% then 12% of HRWS. All other northern Victoria water systems remained at zero.
- Water shortage declared in the Spring Hill Water Supply Protection Area (WSPA) in response to ongoing dry conditions and low recharge to the groundwater system.
- G-MW confirmed the extension of dry season trading rules to increase water trading opportunities for irrigators. G-MW allows allocation trade of up to 5,000 ML between Goulburn trading zones. The MDBA also confirmed extension of the period for allocation trade from above the Barmah Choke to downstream of the Choke on the Murray River.
- Northern Region Sustainable Water Strategy entered its second phase of community consultation with the release of a draft for community comment. G-MW scheduled Water Services Committee workshops during November to capture customer feedback.

Dennis Moon from Rochester with his canola crop



November 08

G-MW's Bill Streader with
Appin irrigator Jack Hewitt.

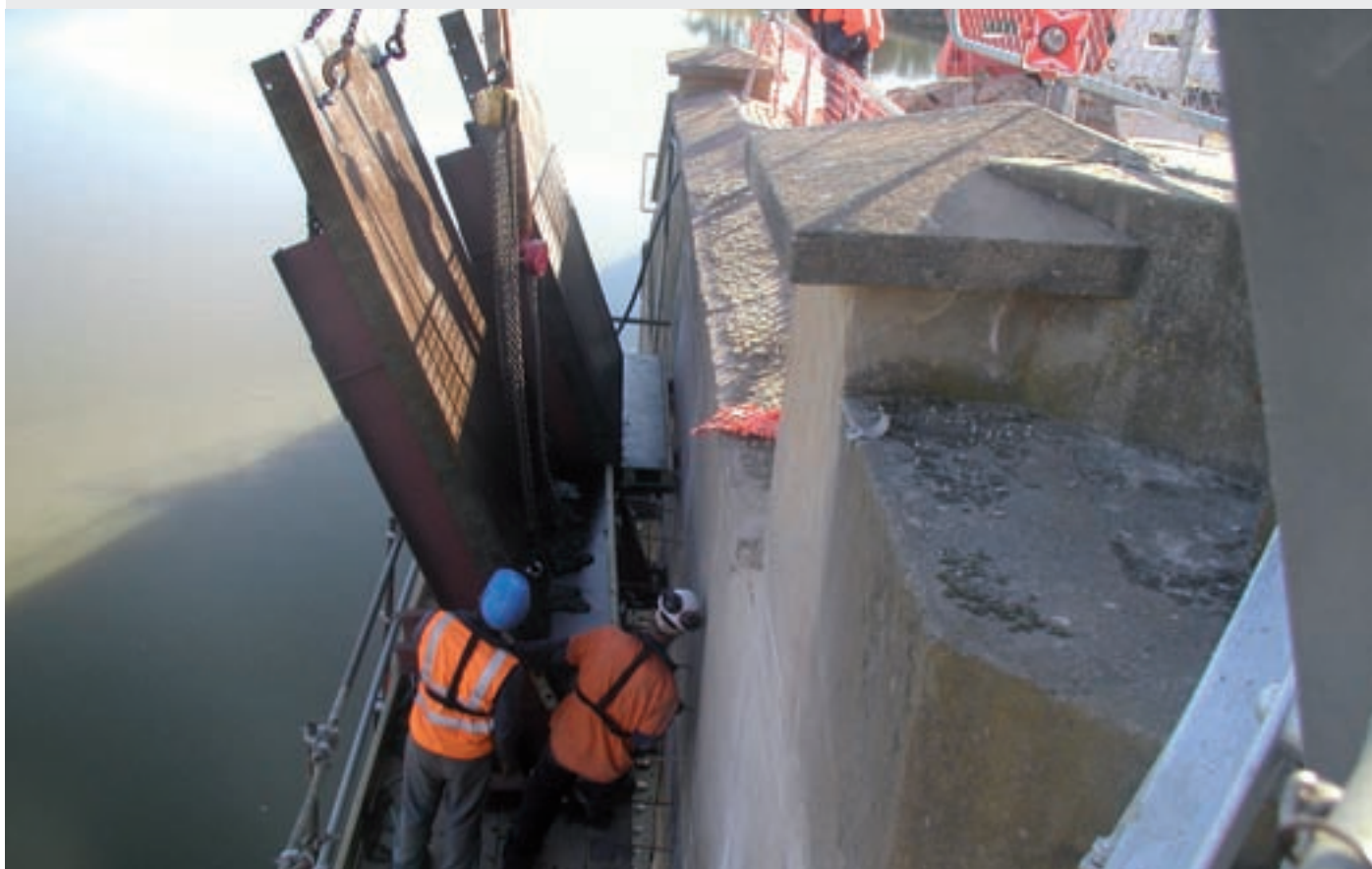
- G-MW confirmed trade activity is down on the 2007/08 season but there has been a 20 fold increase in the number of trades involving allocation trade into G-MW's region.
- Seasonal allocations (HRWS) reach 21% for the Murray system and 18% for the Goulburn system. At the same time last year Murray system customers had 20% allocation and Goulburn system customers had 29%.
- G-MW and NVIRP agree to the transfer of G-MW's existing reconfiguration program to NVIRP. G-MW retains responsibility for completing reconfiguration agreements agreed at or before 31 October. NVIRP receives the remaining funding and assumes responsibility for delivering the remaining obligations of the agreement.



December 08

- At 1 December, allocations on most regulated systems were less than 30% and customers qualified for more than \$36 million of assistance under the Victorian Government's Drought Assistance rebate. G-MW issued revised fixed water charge accounts to Ovens and King customers whose access was above the 30% threshold. G-MW streamlined access to the rebate by deducting it from customers' accounts.
- A new corporate structure is announced to ensure G-MW is best placed to deliver improved customer services and future operations.
- Seasonal allocations on the Murray and Goulburn systems continue to climb slowly. Murray System customers finish December with 28% allocation and Goulburn system customers with 23%. All other northern Victorian regulated river systems remain at 0% allocation. All systems except Bullarook had allocations at the same time last year.
- Ovens Operating Agreement signed by G-MW, North East Water Catchment Management Authority and DSE. The agreement is a robust means to manage north east rural and urban water systems ensuring no party is disadvantaged during times of water shortages.

Laanecoorie Dam safety upgrade



January 09

Blue green algae



- G-MW issues warnings following detection of a blue green algae outbreak in parts of the Gunbower Creek.
- A large scale groundwater monitoring project begins with the drilling of bores at Newlyn, Clunes and Waubra. Approximately 150 new bores are planned as part of a state-wide DSE funded program.
- Goulburn and Murray system irrigators have accessed just over a third of their available water so far this season. Carryover, current season allocations and trade into the region means there is more than 1,000,000 ML of water available this year, but only 383,000 ML has been used by customers on the Goulburn and Murray systems at 15 January 2009.
- G-MW works with industry and Government agencies to identify and manage issues arising from the collapse in international milk prices and its flow-on impact on local dairy operations. Dairy farmers comprise around 70% of all water use by G-MW's customers.

February 09

- Black Saturday bush fires impact right across G-MW's service region. A number of G-MW staff are directly affected and others are involved in fire fighting efforts. G-MW staff donated more than \$28,000 to the Premier's Appeal, with staff also able to donate a day of accrued leave. G-MW assigned two experienced customer service representatives to assist customers in the aftermath of the fires and G-MW waived all costs associated with accessing replacement paperwork and licences and deferred issuing fixed water charge instalment notices and overdue accounts to fire affected customers.
- Initial bushfire reports confirmed that only small areas of G-MW's Goulburn, Murray and Campaspe system catchments are affected with limited impact on G-MW water delivery assets.
- The Victorian Government increases the carryover limits for customers on the Murray, Goulburn, Bullarook, Campaspe, Loddon and Broken regulated river systems from 30% to 50% of high and of low reliability water shares for the 2009/10 season.
- G-MW gains community input on the planning and development of Cairn Curran recreational facilities at a community meeting held at Baringhup.
- G-MW announced the first outlook for the 2009/10 season. All regulated systems are expected to have zero seasonal allocation on 1 July 2009. Forecasts indicate that average inflows would not be sufficient to provide enough water for irrigation allocations by this time.
- A program of consultation with its Water Services Committees began to discuss pricing drivers for 2009/10 season in relation to G-MW's 5 year Water Plan that runs through to 2012/13.
- Campaspe Deep Lead groundwater allocations remain unchanged at 50%.

Sue Bennet and G-MW's Glenn Mercer from the Pyramid-Boort Area.



March 09



- With FutureFlow and NVIRP gearing up for a major winter works program and record low water resources G-MW urged customers to make arrangements to meet their winter stock and domestic needs and not to rely on water in the channels. G-MW also indicated that the current resource position may see a delayed start to the irrigation season.
- G-MW together with the Murray Regional Algal Coordinating Committee (MRACC) issues a water quality alert for Lake Mulwala/Yarrowonga Weir following detection of a blue green algae outbreak.
- Customers in the western part of the Central Goulburn Irrigation Area, and the Rochester and Pyramid-Boort Irrigation Areas are warned of the potential need to ration irrigation supplies during autumn once the pumps at the Waranga Basin commence operations.
- G-MW held the last of its Industry Bodies Forums to update broader industry and service providers on end of season operations.

April 09

- In line with previous announcements, G-MW made its final seasonal allocation for the 2008/09 season with customers receiving 35% in the Murray system and 33% in the Goulburn system. All other regulated river systems ended the season with 0% allocation. All resource improvements after 1 April will be directed to building resources for the 2009/10 season.
- Pumping of the Waranga Basin begins to access 86,000ML of water that cannot be released under gravity. The supplies represent 7% of the allocation to Goulburn system customers with irrigators funding the \$1.6 million exercise. A community open day was held at the site with over 100 customers and members of the community visiting Australia's largest inland pump station.
- Northern Victoria Irrigation Renewal Project Chairman Richard Guy and G-MW Chairman Stephen Mills sign an agreement establishing the governance framework and cooperative principles for the duration of the modernisation works.
- G-MW responded to concerns raised by media following the release of the DHS Annual Drinking Water Audit. G-MW confirmed that it does not supply drinking water and G-MW is included in the report because of its role in the supply chain. The non-compliances identified opportunities to improve administrative processes and presented no serious or imminent risk to public health.
- Murray system customers from Swan Hill to Nyah are urged to monitor water supplies following detection of a blue green algae outbreak.
- G-MW and NVIRP work closely to develop end of season shutdown program to assist delivery of substantial winter works programs. NVIRP's Managing Contractor Transfield Service will manage the delivery of NVIRP's 2009 winter works program and G-MW's FutureFlow is scheduled to complete all remaining in-channel works for the Shepparton, CGI-4 and NVIRP 2008 Early Works Programs.

Evert Worm with one of his new Magflow meters



May 09

Murray Valley irrigator Travis Cox with G-MW's Roger Dudley, Water Services Officer.

- G-MW Board meets with all WSC to discuss the outcomes of the recently completed independent review of the committees, their processes and governance arrangements.
- G-MW receives \$130,000 funding grant to undertake a groundwater resource appraisal in the Goulburn Broken Catchment. The project will provide G-MW with the knowledge and tools to enable a higher level of groundwater management in the catchments.
- G-MW issues its second seasonal outlook for the 2009/10 season. The outlooks indicate average seasonal conditions could achieve an 81% allocation on the Murray system and 93% allocation on the Goulburn by February 2009. Wet conditions could see a return to 100% allocations, however dry conditions would see 19% allocation on the Murray and the Goulburn.



June 09

- The Victorian and Commonwealth Government announce landmark reforms to align the Commonwealth's water buyback program with Victoria's irrigation modernisation program. G-MW reflects the agreement in preparations for its start of season water trading ballot.
- G-MW preliminary estimates indicate G-MW customers will record the lowest ever water use. With record low deliveries and extreme operating arrangements in places preliminary estimates also point to record low channel distribution losses. Deliveries to customers on rivers and streams outside the Irrigation Areas continue through to 30 June 2009 when final measurements will be taken.
- G-MW issues letters on behalf of Water For Rivers seeking expression of interest from Broken System irrigators below Casey's Weir to sell entitlements as part of the Mokoan

Return to Wetlands project. The water purchased will be used to improve the environmental health of the Broken, Snowy, Goulburn and Murray rivers.

- G-MW publishes more than 300 individual prices for the 2009/10 season and confirms very few significant price increases with all increases directly linked to the delivery of local programs and improved services. G-MW Goulburn Basin customers have a \$2.02 per megalitre increase on the Entitlement Storage Fee to cover the 2008/09 Waranga Basin Pumping costs.
- The Victorian Government releases the Water Savings Protocol, a comprehensive set of technical guidelines for calculating, applying and allocating water savings generated from Victoria's irrigation modernisation projects.

G-MW Chairman Stephen Mills presses the button to start the Waranga Basin pumps.





Stephen Mills



David Stewart

Joint report by Chairman and Managing Director

Three key themes emerged during the 2008/09 year.

These were – the relentless drought situation, rapid advancement of the irrigation system modernisation program and growing organisation capability and relationships to meet the challenges ahead.

The continuing drought affected all facets of G-MW's business and its customer base. 15 August marked the traditional start of the irrigation season and for the first time ever all regulated systems began with 0% opening allocations.

G-MW Board and staff supported communities and the environment in drought through a range of initiatives and good old fashioned hard work. From our ongoing liaison and contingency planning with neighbouring water corporations, catchment management authorities and government to our annual golf and bowls charity day where staff donated a day of their leave to participate, raising \$15,000 for Drought Assistance for local farmers, we endeavoured to make a difference wherever we could.

In recognition of the hardship caused by the drought and low allocations, G-MW regularly updated seasonal allocations and sought opportunities to maximise water availability while minimising losses.

G-MW Board and staff continued ongoing engagement and consultation with customers and their representative committees. This was a vital link to many of G-MW's achievements over the past 12 months.

Cooperation with all stakeholders has proven its value, with our combined efforts enabling the introduction of extreme drought response measures boosting allocations and reducing system losses to the lowest on record.

The massive program of modernising the northern Victorian irrigation infrastructure gathered pace dramatically and saw activity on a range of levels.

G-MW and the Northern Victoria Irrigation Renewal Project (NVIRP) established a formal relationship agreement and a number of G-MW employees were seconded to NVIRP to provide specific expertise. G-MW's FutureFlow Alliance continued its major irrigation infrastructure upgrade program.

Over the last two years some \$320 million was spent on modernising G-MW's irrigation infrastructure.

To compliment the physical system modernisation program, G-MW embarked on a major initiative to strengthen its organisation, business systems, processes and human capabilities. This involved the infusion of new capacity in a range of functional areas.

As well, a substantial amount of concentrated effort and energy was put into building relationships with stakeholder organisations and groups to ensure a mature and cooperative approach to the challenges facing G-MW.

In accordance with the *Financial Management Act 1994*, we are pleased to present the Report of Operations for G-MW for the year ending 30 June 2009.

Stephen Mills
Chairman

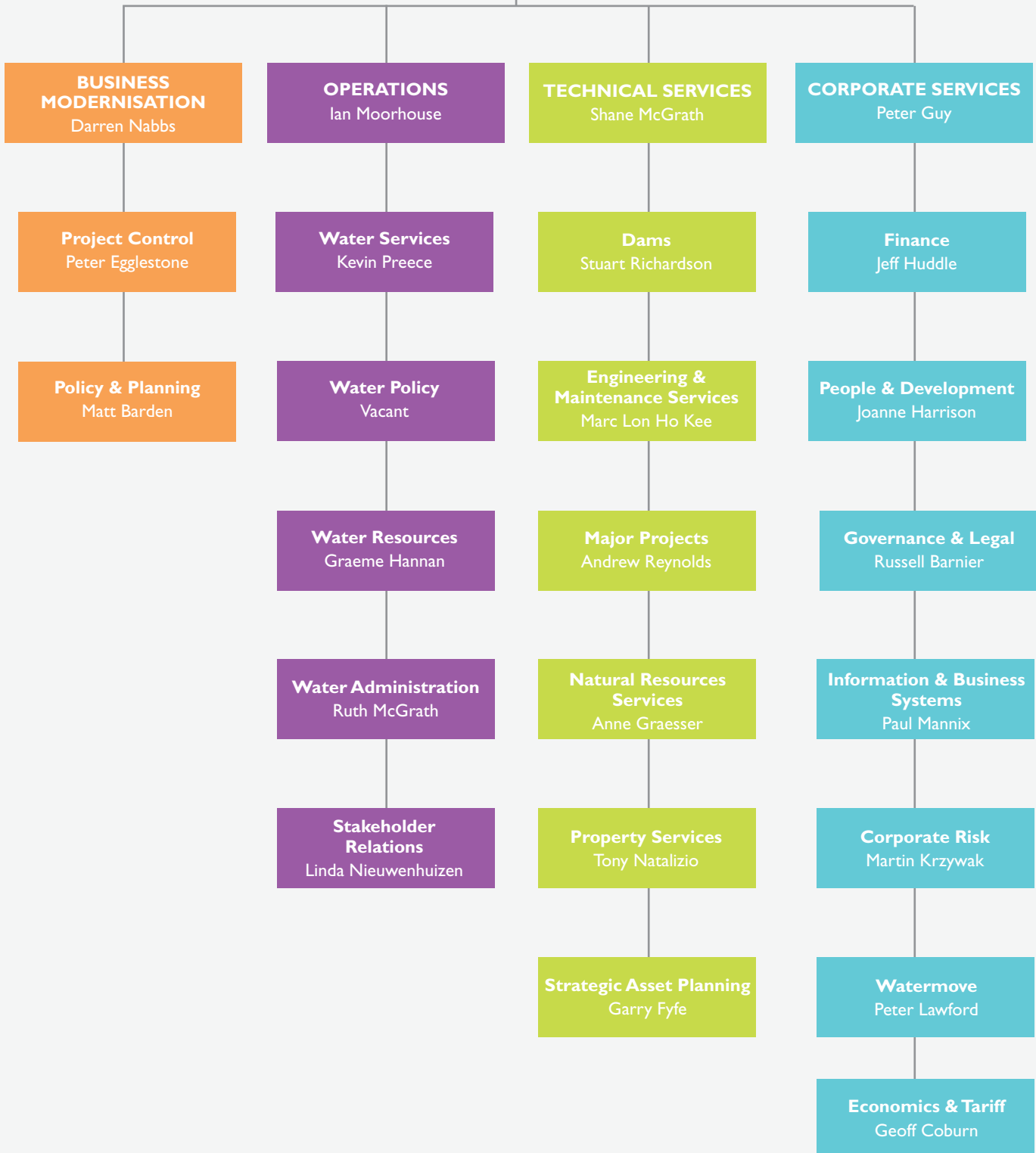
David Stewart
Managing Director

BOARD OF DIRECTORS

Stephen Mills (Chairman)

John Brooke OAM, Craig Cook, Peter Fitzgerald, Des Powell, Claire Penniceard, Catherine Scott, David Stewart

**MANAGING DIRECTOR
DAVID STEWART**



The Board

The Board of Goulburn-Murray Water consists of seven directors appointed by the Minister for Water under the Act and one director, the Managing Director, appointed by the other directors. **The current directors and their terms of appointment are as follows.**

1. Stephen Mills, Chairman FAICD

Term of appointment: 1 October 2007 to 30 September 2011

Stephen is a dairy farmer at Numurkah in Northern Victoria and also a director of Murray-Goulburn Co-operative Co Ltd, Australia's largest dairy processor.

Stephen is passionate about Australia's irrigation industry and the achievements of irrigators in making the irrigation industry a strong, vibrant and sustainable sector of the Australian economy.

Stephen was awarded the Centenary Medal for services to irrigation and he participated in the Prime Minister's 2020 Summit. In September 2008 Stephen retired as Chairman of Irrigation Australia Limited after 11 years as Chairman of IAL and its predecessor ANCID, the Australian National Committee on Irrigation and Drainage.

2. Craig Cook, Deputy Chairman B.Ec

Term of appointment: 1 July 2004 to 30 September 2011

Craig Cook is a management consultant to business and government. He is a director of the Rural Finance Corporation, a director of IM Medical and a deputy director of VicSuper Limited. Craig operates a beef cattle property and vineyard at Tallarook.

3. John Brooke OAM, Director B.Comm, B.Ed, FCPA, CA

Term of appointment: 1 July 2004 to 30 September 2011

John is an irrigation farmer near Pyramid Hill. He has extensive experience in local government, water resource management, business management and natural resource management. He is Chairman of Coliban Water and until 30 June 2009 a director of the North Central Catchment Management Authority.

4. Catherine Scott, Director B.Sc (Hons I), B.Comm, FAICD

Term of appointment: 1 October 2007 to 30 September 2011

Catherine operates a beef cattle property at Bylands near Kilmore. She has extensive experience in the finance/investment banking industry with a strong focus on infrastructure and agribusiness funding. She is a director of V-Line Passenger Pty Ltd and a former director of VicForests. Catherine is a director and Deputy Chair of Goulburn Valley Water.

5. Peter Fitzgerald, Director Advanced Dip.Ag, GAICD

Term of appointment: 1 July 2004 to 30 June 2010

Peter runs a dairy and beef operation at Tongala and Kotupna. He is a former Councillor for United Dairy Farmers of Victoria, a graduate of the Australian Rural Leadership Program and a graduate of the Australian Institute of Company Directors. From 1 July 2006 until 30 June 2009, Peter was a director of the Goulburn Broken Catchment Management Authority.

6. Des Powell, Director

Term of appointment: 1 July 2004 to 30 June 2010

Des is a business consultant to industries such as transport, logistics, forestry and water. He is Deputy Chairman of the Port of Melbourne Corporation, a Director of Barwon Water and a part time Commissioner of the State Services Authority.

7. Claire Penniceard, Director B.A (Hons), M Ed

Term of appointment: 1 October 2007 to 30 June 2010

Claire is the owner of The Pig Pen Pty Ltd, a significant business at Euroa that grows out pigs on contract to service specialist export markets, notably Japan and Singapore.

The enterprise showcases exemplary environmental, animal welfare and production outcomes, is a multiple national award winner and has a national reputation for excellence in the Australian pork industry.

Claire is presently a member of several Ministerial Committees including the Ministerial Women in Primary Industries Advisory Panel, the Ministerial Animal Welfare Advisory Committee and the Ministerial Swine Industry Projects Advisory Committee.



1. Stephen Mills, Chairman



2. Craig Cook, Deputy Chairman



3. John Brooke

8. David Stewart, Managing Director
BE (Hons), CPEng, FIEAust, GAICD

Term of appointment: 14 May 2008 to 30 June 2011

David has more than 25 years experience in water resource investigation, design and management projects throughout Australia and overseas. He is a fellow of the Institution of Engineers Australia, a Chartered Professional Engineer and a graduate and Member of the Australian Institute of Company Directors. He is Chairman of the Australian National Committee on Large Dams (ANCOLD) and a past Chairman of the Goulburn Valley Group, Institution of Engineers, Australia. He is a Graduate of Fairley Leadership Program 1999. In May 2009, David was chosen from amongst his peers by Engineers Australia as being among Australia's top 100 influential engineers.

9. Russell Barnier B.Juris LL.B FCIS

General Counsel and Corporate Secretary

Russell Barnier was appointed to his first company secretary position at National Australia Bank and has occupied several positions as Legal Counsel and Corporate Secretary since then, the most recent being 10 years in the public health sector with Melbourne Health. Russell has had a long involvement with Chartered Secretaries Australia and has held the roles of National President and International President of the parent body, the Institute of Chartered Secretaries and Administrators (UK). Russell is a governance professional who has published articles on the subject and for several years presented to students of the Graduate Diploma of Applied Corporate Governance.



4. Catherine Scott



7. Claire Penniceard



5. Peter Fitzgerald



8. David Stewart



6. Des Powell



9. Russell Barnier, General Counsel and Corporate Secretary

Responsibility of the Board

The responsibility of the Board is established by section 96(4) of the Act, where it states that the board of a water Corporation is responsible for the strategic planning of the Corporation and the management of the affairs of the Corporation.

To govern its actions, the board has adopted a Board Charter which sets out its role and function and provides, amongst other things, for the conduct of directors, declarations of interest, meetings and matters reserved for the board

Board Meetings

The directors contribute to the governance of the Corporation collectively as a board through attendance at meetings, of which there are 11 scheduled for each calendar year. Each meeting lasts approximately five hours and several are held in regional locations within the G-MW service region.

It is usual when board meetings are held outside Tatura for the directors to meet with local business leaders and customer groups to gain a better understanding of water services and demand, local business needs and the affect of the drought on local farms. Often the board invite senior bureaucrats from government departments such as the Department of Sustainability and Environment and the Department of Primary Industries to talk to the board the evening prior to an off-site board meeting.

The directors have on occasion, between board meetings, passed resolutions by circulation, which is provided for in section 122(A) of the Act.

In addition to board meetings, individual contributions to the governance of the Corporation occur through participation in or chairmanship of the various committees of the board. Directors also give their time to attend significant functions and ministerial events across the catchment area.

Because the delivery of irrigation water to northern Victoria is undergoing significant change through modernisation, directors are encouraged to undertake site visits in order to view firsthand the activities and services provided by the Corporation.



Board Committees

Individual directors lending their expertise to the operations of advisory committees of the board assist the board to carry out its function. The board has established several advisory committees. During the year, the following board committees comprised the directors listed and carried out the function described –

• Financial and Management Audit Committee (FMAC)

Members: John Brooke OAM (Chairman)

Peter Fitzgerald

Catherine Scott

The function of the Financial and Management Audit Committee is to oversee the internal and external audit program, review annual financial statements and associated checklists, and monitor financial, management and accounting responsibilities and advise the Board.

The following members of staff also regularly attend meetings of the Committee –

David Stewart (Managing Director)

Peter Guy (General Manager Corporate Services)

Jeff Huddle (Manager Finance)

On 1 July 2009 the board appointed an Independent member of the committee. Ms Linda Veronese has extensive experience in the banking and finance sector and will contribute significantly to the operations of the Committee.

• Risk and Compliance Committee (RaCC)

Members: Des Powell (Chairman)

Catherine Scott

Peter Fitzgerald

Claire Penniceard

The function of the Risk and Compliance Committee is to support the board in fulfilling its corporate governance responsibilities in relation to risk management and compliance. Specifically, the Committee will advise the Board and make recommendations in areas which include the following:

- a) risk review, strategy, policy and processes
- b) occupational health & safety
- c) operational risk management
- d) environmental management
- e) insurance
- f) the risk framework for the storage and delivery of irrigation water, and
- g) compliance.

The following members of staff also regularly attend meetings of the Committee –

David Stewart (Managing Director)

Peter Guy (General Manager Corporate Services)

Martin Krzywak (Manager Corporate Risk)

2008/09 WSC Member Dudley Bryant, G-MW Chairman Stephen Mills and Murray Valley Chair Heather du Vallon.



G-MW's Lew Humphreys talks with Waaia customer Danny Bergman about his sub-surface irrigated lucerne crop.

• Remuneration Committee (Rem)

Members: Craig Cook (Chairman)
John Brooke OAM
Stephen Mills

The function of the Remuneration Committee is to oversee management remuneration policy, monitor management remuneration and advise the board in relation to management remuneration responsibilities including the individual remuneration packages for senior executives.

The following members of staff also regularly attend meetings of the Committee –

David Stewart (Managing Director)
Russell Barnier (General Counsel & Corporate Secretary)
Joanne Harrison (Executive Manager People & Development)

• NVIRP Coordination Committee (Co-ord)

Members: Craig Cook (joint Chairman)
Catherine Scott (joint Chairman)

The function of the NVIRP Coordination Committee is to advise the board on procedures which will facilitate the coordination and effective communication of governance, policy and strategic matters relating to the Northern Victorian Irrigation Renewal Project's plans for modernisation of northern Victoria's irrigation system and to provide feedback from meetings of the joint NVIRP/G-MW Board Coordination Committee (joint board committee) to the Board and to senior management of G-MW.

Also in regular attendance at meetings of this Committee –

David Stewart, Managing Director
Darren Nabbs, General Manager Business Modernisation

The Chairs of each Committee each give a verbal report to the board on major issues dealt with and the minutes of each Committee meeting are provided to all directors with their board papers.

• G-MW Customer Committees

Customer Committees such as Water Services Committees, Catchment Committees and Reference Committees are G-MW's primary source of customer advice and feedback. Committee representatives are appointed to provide debate and informed

discussion in critical areas such as pricing, service standards and asset management. Pursuant to section 122(C) of the Act, the board has created Water Service Committees to provide advice and assistance to the board on service and customer related issues. Water Service Committees are comprised of customers chosen through a community nomination procedure and appointed by the board. The board and management value the input and advice of the Committees, which are often consulted and views sought on operational matters prior to implementation. Management, and directors on a rotation basis, attend meetings of the Water Services Committees.

Attendance at meetings

The following chart gives an indication of the attendance by directors at scheduled Board and committee meetings.

Director	Total number of scheduled meetings / number attended				
	Board	FMAC	RaCC	Rem	Co-ord
Stephen Mills	11 / 11	4 / 5	2 / 2	4 / 4	
Craig Cook	10 / 11			4 / 4	12 / 12
Catherine Scott	9 / 11	5 / 5	2 / 2		11 / 12
Des Powell	10 / 11	2 / 3	2 / 2		
John Brooke OAM	11 / 11	5 / 5		4 / 4	
Claire Penniceard	11 / 11	3 / 3	2 / 2		
Peter Fitzgerald	11 / 11	5 / 5			
David Stewart	11 / 11	5 / 5	2 / 2	4 / 4	11 / 12

Notes:

The Chairman and Managing Director attend meetings of FMAC and RaCC as a visitor, and the Managing Director also attends Remuneration Committee as a visitor.

Committee meetings are attended by the Managing Director, who is not a formally appointed member of a Board Committee.

The total number of scheduled meetings refers to those meetings scheduled during the term of appointment of the relevant member to that Committee.



Back Row L–R: Terry Francis (NVIRP Director), Craig Cook (G-MW Deputy Chairman), Des Powell (G-MW Director), Barry Steggall (NVIRP Director), Miranda Douglas-Crane (NVIRP Director), Geoff Akers (NVIRP Director), Peter Fitzgerald (G-MW Director), Darren Nabbs (G-MW Manager – Business Modernisation), John Brooke (G-MW Director), David Stewart (G-MW Managing Director), Murray Smith (CEO NVIRP), Peter McCamish (NVIRP Director), Neil Brennan (NVIRP Director)

Front Row L–R: Catherine Scott (G-MW Director), Richard Guy (NVIRP Chair), Minister for Water Tim Holding, Stephen Mills (G-MW Chairman) and Claire Penniceard (G-MW Director)

Delegation of functions

The Act provides the authority under which a Water Corporation may delegate its powers. This has been done under section 122(B) of the Act by a document under the corporate seal dated 13 February 2008.

Directors as customers

G-MW directors Stephen Mills, Peter Fitzgerald, Claire Penniceard, Craig Cook and John Brooke are customers of the Corporation, enjoying the same terms and conditions as those applying to all G-MW customers in receipt of the similar services. It is a board policy that directors declare their interest as customers when information which may affect water pricing or delivery is discussed and decided upon by the board. The directors will either absent themselves during such discussions or warrant that they will not buy or sell water shares prior to such information becoming publicly available. It is also the board's policy to disclose water entitlements in the annual report and to post on the G-MW website when directors trade or intend to trade in water shares.

As at 30 June 2009, the following directors had the water entitlement listed against their name –

Stephen Mills	828.1 ML Murray HRWS 378.1 ML Murray LRWS 180 ML Drainage Diversion Agreement
Craig Cook	3 ML Catchment Dam
John Brooke OAM	385.4 ML Goulburn HRWS 176.6 ML Goulburn LRWS
Peter Fitzgerald	858.9 ML Goulburn HRWS 340 ML Goulburn LRWS 208.8 ML Drainage Diversion Agreement 381 ML Groundwater Licence 17 ML Catchment Dam 2 ML Private Right (Groundwater)
Claire Penniceard	40 ML Groundwater Licence

Transparency and customer interaction

The board is keen to enhance customers' knowledge of the operations of the Corporation and as part of this process the decisions made at each meeting of the Board are provided in summary form on the G-MW website. A governance section for the website is currently being prepared which will include such governance documents as the Board Charter and Charters for Committees of the Board (including Water Services Committees (WSC) Charter and the Code of Conduct for committee members), water trading policy for Directors, Gifts and Donations Policy and others.

In addition to the summaries of deliberations at each meeting, the directors feel that the board provides extensive information and contact opportunities, such as the following, to our customers –

- Customers are involved in twelve WSCs whereby over 100 WSC elected members represent customers, to the point where there is approximately one WSC representative for every 330 customers
- Management, the Managing Director and the Chairman meet regularly with the WSC's and attend their meetings
- The board regularly holds Business Partner dinners throughout the catchment area, whereby major industrial customers, irrigator groups, local and Victorian Government officers discuss consumer use and supply issues with directors in an informal environment
- G-MW releases regular customer newsletters, fortnightly allocation announcements and, in the prevailing climate, drought newsletters,
- Staff take every opportunity to promote reference to G-MW's website where we aim to achieve a high level of communication, particularly on those matters of immediate interest such as water resource availability and outlooks, allocation announcements and advice aiming to assist in responding to drought
- A detailed yet simple mechanism has been adopted through our website to handle customer complaints and inquiries.

Governance Initiatives

The Board has supported various governance initiatives which will be progressed over the next 12 months. These include –

- Reviewing and restructuring the internal Policies and Procedures Framework
- Developing a G-MW Sponsorship Strategy based on the sharing of knowledge and expertise
- Revising declarations and water trading procedure for Directors and staff
- Promoting transparency in governance, including development of a Governance section on the G-MW website
- Reviewing performance assessment procedures for Board Committees, including Water Services Committees
- Developing improved communication lines for receiving and considering advice from G-MW Water Services Committees by the Board

Business Modernisation Division

During the year G-MW consolidated all business modernisation planning, design and delivery within a dedicated Business Modernisation Division.

The Division has a critical role in working with partner agencies and project investors including the Department of Sustainability and Environment (DSE), the Northern Victoria Irrigation Renewal Project (NVIRP) Living Murray Initiative, Water For Rivers and others to identify opportunities to improve G-MW water distribution networks and to ensure modernisation works are delivered to all relevant design standards and without disrupting the operation of the network and services to customers.

During the year G-MW's FutureFlow Alliance, completed works on the \$2.6 million East Goulburn Main Channel offtake structure to enable the automation of the Shepparton Irrigation District.



Business Modernisation Division

History of Modernisation in G-MW region

2002	First large scale research and development trial of channel automation technology in Central Goulburn Irrigation Area.
2004	Customers in partnership with G-MW, began the first reconfiguration program to rationalise unnecessary and underutilised infrastructure in Pyramid-Boort Irrigation Area.
2006	Victorian Water Trust invests in stage 1 of the CG 1-4 project enabling installation of channel automation. G-MW signs Water Recovery Package MOU, part of a \$113 million package of measures for irrigators in return for 25,000 ML of HRWS in May 2009.
2007	G-MW begins CG 1-4 stage 2 and 3 with funding from Water For Rivers. G-MW begins works on the Shepparton Modernisation Project with funding from the Living Murray Initiative and the Victorian Government. NVIRP established to deliver Food Bowl Modernisation Project.
2009	G-MW met the Water Recovery Package obligations in June 2009. G-MW on track to complete all the Shepparton and CG 1-4 project obligations by February 2010. NVIRP completes second year of winter works.

Modernisation projects approach completion

During the year G-MW worked with key agencies to assist in and deliver works that are part of a range of modernisation projects underway in G-MW's region.

Central Goulburn 1-4 Modernisation Project

During 2008/09 G-MW's FutureFlow Alliance installed 620 electronic farm outlets (meters) and lined 22 kilometres of channel with HDPE plastic. The CG 1-4 modernisation project was the first modernisation project undertaken in G-MW's service region. The project is on track to be completed by February 2010.

Shepparton Modernisation Project

This project is now in its final stages and is expected to be completed by February 2010. During the year G-MW's FutureFlow completed the 27 kilometre Katandra pipeline, installed 700 FlumeGates and 500 meters and rationalised 35 kilometres of channel.

The original scope included plans to replace open channels with a pressurised pipeline system for the Shepparton East horticultural area and replacing high seepage and leakage channels with gravity pipelines. Following consultation with Water Services Committee and customers the Shepparton Irrigation Area Modernisation Project will now see FutureFlow automate remaining spur channels rather than replacing

them with the more expensive option of a gravity pipeline. The Shepparton East pressure pipeline is being investigated by NVIRP as part of its broader consideration of modernisation in the Shepparton East area.

Water Recovery Package – Reconfiguration

During the year G-MW in partnership with customers continued to identify and progress opportunities to streamline the irrigation delivery network by rationalising underutilised and unnecessary assets including channels and outlets. G-MW's reconfiguration agreements will see more than 143 km of channel and 355 structures such as culverts, bridges and regulators decommissioned, generating approximately 12,500 ML of water savings. An important outcome is that the agreements will see more than 700 meter outlets decommissioned, but only 194 new meters need to be installed as customer opt for new farm layouts and delivery arrangements that reflect new on farm practices and larger enterprises.

During the year G-MW transferred the remaining obligations and funding under the Water Recovery Package to NVIRP to enable alignment between this program and NVIRP's connections programs. G-MW will remain responsible for all reconfiguration agreements signed or verbally accepted as at 31 October 2008.

As a result of the transfer agreement, G-MW reconfiguration working groups were transferred to NVIRP and became NVIRP Modernisation Committees, and G-MW reconfiguration staff were also seconded to NVIRP.

DSE has created an Independent Auditor Panel. Two specialist auditor consultancy firms have been appointed to this panel and will be assigned to verify water savings of 25,000 ML from the Reconfiguration Program upon completion.

While the Water Recovery Package and NVIRP's connections programs are now both under NVIRP leadership, and both seek to rationalise underutilised and unnecessary assets from the system, the Water Recovery Package will continue to run in parallel with NVIRP's programs until the Water Recovery Package obligation is fulfilled. This ensures that the works delivered across all programs are consistent with the broader vision for the irrigation system in the region.

The Water Recovery Package was an integral part of the 2004 Our Water Our Future policy document (Securing Our Water Future Together), which included an agreement between the then Minister and irrigators. This agreement was known as the "Sales Package" which then became a Living Murray Project. In effect irrigators were provided with a package of measures that totalled \$113 million in return for farmers handing back to the environment 20 percent of sales water entitlement which equated to 120,000 ML of average long-term use low reliability water shares in July 2007 and a further 25,000 ML of high reliability water shares in 2009. The \$113 million package was agreed in May 2006 and included \$56 million to plan and implement reconfiguration plans in all Irrigation Areas.

The terms of the Water Recovery Package required G-MW to apply for a change to the Bulk Entitlement to transfer 25,000 ML of high reliability water shares (HRWS) to the Living Murray Initiative (LMI) by May 2009. During the year G-MW completed this application. The Living Murray bulk entitlement (Murray) and environmental entitlement (Goulburn and Campaspe) amendments associated with the reconfiguration works were gazetted after the reporting period on 16 July 2009.

With the application approved the Living Murray Initiative will receive a seasonal allocation against its high-reliability water shares with the same level of security and reliability as irrigators.

NVIRP 2008 Early Works Program

In early 2008 G-MW's FutureFlow was called on to deliver \$103 million worth of works as part of NVIRP's 2008 Early Works Program. At the end of the 2008/09 reporting period G-MW's FutureFlow had installed 1000 automated channel regulators, replaced or rationalised 1200 farm outlets, lined 5 kilometres of channel and installed 18 node towers to support increased communications generated by the automated channel network.

Snapshot of Modernisation Projects as at 30 June 2009

	Funding	Water Savings Target (in ML long term average)	Due date
Water Recovery Package (Reconfiguration component)	\$56 million	25,000 ¹	June 2009
Shepparton Modernisation	\$142 million	50,000 ²	February 2010
CGI-4	\$55 million	18,000 ²	February 2010
NVIRP 1	\$1,004 million	225,000 ²	•
NVIRP 2	\$1,000 million ³	200,000 ²	•
TOTAL	\$2,257 million		

Footnotes

¹ High-Reliability Water Shares

² Long Term Cap Equivalent

³ The Water Recovery Package, Shepparton, CGI234 and strategic measurement projects will be audited at the same time to ensure consistency across all the projects. During the year the Commonwealth Government reaffirmed its in principle commitment to provide up to \$1 billion to stage 2 of the NVIRP.

FutureFlow Another Year of Successful Delivery

G-MW's FutureFlow alliance was established in early 2008 to scale up G-MW's access to the resources and expertise required to plan, design and deliver more than \$290 million worth of modernisation works. The two year modernisation works program is approximately 15 times G-MW's average annual in-channel works and maintenance program.

FutureFlow's work programs include delivering the final stages of the Shepparton Modernisation Project, CGI-4 Project and the 2008 NVIRP Early Works Program. The Shepparton and CGI-4 programs are on track to be completed by February 2010 and NVIRP's early works program is on track to be delivered on time and on budget by 15 August 2009.

With around 80% of the entire program to be delivered in 2009, during 2008/09 FutureFlow made significant progress on all projects in addition to delivering a number of critical improvements to the planning, design and delivery of modernisation works in the region.

FutureFlow's works have been completed ahead of time and under budget. This has been achieved through the dedicated alliance staff, contractors, suppliers and the support of G-MW's customers, for which FutureFlow is extremely grateful. FutureFlow's remaining works in the CGI-4 and Shepparton areas are on track for completion with the same attention to safety, quality and customer focus.

Channel automation

During 2008 winter works period, which ended 15 August 2008, FutureFlow installed 1516 FlumeGate channel regulators. This is 5 times the number installed as part of any previous channel automation project in Australia.

Evert Worm is delighted with the ease of operation of his new Magflow meters.



Rationalisation of assets

In addition to improving the service capabilities of G-MW channel network, FutureFlow's works have also enabled the rationalisation of underutilised and unnecessary irrigation assets including 35km of channel, 140 channel regulators and 340 dethridge wheels. By rationalising assets customers in an Irrigation Area avoid the future operations and maintenance costs of the assets.

New metering to improve service G-MW worked with individual customers to replace 1800 dethridge wheels with new electronic meters, the majority of which are fully automated.

Customer consultation vital to project delivery

FutureFlow has endeavoured to consult with all customers affected by the modernisation works in order to tailor the design of the new system to individual requirements and minimise construction impacts. Independent farm assessors have evaluated the appropriate meter type for individual irrigators and FutureFlow customer consultation officers have discussed a range of design and construction issues with all affected customers.

The result of this collaboration has been remarkable, as evidenced by work on all meter outlets upgrades or rationalised in 2008/09 undertaken with the customer's consent.

Katandra gravity pipeline

During the 2008/09 FutureFlow commenced works to install the 27km Katandra Pipeline for G-MW. The pipeline can deliver up to 150 ML a day to approximately 60 customers previously serviced by the East Goulburn 22 and East Goulburn 24 channels. The pipeline was considered the best option to replace the existing failing leaking concrete lined channels because there was adequate fall on the land to allow installation of a cost effective gravity system.

FutureFlow installing the Katandra gravity pipeline.





Left to right: G-MW Chairman Stephen Mills, G-MW Managing Director David Stewart, Water Minister Tim Holding, NVIRP Director Barry Steggall and NVIRP Chairman Richard Guy signing the Relationship Agreement establishing the Governance framework and cooperative principles for the modernisation works.

Partnerships

During the year, G-MW continued to provide assistance to the development of key modernisation initiatives.

Department of Sustainability and Environment's Water Savings Protocol

G-MW has more than six years of experience in the installation and use of modernisation technology and the roll out of modernisation in the region. This is in addition to G-MW's ongoing work to understand, measure and quantify components of system loss and to identify opportunities for improved system efficiency.

G-MW drew on this experience to assist in the development of the Department of Sustainability and Environment's Water Savings Protocol. For the first time ever, all state water savings projects will be subject to a consistent and rigorous process for calculating the long term water savings.

G-MW will use the protocol to estimate water savings achieved from projects underway across the region. All estimates will be subject to independent verification and audit.

NVIRP Business Case and works programs

G-MW continued to provide a range of information to assist NVIRP in the development of its business case for modernisation works across the region.

Commonwealth and Victorian Governments landmark agreement

In making the announcement, the Commonwealth Government agreed to a range of reforms to return more water to the environment in conjunction with Victoria's irrigation modernisation program. The new agreement will enable the Australian Government to acquire 300,000 ML over the next five years from 2008/09, over and above those purchases already permitted under Victoria's four per cent annual limit on purchases out of Irrigation Areas. A significant part of this agreement is greater co-ordination of Commonwealth purchases with the \$2 billion NVIRP.

In making the announcement the Commonwealth reaffirmed its in-principle commitment to provide up to \$1 billion to Stage 2 of NVIRP subject to a joint due diligence assessment. Over the final weeks of the reporting period G-MW worked with DSE and NVIRP to establish processes to facilitate the Commonwealth's 2008/09 buyback purchases.

G-MW will continue to work with DSE and NVIRP to support the planning and delivery of this program.

Sharing Experience and Knowledge to Inform Policy Development

During the year G-MW drew on its considerable knowledge and experience in managing and operating irrigation delivery networks to prepare submissions to inform the development of Victorian and Commonwealth Government Policy.

National Metering Standards

In February 2009 G-MW submitted its response to the Commonwealth Department of the Environment, Water, Heritage and the Arts (DEWHA) draft regulatory impact statement for the National Framework for Non-urban Water Metering policy.

The regulatory impact statement proposed that Australian governments agree to implement a national Framework that sets out the foundations for nationally consistent non-urban water metering. The National Framework provides for an acceptable level of confidence that non-urban meter performance is within maximum permissible limits of error of +/-2.5% in the laboratory and +/-5% in the field, through the use of patent approved meters, installed, maintained and validated by certified personnel and audited on a regular basis.

G-MW supports improved meter accuracy for all meters in the field because it will improve equity between customers and improve the accounting of water against entitlement. G-MW's response considered the impact of the proposed standard across G-MW's entire service region and identified the potential need to install or upgrade more than 55,000 meters with an estimated cost of \$476 million. Where other funding sources are not available this presents a potential cost burden for customers at a time of very difficult conditions. G-MW made the following key recommendations

1. The implementation period be extended to allow existing meters to be upgraded as the meter reaches the end of its useful life.
2. That not all customers be metered, with priority based on annual consumption. This needs to take into account the cost effectiveness and appropriateness of metering for low consumption users. This is consistent with G-MW's existing metering programs.

The final outcomes of the review are yet to be announced.

Meter Testing Programs Continue

G-MW meter testing program provides vital 'in the field' understanding of the factors impacting on meter accuracy. During 2008/09 G-MW undertook further testing of dethridge meters in the field, testing another 53 meters across all Irrigation Areas. The additional test data builds on the data collated during the past two seasons and will provide a more robust understanding of meter error and the local factors that impact on meter accuracy.

G-MW also undertook in-situ testing of electronic meters installed in 2002 as part of the CG2 modernisation pilot project. G-MW aims to release the findings of its meter testing programs in 2009/10.

Modernising G-MW's Business Operations

Modernisation of G-MW's irrigation network will also transform the business operations of G-MW with key changes to the composition of G-MW's work force, scale and demands on G-MW's communication networks and a significant increase in opportunities for improved business operations and customer service as a result of improved information resources and system capabilities. During the year the Business Modernisation Division worked with all parts of the G-MW business to ensure G-MW is best placed to capture the system management benefits of modernisation and to ensure these are reflected in current and future pricing and tariff policies and customer service standards.

Whole of Life Report

During the year G-MW undertook an objective and comprehensive review of the future costs that will influence the future prices for water delivery services in G-MW Irrigation Areas.

The Whole of Life Report will be released to Water Services Committees in August 2009 and then to the wider community.

G-MW undertook the six month investigation to better understand the long term revenue implications of a range of factors expected to impact on its business operations. These included the impact of the proposed National Metering Standards, existing modernisation

projects in Shepparton and CGI-4 along with NVIRP Stage 1 and NVIRP Stage 1 and 2. The financial assumptions and modelling were independently reviewed by Marsden Jacob Associates and the engineering assumptions and modelling were independently reviewed by Kellog, Brown and Root. Recommendations arising from the reviews have been incorporated into the Report.

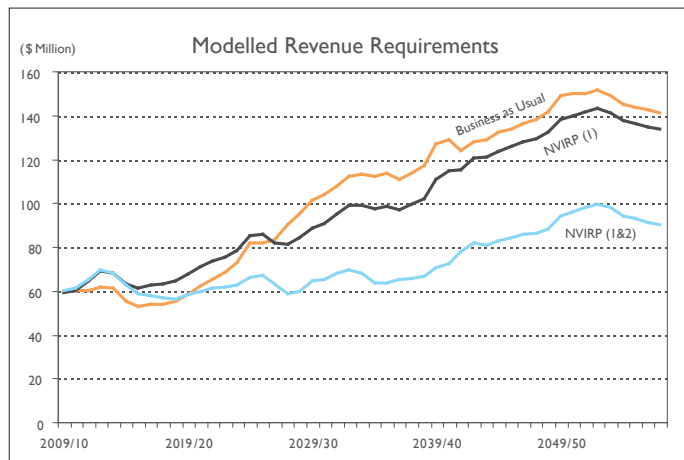
The report models possible future revenue requirements – it does not indicate future pricing for customers. G-MW's prices are developed in consultation with customers and are subject to review by the Essential Services Commission and the Victorian Government.

Of the scenarios modelled, full modernisation as delivered through G-MW's existing modernisation projects and NVIRP Stage 1 and 2 delivered the best outcomes for irrigators. Over the 50 year period modernisation Stage 1 and 2's revenue requirement is approximately 35% lower than that required to meet the costs of continuing to operate, maintain and ultimately replace assets in the existing irrigation network in the Irrigation Areas.

Under all scenarios the costs of operating, maintaining and replacing assets is the key cost driver and will require an average annual increase of 1.2% in G-MW's revenue requirements each year through to 2059. This points to a 50% increase in revenue requirements for all scenarios – but even more under the business as usual scenario.

The report was completed before the agreement in June between the Victorian and Federal Governments to coordinate the environmental water buybacks with the \$2 billion investment in modernising northern Victoria's irrigation system. G-MW will look to model the potential impacts of this program on future revenue requirements as more of this agreement is defined.

Whole of Life review of future costs for water delivery services



G-MW undertook Whole of Life as a modelling exercise to better understand how future impacts may influence business requirements into the future.



Whole of Life Project Scenarios Snapshot

The Whole of Life Project involved extensive modelling covering three scenarios.

1. Business as Usual (base case) analysed G-MW in its current form, including the Shepparton and Central Goulburn 1-4 Modernisation Projects, but assuming no further modernisation hence without NVIRP.

2. NVIRP Stage 1 Scenario – modelled the system where the backbone is established, automation of the backbone and replacements of all dethridge meter outlets on the backbone with magflow meters undertaken. This scenario also assumed the rationalisation of 28% of channels not on the backbone and the movement of delivery share associated with these assets to the backbone.

3. NVIRP Stage 1 and 2 – This scenario assumed G-MW would only operate the backbone and that all spur channels are rationalised, with the associated delivery shares transferred to the backbone. These customers would either be “connected” through 1 to 1 connections or syndicates.

The Whole of Life report is available at www.g-mwater.com.au/wholeoflife

G-MW modernisation team installing a channel regulator as part of the Shepparton Modernisation Project.

2008/09 System Operations data confirms modernisation is delivering benefits.

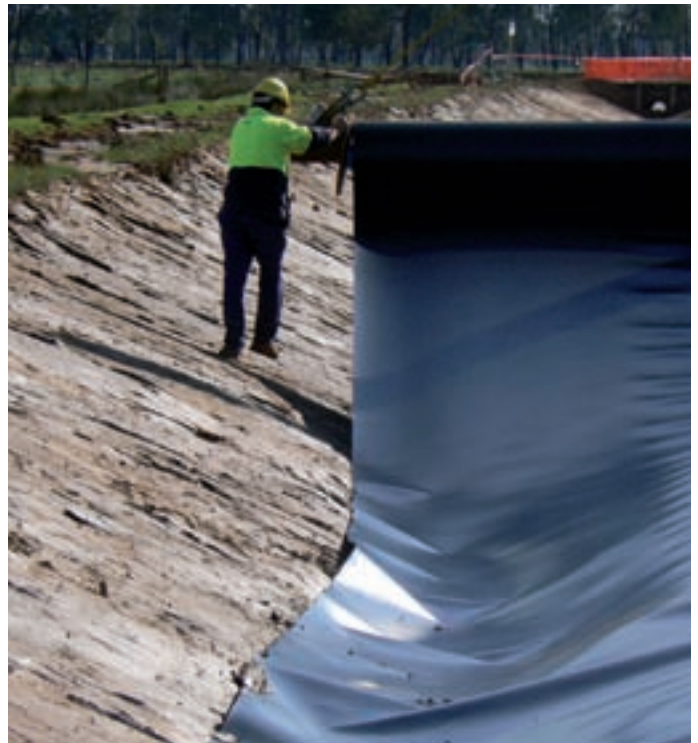
During the year G-MW published a series of case studies demonstrating the improved performance achieved by modernisation works across the region.

The case studies cover a range of modernisation techniques including channel lining, channel automation and new meters.

Continuous data collected across the 2008/09 season confirmed accidental spills and releases (outfalls) have reduced for the Shepparton Irrigation Area. In Central Goulburn, spills and outfalls on the modernised sections of the channel network dropped by so much after the new automated channel regulators were 'switched on' that they ceased to be measurable. The same monitoring has demonstrated that lining sections of channel has significantly boosted efficiency.

The case studies were selected because of the availability of continuous data and provide the broader community with some tangible examples of how channel automation, channel lining and new meters are improving the operation of the system, improving water efficiency and also enhancing services to customers.

These case studies are available from www.g-mwater.com.au/modernisationcasesstudies



Installing channel lining during 2008 winter works program

2008/09 Modernisation Case Studies Fact Sheet As at August 2009

Case study 2 – Automation reduces outfalls from CG9 and CG 19/6

The graphs from G-MW's operations database show that since channel automation was 'turned on' in March and April 2009, both outfalls reduced by so much they are no longer measurable and as a result there was no further increase in outfalls for the entire season from the CG9 and CG 19/6.

The automated regulators now talk to each other and G-MW Tatura to ensure flow rates for customer deliveries are maintained. Flows are measured to ensure they closely track customer demand and therefore limit the potential for unplanned spills or releases (outfalls).

Example 1 – CG9 (green shows daily outfalls, yellow shows cumulative for season)

The screen image from G-MW channel automation system illustrates the dramatic impact of automation on system outfalls – since automation was 'turned on' on 2 April 2009 there has been no further measured increase to the 62% of outfall recorded for the 2008/09 season.

2008/09 Modernisation Case Studies Fact Sheet As at August 2009

Case study 3: Automation & channel lining – CG 2/2

Plastic lining of the CG2/2 in the Central Goulburn Irrigation Area has increased channel efficiency from 78.9% in 2007/08 to 91.6% in 2008/09.

Automated regulators were installed along the channel in 2002/03 and 4.5km of the CG 2/2 channel was lined with HDPE plastic in 2008 as part of a larger lining project on the CG 2 system. The entire length of CG2/2 channel has been re-lined and lined with High Density Poly Ethylene (HDPE) black plastic, 2mm thick.

How was the performance improvement calculated?

Automated regulators record the volume of water released into the top and the volume passed at the bottom of the channel. Deliveries to customers are measured through metered outlets and a system discharge meter outlets have been replaced with modern electronic outlets including gates and Magflow meters.

The channel operated at 78.9% efficiency in 2008/09 after lining the performance to 91.6% efficiency.

2008/09 Modernisation Case Studies Fact Sheet As at August 2009

Case study 4: NVIRP Early Works program – CG9 channel lining

Background to the works

As part of the 2008 NVIRP Winter works program, a 2.5 km section of the CG9 open channel was lined with high density polyethylene (HDPE). Automated regulators were also installed at all sites along the section of channel.

Performance Improvements

Data recorded by the upstream and downstream regulating gates shows there was less than 1 ML of difference between the amount of water that went into the lined pool and the amount that came out at the next regulator.

The next pool along there many similarities including soil types, rates of use and size however the pool is not lined. Under the same test conditions, the unlined pool recorded 4 to 5 times the volume of water. In both cases the lined pool recorded efficiency levels of more than 90%.

G-MW analysed the data over a 24 hour period on two separate days, 1 day in summer and 1 day in winter. During the analysis period no deliveries took place which means the water travelled through the pool to supply downstream deliveries.

Measured into the pool	Lined pool		Unlined pool	
	Test 1	Test 2	Test 1	Test 2
19.6	19.6	5.3	12.3	10.0
19.6	19.6	5.3	12.3	10.0
				8.0
				2.0
				0.0%

2009/10 Early Season Operations Fact Sheet As at August 2009

Case study 1: Channel Automation Reduces Shepparton Irrigation Area Outfalls

During 2008/09, with 532 gates in place automating 75% of the Shepparton Irrigation Area, unplanned spills and releases (outfalls) for the entire Shepparton Irrigation Area were reduced by 79% from 8,850 ML in 2007/08 to 1,813 ML in 2008/09 and were reduced by 65% compared with 2006/07.

How was the improved performance calculated?

The following table outlines the deliveries and outfalls for each season for the Shepparton Irrigation Area. The final column shows the volume of water that was delivered for every 1 ML of outfalls.

	Allocation	Deliveries (ML)	Spills & Outfalls (ML)	Deliveries (ML) per 1 ML of outfall
2006/07	29%	69,017	5160	13.4 ML
2007/08	57%	68,198	8850	7.7 ML
2008/09	33%	44,700	1813	35.7 ML

Background to works

G-MW began its Shepparton Irrigation Area Modernisation Project in 2007 installing 16 gates along the East Goulburn Main. A further 516 regulating gates were installed as part of the 2008 winter works program. The Shepparton Project is on track to be completed by December 2009 with a total of 706 gates installed along Shepparton's 750 km channel network.

2008/09 Modernisation Case Studies Fact Sheet As at August 2009

Case study 5: New metering tracks successful irrigation

Electronic Magflow and Prime gate meters talk continuously to their local channel regulators and the main database in Tatura to ensure flow rates through the meter are maintained at the level requested by the farmer for the entire irrigation. The following graph shows the movement of the outlet door to continuously adjust for any G-MW channel flow or level variations.

The following diagram shows the channel levels (black line) as well as the actual flow through the meter (blue line) tracked against the flow rate requested by the farmer (red line). The green line shows the movement of the outlet door to continuously adjust for any G-MW channel flow or level variations.

The graph demonstrates how flow rates and service levels onto farm can be maintained consistently and monitored through the use of smart meter outlets and channel automation.



Operations Division

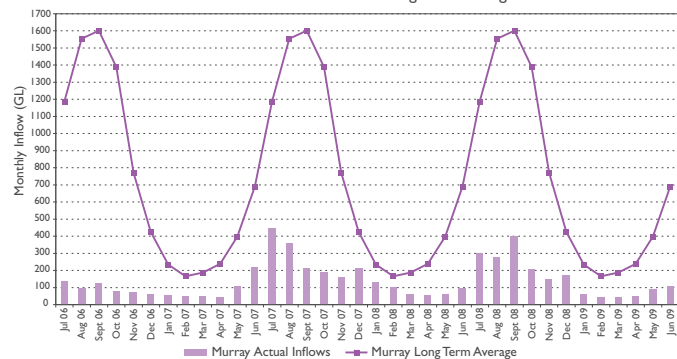
During the year, G-MW consolidated its retail customer relations activities within the Operations Division. The Operations Division represents approximately two-thirds of G-MW's entire workforce. The Division now includes all aspects of G-MW's relationship with its retail customers, including services to support how customers own and trade water, the sharing of available water resources amongst entitlement holders, and the management of the delivery of water to customers' farms and businesses. In recognition that timely and relevant customer communications are a critical component of customer service, the Operations Division also includes the Stakeholder Relations Unit.

Managing and sharing water resources in drought

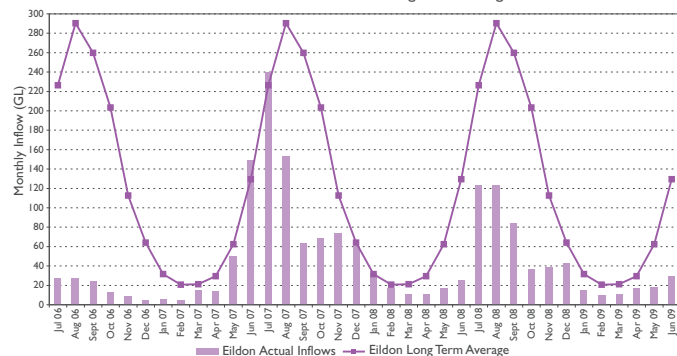
Sharing regulated system water resources

Six of G-MW's regulated river systems – the Murray, Goulburn, Broken, Campaspe, Loddon and Bullarook – all began the year with record low system reserves. As a result, the peak inflow period of July through to September was vital to delivering any allocation during the season, but again disappointed with well-below average inflows.

Murray System (excluding Snowy and Darling flows)
2008/09 Inflow Volumes and Long Term Averages



Lake Eildon
2008/09 Inflow Volumes and Long Term Averages



Qualification of Rights provides safety net in difficult season

For the first time ever, G-MW announced zero opening allocations on all systems on 15 August, and confirmed a delay to the traditional start of the irrigation season. The Qualifications of Rights issued by the Minister for Water in July 2007 again applied at the start of the 2008/09 season. The Qualification of Rights allowed customers in the Murray, Goulburn, Broken, Campaspe, Loddon and Bullarook systems access to water for prescribed purposes including use inside the home, stock watering and dairy washdown while allocation was insufficient. Qualifications remain in effect until threshold allocations for Murray, Goulburn and Broken reach 20% and Campaspe, Loddon and Bullarook allocations reach 50%.

The Murray qualification ceased 17 November as 21% high-reliability water share allocation was announced and Goulburn qualification ceased 1 December as 21% high-reliability water share was announced. All other systems remained under qualification throughout 2008/09. Low water reserves at the end of the season meant qualifications were again needed for 2009/10.

Carryover boosts early season supplies

Some customers supplemented their early season supplies with carryover from the 2007/08 season. Overall customers began the season with carryover of approximately 272,000 ML equivalent to an 8% allocation on the Goulburn and 10% on the Murray systems. The volumes of carryover were higher than 2007/08 and provided many customers with a vital tool for planning their water use under very difficult and uncertain seasonal conditions.

Carryover to the 2009/10 season from 2008/09

System	2007/08 (GL)	2008/09 (GL)	% HRWS	2009/10 (GL)	% HRWS
Murray (Total)	103.0	170.4	13%	180.2	14%
Murray (G-MW)	23.5	58.2	8%	70.4	10%
Campaspe	Not available 07/08	2.3	6%	1.3	3%
Goulburn	24.5	92.9	9%	89.4	9%
Loddon	Not available 07/08	0.4	2%	0.3	1%
Broken	Not available 07/08	6.9	26%	2.5	10%

Notes

- Carryover quoted for all systems is the irrigation (of G-MW) carry over, except for the Murray total which covers all Entitlement holders. Other Water Corporations carryover is not included in this analysis.
- The Broken, Campaspe, Loddon and Bullarook systems had zero allocations in 2008/09. The available carryover volumes represent water unused at the end of the 2007/08 season. As the Bullarook system had zero allocation in 2007/08 and again in 2008/09, no carryover was available.

G-MW provides certainty in uncertain season

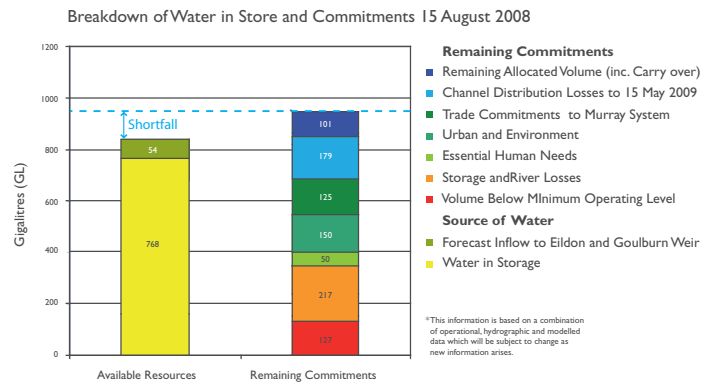
In an effort to provide certainty for all customers and enterprise types, including customers who chose to carryover allocation to the 2008/09 season, G-MW announced in August that it would adopt a range of extreme system operation measures that could support limited system operations for the entire season. The measures had the key outcome of reducing by nearly thirty percent the volume of water required in store to meet system operating requirements before G-MW could begin making system allocations to customers.

Based on the revised estimates G-MW confirmed a 440,000 ML combined Murray and Goulburn system shortfall to an opening allocation in early August but was able to make opening allocations to Murray and Goulburn system customers on 15 September. The approach was adopted in preference to shortening the season, with G-MW advising the season would need to be shortened by at least four months to achieve an equivalent reduction in system operating requirements.

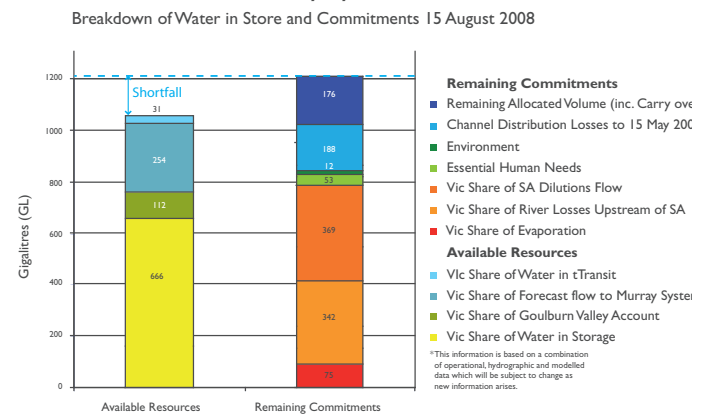
Over the course of the season, allocations increased slowly on the Murray and Goulburn. However the smaller systems failed to achieve positive allocations.

In early 2009, G-MW announced that the final season allocation would be announced on 1 April in an effort to build reserves for the 2009/10 season. This is two weeks earlier than the traditional date of 15 April. It was the third consecutive season for allocations of less than 100% high-reliability water share. The Ovens and King systems were not restricted.

Goulburn System



Murray System



G-MW cannot begin making allocations to water share holders until it has met the system operating requirements. To assist customer and community understanding of the resource position, G-MW regularly published system resource diagrams that grouped commitments into broad categories and showed the shortfall to an opening allocation. The diagrams show commitments yet to be delivered at a point in the season and therefore change with each allocation update.

Below: G-MW Area Services Coordinator Shannon Lancaster with G-MW customer Tony Mercuri. Mr Mercuri's Wyuna East operation produces trellis grown tomatoes.



Historical Seasonal Allocations for G-MW's Regulated Systems

Season	Murray		Broken		Goulburn		Campaspe		Loddon		Bullarook Creek	
	% HRWS	% LRWS	% HRWS	% LRWS	% HRWS	% LRWS	% HRWS	% LRWS	% HRWS	% LRWS	% HRWS	% LRWS
1994/1995	100	120	–	–	100	100	100	80	–	–	–	–
1995/1996	100	100	–	–	100	50	100	100	–	–	–	–
1996/1997	100	100	–	–	100	100	100	120	–	–	–	–
1997/1998	100	30	100	70	100	20	100	90	–	–	100	90
1998/1999	100	100	100	70	100	0	100	0	–	–	100	90
1999/2000	100	90	100	70	100	0	100	0	–	–	100	90
2000/2001	100	100	100	70	100	0	100	120	–	–	100	90
2001/2002	100	100	100	70	100	0	100	80	–	–	100	90
2002/2003	100	29	100	0	57	0	100	0	–	–	100	70
2003/2004	100	0	100	70	100	0	100	0	67	0	100	77
2004/2005	100	0	100	70	100	0	39	0	100	0	100	90
2005/2006	100	44	100	70	100	0	31	0	100	0	100	90
2006/2007	95	0	77	0	29	0	0	0	0	0	36	0
2007/2008	43	0	71	0	57	0	18	0	5	0	0	0
2008/2009	35	0	0	0	33	0	0	0	0	0	0	0

% HRWS = % Water Right up to 2006/07 then % high-reliability water shares

% LRWS = % Sales up to 2006/07 then % low-reliability water shares

The Goulburn system allocation was boosted by 7% by pumping around 86,000 ML of water from the Waranga Basin that cannot be released by gravity. It was the third consecutive year the Waranga Basin has been pumped with irrigators funding the \$1.6 million exercise. G-MW customers funded pumping in 2002/03 but benefited from Victorian Government funding in 2006/07 and 2007/08. The Waranga Basin pump station is the largest temporary irrigation pump station in Australia.





Murray Valley irrigator Travis Cox with G-MW's Phillip Ferguson, Water Service Officer

Water Corporations and Agencies work together to deliver best outcomes for Northern Victorian Water Users – Dry Inflow Contingency Planning

The prevailing drought conditions saw the continuation of G-MW's involvement in the Northern Victorian drought management coordination through the Dry Inflow Contingency Planning (DICP) committee. G-MW, DSE, DPI, Catchment Management Authorities and urban water corporations were represented. DICP ensured a strong coordination between urban and rural water corporations, delivering outcomes such as water conservation plans for water corporations and other water contingencies identified when delivering water during challenging conditions.

Goulburn System Water Quality Reserve

The Goulburn System's operating requirements include the Goulburn System Water Quality Reserve. The 30,000 megalitre reserve is established each season, before allocations can be made to water share holders. The reserve is not an entitlement, but provides resources to address water quality issues that compromise customers' (irrigators, the environment and urban communities) use of their water allocations. No other regulated river systems in Northern Victoria has a water quality reserve.

Since the reserve was created in 1995 as part of the Goulburn System Bulk Entitlements, less than 10,000 ML has been used to address water quality issues. The reserve has largely been used to assist management of low dissolved oxygen concentrations, weed growth and blue-green algae (BGA) outbreaks in the Lower Broken Creek by increasing flows in the Creek.

The limited use of the Reserve reflects the ongoing evolution of BGA management practices and the recognition that flushing tends to relocate rather than resolve a BGA outbreak. The preferred management response is to allow BGA to resolve naturally.

In 2008/09 the Minister for Water qualified rights in the Goulburn Bulk Entitlement to enable supply to Coliban Water and Central Highlands Water to supplement existing supplies and meet critical water shortages in Bendigo and Ballarat respectively. The two water corporations paid commercial rates for access to the additional water, with pricing arrangements agreed to by the Minister for Water in accordance with the Qualification of Rights.

Goulburn System Water Quality Reserve

Year	Volumes and purpose of used
2004/05	0
2005/06	513 ML was delivered to the Broken Creek to assist water quality.
2006/07	422 ML was delivered to the Broken Creek. 7,000 ML released onto the Goulburn water market for purchase by local irrigators and urban corporations.
2007/08	1,878 ML was used in the Broken Creek to assist water quality. 10,000 ML supplied to Coliban Water and Central Highlands Water to supplement existing supplies and meet critical water shortages in Bendigo and Ballarat.*
2008/09	2,817 ML was used in the Broken Creek to assist natural break up of a weed infestation (azolla) and improve dissolved oxygen concentrations. 10,000 ML supplied to Coliban Water and Central Highlands Water to supplement existing supplies and meet critical water shortages in Bendigo and Ballarat.*

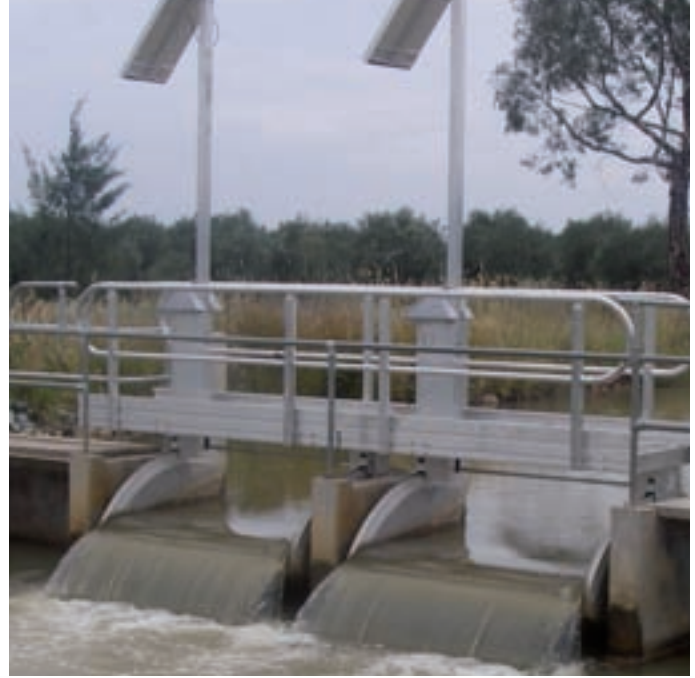
* Coliban Water and Central Highlands Water paid commercial rates for access to the additional water, with pricing arrangements agreed to by the Minister for Water in accordance with the Qualification of Rights.

The qualification of the Bulk Entitlement repeated supplies made available to Coliban Water and Central Highlands Water in 2007/08, and followed the release of approximately 7,000 ML onto the Goulburn water market for purchase by Goulburn System irrigators in 2006/07. The supplies for irrigators were equivalent to approximately 0.5% of HRWS allocation and provided some additional resources during extreme drought conditions and the lowest ever allocation for the Goulburn System.

Meeting environmental needs in drought

The strict operating conditions forced on the river systems in 2008/09 meant many rivers were flowing at their lowest ever levels to conserve water for essential human needs throughout the season. This meant most systems had only slim operating margins, and while mostly successfully managed, several environmental incidents did occur. The Broken River ceased flowing near its confluence with the Goulburn River after releases were reduced in anticipation of forecast rains that did not eventuate. A fish death event occurred in the Loddon River when a small overflow across Serpentine Weir triggered black water conditions downstream.

The wider successful operations reflected the close cooperation between G-MW and its partner agencies including DSE, the Murray Darling Basin Authority and the Catchment Management Authorities in its region. Examples of the success included the reduction of salinity in the lower Campaspe River and maintenance of dissolved oxygen concentrations in the lower Broken Creek through alternative transfer routes for intervalley trade water to the Murray system. G-MW also contributed to the delivery of water to wetlands in the Loddon system, and was a key agency in the preparation of environmental watering plans for the Campaspe and Loddon systems prepared by the North Central Catchment Management Authority.



Transforming a manually controlled channel network to an automated system delivering water to customers more efficiently than ever before

Water delivery

Unregulated systems

G-MW works with local water license holders to oversee the sharing of water resources along more than 150,000 km of unregulated rivers and waterways. The 2008/09 season was another challenging year for water users on these unregulated systems.

Rosters and restrictions were required on 93 of the 130 unregulated streams across the region to share water between irrigation users, domestic and stock needs and to protect flows for the environment.

In response to these minimal flows G-MW has worked with customers and the relevant agencies to manage these unregulated systems, including:

- Customer meetings prior to the implementation of irrigation suspensions (including Yea and Acheron River Systems) to help customers in their farm planning and understanding of available options.
- Improved rostering response times and materials explaining rosters and restrictions.
- Increased numbers of field based staff to deal with customer enquiries and improve water sharing between customers.

In the unregulated systems extensive work was required to manage compliance and communications resulting from unregulated stream sub-catchments operating under some form of restriction during the year. A substantial amount of time was spent preparing and implementing rosters and ensuring water sharing between customers was a priority for the season.

G-MW has engaged with relevant agencies to document Local Management Rules to improve certainty about future management.

Management of conjunctive use in the Upper Ovens

During the year, G-MW facilitated a Ministerial Consultative Committee to develop a combined Management Plan for groundwater and surface water resources within the Upper Ovens River Catchment. This represents the first integrated groundwater-surface water management plan in Victoria.

The plan aims to protect both groundwater and surface water systems in the Upper Ovens Water Supply Protection Area (WSPA) which is the Ovens River catchment above Myrtleford, including Happy Valley and Buffalo Creeks. Useable quantities of groundwater in the Upper Ovens valley are contained in alluvial aquifers (up to 70m deep) which are linked to adjacent streams. The rest of the catchment is dominated by bedrock of the Great Dividing Range. The community will be invited to make comments as part of the consultation process when a draft of the management plan has been prepared by the consultative committee.

G-MW successfully completes Diversions Metering Program

The Diversion metering program commenced in 2005 and was a response to the 2004 Victorian Government White Paper "Our Water Our Future" and covers the metering of all unregulated surface water licences greater than 10 megalitres and all groundwater licences greater than 20 megalitres. Funding for the program was shared between the Victorian Government and water users.

Of the 2022 sites identified as requiring metering under this program, 1948 or 96% of sites have been metered. The remaining sites have additional levels of complexity that require individual treatments.

The entire program cost \$5.5million and was delivered significantly under budget, of which the Victorian Government committed \$400 per meter, a total of \$808,000. The program was effectively completed in 2009 and was delivered by internal G-MW resources and customers.

Regulated systems

With no opening allocation, early season operations were focused on delivering domestic and stock supplies to customers along with essential needs to the nearly 30 towns supplied by G-MW's channel delivery network. G-MW sought to deliver carryover to customers where this could be done in conjunction with deliveries of Domestic and Stock and essential needs or where the delivery could be met efficiently.

With very limited resources, G-MW sought to maximise the volume available for allocation by minimising system losses. To assist this process and ensure local knowledge drove local planning and system operations, G-MW developed 17 local operating plans for various sections of the channel and river delivery networks. The plans required local G-MW staff

and customers to develop delivery programs within a specified losses 'budget'. The available 'budget' or system operating water was updated with each allocation improvement. Through the Local Operating Plans local staff and customers were able to maximise local system operations by:

- delaying channel fills where there was no demand
- approximately 20% of the networks were not in operation on any given day rising to more than 30% in some areas and at low-demand periods of the irrigation season
- arranging for domestic and stock supplies to be carted to customers where this was a more efficient and cost effective option than filling the channel
- G-MW staff working with customers to group orders and maximise the volumes delivered in a single operation
- minimising river releases wherever possible with strict scheduling of domestic, stock and carryover deliveries
- using unregulated tributary inflows instead of water held in storage for deliveries, ensuring customers received their water when and where they required it and delivery losses were kept to a minimum.

Lower operating levels and reduced environmental flows (via qualification) led to channel deliveries being at their lowest ever recorded and channel losses at their lowest ever. River systems operations continued throughout the season.

G-MW achieved service standards in difficult years

With low allocations and challenging seasonal conditions, G-MW's customers relied on the timely delivery of water orders to sustain their operations. The extreme operating arrangements demanded G-MW carefully coordinate deliveries to satisfy the needs of customers and minimise system losses.

Even with extreme operating arrangements in place, G-MW delivered more than nine out of ten orders within a day either side of when the customer requested.

G-MW Water Delivery Performance 2008/2009

Area	2008/09 Performance Targets					
	Water delivered +/- 1 day of the day requested		Water delivered on day requested		Reactive (unplanned) maintenance responded to within: *24 hrs for Priority 1 *96 hrs for Priority 2	
	Target	Actual	Target	Actual	Target	Actual
Shepparton	97%	99%	91%	90%	85%	92%
Central Goulburn	98%	99%	92%	93%	85%	92%
Rochester-Campaspe	96%	95%	83%	73%	85%	97%
Pyramid-Boort	94%	94%	82%	80%	85%	97%
Murray Valley	96%	96%	88%	80%	85%	93%
Torrumbarry	97%	96%	93%	86%	85%	97%

Customers increase use of online ordering

In 2008/09 G-MW customers recorded a further 50% increase in their use of online ordering with 33% of orders placed online. Since its introduction in 2006/07, WaterLINE online has reported steady growth as customers recognise the benefits of a day online access.

During 2007/08 G-MW has redeveloped its online service and will launch an improved G-MW WaterLINE online for the 2009/10 season.

Orders in Irrigation Areas 2008/2009

	Web	Phone	G-MW Entered	Total
Murray Valley	3890	8059	976	12925
Torrumbarry	12476	11881	2914	27271
Shepparton	4203	13017	1113	18333
Central Goulburn	8531	18105	1536	28172
Rochester-Campaspe	1976	4626	1093	7695
Pyramid Boort	1452	2603	1591	5646
Diversions	2601	3784	152	6537
Total	35,129	62,075	9,375	100%
% Total	33%	58%	9%	100%

G-MW customers placed more than 100,000 orders during the year. This is considerably less than in years of higher water availability, but represents approximately 400 orders each day of the irrigation season.

Orders placed by customers on regulated systems

	04/05	05/06	06/07	07/08	08/09
Murray Valley	32438	33822	33338	12250	12925
Torrumbarry	56242	57375	48033	25677	27271
Shepparton	24157	23630	18600	16829	18333
Central Goulburn	54656	52249	32962	30065	28172
Rochester-Campaspe	20347	20425	8994	8623	7695
Pyramid Boort	11536	12359	6672	6125	5646
Diversions	11078	10659	8091	6929	6537
Total	210,454	210,519	156,690	106,498	106,579

Operating with reduced staff in Operations Areas

G-MW continued to adjust its operational workforce in response to the ongoing drought conditions which reduced deliveries and operational requirements. Operations staff levels reduced by 32% to 130 employees. This was achieved by redeploying employees to other activities and projects within G-MW, to externally funded programs such as modernisation projects with FutureFlow and NVIRP and by filling only critical staff vacancies. The redeployment programs

balance efforts to reduce costs with the need for G-MW to access appropriate staff skills and experience when there is a return to more normal conditions.

Providing employment opportunity for local producers – Drought Employment Program

G-MW provided a range of opportunities for local primary and secondary producers to work as part of G-MW's operations in roles associated with natural resource management under a state government initiative facilitated by the Goulburn Broken and North Central CMAs. Under the program in the Goulburn Broken, 10 farm workers assisted with weed control in the Murray Valley, Shepparton and Central Goulburn Irrigation Areas and the Barmah Forest and Cobrawonga Forest areas under G-MW supervision. The program has provided G-MW with vital additional resources to assist with the management of terrestrial and aquatic weeds, including arrowhead, in the Shepparton and Murray Valley Irrigation Areas.

Maintenance of Dethridge Meters to improve Customer Equity and System Efficiency

The ongoing maintenance of customer outlets (meters) is vital to the equitable sharing of water resources amongst customers. Over the last two years G-MW has undertaken additional rehabilitation programs on more than 4064 Dethridge meters across all Irrigation Areas.

The works included adjusting spaces between wheels and old worn concrete emplacements and replacement of leaky rubbers and doors. During the year G-MW discontinued the program in recognition that the Dethridge meter technology will be replaced under modernisation programs underway in the Irrigation Areas.

The additional rehabilitation initiatives were on top of G-MW's routine Dethridge meter maintenance programs. In 2008/09 G-MW incurred \$695,000 expenditure on maintenance of Dethridge meters across all Irrigation Areas. G-MW will continue to undertake routine maintenance across its entire meter fleet, including Dethridge meters until they are replaced by the more reliable, accurate meters that will enable improved customer services.

Protecting Customers' Entitlements

G-MW continues to develop improved compliance management procedures to protect all users' access to water. G-MW has increased focus on compliance management to ensure water use remains within entitlement and the available water is shared equitably including water for the environment. During the year a number of potential compliance breaches were detected including the unauthorised release of water into Lake Boga.

During the year G-MW again received large numbers of reports of alleged water theft from members of the community. G-MW followed up on all reports to verify water use was within a customer's entitlement.



Modernisation enables improved services to Customers

Modernisation projects in the Shepparton and Central Goulburn Irrigation Areas have enabled new services to customers. These Areas currently have the greatest level of channel system automation and meter replacement under the modernisation programs. In Central Goulburn the automation of the number 1,2,3 and 4 channel systems has allowed the introduction of the Demand Management System that enables customers to order at much shorter notice than the traditional service standard of 4 days. Customers also receive instant order confirmation. Spare channel capacity can also be viewed via WaterLINE online. The Demand Management System will be available in other modernised channel systems during 2009/10.

G-MW has also introduced extended hours for planning staff availability to 11:30pm in Central Goulburn and Shepparton to ensure customers can contact a person after hours to respond to operational or service delivery issues. Customers and staff have welcomed this initiative. This facility will be extended to other Areas in 2009/10 and in Central Goulburn and Shepparton will be extended to 24 hour a day, 7 days a week as part of the ongoing monitoring and response to customer needs as part of the modernisation roll out.

As more of G-MW irrigation network are modernised, G-MW is able to roll out improved service benefits including shorter ordering times, instant order confirmation and extended planner access.

System Performance in Irrigation Areas

Goulburn System – System performance within Irrigation Areas 2004/05 to 2008/09															
Season	Shepparton			Central Goulburn			Rochester			Pyramid-Boort			Total		
	Delivery (GL)	System operating requirements (GL)	Efficiency	Delivery (GL)	System operating requirements (GL)	Efficiency	Delivery (GL)	System operating requirements (GL)	Efficiency	Delivery (GL)	System operating requirements (GL)	Efficiency	Delivery (GL)	System operating requirements (GL)	Efficiency
2004/05	157	63	71%	382	154	71%	198	80	71%	221	51	81%	958	348	73%
2005/06	156	57	73%	388	152	72%	207	89	70%	236	55	81%	987	353	74%
2006/07	69	37	65%	157	115	58%	68	42	62%	68	49	58%	362	243	60%
2007/08	69	29	70%	170	90	65%	95	41	70%	86	47	65%	420	207	67%
2008/09	65	20	76%	144	75	66%	86	45	66%	70	40	64%	365	180	67%
Average	103	41	71%	248	117	65%	131	59	69%	136	48	74%	618	266	70%

Murray System – System performance within Irrigation Areas 2004/05 to 2008/09									
Season	Murray Valley			Torrumbarry ⁵			Total		
	Delivery (GL)	System operating requirements (GL)	Efficiency	Delivery (GL)	System operating requirements (GL)	Efficiency	Delivery (GL)	System operating requirements (GL)	Efficiency
2004/05	257	111	70%	425	214	67%	682	325	68%
2005/06	282	100	74%	492	207	70%	774	307	72%
2006/07	233	122	66%	350	187	65%	583	309	65%
2007/08	88	58	60%	126	130	49%	214	188	53%
2008/09	84	54	61%	129	145	47%	213	199	52%
Average	189	89	68%	304	177	63%	493	265	65%

Campaspe Irrigation District 2004/05 to 2008/09			
Season	Delivery (GL)	System operating requirements (GL)	Efficiency
2004/05	9.8	1.4	88%
2005/06	7.9	0	104%
2006/07	0	1.7	0%
2007/08	3.7	0.7	84%
2008/09	3.4	0.6	85%
Average	5	0.8	86%

Qualifiers

- System operating requirements include evaporation, leakage and seepage, meter error and unplanned outfalls (spills) and are sometimes referred to as losses. The data only refers to operations within the Irrigation Area/district, it does not include storage and river operations.
- Loss =(Net diversion into an Irrigation Area or district) minus delivery
- Since 2004/05 G-MW has implemented a number of drought response measures to reduce system losses. In 2007/08, with the cooperation of customers, G-MW at times didn't run 20-30 % of its 6,300 km channel network, required customers along sections of the network to group their orders, ran channels at lower levels which impacted flows onto farm and tankered in stock and domestic supplies. These strategies are severe drought response measures not standard operating practices.
- The Goulburn system losses do not include evaporation from Waranga Basin.
- The Torrumbarry distribution network includes more than 300km of natural carriers. The existing network offers limited opportunities to reduce

losses using drought response measures applied in other Irrigation Areas, however with appropriate investment there are opportunities to improve system efficiency while continuing to meet the environment needs of wetlands and other areas currently serviced by the network.

- In 2005/06, the Campaspe system supplies were augmented by drought pumping from the Waranga Western Channel. This resulted in deliveries in the Campaspe system being higher than the diversions into the Campaspe East and West channels, and inflated the calculated efficiency.
- In 2006/07 the Campaspe allocation was zero therefore no irrigation deliveries. Diversions to the channel network were required for domestic and stock supply.
- In 2007/08 and 2008/09 the Campaspe allocation supplies were augmented by drought pumping from the Waranga Western Channel.

System performance for G-MW Irrigation Areas (excluding pumped supply districts) 1994/95 to 2008/09

	Goulburn ⁵						Murray						Campaspe Irrigation District						Total G-MW					
	(Shepparton, Central Goulburn, Rochester and Pyramid-Boort Irrigation Areas)						(Murray Valley and Torrumbarry Irrigation Areas)												(All Areas and district)					
	Delivery (GL)	System Operating Requirements (GL)		Efficiency (%)	System Allocation %		Delivery (GL)	System Operating Requirements (GL)		Efficiency (%)	System Allocation %		Delivery (GL)	System Operating Requirements (GL)		Efficiency (%)	System Allocation %		Delivery (GL)	System Operating Requirements (GL)		Efficiency (%)		
		Total (GL)		% of Water Right up to 2006/07 then % HRWS	% of Sales up to 2006/07 then % LRWS		Total (GL)		% of Water Right up to 2006/07 then % HRWS	% of Sales up to 2006/07 then % LRWS		Total (GL)		% of Water Right up to 2006/07 then % HRWS	% of Sales up to 2006/07 then % LRWS		Total (GL)		% of Water Right up to 2006/07 then % HRWS	% of Sales up to 2006/07 then % LRWS	Total (GL)		% of Water Right up to 2006/07 then % HRWS	% of Sales up to 2006/07 then % LRWS
1994/95	1,632	559	2,191	74%	100	100	1,054	492	1,546	68%	100	120	39	1	40	97%	100	80	2,725	1,052	3,777	72%		
1995/96	1,244	507	1,751	71%	100	50	908	383	1,291	70%	100	100	34	3	37	92%	100	100	2,186	893	3,078	71%		
1996/97	1,501	494	1,995	75%	100	100	989	303	1,292	77%	100	100	40	4	44	92%	100	120	2,530	801	3,330	76%		
1997/98	1,190	483	1,673	71%	100	20	810	381	1,191	68%	100	30	35	3	38	91%	100	90	2,035	867	2,903	70%		
1998/99	1,016	424	1,440	71%	100	0	910	404	1,314	69%	100	100	25	2	27	91%	100	0	1,951	830	2,780	70%		
1999/2000	927	360	1,287	72%	100	0	719	386	1,105	65%	100	90	24	3	27	89%	100	0	1,670	749	2,419	69%		
2000/01	1,024	404	1,428	72%	100	0	874	342	1,216	72%	100	100	33	5	38	86%	100	120	1,931	751	2,682	72%		
2001/02	1,072	402	1,474	73%	100	0	977	412	1,389	70%	100	100	36	5	41	87%	100	80	2,085	819	2,904	72%		
2002/03	630	349	979	64%	57	0	814	417	1,231	66%	100	29	21	2	23	92%	100	0	1,465	768	2,232	66%		
2003/04	969	350	1,319	73%	100	0	685	304	989	69%	100	0	23	1	24	95%	100	0	1,677	655	2,331	72%		
2004/05	958	348	1,306	73%	100	0	682	325	1,007	68%	100	0	10	1	11	87%	39	0	1,650	674	2,325	71%		
2005/06⁶	987	353	1,340	74%	100	0	774	307	1,081	72%	100	44	8	0	8	104%	31	0	1,769	660	2,430	73%		
2006/07⁷	362	243	605	60%	29	0	583	309	892	65%	95	0	0	2	2	0%	0	0	945	554	1,497	63%		
2007/08	420	207	627	67%	57	0	214	188	402	53%	43	0	4	1	5	84%	18	0	638	396	1,010	63%		
2008/09⁸	365	180	545	67%	33	0	213	199	412	52%	35	0	3	1	4	85%	0	0	578	379	958	60%		
15 year average	953	378	1,331	72%			747	343	1,091	69%			22	2	25	91%			1,722	723	2,444	70%		

Qualifiers

- System operating requirements include evaporation, leakage and seepage, meter error and unplanned outfalls (spills) and are sometimes referred to as losses. The data only refers to operations within the irrigation areas/district, it does not include storage and river operations.
- Loss = (Net diversion into an irrigation area or district) – delivery
- Since 2004/05 G-MW has implemented a number of drought response measures to reduce system losses. In 2007/08, with the cooperation of customers, G-MW at times didn't run 20–30 % of its 6,300 km channel network, required customers along sections of the network to group their orders, ran channels at lower levels which impacted flows onto farm and tankered in stock and domestic supplies. These strategies are severe drought response measures not standard operating practices.

- The Goulburn system losses do not include evaporation from Waranga Basin.
- The 2007/08 hydrographic data for Rochester diversions was updated, resulting in a revision of system operating requirements.
- In 2005/06, the Campaspe system supplies were augmented by drought pumping from the Waranga Western Channel. This resulted in deliveries in the Campaspe system being higher than the diversions into the Campaspe East and West channels, and inflated the calculated efficiency.
- In 2006/07 the Campaspe allocation was zero therefore no irrigation deliveries. Diversions to the channel network were required for domestic and stock supply.
- In 2008/09 the Campaspe allocation supplies were augmented by drought pumping from the Waranga Western Channel.

Groundwater

G-MW manages around half of all of Victoria's groundwater resources and licensed bores. G-MW also has an important role in ensuring groundwater use is sustainable and that existing groundwater users and the environment are protected when new licences are considered.

The management and allocation of groundwater is governed by the rules set by relevant Local Management Rules or Management Plans. G-MW issues licences to take and use groundwater under the *Water Act 1989* and is required to maintain allocations within the set limits.

In order to protect access to the resource and to ensure use is sustainable, a stringent groundwater extraction and use management framework is required in some areas. This involves the establishment of Groundwater Management Areas (GMAs) and in some cases Water Supply Protection Areas (WSPAs) where caps on licenced use are set through Permissible Consumptive Volumes and where management plans or rules are developed.

Management plans are already in place in WSPAs such as Spring Hill, Campaspe Deep Lead and Katunga. Restrictions on issuing new licence entitlements exist in the Lower Ovens, Mid Goulburn, Kinglake and Southern Campaspe Plains GMAs.

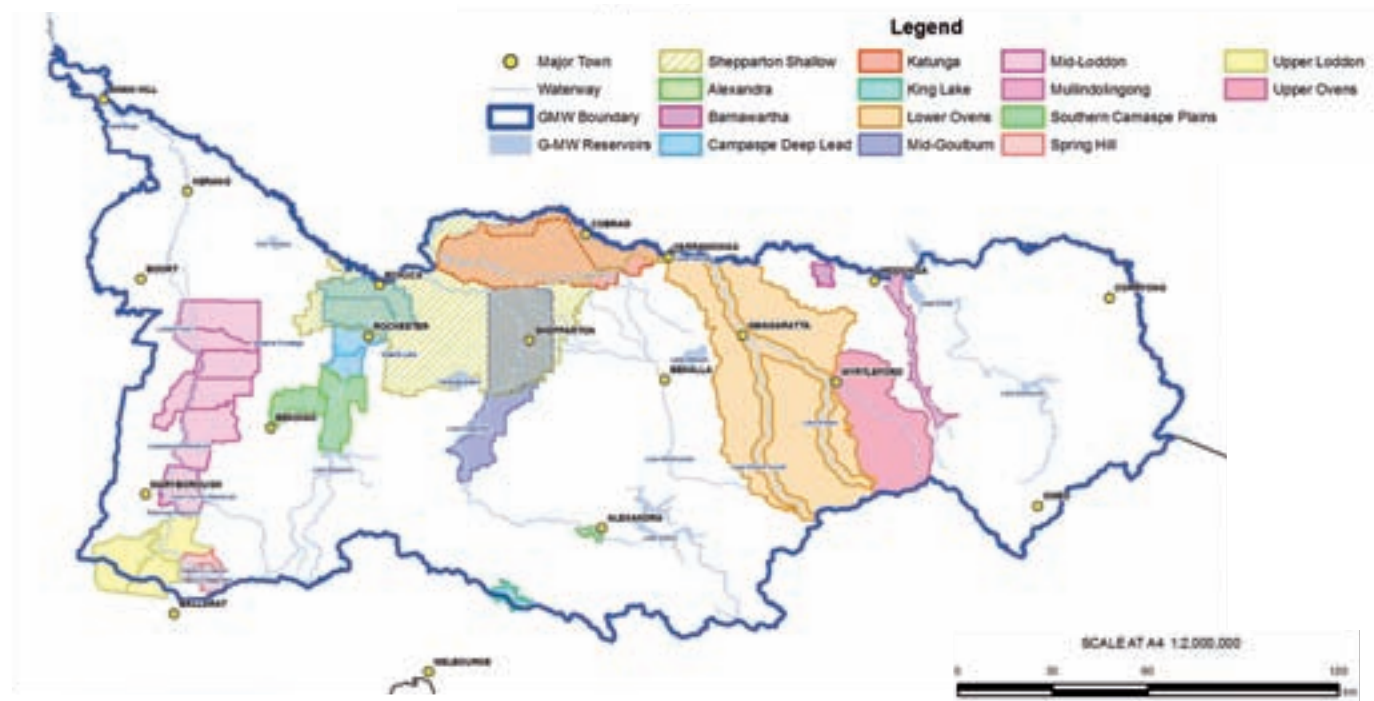
Groundwater resource assessment program

Lower Ovens – A resource appraisal (Part A) is nearing completion in the Lower Ovens catchment to gain understanding of the extent, nature and availability of groundwater resources in Ovens and King Valleys. This will give G-MW important tools to inform future groundwater management in the Lower Ovens Valley.

Goulburn-Broken – G-MW has just commenced a groundwater resource appraisal in the Goulburn-Broken Catchment, an area extending from Kinglake and Marysville in the south up to the Murray River between Echuca and Yarrowonga in the north, while also spanning east to west from Benalla to Rushworth. This resource appraisal project will provide G-MW with the knowledge and tools to enable a higher level of groundwater management in the catchments.

The first stage of the project is to collate available information and build on the current understanding of the aquifer systems and their relationships with creeks and rivers in the Goulburn-Broken catchment. This work will be completed over the next 12 months.

G-MW's Groundwater Areas



Local Management Rules

Local Management Rules are a community driven framework for managing groundwater resources in the Loddon valley, developed by a reference committee and adopted by G-MW's Board. G-MW's adoption of the Mid-Loddon Groundwater Management Area Local Management Rules signals improved and more adaptive management arrangements for groundwater resources. The Local Management Rules provide greater flexibility for entitlement management and clear scope for future groundwater development by allowing groundwater trading and carryover. The rules also consider security of access to domestic and stock users and protection to the aquifer, supported through the establishment of groundwater level triggers to manage restrictions.

State Observation Bore Network (SOBN) Refurbishment program

In 2008/09 there were significant improvements for groundwater resource monitoring in the upper Loddon catchment with the roll out of the Statewide SOBN Refurbishment project in G-MW's region. There are already 43 newly constructed bores in the Upper Loddon WSPA and Spring Hill WSPA. Following completion of these works, new observation bores will be constructed in the Wombat, Kinglake and Upper Campaspe areas. G-MW is managing the delivery of bore drilling works in its area. Major contributions to funding the resource assessments and the SOBN program have been provided by DSE.

G-MW improves administration of water ownership and trading

Since 2007 customers' water entitlements are recorded in the Victorian Water Register and in most cases customers are able to sell their entitlement or allocation or buy more at any time during the year. G-MW provides a critical role in the administration of entitlement information and in providing a local access point for water trading inquiries and processing. During 2008/09 G-MW processed 16,677 transactions including allocation trades, water share transfers, land dealings, subdivisions and licencing applications.

Approximately 70 percent of G-MW's administration activity involves processing of transactions on behalf of the Victorian Water Register and all are delivered on a fee-for-service basis and are not funded from G-MW's water services fees and charges. G-MW continues to adjust its administration teams to provide efficient processing of transactions for all applicants, particularly during peak trading and licencing periods.

Business Transactions Processed by G-MW

Transaction Type	2006/07 (number)	2007/08 (number)	2008/09 (number)
Water Share Trades	519	3,080	3,191
Allocation Trades (including surface and groundwater allocation trades)	9,868	10,060	10,271
Information statements	2,037	1,587	2,164
Subdivisions	228	92	112
Amalgamations Irrigation	108	6	0
Bore construction licences	1,814	806	939
TOTAL	14,574	15,631	16,677

Drought Assistance Rebates for G-MW Customers

G-MW again streamlined access to the Victorian Government's \$36.8 million 2008/09 drought rebate by deducting the rebate from customers Fixed Water Charge Accounts. Rebates were provided to 22,256 G-MW separately serviced properties. Customers in the Ovens and King regulated system did not receive the drought rebate as allocation exceeded the eligibility threshold of less than 30% by 1 December 2008.

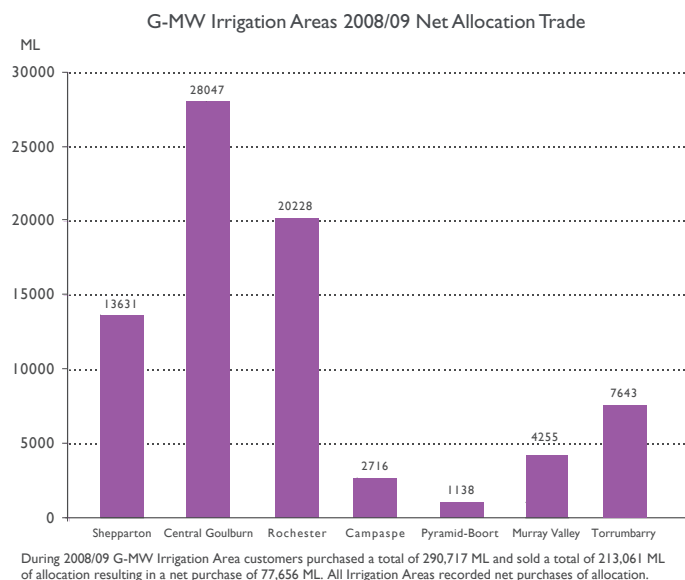
G-MW achieves Energy & Water Ombudsmen approval

G-MW's new Complaints Management Systems (CMS) was welcomed by the Energy and Water Ombudsmen (EWOV) who also acknowledged G-MW's prompt response to complaints made via the EWOV. The new system ensures all customer feedback is managed in a consistent manner and can be monitored throughout the resolution process to ensure they are resolved within agreed timeframes.

Water Trading

2008/09 was the second year since the introduction of unbundling in G-MW's regulated systems and water trading again proved a vital mechanism for sharing limited water resources amongst water users. At 30 June 2009 customers on G-MW's regulated systems, including irrigators, urban Water Corporations and the environment owned a combined total of 1,955,589 ML or 20,583 water shares, a reduction of just over 11,000 ML from 30 June 2008.

During 2008/09 all Irrigation Areas recorded net trade out of water shares, but were also net buyers of allocation.



2008/09 Ballot

G-MW again undertook a ballot in July 2008 to ensure equitable access to trade opportunities under the 4% limits (volume of water shares that can be traded out of an Irrigation Area).

In a change from 2007/08, applications that were not subject to the 4% water trading limit were not included in the ballot. This was the key reason ballot applications dropped from more than 800 in 2007/08 to 380 in 2008/09.

The ballot took place over two days and provided each application with a number in the order for processing. G-MW completed processing of all 380 applications within four weeks, three weeks earlier than expected as a result of a range of process improvements developed by G-MW staff and implemented for the first time in 2008/09.

Water trading limits were not triggered as a result of the ballot in any of the Irrigation Areas. The first areas to reach the 4% net limit on the volume of water shares that can be traded out of irrigation were Central Goulburn, Rochester and Campaspe in early October.



Above and below: Each year G-MW processes around 3,000 requests to amend customer information such as mailing addresses and name changes. With customer information linked to increasingly valuable water assets, all requests require written advice from the customer with G-MW staff processing an average of 40 amendments each week.

Trends in delivery shares

In July 2007 all water entitlements in G-MW regulated river systems were unbundled into three separate components. Irrigation Area customers now hold delivery shares, water shares and water use licences. Delivery shares provide customers with access to the delivery network and customers can therefore take physical delivery of their water resources. Changes in the number of delivery shares indicates a change in the number of customers seeking access to the delivery network, it does not indicate changes in the volume of water delivered.

Since 2007 the number of delivery shares has increased by 51.29 shares as a result of the conversion of diversion licences in the Torrumbarry Irrigation Area. The increased volume of delivery shares in the Rochester Irrigation Area reflects the creation of delivery shares to support operation of the Coliban Superpipe. Only the Shepparton Irrigation Area and Nyah Irrigation District have recorded net reductions in total water delivery shares held.

Groundwater transfers

2008/09 again saw an increasing interest in and uptake of groundwater trading opportunities; showing that demand is still very strong. At the conclusion of the 2008/09 season there were over 170 transfers totalling nearly 12,300 ML of groundwater entitlement – an increase of about 35% in trade numbers and nearly 25% in volume. Last season approximately 10,000 ML was traded and 130 applications.

Groundwater trading is a vital mechanism for sharing access to groundwater in areas where a Groundwater Management Plan is in place and as a result the total entitlement volume for the aquifer has been capped.

Delivery Shares in Irrigation Areas

Delivery System	1 July 07	1 July 09	Net Variance
Campaspe Irrigation District	202.49	202.49	–
Central Goulburn Irrigation Area	3880.58	3883.85	3.27
Murray Valley Irrigation Area	2732.78	2736.34	3.56
Nyah Irrigation District	138.07	137.59	- 0.48
Pyramid Boort Irrigation Area	2223.31	2229.22	4.67
Rochester Irrigation Area	1890.2	1904.38	14.18
Shepparton Irrigation Area	1820.21	1814.62	-5.59
Torrumbarry Irrigation Area	3401.18	3431.62	30.44
Tresco Irrigation District	94.71	94.71	–
Woorinen Irrigation Area	294.27	294.27	–
Total	16677.8	16,729.09	51.29



Enabling customers to make informed business decisions

During yet another difficult year, G-MW recognised the importance of providing relevant and timely communications to assist all water users make timely and informed business decisions.

During the year G-MW used media, its website, advertising, dedicated newsletters and other communication initiatives such as Industry Bodies Forums and regular engagement with Water Services Committees to share information with customers. G-MW held three Industry Bodies Forums to discuss the resource position and management approach with wider industry and service providers. Presentations on resources and operations were also made to forums in Mildura to address irrigator concerns in the Sunraysia region, as well as interest groups such as those in the dairy and horticulture industries.

A key role for G-MW was explaining the differences in the allocations between the three states on the Murray system. Just as allocations vary between systems in the G-MW region, the allocation varied between the states because of the different volumes of water products. For example, the total volume of high-reliability water shares owned by Victorian Murray System customers is nearly 10 times the volume of high security water entitlements owned by NSW customers and therefore a 1% allocation improvement for Victorian system customers requires significantly more resources than is required for an equivalent improvement for high security customers in NSW.

Reliability of Victorian Water Shares

System	Number of years out of 100 customers would receive 100% allocation	
	PRODUCT	
	HRWS	LRWS
Murray	99	39
Goulburn	97	27
Campaspe	98	75
Loddon	95	27
Broken (2)	n/a	n/a

- Note:**
 1. Post unbundling. Full utilisation (July 1st 2007)
 2. For Post unbundling (July 1st 2007), HRWS : 90, LRWS : 85
 3. Source NRSWS



G-MW worked with local media to provide regular updates throughout the season

Understanding the challenges and preparing for the future

Customers Informing G-MW Policy and Operations – G-MW Water Services Committees

G-MW's Water Services Committees (WSC) provide a valuable forum for the discussion of water management issues and for capturing the thoughts and views of customers from across G-MW's region. WSCs provide robust debate and informed advice to G-MW in critical areas such as pricing, service standards and asset management. WSC contributions combined with G-MW's water management expertise delivers the best outcome for customers and their communities.

In April G-MW called for nominations for a number of Committees, with a total of six new representatives appointed.

During the year G-MW also commenced a review of the Water Service Committees with the aim of improving the governance and administration processes.

G-MW greatly appreciates the skill, scrutiny and time that all members provide in giving advice from both a customer and community perspective.

Northern Region Sustainable Water Strategy

In October the NRSWS Committee released the draft strategy for community consultation. G-MW continues to provide input into the development of this important 50 year blue print for water management in Northern Victoria, with G-MW staff and Water Services Committee members participating in the development process.

The final strategy is due shortly. Copies of the draft strategy and project updates are available at: <http://www.ourwater.vic.gov.au/programs/sws/northern>

Basin Pricing

At its September Board meeting, G-MW renewed its commitment to move to basin pricing for water shares held associated with land by G-MW retail delivery customers. The move to basin pricing for these G-MW customers will begin once a transition strategy that addresses a range of issues has been developed.

Basin pricing is the agreed basis in Victoria for sharing the costs of water harvesting and storage infrastructure between bulk entitlement holders, which include rural and regional water corporations and the Minister for Environment. Basin pricing is in place for all water shares held by Lower Murray Water and Southern Rural Water customers. It also applies to water shares not associated with land that are held by G-MW customers. Basin pricing is an important element in

Water Services Committee – Meeting average meeting attendance

WSC	Number Members	Meetings held	Average attendance %	Number of meetings attended by G-MW Board or management
Shepparton	8	8	86	1
Central Goulburn	9	12	83	8
Rochester-Campaspe	10	12	85	5
Pyramid-Boort	9	12	88	5
Murray Valley	8	12	90	10
Torrumbarry	8	12	90	5
Loddon Water District	10	4	73	2
Tungamah	7	2	79	1
Loch Garry	4	0	0	0
Regional Groundwater	12	3	75	1
Murray systems	12	3	69	1
Goulburn systems	8	4	81	1
Total	105	84	92	40

*Loch Garry is a flood protection district.

Catchment Committees

Catchment Committees	Number Members	Meetings held	Average attendance %
Combined Mitta Mitta / Kiewa & Upper Murray CC			
Mitta Mitta	6	2	67
Kiewa	8		
Upper Murray	4		
Combined Goulburn & Broken CC			
Goulburn	8	3	23
Broken	5		
Combined Loddon & Campaspe CC			
Campaspe	6	2	83
Loddon	6		
Ovens & King	8	2	86
Mid Murray	6	1	33
Total	57	10	58

Reference Committees

Reference Committees	Number Members	Meetings held	Average attendance %
Loddon Valley GMA	12	1	50
Spring Hill WSPA	3	3	100
Campaspe Groundwater Reference Committee	11	7	78
Mid Loddon WSPA	8	3	96
Campaspe Groundwater Reference Committee	11	7	78
Steering Committee WSC Review	6	2	75
Basin Pricing Steering Committee	7	3	81
Total	58	3	88

* Several WSC Meetings were scheduled for February, but were cancelled due to Bush Fires.

ensuring G-MW meets National Water Initiative best practice pricing objectives including giving effect to the principle of 'user-pays' and achieving pricing transparency in respect of water storage.

For G-MW retail delivery service customers, G-MW currently pools together its share of the costs of harvesting and storage infrastructure in the Goulburn, Loddon, Campaspe, Broken and Bullarook basins to produce an averaged entitlement storage fee for the Goulburn system. A similar process is used to pool and average costs for infrastructure in the Murray and Ovens basins to produce a Murray system entitlement storage fee.

G-MW understands that basin pricing will change the basis for calculating prices, requiring substantial increases for some customers to bring their current charges into line with the actual cost to operate, maintain and replace the dams and storages that supply them.

In developing a transition strategy, G-MW will consider issues associated with environmental entitlements and inter and intra basin trading, undertake further consultation on cost models and cost apportionment arrangements with its customer committees and take account of emerging ACCC directions and developments that may impact on G-MW's future pricing paths. Once a starting date for the transition to basin pricing for G-MW retail delivery customers is agreed, implementation will occur simultaneously across all basins.

Broken River customers benefit from Telemetry Success

Real time metering monitoring of customers irrigation diversion from the Broken River is one of the successful achievements for the year. 58 meters have been replaced and 14 existing meters adapted to remote read telemetry output making a total of 72 meters now connected to Radio Telemetry Units.

The 72 meters provide real time data, advising when customers start, stop and the duration of irrigation and the flow rate taken. The Diversion Inspector uses this information to assist in placing orders for releases from Lake Nillahcootie.

The Project was delivered by G-MW Staff and Rubicon contractors. Customers affected by the project were consulted to ensure minimum disruptions to customer activities were experienced and customers agreed with the works undertaken to their diversion works.

G-MW's Steven Wickham inside the Greens Lake Pump Station in the Rochester-Campaspe Area.





2008/09 saw record low storage inflows at Lake Eppalock

Technical Services

Technical Services manage and maintain G-MW assets to meet current and future needs while minimising life cycle costs and mitigating all risks including impact on the environment. The Division plans G-MW's asset works programs, including maintenance and capital works and operates G-MW's large dams.

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The Technical Services Division encompasses six business units with the following functions:

Dams – operates and maintains G-MW's dams, weirs and associated infrastructure and manages storage based land and on water functions. G-MW is also the Victorian constructing corporation for the Murray-Darling Basin Authority and manages four storages on behalf of that organisation.

Engineering & Maintenance Services – develops standards for the care of G-MW's asset base, delivers agreed asset services including project design, delivery and specialist maintenance programs.

Major Projects – Design and deliver designated major projects across G-MW's asset base.

Natural Resource Services – provides a range of environmental services including aquatic plant management, salinity management, surface and sub-surface drainage support, water quality and land management planning and salt interception management.

Property Services – Undertake land dealings including acquisition, disposal, leasing and licensing and coordinate statutory planning functions.

Strategic Asset Planning – develops G-MW's asset management plans, maintains the corporate asset management system, provide Geographical Information System functions and surveys and provide metering standards and solutions.

Mokoan – Return to Wetland Project

The decommissioning of the 365,000 ML Lake Mokoan will provide in excess of 46,000 ML of water for the Broken, Goulburn, Murray and Snowy Rivers. The decommissioning has five major components; a pipeline to supply lake diverters, a water supply reliability offset package, provision of enhanced Mid-Murray Storage capacity to reduce releases from the Snowy scheme into the upper Murray, asset decommissioning and rehabilitation of Lake Mokoan. The estimated project cost is \$108 million, including \$20 million for the rehabilitation of Lake Mokoan

The project was endorsed by Government in March 2004, with consultation, investigation and design activity commencing in late 2004. The project has experienced considerable delay arising from extensive investigations and negotiation with the Victorian Farmers Federation and irrigators, relating to the extent of Government's commitment and the final form of the reliability offset package.

Mokoan Diverters Pump Station concrete pour.



The final agreed water supply reliability offset package consists of core infrastructure to reduce delivery losses and to improve system operational efficiency, together with purchase of water entitlement to reduce future demand on Lake Nillahcootie, the sole remaining water storage in the Broken System.

The scope of final works required to release water from Lake Boga, as part of the Mid Murray storage system is under review in conjunction with NVIRP, DSE and G-MW consideration of reconfiguration and modernisation opportunities in the Torrumbarry Irrigation Area

It is expected that the project will be completed by early 2010 with works required to release water to be harvested in Lake Boga to be completed later in 2010.

G-MW is assisting to deliver the Mokoan return to wetland project. G-MW's key role is to deliver works for the project.

During the year:

- Completed of a 28 km long pipeline, pump station and operational storage to provide an alternative supply to current irrigation, domestic and stock water diverters located around Lake Mokoan. (\$12.8m)
- Installed remote control and monitoring equipment at Lake Nillahcootie (\$0.4m) and design of similar works at a further 15 key operational sites in the Broken system
- Installed remote monitoring of 80 of the larger irrigation pump diversion points along the Broken River and Broken Creek. (\$1.5m)
- Installed remote control and monitoring equipment, flood regulating structures, channel refurbishment and access works at Lake Charm, Kangaroo Lake and the along inlet channel to Lake Boga to support the reintroduction of this lake into the water supply system (\$1.7m)
- Designed decommissioning works to create a breach in the Mokoan embankment and to convert the current Mokoan Inlet Channel into a local drainage depression.
- The Victorian Government engaged Water for Rivers to support the purchase of around 8,300 ML water entitlements (\$29m) as a component of the supply Reliability Offset Package being delivered by G-MW.



Laanecoorie Dam Safety Upgrade

A \$6 million upgrade of Laanecoorie Dam was completed by G-MW in 2008/09. The works are part of G-MW's ongoing program to progressively upgrade its dams to contemporary design standards. The upgrade included stabilisation of the spillway

During the construction phase of the Laanecoorie Dam safety upgrade.

training wall by the installation of post tensioned anchors and strengthening of the embankment adjacent to the concrete spillway structure by the placement of a sand and rock buttress.

Dartmouth wins Collings Trophy for 2009

Dartmouth dam were awarded the Senator Collings Trophy for 2009. This prestigious award has been presented annually since 1943 by the Murray-Darling Basin Authority and its predecessors to the best maintained structure on the Murray system.

The award fosters a friendly competitive relationship between the State Constructing Authorities of NSW, South Australia and Victoria. As the Victorian State Constructing Authority, G-MW manages Dartmouth, Yarrowonga, Torrumbarry and Mildura on behalf of the MDBA and has won the Collings Trophy in four of the past six years.

Goulburn Weir Anchor Replacement Project

Following the failure of one bar anchor in a spillway pier at Goulburn Weir a comprehensive review was undertaken of the performance of the remaining anchors. This showed a number of anchors were not performing as designed and a project was commenced to replace those anchors. Specialist drilling and anchoring contractors were engaged under supervision of G-MW staff to complete the works at a cost of \$1.1 million.

Eildon Outage

During the winter maintenance period G-MW undertook a major outage at Lake Eildon to deliver maintenance work on the outlet tower cylinder gate. This was the first time major maintenance activities were undertaken on the cylinder gate since it was installed 14 years ago. Significant planning was undertaken prior to the outage which required coordination of operations and maintenance works with AGL Hydro, Pacific Hydro who operate the hydro stations at Eildon and other stakeholders. Comprehensive safe work method statements were developed prior to the outage to manage the risks associated with this project. The cylinder gate is at the base of the 40 metre high outlet tower and the only means of access is from the top of the tower. The works were safe and successfully completed by G-MW staff with the help of nine outside contractors.

Eildon outlet works





Yarrowonga-Bundalong Foreshore Master Plan completed in partnership with Moira Shire

The 'Yarrowonga – Bundalong Foreshore Master Plan' is a collaborative effort by Moira Shire and G-MW (acting on behalf of the Murray-Darling Basin Authority) to better manage the Victorian foreshore land at Lake Mulwala for the benefit of the community, recreational lake users and the lake environment. The goal of this comprehensive community planning project is to ensure a sustainable approach to the management of ever increasing

pressure for development of the Lake Mulwala foreshore area. It aims to enhance community access and protect the lake edge environment, through a range of initiatives and landscape concept plans that will be delivered in coming years and will ensure Lake Mulwala foreshore remains a significant asset to the area for many years to come.

Replacement of Dartmouth refilling valve

During the 2008 winter maintenance outage at Dartmouth G-MW replaced the Low Level Outlet refilling valve. This complex, high risk project required the design of a unique isolation bulkhead which was installed with the use of two remote control submarines. A technical paper on the key learnings of the project was published and presented at the 2008 ANCOLD conference.

Cairn Curran Blakeborough refurbishment

During the 2008 Winter Maintenance Outage Cairn Curran Blakeborough Valve was dismantled for detailed inspection and condition assessment. Following the refurbishment works the valve was successfully re-assembled and re-commissioned.

During the year G-MW opened a new office at Wangaratta, providing local customers with an opportunity to discuss their inquiry in person.



Newlyn Spillway Chute Remedial Works

In the months of April and May, 2009 G-MW undertook remedial works of the Newlyn Reservoir Concrete Spillway Chute. The purpose of this work was to refurbish 320 lineal meters of expansion joints using modern day construction sealants. Methods and materials used for the works were based on successful trials conducted by G-MW at Lake Nillahcootie. These remedial works also included localised repair to critically deteriorated concrete and re-coring of drainage holes within the spillway chute structure. The concrete spillway chute was originally constructed in 1961.

Automation of maintenance system

With the modernisation of the channel systems, G-MW is refocusing its attention in the reskilling of its staff and aligning teams to best support future works programs. G-MW has coordinated off season maintenance activities on Flume Gates, Pump Stations, Bulk Water Storages and other GMW assets as part of planned preventative maintenance programs aimed at improving asset reliability throughout the 2009/10 irrigation season.

This year for the first time, Operations staff from their respective areas have been involved in the maintenance process after undertaking training programs coordinated by specialists. This has presented a great opportunity for Operations staff to become more familiar with their rapidly changing assets profile as part of the modernisation programs.

Construction of Kerang Weir and fishway benefit local community

A new \$600,000 fishway will make it easier for native fish to navigate the Kerang weir and migrate between the Murray River, the Loddon River and Pyramid Creek. The 47 metre long concrete vertical slot fishway on the Loddon River has 12 baffles to restrict water flow and encourage the movement of fish such as Murray cod, silver perch, golden perch, gudgeon and Murray rainbow fish. This was the 16th fishway built by G-MW since 1997, with the 17th already underway at Gunbower. The project was unique to the weir and the bridge 200m upstream to increase water depth. The fishway was built by G-MW crews during the winter off season and finished in September.

The project was completed on time, on budget and with no workplace or environmental incidents.

Safe Drinking Water Act 2003 (SDWA)

G-MW had its SDWA risk management plans (RMPs) audited in May 2008. G-MW was found to be non-compliant in some areas, none were of a critical nature, however the first two were rated as major non-compliances which were considered by Department of Health/ Human Services to represent a high potential for a risk situation that could compromise public health, if not rectified.

In September 2008, G-MW entered into a formal undertaking with DHS to ensure that it implemented a structured process to address the major non-compliances by 31 January 2009.

As part of this process, G-MW met with each relevant drinking water supplier to develop a Memorandum of Understanding (MoU) with the following agreed principles:

- Develop and implement mechanisms to improve communications and discuss any issues relating to water quality which may arise.
- Share relevant data and information where requested.
- Engage with key environmental stakeholders in regional initiatives, within areas of mutual interest, to develop community education strategies and improved catchment management practices.
- Commit to developing an integrated action plan to reduce the risks to catchment water quality within area of mutual interest.
- The MOUs between G-MW and the drinking water suppliers will be finalised shortly.

In February 2009, G-MW informed DHS that the requirements of the undertaking had been met, and this will also be reported in our 2008/09 Annual Water Quality Report to DHS as required under the Act.

Since then, G-MW has been raising the awareness of staff and management about the Safe Drinking Water Act 2003 and its implications for G-MW through various presentations and training sessions. A review of G-MW's risk management plans is also underway in preparation for another audit in late 2009.

Construction of Kerang Weir Fishway funded by North Central CMA, alongside the Kerang Weir on the Loddon River. The project was completed in 2008/09.



Water Quality Monitoring

Many natural events can impact on the quality of the water G-MW delivers and manages, and these impacts can affect not only water users but also infrastructure assets.

In the past year G-MW have experienced bushfires, unprecedented algal bloom along the Murray River and continuing drought. Through collaboration with CMAs and other agencies, together with the Regional Water Monitoring Partnerships, G-MW has effectively and efficiently monitored changing water quality conditions in rivers and where necessary, responded appropriately.

Areas affected by bushfires are likely to cause significantly elevated turbidity and sediment levels in creeks and rivers, which in turn can affect aquatic life, reduce potable treatment capacity for towns and have the potential to increase the risk of algal blooms. G-MW is working with other water corporations, CMAs and Waterwatch to increase the level of monitoring in these areas, which will provide early warning of potential impacts and contribute to better understanding of bushfire impacts.

Water quality monitoring continued in rivers downstream of G-MW storages in response to low water releases. This allows detection of potential environmental impacts and despite the difficult conditions, there have been minimal impacts on river health detected.

G-MW has continued part of DSE's monitoring program of thermal pollution across the state. Due to the ongoing dry conditions, thermal regimes downstream of the monitored storages have been similar to those recorded upstream of the storages.

In March 2009 a blue green algal bloom developed along the Murray River from Lake Hume to Torrumbarry Weir (down stream Echuca). In April the bloom extended downstream to Piangil/Tooleybuc (down



Algal Bloom at Torrumbarry

stream Swan Hill). By early May 2009 algal levels had declined below recreational alert triggers. G-MW staff coordinated the Victorian response via the interstate response committee (Murray Region Algal Coordinating Committee), which included increased monitoring, regular media releases, letters to affected customers, phone and website information services and erection of warning signs at key access points. Debriefing workshops were held in June 2009 and a National Cyanobacterial Workshop is planned for August 2009.

Graduate program success

G-MW hosted nine students for a three month Vacation Employment Program (VEP). The program runs from December to February and allows University students to gain valuable industry experience in their chosen academic discipline.

Matthew Davis (VEP Student) and Shane McGrath (G-MW General Manager Technical Services Division).



Technical Services Division offered ongoing positions to three students. These students accepted scholarships with G-MW and have returned to University to complete their final year before returning as qualified engineers.

Ashley White (VEP Student – Kerang).



Salinity research project – Impact of groundwater and salt on Millewa Nature Conservation Reserve

Although groundwater levels have fallen across the Shepparton Irrigation Area, local environmental assets remain at threat from remobilisation of large near surface salt stores by elevated groundwater levels. A methodology has been developed to determine the level of service to protect environmental assets which was applied to the Millewa Nature Conservation Reserve.

Investigations were undertaken at the reserve to better define the threat. Investigations included a surface electromagnetic survey, drilling, gamma logging, down-hole electromagnetic logging and soil sampling. A large salt store above groundwater was delineated by these investigations and monitoring demonstrated that land use, specifically intensity and proximity of irrigation, locally causes groundwater reversals and mounding and presents a groundwater and salinity threat to native vegetation on the reserve.

Management options identified at the reserve were land use change, groundwater pumping and watering. Groundwater trigger levels were established with an aim of implementing an appropriate management option if the trigger levels were reached from on-going monitoring of groundwater and plant health.

Tackling Arrowhead

In 2009, the Murray-Darling Basin Authority is to expand the Arrowhead (*Sagittaria gramineae*) control program in the River Murray. This is essential for the containment program to be effective.

G-MW has taken a lead role in facilitating the actions of the Arrowhead Task Force which comprises of NSW, SA and Victorian stakeholders. G-MW has lead the operational and river health aspects of the River Murray control program.

Arrowhead is an incredibly invasive aquatic weed and is threatening the biodiversity of the Murray-Darling Basin and the delivery capacity of earthen channel networks within the Basin. The plant has an extensive network of rhizomes and corms, and produces up to 10,000 seeds per plant which are dispersed by flowing water.

Modelling of Arrowhead spread has indicated that if not contained, maintenance costs and herbicide usage in all Irrigation Areas would significantly increase.

The Program has required extensive consultation with regulatory stakeholders, development of risk management plans, reporting and surveying of potential impacts of the treatment program and recruitment and management of suitable spray contractors.

Sunraysia Sub-regional Groundwater Flow Model

G-MW is investigating options for a salt interception schemes (SIS) along the River Murray at Mildura, Merbein and Red Cliffs, applying a 'no borders' approach.

A conceptual hydrogeological model and numerical flow model to quantify the salinity benefits of the proposed SIS and to inform concept design of the SIS is being developed. The model will be required to satisfy the requirements of the Basin Salinity Management Strategy (MDBMC, 2003) and Schedule C of the Murray-Darling Basin Agreement (MDBMC, 2002).

The model incorporates hydrogeological data collected during recent investigations, including, but not limited to, investigations being

undertaken by G-MW at Mildura, Merbein and Redcliffs as part of the SIS design process.

This numerical model is formally entitled the Sunraysia Sub-regional Groundwater Flow Model, but is usually referred to as the Eastern Mallee Model version 2.2 (EM2.2).

The final outcome will be a modelling platform that can accommodate further refinements in ongoing SIS and catchment work programs and accurately simulate all actions as new information about relevant hydrogeological and hydrological processes becomes available.

More benefits with less water

CSIRO Flagship researchers have developed a quantitative approach that supports planning to maximise Australia's irrigation potential for a future with less water and to improve local environments.

Using spatial analysis, researchers have devised a tool helpful to government in identifying which parts of an irrigation district would provide the best public investment in future irrigation infrastructure and which parts, if retired, would lead to avoidance of high salinity impacts and degradation of ecologically-valuable water courses.

With partner G-MW, researchers undertook a pilot study evaluating opportunities to reconfigure land, water and infrastructure in the Torrumbarry Irrigation Area in Victoria.

Innovative design for low level pumping at Tullaroop

In order to meet the water supply requirements at Maryborough Township in February 2008, Central Highland Water (CHW) in conjunction with G-MW designed and installed low level piping arrangement fitted to the Tullaroop Outlet Tower. This arrangement gave access to additional 1.2m of water from the storage. In November 2008, a pontoon with two flight pumps with 150m of delivery pipe works was installed to access further 6m of water. Although the project was funded by CHW, G-MW had technical and on site input in project delivery. Furthermore, G-MW has used the low water pumping arrangement for environmental releases in to the Tullaroop creek.

To access additional water to meet Maryborough Water Supply CHW installed a pipeline from Moolort Borefield to Tullaroop. This pipeline was connected to the Tullaroop Maryborough rising main. Although this project was also funded by CHW, G-MW had a significant technical and on site input to this project.

Tullaroop pontoon commissioning.



Corporate Services

The Corporate Services group provides leadership and support which is professional, innovative and creates value for all our customers. The Corporate Services team are committed to continuous improvement and maintaining cost efficiencies across the organisation while meeting G-MW's Statutory, Financial and Customer Service obligations.

G-MW's Kerang office



Corporate Services units include Finance, People & Development, Governance & Legal, Information and Business Systems, Corporate Risk, WaterMove and Economics and Tariff, explained below:

Finance – responsible for Financial Reporting, Accounts, Supplies/Stores and Procurement.

People & Development – responsible for workforce planning, Human Resources reporting, Performance Management and continual improvement of training and development programs.

Governance & Legal – responsible for governance and accountability activities including Board Coordination activities, insurance coverage, managing prosecutions, providing internal legal advice, settling contract documentation, dealing with Freedom of Information and privacy issues, and responding to the office of the Energy and Water Ombudsman of Victoria.

Information and Business Systems – responsible for developing and maintaining fast, efficient operating systems both in office and on-site, including telecommunications.

Corporate Risk – responsible for management of Corporate Risks and systems including Occupational Health & Safety, Incident Management, Public Safety, G-MW Assets and Security risks.

WaterMove – operates as a business unit of G-MW and conducts a weekly water exchange and online water trading service across Victoria and interstate.

Economics & Tariff – responsible for the development of current and future policy impacting G-MW and its customers around water tariffs, water trading policy and economic regulation.

G-MW – Financial commentary

Financially significant issues in the year

During this 2008/09 financial year the impact of the asset modernisation projects underway in the region was significant for G-MW financial transactions, assets and customers.

The continuation of the FutureFlow Alliance works program lead to significant cash flows through G-MW's accounts which is demonstrated within the Corporation cash flow statement. There are also significant levels of capital additions in the G-MW asset base and capital contributions from Government to fund these works which are supported in the Statement of Changes in Equity.

The Northern Victoria Irrigation Renewal Project (NVIRP) established in 2007, delivered works during the year and many G-MW staff were involved in providing assistance and information as the new organisation prepared its business plan and operational plans. The NVIRP works program will be shown as a transfer of capital from NVIRP to G-MW as works packages of the program are completed and agreed.

Financial Statements

The operating statement result shows a loss of \$34 million for 2008/09, compared to a profit of \$17 million in 2007/08. This difference is mostly due to the \$40 million of Government grants received in advance in the 2007/08 accounts, as referred to at that time. Expenditure associated with those funds was incurred this year with no matching revenue.

The prolonged drought continued to impact throughout the community and in G-MW's financial result. With water allocations at their lowest level, consumptive revenue was under budget by \$7 million. G-MW will continue to work with customers and stakeholders to best structure and plan for ongoing climate change impacts.

The table below provides a reconciliation of pricing profit/(loss) allowing for grant monies received and expensed and allowing for statutory depreciation adjustments;

	2008/09	2007/08
	\$'000	\$'000
Profit/(Loss) for the year in financial statements, prepared in accordance with Australian Accounting Standards	(34,148)	17,417
Deduct Government grants received in advance	0	(40,000)
Adjusted accounting result	(34,148)	(22,583)
Add back depreciation	34,008	31,127
Deduct regulatory depreciation	(5,412)	(3,343)
Profit/(Loss) for the year under pricing policy	(5,552)	5,201

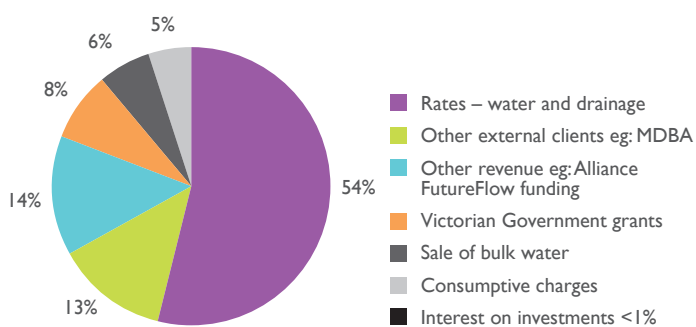
The financial statements indicate an operating loss (statutory loss) of \$34.1 million in 2008/09.

A comparison of trading results for the last six years, based on financial statements prepared in accordance with Australian Accounting Standards, is shown below.

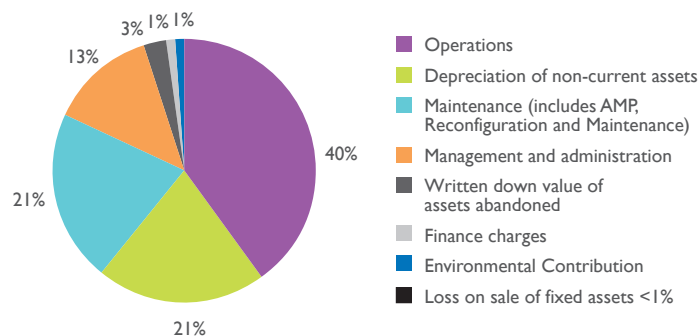
Year	Result
2008/09	\$34.1m loss
2007/08	\$17.4m profit
2006/07	\$28.3m loss
2005/06	\$4.2m loss
2004/05	\$11.4m loss
2003/04	\$2.1m profit
2002/03	\$21.6m loss

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Revenue							
Charges for water	63,801	74,002	79,497	82,905	77,129	76,691	81,926
Other revenue	32,285	41,305	31,098	36,983	41,459	89,720	43,481
Total	96,086	115,307	110,595	119,888	118,588	166,411	125,408
Expense							
Operations	56,382	54,366	55,797	54,375	62,392	57,306	64,017
Maintenance	17,613	18,130	19,999	24,075	32,699	39,822	33,382
Depreciation	28,486	26,991	30,806	30,516	31,302	31,127	34,008
Other expenses	15,212	13,734	15,403	15,137	20,445	20,739	28,148
Total	117,693	113,221	122,005	124,103	146,838	148,994	159,556
Profit/(loss)	(21,607)	2,086	(11,410)	(4,215)	(28,250)	17,417	(34,148)
Current assets	22,680	41,538	55,488	44,698	50,281	198,405	113,925
Non-current assets	1,695,945	1,858,940	1,882,528	1,905,679	1,930,826	1,959,237	2,124,393
Current liabilities	27,322	28,165	43,193	41,202	49,693	42,589	79,919
Non-current liabilities	8,717	23,751	15,288	14,809	63,716	51,269	23,535

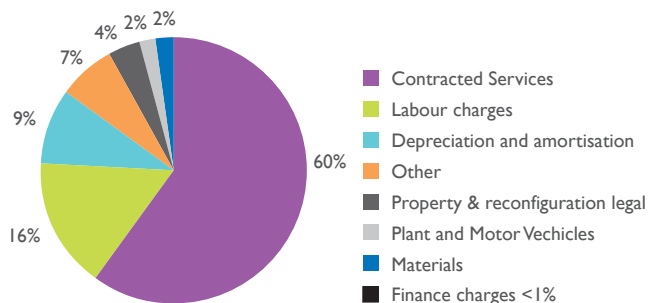
REVENUE BY SOURCE
\$125 MILLION



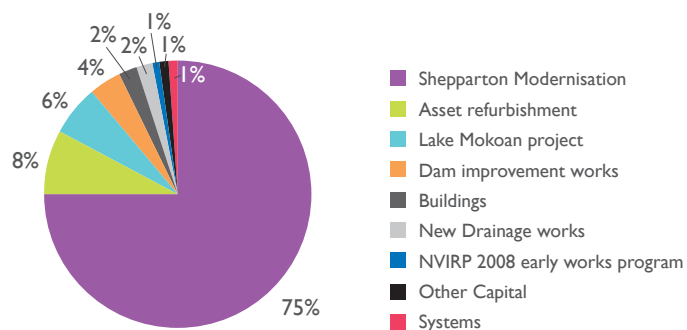
OPERATING EXPENDITURE BY ACTIVITY
\$160 MILLION



TOTAL EXPENDITURE BY RESOURCE
\$364 MILLION



CAPITAL EXPENDITURE BY TYPE
\$204 MILLION



Victorian Government funded rebate program

During 2008/09 the Victorian Government funded a rebate of fixed water charges to customers as part of a drought relief package. Customers in supply systems with a water allocation of less than 30% at 1 December 2008 were entitled to up to \$1,000 rebate of their fixed irrigation charges in full plus 50% of the balance of charges above \$1,000. The program excluded customers that were stock exchange listed or in which shares are owned by a publicly listed company, which only applied to one of our customers. The total amount of fixed rates covered by the rebate was \$36.8m, as detailed in note 4 to the financial statements. It follows \$35.8 million in 2007/08 and \$21.1 million in 2006/07, a total of \$93.7 million.

Our Employees

G-MW employs a total of 725 staff, equivalent to 702 full time employees (FTE), this compares to 660 FTE at the same time last year. The reason for the increase in FTE is due to the need to employ staff to backfill employees who have been seconded to FutureFlow (35) and NVIRP (17 employees).

	Total Employees	Full Time Equivalent (FTE)*	% male	% female
2008/2009	725	702	80	20
2007/2008	683	660	82	18
2006/2007	659	632	83	17
2005/2006	642	621	84	16
2004/2005	624	600	84	16

* Full time equivalent number accounts for part time employees as a fraction of full time hours workable. For example, two people each working 2.5 days per week would equal one full time equivalent employee.

Gender Balance

Over the past five years there has been an incremental increase in the number of females employed by G-MW.

G-MW is implementing more family friendly initiatives that will help G-MW attract staff through flexible working and leave options.

G-MW staff band classification at as June 30 2009.

Classification		
	Number	FTE
Band A	189	183
Band B	212	205
Band C	175	169
Band D	87	84
Band E	30	29
Band F	23	22
EO	9	9
	725	702



Waranga Basin

Building capability

The balanced scorecard has been adopted as the new performance management tool; this replaces all previous employee performance appraisal systems. The purpose of this tool is to align each staff member's performance with the organisation's objectives.

G-MW is also a Registered Training Organisation, operating in the same manner as a local TAFE, that over the reporting period trained more than 2600 internal and external participants with 35% of participants completing Nationally Accredited Training in Water.

In addition the following projects have been undertaken in the past year:

- Participation in the writing and development of the National Meter Certification Program for the measurement of non urban water meters, with 60 employees trained.
- Implementation and training of 450 participants in the new Construction Induction Card which is mandatory for all employees working on a G-MW construction site.
- Development and delivery of materials for the new Water Industry Training Package. There are currently 225 G-MW employees and 110 trainees from other water corporations across Australia enrolled in this nationally accredited training.

Attracting and retaining future talent

G-MW hosted nine students for the 2008/09 summer vacation program. After a broad recruitment campaign G-MW selected students from a range of locations including several interstate universities. The program offered students the opportunity to gain valuable industry experience in their chosen disciplines which included students in Engineering, Science and Business. The program also provided the students with a chance to learn more about the water industry with the inclusion of an organised tour demonstrating a range of G-MW works.

Making our workplace safer

G-MW continued towards the aspiration of zero harm during the 2008/09 period. A four year corporate OH&S strategy was launched and endorsed by G-MW's General Management Team and Board outlining key strategic objectives and deliverables which will ensure a workplace which is safe and without risk to health. Corporate injury reduction targets and objectives have also been established during this period and will be monitored through a structured process in the coming financial year.

G-MW has seen a decrease in its Lost Time Injury Frequency Trend during the 2008/09 period. The organisation also worked a total of 407,909 hours without Lost Time Injury, just three days short of the existing record of 137 days. A number of initiatives have been implemented to target identified risk areas and have included the use of Safe Work Method Statements for all activities. Targeted training has been provided on slips, trips and falls and manual handling which through analysis have been identified as the organisations highest mechanisms of injury.

During the 2008/09 period, management provided for an increased field focus to key stakeholders along with the delivery of the objectives outlined in G-MW's OH&S Strategy.

Key OH&S Initiatives developed during the 2008/09 period have included:

- Development of the Leadership Commitment Program which includes metrics to benchmark performance across the organisation and focuses on lead trends rather than traditionally based lag indicators.
- Frontline focus program which has increased the presence of the OH&S Unit in the field and at local meetings to provide guidance, assistance and training as required.
- Ongoing completion of SafetyMAP Surveillance Audits and retention of G-MW's SafetyMAP Initial Level certification.
- Migration to High Risk Work and Construction Regulations and development of Safe Work Method Statements and associated documentation.
- Implementation of chemical management program and training package.
- Initial development of a Corporate Health and Well-being Strategy which will be proposed to be delivered in the new financial year.

G-MW has again employed a rigorous and pro-active Return to Work and Rehabilitation Program during the 2008/09 period. Trending has shown that with proactive management of injuries at their onset the occurrence of lost time can be significantly reduced.

G-MW Average Lost Time Rate

	Lost Time Injury Frequency Rate (lost time injuries per million hours worked)	Average Lost Time Rate (average number of days lost per lost time injury)
2008/09	10.5	31.5
2007/08	12.1	16.9
2006/07	10.4	18.4
2005/06	7.8	30.2
2004/05	17.4	10.8
2003/04	14.5	10.0
2002/03	19.3	15.9
2001/02	18.1	20.0
2000/01	26.9	10.3

As the number of low impact claims has reduced, the Average Lost Time Rate for the organisation has increased due to the contribution of serious long term psychological and physical injury.

Occupational Health and Safety Key Performance Indicators

	2008/09	2007/08	2006/07
Number of health and safety employee representative committees	19	14	14
Number of lost time injuries for the year	12	13	11
Number of days lost to injuries incurred during the year	378	210	202
Lost Time Injury Frequency Rate (lost time injuries per million hours worked)	10.5	12.1	10.4
Average Lost Time Rate (average number of days lost per lost time injury)	31.5	16.9	18.4

As of January 2009, the Board of G-MW approved the establishment of a Risk and Compliance Committee as ongoing improvement initiatives in risk management practices. The primary function is to support the Board in fulfilling its corporate governance responsibilities in relation to risk management and compliance.

As part of fulfilling its obligations as an Essential Service Provider and ensuring compliance with the Terrorism (Community Protection) Act 2003, G-MW undertook testing of several of its organisational resilience plans in conjunction with Coliban Water and Goulburn Valley Water. This exercise was attended by Department of Sustainability and Environment and Victoria Police.

Statement of Attestation

I, Stephen Mills certify that G-MW has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. G-MW's Risk and Compliance Committee verifies this assurance and that the risk profile of G-MW has been critically reviewed within the last 12 months.



30 June 2009

Disability Act 2006

G-MW is meeting its requirements under the Disability Act 2006 by developing a Disability Action Plan (DAP).

A Disability Action Plan (DAP) enables G-MW to recognise what can be done to start a long term program to better serve all those who depend on G-MW for customer service, employment and those of the general community in which G-MW operate.

The DAP will assist G-MW in understanding the needs of those who may require specialised assistance as well as raising awareness within G-MW to ensure that our policies and practices are more inclusive of people with a disability.

The purpose of the plan is to:

- Reduce barriers to persons with a disability accessing G-MW's goods, services and facilities
- Reduce barriers to persons with a disability
- Promote inclusion and participation in the community of persons with a disability
- Achieve tangible changes in attitudes and practices which discriminates against persons with a disability

A working party is coordinating the implementation of the plan on behalf of the organisation and ensuring that the appropriate goals are achieved. A copy of the plan is available on the G-MW website.

Investing in the future

Due to significant changes in G-MW's external environment, a decision was made to review the priorities for investment in research projects during 2008/09 to ensure the program delivered access to new knowledge and tools to improve the effectiveness and efficiency of G-MW's business, to comprehend and address emerging issues and create lasting value for its customers.

CRC Irrigation Futures

The CRC for Irrigation Futures (CRCIF) was established to examine critical issues in Australian irrigation. The program is now entering into its final year of research activity.

In 2008/09 G-MW involvement in projects focussed on the masters studies of G-MW employee, Daniel Lovell who is investigating the interaction between surface water and groundwater in the Upper Ovens River catchment. This will be the first Victorian catchment to have a conjunctive water management plan developed. Water extraction from the Upper Ovens River has the potential to negatively impact environmental flow requirements of the river over the low flow summer periods, the management plan under development aims to protect these flows. The research found that due to the high hydraulic connectivity between groundwater and surface water in the catchment, for effective protection of stream flow, groundwater and surface water are required to be managed conjunctively. This project is undertaken with joint funding from G-MW, the CRCIF and the University of Melbourne.

There are also a number of CRCIF supported on-farm water use efficiency, system harmonisation and monitoring of root zone salinity and leaching efficiency underway in or affecting G-MW's area of operations. These are being managed by the Department of Primary Industries (DPI).



eWater CRC

eWater CRC is a water technology development initiative focussing on building water management tools for partners. These products include the following tools, in which G-MW has been directly involved:

River operations and river planning modules:

These models will meet the evolving needs of river planners and managers across Australia and internationally. G-MW is providing specialist input toward model development and testing in the following two specific eWater software tools:

- River Manager – a river systems model for the management of water resources. This tool will build on the functionality of the widely used REALM and IQQM software products.
- River Operator – a river systems model designed to support river operations for time-steps ranging from daily to seasonal.

Catchment modelling:

An integrated tool “WaterCAST” (a platform developed from existing model ‘E2’) has been designed for use in managing catchment water yield and quality. WaterCAST is continuing to undergo further development and refinement in application trials and practical situations in focus catchments. G-MW has continued to collaborate with this project, especially focussing on the Lake Eppalock catchment model application.

National Program for Sustainable Irrigation

The National Program for Sustainable Irrigation (NPSI) invests in research and development to improve the productivity and sustainability of irrigation in Australia. The program has been managed by Land and Water Australia (LWA), an organisation funded by the Commonwealth but will cease operations in 2009/10. As part of the 2009/10 budget, it was announced that LWA will be abolished. Some current NPSI projects will continue with management novated to the Cotton R&D Cooperation (CRDC).

G-MW and NPSI collaborated on two projects in 2008/09:

1. The investigation in the use of monolayer products to reduce evaporation from irrigation channels. This project aims to investigate the potential for a non-infrastructure water savings

technology, to reduce evaporation from the water surface of channels. G-MW is collaborating with NPSI, CRCIF and the CRC for Polymer research on this project.

2. Exploring future salinity management options for Lake Tutchewop. The Barr Creek Drainage Diversion Scheme diverts saline water from Barr Creek into the Tutchewop Lakes to reduce the load of salt in the River Murray. The Tutchewop Lakes are used as terminal salt disposal basins, yet are sites of international significance belonging to the Ramsar-listed Kerang Wetlands. Concerns over the sustainability of these practices led to consideration of a salt harvesting scheme at the lakes.

Completed projects

G-MW in collaboration with City University of Hong Kong and the Victorian Department of Primary Industries (DPI) is developing a continuous monitoring technique for measuring heavy metals in water. Artificial Mussels were trialled for the first time in Australia as part of a global program of heavy metal monitoring. Finding that the Artificial Mussels accumulated both targeted and non-targeted metals at various sites across G-MW’s area of operations. The Artificial Mussels could be an effective tool to measure metal concentrations in channel and waterways.

An environmental risk assessment of six commonly used herbicides is being undertaken by G-MW in collaboration with CSIRO Land and Water. The study assessed the risks associated with different exposure pathways to beneficial water uses. Preliminary work found that depending on the dilution available and the application rates, there may be risks to some beneficial uses from the use of glyphosate 2,4-D, amitrole and acrolein.

Further work is proposed to include a more detailed measurement of dilution factors and other parameters such as wash-off fractions of pesticide residues from plant surfaces and binding ability of pesticides on the beds of channels and drains. This work is due to be completed in 2011.

A weather station and depth sensor to measure evaporation loss rates near an automated channel regulator in Central Goulburn.



Environmental Management

G-MW's Environmental Management System (EMS) provides for continual environmental improvement in the corporation's management of its impacts and mitigation of risks from the carrying out of our daily activities.

The EMS was independently audited in July 2008 and April 2009 as part of maintaining certification to ISO14001. Improvement recommendations were identified in the areas of compliance with legal requirements, conformance to procedures and retention of records and management have adapted these recommendations

Greenhouse Emissions Reduction

G-MW implemented its Greenhouse Emissions Action Plan throughout 2008/09. This plan drives the Corporation's initiatives to cap emissions at 75% of 2005/06 levels by 2013 and achieve carbon neutrality by 2050. Early successes of the plan include:

- The purchase of Accredited Green Power to replace 5% of electricity consumption in 2008/09;
- The uptake of fuel efficient vehicles in G-MW's fleet through the provision of incentives to staff. This has resulted in 34% of the vehicles changed over in 2008/09 converting to a fuel efficient option which is above target for the year.

Since records were kept of greenhouse emissions from G-MW operations they have trended down, and remained steady in the last couple of years with only a 4% increase from 2007/08 to 2008/09 as can be seen in the table below. Reductions in fuel consumption were more than counteracted by increases in energy requirements during the year.

Greenhouse emissions (t CO₂-e) by source

	2005/06	2006/07	2007/08	2008/09
Energy	10,890	8,275	8,309	9,301 ¹
Transport – fuel	6,369	5,057	4,902	4,518
Temporary pumping	–	2,341	1,100	1,061
Total	17,259	15,673	14,311	14,880

G-MW's greenhouse emissions comprise fuel consumption from the fleet of passenger vehicles and plant, electricity and natural gas usage for all offices / depots / recreational areas, as well as electricity and fuel consumption for water supply.

G-MW continues to participate in the Greenhouse Working Group with benefits of this involvement being:

- Updates on the development of the Federal Government's Carbon Pollution Reduction Scheme and mandatory National Greenhouse & Energy Reporting to allow G-MW to determine its participation in these schemes; and,
- Learning's from other Victorian Water Authorities in the development and implementation of their greenhouse strategies.

Corporate water consumption

G-MW's corporate water consumption for 2008/09 was 37 kilolitres per full time equivalent employee as can be seen in table below. Total consumption of 26,341 kilolitres is based on water used at offices, depots and recreational areas. This consumption comprises amenities, lawns, gardens, vehicle washing and miscellaneous uses. The figures are for consumption of town water supplies and do not include any irrigation or stock & domestic entitlements that may be held by sites.

Increases in consumption at G-MW operated recreational areas were predominantly due to reduced allocations requiring a switch from irrigation to town water supplies to ensure safety and statutory requirements are adhered to. At some sites, maintenance activities that require significant water consumption only occur on a biennial basis.

Corporate water consumption

	2005/06	2006/07	2007/08	2008/09
Water Consumption (kL)	5,003	22,638	13,798	26,341
Consumption per FTE ²	22	34	21	37

² FTE figures comprises staff on G-MW's payroll. This does not include contractors.

Victorian Biodiversity Strategy

Victoria's Biodiversity Strategy encourages Victorians to better understand the states flora, fauna and eco-systems and to take an active part in their conservation and management for future generations.

G-MW recognises the ecological links between different parts of the environment (such as streams, streamside vegetation and the biodiversity that they support) and are aware our actions and strategies influence biodiversity conservation. Our aim is to work with stakeholders to implement initiatives such as Regional Catchment Strategies to resolve regional biodiversity issues.

Victorian River Health Strategy

The Victorian River Health Strategy provides a framework to manage and restore our rivers over the long term. It sets the scene for integrating all our efforts on rivers, managing them within a catchment management context and ensuring that we get the most effective river health benefits for the effort and resources invested.

Key elements of the strategy relevant to G-MW are:

- Facilitating the movement of water to its highest value use
- Providing and managing water for the environment
- Restoring flow-stressed river systems
- Managing water quality



Customer meetings are an important part of ongoing communication between G-MW and its customers

Investigations into incidents/complaints involving the unauthorised diversion of water and/or interference with the Corporation's works

Number of incidents/complaints investigated by G-MW Compliance Unit during 2008/09	343
Total investigations completed or dismissed	267
Investigations continuing	76
Number of incidents referred to G-MW Legal Services Unit for prosecution during 2008/09	120
Successful prosecutions	6
Unsuccessful prosecutions	0
Discontinued prosecutions	5
Prosecutions in progress at 30 June 2009	109

¹ The accredited green power purchased by G-MW in 2008/09 is included in these figures. The Department of Climate Change factors for calculating emissions from energy consumption are the same for green electricity as they are for electricity from traditional polluting sources.

Number of prosecutions in progress from previous year (2007/08)	48
Total number of prosecutions in progress as at 30 June 2009	157

Freedom of Information applications to 30 June 2009

All applications were processed in accordance with the provisions of the Freedom of Information Act 1982 which provides a legally enforceable right of access to information held by government agencies. Due to the complexity of information in a small number of requests, some timelines for responses have been extended with the consent of the applicant.

Applications for access to information under the *Freedom of Information Act 1982* should be made in writing, addressed to

Peter Lucarelli
 Information Officer
 Goulburn-Murray Water
 40 Casey Street
 Tatura Vic 3616
 or email to foi@g-mwater.com.au

Under section 17 of the *Freedom of Information Act 1982* a request for access to information must be accompanied by an application fee (which may be waived or reduced if payment of the fee would cause hardship to the applicant). The current application fee is \$23.40.

17	Number of FOI Applications 2008/09
4	Full access to information provided
8	Access provided in part
0	Access denied in full
1	No Documents
4	Not yet finalised
40 Days	Average time spent dealing with each application

Whistleblowers Protection Act

The Whistleblowers Protection Act 2001 is designed to protect people disclosing information about serious wrongdoing in the Victorian Public Sector and to provide a framework for the investigation of these matters. The protected disclosure coordinator for the Department of Sustainability and the Environment (DSE) acts as the Corporation's agent to receive disclosures under the Act, and applies DSE procedures in managing disclosures. No disclosures were received during 2008/09.

Disclosure of improper conduct by the Corporation or its employees may be made to:

The Protected Disclosure Coordinator
Department of Sustainability and Environment
PO Box 500
East Melbourne Vic 3002

Energy and Water Ombudsman (Victoria) Limited

We are a member of the Energy & Water Ombudsman (Victoria) Limited Dispute Resolution Scheme, which provides an independent third-party conciliation process for the resolution of complaints by customers of gas, electricity and water service providers in Victoria.

During the 2008/09 financial year, the Ombudsman referred 50 matters to G-MW.

Of these, 40 were Enquiries and 10 were Level 1 Complaints. Case complexity contributed to one complaint progressing to a Level 3 status. On 30 June, 2009 there were no current complaints against the Corporation being investigated by the Ombudsman's office.

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

The Energy and Water Ombudsman (Victoria) Limited
GPO Box 469
Melbourne Vic 3001

Victorian Industry Participation Policy (VIPP)

Contracts commenced to which the VIPP applied:

- during 2008/09, G-MW commenced 2 contracts totalling \$3,000,000 in value to which the VIPP applied; and
- both contracts were in regional Victoria.

The commitments by contractors under the VIPP included:

- an overall level of local content of 100% of the total value of the contracts; and
- 125 full time equivalent jobs

The projects benefitted the Victorian economy in terms of developing employee skills and technology transfer in Water Management. It also ensured that G-MW's safety, environment and quality standards were applied to Plant and Equipment and Labour Hire contractors.

Contract completed to which VIPP applied:

- During 2008/09, this agency completed 3 contracts totalling \$8,870,013 in value to which the VIPP applied; and
- all three contracts were in regional Victoria

The outcomes reported by contractors under VIPP included:

- local content contributed 100% of the value of the contracts; and
- 20 full time equivalent jobs

The projects benefitted the Victorian economy in terms of skills and technology transfer in Water Management. It also ensured that G-MW's quality, safety and environmental standards were applied to contractors. Two pipeline projects also delivered water savings to the Goulburn and Murray Systems.

G-MW Managing Director David Stewart (left) and Executive Manager Modernisation Alex Marshall (right) with FutureFlow's Works Supervisor Rod Wilson.



Capital projects over \$5 million – Treasury Approval

Project	DTF Evaluation	Project Approved	Progress as at 30 June 2009
Mokoan – Return to Wetland project	•	•	Approximately 25% complete
Laanecoorie Dam Improvement project	•	•	Approximately 100% complete
Total Channel Control (CGI 234) – FutureFlow Works	•	•	Approximately 75% complete
Shepparton Modernisation – FutureFlow Works	•	•	Approximately 60% complete
NVIRP 2008 Early Works Stage I	•	•	Approximately 90% complete

Building Act

G-MW observes statutory requirements set down by the *Building Act 1993* and the accompanying Building Regulations 2006.

Information available

Information relevant to Financial reporting Directive 22B of the *Financial Management Act 1994* is held at the G-MW offices and is available on request subject to the *Freedom of Information Act*.

Merit and Equity

The State Government's merit and equity principles provided the foundation for our recruitment processes, position advertising and employee selection. During the year 57 internal and 64 external applicants filled 121 positions within the organisation (of the total 129 positions advertised). In addition G-MW employed nine vacation students.

National Competition Policy

G-MW aims to comply with Victorian Government policies and timeframes for National Competition Policy, including competitive neutrality.

G-MW responded to a complaint received by the Victorian Competition and Efficiency Commission (VCEC) in relation to the activities of its Watermove business unit during 2007/08 reporting year. Since then, G-MW has initiated a number of modifications to business processes including the development of a steering committee comprising representatives from G-MW, Department of Sustainability and Environment and Department of Treasury and Finance to undertake a review of Watermove.

The Committee recommended the development of a stand alone corporate model. A corporatised model for Watermove was approved by the Board of Goulburn Murray Water at its May board meeting. Further governance structures are pending approval in response to the VCEC complaint, with final resolution expected early in the new financial year.

Consultancies

Consultants were engaged by the Corporation during 2008/09 to assist with:

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

Two consultants were engaged at a total contract cost of \$100,000 or more.

1. Consultant: CCE Consulting

Project: Assist facilitating workshops and designing business plans for business improvement strategies.

Contract total: \$180,157

Remaining commitment: nil

2. Consultant: Synergies Economic Consulting

Project: Assist in Regulatory reporting and disclosure requirements.

Contract total: \$108,432

Remaining commitment: nil

Consultants engaged at a contract cost of less than \$100,000 numbered nine and were paid \$189,788 in total.

Financial Statements
2008/09

Operating Statement
For the reporting period ended 30 June 2009

	Notes	2008/09 \$'000	2007/08 \$'000
Revenue from operating activities			
Rates - water and drainage	3, 4	68,153	64,988
Consumptive charges	5	6,300	5,757
Sale of bulk water	6	7,473	5,946
Victorian Government grants	8	9,899	61,998
Other external clients	7	15,857	16,337
Interest from customers		1,193	217
Other revenue		4,066	5,149
Revenue from non-operating activities			
Interest on investments		-	1,404
Other income		12,467	4,615
Total revenue		125,408	166,411
Expenses from operating activities			
Operations	9	64,017	57,306
Maintenance	10	33,382	39,822
Management and administration		20,848	16,156
Finance charges		1,480	2,146
Loss on sale of fixed assets		124	27
Written down value of assets abandoned	1(f)	4,170	1,170
Depreciation of non-current assets	14	34,008	31,127
Environmental Contribution	1(q)	1,527	1,240
Total expenses		159,556	148,994
Net result for the period		(34,148)	17,417

The above operating statement should be read in conjunction with the accompanying notes.

Balance Sheet
as at 30 June 2009

	Notes	2008/09 \$'000	2007/08 \$'000
Current assets			
Cash and cash equivalents	15	34,962	16,703
Investments	15	-	109,000
Receivables	20	77,154	71,623
Inventories	16	1,809	1,079
Total Current Assets		<u>113,925</u>	<u>198,405</u>
Non-Current assets			
Receivables	20	3,588	5,151
Land, buildings and equipment	14	82,396	76,357
Infrastructure	14	2,038,409	1,878,924
Total Non-Current Assets		<u>2,124,393</u>	<u>1,960,432</u>
Total assets		<u><u>2,238,318</u></u>	<u><u>2,158,837</u></u>
Current liabilities			
Payables	17	64,742	27,643
Employee benefits	18	14,646	14,447
Interest bearing liabilities	19	531	499
Total current liabilities		<u>79,919</u>	<u>42,589</u>
Non-Current liabilities			
Employee benefits	18	1,278	911
Interest bearing liabilities	19	22,257	22,788
Deferred tax liability	21	-	197
Total non-current liabilities		<u>23,535</u>	<u>23,896</u>
Total liabilities		<u>103,454</u>	<u>66,485</u>
Net assets		<u><u>2,134,864</u></u>	<u><u>2,092,352</u></u>
Equity			
Contributed capital	22(b)	1,966,604	1,890,140
Asset revaluation reserve	22(a)	26,910	26,910
Accumulated surplus	22(c)	141,350	175,302
Total equity		<u><u>2,134,864</u></u>	<u><u>2,092,352</u></u>

The above balance sheet should be read in conjunction with the accompanying notes.

**Statement of Changes in Equity
for the reporting period ended 30 June 2009**

	Notes	2008/09 \$'000	2007/08 \$'000
Total equity at beginning of financial year		2,092,352	1,891,867
Transfer of assets	22(b)	-	(18,122)
Capital contributions	22(b)	108,411	177,245
Return of capital	22(b)	(31,948)	-
Net result for the period	22(c)	(34,148)	17,417
Gain in building revaluation	22(a)	-	633
Deferred tax liability adjustment	22(c)	197	22,117
Prior year asset adjustments	22(c)	-	1,195
Total equity at end of financial year		<u>2,134,864</u>	<u>2,092,352</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Cash Flow Statement
for the reporting period ended 30 June 2009

	Notes	2008/09 \$'000	2007/08 \$'000
Cash flows from operating activities			
Receipts			
Receipts from customers		88,032	75,164
Receipts from other external clients		35,797	28,302
Receipts from Government		23,752	46,708
GST received from the ATO		25,606	12,893
Payments			
Payments to suppliers and employees		(129,341)	(133,376)
Interest and other costs of finance paid		(1,480)	(2,146)
Environmental Contribution		(1,527)	(1,240)
GST paid to the ATO		(5,725)	(4,230)
Net cash (outflow)/inflow from operating activities	23	<u>35,115</u>	<u>22,075</u>
Cash flows from investing activities			
Payment for construction of infrastructure assets, and purchase of property, plant and equipment	2.3	(184,874)	(76,310)
Proceeds from sale of property, plant and equipment		117	27
Net cash outflow from investing activities		<u>(184,757)</u>	<u>(76,283)</u>
Cash flows from financing activities			
Capital contributions from Victorian Government	2.3	91,348	161,985
Capital contributions to Victorian Government		(31,948)	-
Repayment of borrowings		(499)	9,531
Net cash inflows from financing activities		<u>58,901</u>	<u>171,516</u>
Net increase/(decrease) in cash held		(90,741)	117,308
Cash and cash equivalents at the beginning of the year		125,703	8,395
Cash and cash equivalents at the end of the year	15	<u>34,962</u>	<u>125,703</u>

The above cash flow statement should be read in conjunction with the accompanying notes.

1. Significant accounting policies

(a) Basis of Accounting

General

This financial report is a general purpose financial report that consists of an Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes accompanying these statements. The general purpose financial report complies 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.

This financial report has been prepared on an accrual and going concern basis.

Accounting Policies

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year. Where appropriate, comparative figures have been amended to accord with current presentation and disclosure made of material changes to comparatives. (refer note 32)

Classification between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be turned over within the next twelve months, being the Corporation's operational cycle – see 1(i) for a variation in relation to employee benefits.

Rounding

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

Historical cost convention

These financial statements have been prepared under the historical cost convention with the exception of land and buildings which are revalued on a cyclical basis, and infrastructure assets which are at deemed cost.

Critical accounting estimates

The preparation of financial statements in conformity with International Accounting Reporting Standards (IFRS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies.

(b) Revenue recognition

Rates and consumptive charges

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

Sale of bulk water

Revenue is brought to account for bulk water supplies to other water corporations throughout the year at the agreed entitlement volumes.

Capital contributions

Any fees paid by developers or contributions for on farm works are recognised as revenue when received or receivable. All capital contributions other than from the Victorian Government are treated as revenue when received.

Government contributions

Government grants and contributions are recognised as operating revenue on receipt or when an entitlement is established, whichever is the sooner, and disclosed in the operating statement as government contributions. However, grants and contributions received from the Victorian State Government, which were originally appropriated by the Parliament as additions to net assets or where the Minister for Finance and the Minister for Water have indicated are in the nature of owners' contributions, are accounted for as *Equity – Contributed Capital*.

Victorian Government grants

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

Interest and rents

Interest and rents are recognised as revenue when earned or when the service is provided.

(c) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing costs include interest on bank overdrafts and short and long term borrowings, amortisation of discounts or premiums relating to borrowings and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. [refer note 19] These costs are included within finance charges in the Operating Statement.

(d) Recognition and measurement of assets

Property, plant and equipment represent non-current assets comprising land, buildings, water storage and delivery infrastructure, plant, vehicles and equipment used by the Corporation in its operations. Items with a cost in excess of \$2,000 and a useful life of more than one year are recognised as an asset. All other assets acquired are expensed.

Acquisition

Where assets are constructed by the Corporation, the cost at which they are recorded includes an appropriate share of overheads.

Assets acquired at no cost or for nominal consideration by the Corporation are recognised at fair value at the date of acquisition.

Repairs and maintenance

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold, the cost is capitalised and depreciated [refer note 10].

Valuation of Non-Current Physical Assets

All non-current physical assets except land under declared roads and water infrastructure assets are recognised initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment in accordance with the requirements of FRD103D. Revaluations are conducted using management expertise and are classified as a managerial revaluation.

Plant, equipment and vehicles are measured at fair value.

Water infrastructure assets are measured at cost less any accumulated depreciation and any accumulated impairment losses. These assets comprise substructures or underlying systems held to facilitate the storage and transfer of water to meet customer needs. They also include infrastructure assets that underlie drainage systems.

Revaluation increments are credited directly to equity in the revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as expense in determining the net result, the increment is recognised as revenue in determining the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the revaluation reserve in respect of the same class of assets, they are debited to the revaluation reserve.

Revaluation increases and decreases relating to individual assets within the class of land or buildings are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation reserves are not transferred to accumulated funds on derecognition of the relevant asset.

Impairment of Assets

Intangible assets with indefinite useful lives are tested annually as to whether their carrying value exceeds their recoverable amount. All other assets are assessed annually for indicators of impairment, except for

- inventories;
- financial instrument assets;
- investment property that is measured at fair value; and
- non-current assets held for sale.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying amount exceeds its recoverable amount, the difference is written-off by a charge to the operating statement except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation reserve. However, to the extent that an impairment loss on the same class of asset was previously recognised in the operating statement, a reversal of that impairment loss is also recognised in the operating statements.

Non-current Assets Classified as Held for Sale

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell, as their carrying amount will be recovered principally through a sale transaction, rather than through continuing use. The Corporation considers that the sale is highly probable and the asset is available for immediate sale in its present condition. Non-current assets are not depreciated or amortised while they are classified as held for sale. A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation reserve. However, to the extent that an impairment loss on the same class of asset was previously recognised in the operating statement, a reversal of that impairment loss is also recognised in the operating statements.

(e) Depreciation and Amortisation of Non-current Assets

Where assets have separate identifiable components that have distinct useful lives and/or residual values, a separate depreciation rate is determined for each component.

Depreciation is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, commencing from the time the asset is held ready for use. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Major depreciation periods used are listed below and are consistent with the prior year, unless otherwise stated:

Class of Assets	Estimated Life (years)
Buldings	40
Plant, equipment, furniture and fittings	2 to 10
Infrastructure - channels and structures	40 to 120
Infrastructure – drains and dams	Up to 200

(f) Asset rationalisation

Each year G-MW negotiates with customers to rationalise parts of the irrigation infrastructure where changed circumstances permit the realignment of channels and structures. Where this proves cost effective infrastructure assets will be abandoned.

(g) Leased assets

Finance Leases

The Corporation has no finance leases.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the operating statement in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired portion of the lease or the estimated useful life of the improvement, whichever is the shorter.

(h) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdraft would be shown within interest bearing liabilities on the balance sheet. [refer note 19]

Investments are term deposits with Treasury Corporation of Victoria (TCV).

(i) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impaired receivables. Settlement dates for trade receivables vary according to agreements with the different customer groupings, and may be further varied in adverse seasonal conditions. Generally settlement dates for other debtors are 30 days.

Collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is established when there is objective evidence that the Corporation may not be able to collect all amounts due according to the original terms. The amount of the provision is recognised in the operating statement.

If payments are not made by the due date, debtors must agree to a payment schedule which will clear the debt before the next irrigation season. Supply is withheld if debtors default. There were no bad debts this financial year. [refer note 20]

(j) Inventories

Inventories comprise materials and supplies for asset construction, systems operation and general maintenance. All inventories are valued at the lower of cost and net realisable value. Costs are assigned to inventory quantities on hand at balance date on a weighted average cost basis. Inventories include goods held for distribution at no or nominal cost in the ordinary course of business operations. [refer note 16]

Inventories held for distribution are measured at the lower of cost and current replacement cost.

(k) Payables

These amounts represent liabilities for goods and services provided to the Corporation prior to the end of the financial year, which are unpaid at financial year end. The amounts are unsecured and are usually paid within 30 days of recognition. [refer note 17]

(l) Employee benefits

Wages and Salaries, annual leave and sick leave

Liabilities for wages and salaries, annual leave and accumulating sick leave expected to be settled within twelve months of the reporting date are recognised in employee benefit liabilities in respect of employees services up to the reporting date and measured at the amounts expected to be paid when the liabilities are settled, at their nominal values. Employee entitlements which are not expected to be settled within twelve months are measured as the present value of the estimated future cash outflows to be made by the entity, in respect of services rendered by employees up to the reporting date. Regardless of the expected timing of settlements, provisions made in respect of employee entitlements are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date, in which case it would be classified as a non-current liability.

Long service leave

Current Liability – unconditional LSL (representing 7 or more years of continuous service) is disclosed as a current liability even where the Corporation does not expect to settle the liability within 12 months because it does not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

Present value – component that the Corporation does not expect to settle within 12 months; and

Nominal value – component that the Corporation expects to settle within 12 months.

Non-Current Liability – conditional LSL (representing less than 7 years of continuous service) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. Conditional LSL is required to be measured at present value.

In calculating present value, consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. [refer note 18]

Superannuation

The amount charged to the operating statement in respect of superannuation represents the contributions made by the Corporation to the superannuation plan in respect to the current services of staff. Superannuation contributions are made to the plans based on the relevant rules of each plan. G-MW has no unfunded superannuation liabilities. [refer note 24]

Employee Benefit On-Costs

Employee benefit on-costs, including payroll tax and workers compensation are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

Performance payments

Performance payments for the Corporation's Executive Officers are based on a percentage of the annual salary package provided under their contract(s) of employment. A liability is recognised and is measured as the aggregate of the amounts accrued under the term of the contracts to balance date.

(m) Interest Bearing Liabilities

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the operating statement over the period of the borrowings, using the effective interest method.

Borrowings are classified as current liabilities unless the Corporation has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. [refer note 19]

(n) Wholesale/retail reporting

The financial report includes note 30 reporting the wholesale and retail operations of the Corporation in accordance with the Ministerial Direction under Section 51 of the Financial Management Act 1994.

The revenues, expenses, assets and liabilities reported for wholesale and retail operations are those directly attributable to each operation, or those that can reasonably be allocated.

The revenues, expenses and results include transfers between the wholesale and retail operations. These transfers are priced on an arms length basis and are eliminated on consolidation.

(o) Changes in accounting policy

The accounting policies are consistent with those of the previous year, unless otherwise stated.

(p) Taxation

The Corporation is subject to the National Tax Equivalent Regime (NTER), which is administered by the Australian Taxation Office.

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, based on those tax rates which are enacted or substantially enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. No deferred tax asset or liability is recognised in relation to these 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. At balance date the Corporation's deferred tax assets exceed the level of deferred tax liabilities and therefore no net deferred tax asset or liability has been disclosed in the balance sheet.

G-MW expects to be in a tax loss position and therefore not pay income tax for the foreseeable future. [refer note 29].

(q) Environmental Contributions

The *Water Industry (Environmental Contributions) Act 2004* amended the *Water Industry Act 1994* to make provision for environmental contributions to be paid by water supply authorities. Goulburn-Murray Water commenced payments under this Act from 1 July 2007.

The purpose of the environmental contribution is set out in the Act, and the funding may be used for the purpose of funding initiatives that seek to promote the sustainable management of water or address water-related initiatives.

The environmental contributions are disclosed separately within expenses.

(r) Goods and Services Tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet. Cash flows arising from operating activities are disclosed in the Cash Flow Statement on a gross basis – i.e., inclusive of GST. The GST component of cashflows arising from investing and financing activities which is recoverable or payable to the ATO is classified as operating cash flows.

(s) Comparative Amounts

Where necessary, figures for the previous year have been reclassified to facilitate comparison.

(t) Financial Instruments

Recognition

Financial instruments are initially measured at fair value, plus in the case of a financial asset or financial liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or the issue of the financial asset or liability. Subsequent to initial recognition, the financial instruments are measured as set out below:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables and other receivables in the balance sheet.

Held-to-maturity investments

Held to maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held to maturity financial assets, the whole category would be tainted and reclassified as available for sale. Held to maturity financial assets are included in non current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets. Any held-to maturity investments held by the Corporation are stated at amortised cost.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the other categories. Available-for-sale financial assets are reflected at fair value. Gains and losses arising from changes in fair value are taken directly to equity and recycled to the Operating Statement upon disposal or the financial asset is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the Operating Statement of the period.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Corporation assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale equity investment, a significant or prolonged decline in value of the instrument below its cost is considered as an indicator that the investment is impaired. If any such evidence exists for available for sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity and recognised in the income statement. Impairment losses are recognised in the Operating Statement. Impairment losses recognised in the Operating Statement on equity instruments classified as available for sale are not reversed through the Operating Statement.

(u) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2009 reporting period. As at 30 June 2009, the following standards and interpretations had been issued but were not mandatory for financial year ending 30 June 2009. The Corporation has not and does not intend to adopt these standards early. New accounting standards and interpretations that are not compulsory for this reporting period have been assessed for their likely impact on the Corporation.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on departmental financial statements
AASB 8 Operating Segments	Supersedes AASB 114 <i>Segment Reporting</i>	Beginning 1 Jan 2009	Not applicable.
AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038].	An accompanying amending standard, also introduced consequential amendments into other Standards.	Beginning 1 Jan 2009	Impact expected to be not significant.
AASB 123 Borrowing Costs	Option to expense borrowing cost related to a qualifying asset had been removed. Entities are now required to capitalise borrowing costs relevant to qualifying assets. In February 2009, the AASB decided that not-for-profit public sector entities could continue to expense borrowing costs attributable to qualifying assets pending the outcome of various IPSASB/AASB projects.	Beginning 1 Jan 2009	The Corporation continues to expense borrowing costs.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on departmental financial statements
AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	An accompanying amending standard, also introduced consequential amendments into other Standards.	Beginning 1 Jan 2009	Same as AASB 123 above.
AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 & AASB 127 [AASB 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107]	This Standard gives effect to consequential changes arising from revised AASB 3 and amended AASB 127. The Prefaces to those Standards summarise the main requirements of those Standards.	Beginning 1 Jul 2009	Impact expected to be insignificant.
AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASBs 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038]	A suite of amendments to existing standards following issuance of IASB Standard Improvements to IFRSs in May 2008. Some amendments result in accounting changes for presentation, recognition and measurement purposes.	Beginning 1 Jan 2009	Impact is being evaluated.
AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements project [AASB 1 & AASB 5]	The amendments require all the assets and liabilities of a for-sale subsidiary's to be classified as held for sale and clarify the disclosures required when the subsidiary is part of a disposal group that meets the definition of a discontinued operation.	Beginning 1 Jul 2009	Impact is expected to be insignificant.
AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136]	Changes mainly relate to treatment of dividends from subsidiaries or controlled entities.	Beginning 1 Jan 2009	Impact is expected to be insignificant.
AASB 2008-8 Amendments to Australian Accounting Standards - Eligible Hedged Items [AASB 139]	The amendments to AASB 139 clarify how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations.	Beginning 1 Jul 2009	Impact is being evaluated.
AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101	Amendments to AASB 1049 for consistency with AASB 101 (September 2007) version.	Beginning 1 Jan 2009	Not applicable to public sector entities except for certain presentation formats.

2 Financial Risk Management Objectives and Policies

The Corporation's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. This note presents information about the Corporation's exposure to each of these risks, and the objectives, policies and processes for measuring and managing risk.

The Board has the overall responsibility for the establishment and oversight of the risk management framework. The Corporation's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Corporation. The Corporation uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and ageing analysis for credit risk.

Risk management is carried out by a risk manager under policies approved by the Board of Directors. The finance department identifies and evaluates risks in close co-operation with the Corporation's operating units. The Board provides written principles for overall risk management within the Treasury Policy and Procedures which amongst other things governs cash management, investment and borrowing policy.

2.1 Risk Exposures

The main risks the Corporation is exposed to through its financial instruments are as follows:

(a) Market risk

Market risk is the risk that changes in market prices will affect the fair value or future cash flows of the Corporation's financial instruments. Market risk comprises of foreign exchange risk, interest rate risk and other price risk. The Corporation's exposure to market risk is primarily through interest rate risk, there is no exposure to foreign exchange risk and no exposure to other price risks.

Objectives, policies and processes used to manage these risks are disclosed in the paragraphs below:

(i) Interest Rate Risk

The Corporation's exposure to market interest rates relates primarily to the Corporation's long term borrowings and funds invested on the money market.

The interest rate on the Corporation's long term borrowings is fixed and therefore the Corporation is not exposed to any material interest rate risk.

The Corporation has minimal exposure to interest rate risk through its holding of cash assets and other financial assets. The Corporation's investments are short term deposits (90 days or less) all held with Treasury Corporation of Victoria (TCV).

(ii) Foreign Exchange Risk

The Corporation has no exposure to changes in the foreign exchange rate.

(iii) Other Price Risk

The Corporation has no exposure to Other Price Risk

Market Risk Sensitivity Analysis

Objectives, policies and processes used to assess these risks are disclosed in the paragraphs below:

The table below provides a summary of the sensitivity of the Corporation's financial assets and liabilities to interest rate risk.

30 June 2009		Total \$'000	Interest Rate Risk			
			+ 1 %		- 1%	
Financial Assets			Profit	Equity	Profit	Equity
	Cash and cash equivalents	34,962	350	350	(350)	(350)
	Receivables	80,742	-	-	-	-
Total Financial Assets		115,704	350	350	(350)	(350)
Financial Liabilities						
	Payables	64,742	-	-	-	-
	Interest bearing liabilities	22,788	(228)	(228)	228	228
Total Financial Liabilities		86,999	-	-	-	-
TOTAL INCREASE & DECREASE			122	122	(122)	(122)

30 June 2008		Total \$'000	Interest Rate Risk			
			+ 1 %		- 1%	
Financial Assets			Profit	Equity	Profit	Equity
	Cash and cash equivalents	16,703	167	167	(167)	(167)
	Investments	109,000	1090	1090	(1090)	(1090)
	Receivables	76,774	-	-	-	-
Total Financial Assets		202,477	1,257	1,257	(1,257)	(1,257)
Financial Liabilities						
	Payables	27,643	-	-	-	-
	Interest bearing liabilities	23,287	-	-	-	-
Total Financial Liabilities		50,930	-	-	-	-
TOTAL INCREASE & DECREASE			1,257	1,257	(1,257)	(1,257)

(b) **Credit Risk**

Credit risk is the risk of financial loss to the Corporation as a result of a customer or counterparty to a financial instrument failing to meet its contractual obligations. Credit risk arises principally from the Corporation's receivables and financial assets available for sale.

The Corporation's exposure to credit risk is influenced by the individual characteristics of each customer. The receivable balance primarily consists of unpaid rates and consumptive charges from a large number of customers in the farming sector, predominantly dairy, horticulture, grazing and cropping. Levels of debt are closely managed, with interest charged at a rate above general overdraft rates and supply withheld if scheduled payments are not made. The Water Act 1989 fixes this debt as a charge on the property and gives G-MW the ability to sell a property to recover debt. The Act also gives G-MW first call on the proceeds of sale. There is a small exposure to receivables due from rent of land for grazing and commercial purposes and other minor dealings which is not protected under the Act. There has been no experience of bad debt in this area in recent years.

An analysis of the ageing of the Corporation's receivables at reporting date has been provided in Note 20.

(c) **Liquidity Risk**

Liquidity Risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's policy is to settle financial obligations within 30 days and in the event of dispute make payments within 30 days from the date of resolution.

The Corporation manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

The Corporation's financial liability maturities have been disclosed in Note 31.

(d) **Fair Value Estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Corporation is the current bid price.

Derivative contracts classified as held for trading are fair valued by comparing the contracted rate to the current market rate for a contract with the same remaining period to maturity.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Corporation uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The carrying amounts and aggregate net fair values of financial assets and financial liabilities at balance date have been provided in Note 31.

2.2 **Capital management**

The Corporation's borrowings are managed within the overall capital program and cash management policies. Borrowings are exclusively from Treasury Corporation of Victoria (TCV) and governed by the Borrowing and Investment Power Act. There are currently several significant Government funded capital investment programs in progress, including the Shepparton Modernisation Project and the Central Goulburn 1 to 4 modernisation, which attract a large proportion of government capital contribution. These projects will require significant future borrowings. During 2008/09 the Northern Victorian Irrigation Renewal Project Authority was created and commenced work on stage one of the irrigation modernisation program with a one billion dollar budget. G-MW will be required to contribute \$100 million of this funding payable in two \$50 million instalments in 2011/12 and 2012/13. These are expected to be funded by borrowings.

2.3 **FutureFlow Alliance**

During 2008/09 the FutureFlow Alliance (comprising G-MW and partners Transfield Services, Comdain and SKM) continued to deliver large scale programs such as the Shepparton Modernisation project, the NVIRP early works program and the CG 1-4 project. The funding of these programs via capital contributions from the Victorian Government for 2008/09 totals \$103million (\$134million 2007/08 - (refer note 22 (b))). Milestone payments delivered under the funding deeds for these programs highlight a combined works program of \$157million resulting in significant capital investment (refer note 14) and resulting payments and contributions identified in the Cash Flow Statement.

	2008/09	2007/08
3 Revenue - Rates water and drainage	\$'000	\$'000
Irrigation and drainage - gravity	59,882	57,644
Irrigation and drainage - pumped	1,979	1,818
Domestic and stock	846	759
Diversions direct from streams and groundwater	5,646	4,767
Total	<u>68,153</u>	<u>64,988</u>
[refer note 4]		
4 Government drought rebate		
As part of its response to the low water allocations resulting from the prolonged drought, the Victorian Government in 2008/09 provided a rates rebate to customers on systems with less than 30% of water right allocated as at 1 December 2008. This amount is included within rates water and drainage at note 3 above.		
	<u>36,807</u>	<u>35,893</u>
5 Revenue - Consumptive Charges		
Irrigation and drainage - gravity	5,957	5,472
Irrigation and drainage - pumped	317	262
Domestic and stock	26	23
Diversions direct from streams and groundwater	-	-
Total	<u>6,300</u>	<u>5,757</u>
6 Revenue - Sale of bulk water		
Total bulk water sales [refer note 30]	23,339	21,419
Less Bulk water sales to G-MW retail business [refer note 9]	(15,866)	(15,473)
Bulk water sales to other organisations	<u>7,473</u>	<u>5,946</u>
7 Revenue - Other external clients		
Murray-Darling Basin Commission	13,902	14,648
Other external clients	1,955	1,689
Total	<u>15,857</u>	<u>16,337</u>
G-MW is the Victorian construction authority for the Murray-Darling Basin Commission and completes contracted works on a cost recovery basis. The associated expense is reported in note 9.		
8 Revenue - Victorian Government grants		
Several programs including salinity and national landcare are funded by the Victorian Government on an ongoing basis. The 2007/08 funding included \$40m received in advance for the reconfiguration program.		
Water savings initiative	2,340	47,346
Salinity and national landcare	6,308	7,268
Waranga basin pumping	-	2,040
Other initiatives	1,251	5,344
	<u>9,899</u>	<u>61,998</u>

	2008/09 \$'000		2007/08 \$'000	
	Bulk Water	Total Expense	Bulk Water	Total Expense
9 Expenses - Operations				
Irrigation and drainage - gravity	14,177	35,588	13,825	34,116
Irrigation and drainage - pumped	229	838	224	778
Domestic and stock	21	353	21	553
Diversions direct from streams and groundwater	1,439	3,525	1,403	3,356
Government funded operations	-	12,122	-	7,522
Headworks	-	14,505	-	12,679
Murray-Darling Basin Commission	-	12,952	-	13,775
Sub-total	15,866	79,883	15,473	72,779
Deduct bulk water		(15,866)		(15,473)
Total		<u>64,017</u>		<u>57,306</u>

The bulk water charge is an internal charge levied on retail services by the wholesale business. (refer note 6) This charge is not included as an operating expense in the Operating Statement, but is included as an operating expense in reporting the Wholesale and Retail Operations at note 30.

	2008/09 \$'000	2007/08 \$'000
10 Maintenance		
Irrigation and drainage - gravity	17,629	23,938
Irrigation and drainage - pumped	329	269
Domestic and stock	144	125
Diversions direct from streams and groundwater	374	825
Headworks	4,558	4,804
Corporate	10,348	9,861
	<u>33,382</u>	<u>39,822</u>

Reconfiguration costs have been included as maintenance within Corporate.

11 Labour related costs		
Direct salaries	47,295	43,631
Leave entitlements	10,444	9,430
Superannuation	3,919	3,018
Payroll tax	2,401	2,292
Workcover	598	810
Total	<u>64,657</u>	<u>59,181</u>

Included within this amount is the cost of labour directly attributable to capital projects and therefore capitalised, 7,699 7,225
The balance of these costs are included within the Operations, Maintenance and Management and Administration Items in the Operating Statement.

12 Audit Fees		
External audit - Victorian Auditor General	102	92
Internal audit - AFS & Associate	59	61

These costs are included within Management and administration in the operating statement.

13 Expense - Insurance		
G-MW purchased insurances in 2007/08 for storages and properties and for public liability. It also purchased insurances for Directors and Officers Liability, Professional Indemnity, Marine Hull, Personal Accident, and specific construction projects. G-MW retains a broker to assist in the management of its general insurances (which excludes workers compensation insurance and motor vehicle fleet) and to advise on insurance matters as required.		
	2,172	2,119

These costs are included within Management and Administration in the operating statement.

14 Non-current assets	Wholesale		Retail		Total	
	2008/09 \$'000	2007/08 \$'000	2008/09 \$'000	2007/08 \$'000	2008/09 \$'000	2007/08 \$'000
Land <i>At fair value as at 30 June 2007</i>	42,774	44,797	6,448	3,731	49,222	48,528
Buildings <i>At fair value as at 30 June 2007</i>	4,050	5,034	17,873	13,212	21,723	18,246
Less: Accumulated depreciation	300	347	1,182	507	1,492	854
	3,750	4,687	16,691	12,705	20,231	17,392
Buildings <i>At cost</i>	1,837	677	1,811	1,563	3,648	2,240
Less: Accumulated depreciation	31	4	8	4	39	8
	1,806	673	1,803	1,559	3,609	2,232
Plant, equipment furniture and fittings <i>At cost</i>	2,449	2,153	31,976	30,098	34,325	32,251
Less: Accumulated depreciation	1,469	1,397	23,525	21,454	24,934	22,851
	980	756	8,351	8,644	9,331	9,400
Total land, buildings and equipment	49,310	50,913	33,083	28,639	82,393	77,552
Infrastructure <i>At deemed cost</i>	1,130,512	1,132,032	2,005,237	1,822,223	3,135,749	2,954,255
Less: Accumulated depreciation	313,593	310,033	864,707	844,344	1,178,300	1,154,377
	816,919	821,999	1,140,530	977,879	1,957,450	1,799,878
Infrastructure under construction <i>At cost</i>	20,058	3,030	60,904	74,821	80,962	77,851
Total Infrastructure	836,977	825,029	1,201,434	1,052,700	2,038,412	1,877,729
Total	886,287	875,942	1,234,517	1,079,339	2,120,805	1,955,281

Land and buildings at valuation were valued at 30 June 2007 by the Victorian Valuer General.

Reconciliations

The reconciliation of movement in the written down value of each class of non-current asset is set out below.

2008/09	Opening WDV \$'000	Additions \$'000	Prior Year Adjustments \$'000	Disposals \$'000	Revaluation Increment \$'000	Depreciation \$'000	Closing WDV \$'000
Land	48,528	895	-	(201)	-	-	49,222
Buildings	19,624	4,884	-	-	-	(668)	23,840
Plant, equipment, furniture and fittings	9,400	2,233	-	(40)	-	(2,262)	9,331
Infrastructure	1,799,878	192,820	-	(4,170)	-	(31,078)	1,957,450
Under construction	77,851	3,111	-	-	-	-	80,962
Total	1,955,281	203,943	-	(4,411)	-	(34,008)	2,120,805

2007/08	Opening WDV \$'000	Additions \$'000	Prior Year Adjustments \$'000	Disposals \$'000	Revaluation Increment \$'000	Depreciation \$'000	Closing WDV \$'000
Land	48,528	-	-	-	-	-	48,528
Buildings	17,331	2,241	-	-	633	(581)	19,624
Plant, equipment, furniture and fittings	8,525	2,376	1,195	(54)	-	(2,642)	9,400
Infrastructure	1,829,298	20,986	-	(22,502)	-	(27,904)	1,799,878
Under construction	27,144	50,707	-	-	-	-	77,851
Total	1,930,826	76,310	1,195	(22,556)	633	(31,127)	1,955,281

	2008/09 \$'000	2007/08 \$'000
15 Cash and cash equivalents [refer note 1(h)]		
Cash at bank	34,962	16,703
Investments	-	109,000
Cash held at the end of the year as per Statement of Cash Flows	<u>34,962</u>	<u>125,703</u>
16 Inventories [refer note 1(j)]		
Stores and consumables at cost	<u>1,809</u>	<u>1,079</u>
17 Payables [refer note 1(k)]		
Trade creditors	15,467	12,209
Funds held for DSE	10,868	899
Accrued expenses	36,884	12,890
Payroll related accruals	<u>1,523</u>	<u>1,645</u>
Total	<u>64,742</u>	<u>27,643</u>
18 Employee benefits [refer note 1(l)]		
Current		
Annual leave and unconditional long service leave entitlements, representing 7 years of continuous service.		
- Short term employee benefits that fall due within 12 months after the end of the period measured at nominal value	5,300	5,078
- Other long term Employee benefits that do not fall due within 12 months after the end of the period, measured at present value	9,346	9,369
Total Current	<u>14,646</u>	<u>14,447</u>
Non-current		
Conditional long service leave	<u>1,278</u>	<u>911</u>
Total	<u>15,924</u>	<u>15,358</u>
Employee numbers at end of financial year	724	691
The following assumptions were adopted in measuring the present value of long service leave entitlements		
Weighted average increase in employee costs	3.9%	3.9%
Weighted average discount rates	4.7%	6.0%
Weighted average settlement period (years)	13	13
19 Interest bearing liabilities [refer note 1(m)]		
Current	531	499
Non-current	<u>22,257</u>	<u>22,788</u>
	<u>22,788</u>	<u>23,287</u>
Interest bearing liabilities comprise two loans from Treasury Corporation Victoria obtained with the Treasurers approval under the Borrowing and Investment Powers Act.		

	2008/09	2007/08
	\$'000	\$'000
20 Receivables [refer note 1(i)]		
Current		
Debtors - Rates/Charges	17,095	9,190
Debtors Department of Sustainability	33,372	45,774
Debtors Other	17,847	16,403
Other receivables	8,636	-
Less provision for doubtful debts	(111)	(116)
Prepayments	314	372
Current receivables	77,154	71,623
Non-current		
Debtors	3,927	5,390
Less provision for doubtful debts	(339)	(239)
Non-current receivables	3,588	5,151
Total Receivables	80,742	76,774

Provision for impaired receivables

As at 30 June 2009, current receivables of the Corporation with a nominal value of \$1,348,000 (2008: \$1,424,000) were impaired. The individually impaired receivables relate mainly to proposed developments in a new pumped irrigation area. The amount of the provision is \$450,000 (2008: \$355,000).

The ageing of these receivables is as follows:

3 to 6 months	25	285
Over 6 months	1,282	1,139
	1,307	1,424

At 30 June 2009 there were non-current receivables that are not impaired. These are for customers who accepted the Victorian Government offer of payment by instalments under the 2007 drought relief program. The Corporation still has first call on this debt under the Water Act, and the Government program includes payment of interest incurred.

Over 6 months	2,845	4,251
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Movements in the Provision for Doubtful Debts are as follows:

Opening balance	355	100
Receivables written off during the year as uncollectible	95	255
	450	355

The creation and release of the provision for doubtful debts has been included in management and administration expense in the operating statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

The carrying values of all receivables are in Australian dollars.

	2008/09 \$'000	2007/08 \$'000
21 Deferred tax		
Deferred tax liability comprises		
Depreciation recognised in the operating statement	(185,160)	(156,641)
Revaluation of land, buildings and infrastructure recognised in equity	(46,929)	(47,105)
Other	(3,776)	(3,252)
Offset by deferred tax asset comprising		
Tax losses	224,299	198,220
Other	15,977	8,581
Net deferred tax asset/(liability)	<u>4,411</u>	<u>(197)</u>

G-MW has accumulated large losses which will continue to increase until about 2020, and then gradually decline. G-MW does not expect to be in a tax paying position in the foreseeable future (refer notes 1(p) and 29). At balance date the deferred tax position will be nil as the balance is a net asset.

22 Equity and movements in equity

(a) Reserves

Asset revaluation reserve		
Balance 1 July	26,910	26,277
Revaluation increment	-	633
Balance 30 June	<u>26,910</u>	<u>26,910</u>

(b) Contributed capital

Balance 1 July	1,890,140	1,731,017
Capital contributions (refer note 2.3)	108,411	177,245
Return of capital	(31,948)	-
Transfer of assets to RTA	-	(18,122)
Balance 30 June	<u>1,966,603</u>	<u>1,890,140</u>

The treatment of capital contributions is as agreed with the Department of Sustainability and Environment and in accordance with Interpretation 1038, Contributions by Owners to Wholly Owned Public Sector Entities. Capital contributions includes \$144m for the infrastructure modernisation works and \$31m for works associated with the decommissioning of the Mokoan storage. On 8 August 2007 ownership of some road bridges passed to the Road Traffic Authority.

(c) Accumulated surplus

Accumulated surplus at the beginning of the year	175,302	134,573
Net result for the year	(34,148)	17,417
Deferred tax liability adjustment	197	22,117
Prior year asset adjustments	-	1,195
Accumulated surplus at the end of the year	<u>141,350</u>	<u>175,302</u>

During the year an adjustment was required to reflect the net balance of deferred tax liability and deferred tax asset as at 30 June 2007 (refer note 21).

An adjustment was also made to correct the prior year depreciation charge for some assets that had been assigned a depreciation rate that was too high. (refer note 32)

Reconciliation of equity

Total equity at the beginning of the year	2,092,352	1,891,867
Total changes in equity recognised in the operating statement	(34,148)	17,417
Capital contributions	108,411	177,245
Return of capital	(31,948)	-
Asset transfer	-	(18,122)
Revaluation increment	-	633
Deferred tax liability adjustment	197	22,117
Prior year asset adjustments	-	1,195
Total equity at the end of the year	<u>2,134,864</u>	<u>2,092,352</u>

During the year an adjustment was required to correct the net balance of deferred tax liability and deferred tax asset as at 30 June 2008 (refer note 21). An adjustment was also required to reflect the prior year correction of depreciation rates on some assets (refer note 32)

	2008/09 \$'000	2007/08 \$'000
23 Reconciliation of result for the period to net cash flows from operating activities		
Net profit/(loss) for the year	(34,148)	17,417
Add non cash flow items in net profit/(loss)		
Depreciation	34,008	31,127
Loss on sale of fixed assets	124	27
Written down value of assets abandoned	4,170	1,170
Change in assets and liabilities		
(Increase)/decrease in inventories	(730)	(240)
(Increase)/decrease in debtors and prepayments	(2,620)	(20,467)
Increase/(decrease) in creditors and accrued expenses	33,746	(7,167)
Increase/(decrease) in provision for employee entitlements	565	208
Net cash flows from operating activities	<u>35,115</u>	<u>22,075</u>

24 Superannuation

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

	Employee Contribution			
	Numbers	Rate %		
State Employee Retirement Benefits Board (defined benefits scheme)	12	12.60	77	72
State Superannuation Board, Revised Scheme (defined benefits scheme)	23	17.30	299	345
State Superannuation Board, New Scheme (defined benefits scheme)	170	10.20	993	1,020
Vision Super (defined benefits scheme)	7	9.25	52	91
Vision Super Saver (accumulation fund)	443	9.00	2,214	1904
Other minor schemes	65	9.00	303	237
Total Contributions to all Funds			<u>3,938</u>	<u>3,669</u>

At 30 June 2009 the total of outstanding superannuation contributions was \$468,633 (2008 \$792,995) which forms part of creditors and accrued expenses.

State Superannuation Schemes

At the time the Corporation was created in 1994 the Government agreed to assume responsibility for any unfunded liabilities of these funds arising prior to 1992. Since that date contribution rates have risen to avoid any further unfunded liabilities arising. G-MW has no responsibility for any further unfunded liabilities of this fund.

Vision Super Saver - Accumulation Fund

This fund receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to the employees are represented by their share of the net assets of the fund.

Vision Super - Defined Benefit Fund

The Victorian Department of Treasury and Finance recognises any unfunded liability for this scheme in its financial statements and has directed that government agencies treat this fund as if it were a defined contribution fund.

As at reporting date there were no loans to or from the Corporation to any of the above funds.

25 Commitments

(All amounts are inclusive of GST)

(a) Capital commitments

Shepparton modernisation project	73,165	119,409
Northern Victorian Irrigation remodeling	14,654	17,951
Dams and Dam Safety projects	4,250	1,793
Various other construction and technology related projects	7,741	1,717
Total	<u>99,810</u>	<u>140,870</u>

This represents commitments outstanding on contracts for capital works.

These commitments are likely to fall due within:

Not later than 1 year	99,810	108,907
Later than 1 year and not later than 5 years	-	31,963
Total	<u>99,810</u>	<u>140,870</u>

(b) Operating Lease Commitments

Operating lease rental commitments for vehicles, buildings and equipment as at 30 June 2009

Not later than 1 year	4,942	5,503
Later than 1 year and not later than 5 years	6,659	9,122
Later than 5 years	718	2,127
Total	<u>12,319</u>	<u>16,752</u>

(c) Other Commitments

Other expenditure commitments which are not included in capital or operating lease commitments above are:

Environmental Contribution

G-MW is committed to payment of \$1.53m per year for the next three years.

Foodbowl Modernisation Project

The \$1 billion Foodbowl project requires a contribution of \$100m from G-MW. This is scheduled to be paid in two installments of \$50m in 2011/12 and 2012/13.

26 Contingent liabilities

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

246 234

27 Post Balance Day Events

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Corporation, the results of the operations or the state of affairs of the Corporation in future years.

28 Responsible persons

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

Ministers

The Hon Timothy Holding MP, Minister for Water

Remuneration of responsible persons

Remuneration paid to Ministers is reported in the Annual Report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Members Interests which each member of Parliament completes.

Remuneration received, or due and receivable from the Corporation in connection with the management of the Corporation (includes termination bonuses and bonuses paid at the end of contracts).

Directors of the G-MW Board

Stephen Thomas Mills (Chair)

Craig Kenneth Cook (Deputy Chair)

John David Brooke OAM

Peter Maurice Fitzgerald

Claire Anne Penniceard

Catherine Lucy Scott

Desmond Powell

David John Arnell Stewart - Managing Director

The total directors' remuneration was \$525,084 (2007/08 \$874,797). Payments were made to individual directors within the following bands:

Remuneration Band	Number of Directors	
	2008/09	2007/08
\$0 to \$9,999	-	2
\$10,000 to \$19,999	-	1
\$20,000 to \$29,999	-	2
\$30,000 to \$39,999	3	4
\$40,000 to \$49,999	3	1
\$50,000 to \$59,999	-	1
\$70,000 to \$79,999	1	-
\$280,000 to \$289,999	1	-
\$490,000 to \$499,999	-	1

The total remuneration to non-director executive officers receiving more than \$100,000 was \$725,568 (2007/08 778,159).

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

Remuneration Band	Number of Executive Officers	
	2008/09	2007/08
\$140,000 to \$149,999	-	3
\$150,000 to \$159,999	-	-
\$160,000 to \$169,999	1	1
\$170,000 to \$179,999	1	-
\$180,000 to \$189,999	1	1
\$190,000 to \$199,999	1	-

Transactions with directors:

There were no amounts paid by the Corporation in connection with the retirement of responsible persons of the Corporation during the financial year.

There were no loans in existence by the Corporation to responsible persons or related parties at the date of this report.

Irrigation services were provided to directors and director-related entities at arms length and on normal customer terms and conditions. There were no other transactions with Directors.

29 Income Tax [refer note 1(p)]

G-MW will not pay income tax for 2008/09. Projections show that the likelihood of G-MW making consistent profits at a level likely to offset the large tax losses which are accumulating is unlikely.

Income tax expense comprises

	2008/09 \$'000	2007/08 \$'000
Current income tax expense	-	-
Deferred income tax expense/(benefit)	(4,608)	(21,501)
Subtotal	(4,608)	(21,501)
Increase in net DTA not brought to account	4,608	21,501
Income tax expense	-	-

Reconciliation

Profit/(loss) from ordinary activities	(34,148)	17,417
Prima facie tax calculated at 30%	(10,244)	5,225
Tax effect of:		
Doubtful debt provisions	29	-
Expense provisions	7,198	3,867
Employee entitlements	170	62
Unearned income	(348)	(3,252)
Property, plant and equipment	(22,866)	(27,935)
Research and development	(19)	(19)
Subtotal	(26,080)	(22,051)
Increase in gross DTA on current year tax loss	26,080	22,051
Income tax expense	-	-

Income tax expense is not included within the operating statement.

The balance sheet does not include the net deferred tax asset result for 2008/09 as it is not probable that future taxable income will be available against which unused tax losses and deductible temporary differences can be utilised. The net deferred tax liability for 2007/08 must be disclosed in the Balance Sheet.

Deferred tax liability	(235,865)	(206,998)
Deferred tax asset	240,276	206,801
Net deferred tax asset/(liability)	4,411	(197)

30 Wholesale and retail operations [refer note 1(n)]	Wholesale		Retail	
	2008/09 \$'000	2007/08 \$'000	2008/09 \$'000	2007/08 \$'000
Bulk water sales - urban [refer note 6]	543	2,098	941	736
Bulk water sales - rural [refer note 6]	21,855	18,585	-	-
Retail service charges	-	-	68,153	64,988
Retail usage charges	-	-	6,300	5,757
Other revenue	16,668	16,920	26,932	72,801
Total revenue	39,066	37,603	102,326	144,282
Operating expenditure	9,456	19,888	70,428	52,891
Maintenance	4,534	4,678	28,848	35,144
Depreciation	11,625	10,095	22,383	21,032
Other expenditure	2,316	2,675	24,423	16,825
Environmental contribution	89	72	1,438	1,168
Total expenditure	28,020	37,408	147,520	127,060
Profit/(Loss)	11,046	195	(45,194)	17,222
Investments	-	-	-	109,000
Infrastructure, land, buildings and equipment [refer note 14]	886,287	875,942	1,234,517	1,078,144
Capital expenditure - renewal/replacement	14,020	1,912	9,006	14,520
Capital expenditure - enhancement	15,229	8,077	165,689	52,842
Interest bearing liabilities	-	-	(22,788)	(23,287)
Equity contribution [refer note 22(b)]	-	-	108,411	177,245
Equity payment [refer note 22(b)]	-	-	(31,948)	-

Included in bulk water sales is the amount levied on the retail business by the wholesale business.

This amount is included in the revenue of the wholesale business and the expenses of the retail business (refer notes 6 and 9). These amounts are eliminated in the Operating Statement.

31 Financial instruments

The following table sets out the Corporation's exposure to interest rate risk and the effective weighted average interest rate by maturity periods. The Corporation intends to hold fixed rate liabilities to maturity, and has no variable rate liabilities.

Financial instrument	Notes	Floating interest rate \$'000	Fixed interest maturing					Non-Interest bearing \$'000	Total \$'000
			In 1 year or less \$'000	Over 1 to 2 years \$'000	Over 2 to 3 years \$'000	Over 3 to 4 years \$'000	Over 4 to 5 years \$'000		
2009									
(i) Financial assets									
Cash	15	34,982	-	-	-	-	-	-	34,982
Receivables	20	-	5,650	1,302	-	-	-	73,790	80,742
Investments	16	-	-	-	-	-	-	-	-
Weighted average interest rate		34,982 2.0%	5,650 11.3%	1,302 6.0%	-	-	-	-	73,790 115,704
(ii) Financial liabilities									
Interest bearing liabilities	19	-	531	565	602	641	682	10,767	22,788
Interest rate		-	531 8.9%	565 8.9%	602 6.0%	641 6.8%	682 6.9%	10,767 7.1%	- 22,788
Net financial assets/(liabilities)		34,982	5,119	737	(602)	(641)	(682)	(10,767)	92,015

Financial instrument	Notes	Floating interest rate \$'000	Fixed interest maturing					Non-Interest bearing \$'000	Total \$'000
			In 1 year or less \$'000	Over 1 to 2 years \$'000	Over 2 to 3 years \$'000	Over 3 to 4 years \$'000	Over 4 to 5 years \$'000		
2008									
(i) Financial assets									
Cash	16	18,703	-	-	-	-	-	-	18,703
Receivables	20	-	3,956	1,417	1,417	-	-	-	76,774
Investments	15	-	100,000	-	-	-	-	-	100,000
Weighted average interest rate		18,703 7.3%	112,956 8.0%	1,417 7.2%	1,417 7.2%	-	-	-	69,984 202,477
(ii) Financial liabilities									
Interest bearing liabilities	10	-	469	531	565	602	641	20,449	23,287
Interest rate		-	469 6.0%	531 8.9%	565 8.9%	602 8.9%	641 6.9%	20,449 7.2%	- 23,287
Net financial assets/(liabilities)		18,703	112,425	886	852	(602)	(641)	(20,449)	99,984

Fair Valuation

The carrying amounts and fair values of financial assets and financial liabilities at balance date are:

	30-Jun-09		30-Jun-08	
	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000
Financial Assets				
Cash and cash equivalents	34,982	34,982	18,703	18,703
Receivables	80,742	80,742	76,774	76,774
Investments	0	0	100,000	100,000
Total Financial Assets	115,704	115,704	202,477	202,477
Financial Liabilities				
Payables	64,742	64,742	27,643	27,643
Borrowings	22,788	22,410	23,287	22,647

Cash, cash equivalents and non-interest bearing financial assets and financial liabilities are carried at cost which approximates their fair value. The fair value of other financial assets and financial liabilities is based upon market prices, where a market exists or by discounting the expected future cash flows at current interest rates.

Concentrations of credit risk

G-MW's customers are concentrated in the farming sector, predominantly dairy, grazing, cropping and horticulture. Levels of debt are managed closely, with interest charged at a rate above general overdraft rates and supply withheld if scheduled payments are not made. The Water Act 1989 fixes debt as a charge on the property and gives G-MW the ability to sell a property to recover debt. The Act also gives G-MW first call on the proceeds of a sale. There are a large number of debtors and G-MW is not materially exposed to any individual debtor.

32 Prior Period Error

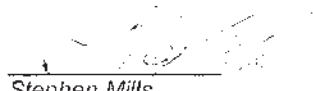
During the prior year the depreciation amount of some assets was overstated. The correct amount has now been recorded and an adjustment of \$1,195,000 made against retained earnings as shown in note 22. A correction of the amount of deferred tax liability has also been made as a result of amended calculations from the Corporation's income tax return. This adjustment of \$27,363,000 was also made against retained earnings.

Goulburn-Murray Water Statutory Certification

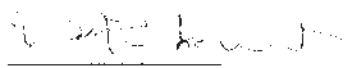
We certify the attached financial statements for Goulburn-Murray Rural Water Corporation have been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board, and the requirements of the Financial Management Act 1994 and applicable Ministerial Directions.

We further state that, in our opinion, the information set out in the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes accompanying these statements, presents fairly the financial transactions during the year ended 30 June 2009 and the financial position of the Corporation as at 30 June 2009.

We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.



Stephen Mills
CHAIRMAN



David Stewart
MANAGING DIRECTOR



Peter Gity
CHIEF FINANCIAL OFFICER

20 August 2009



Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board, Goulburn-Murray Rural Water Corporation

The Financial Report

The accompanying financial report for the year ended 30 June 2009 of the Goulburn-Murray Rural Water Corporation which comprises the operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the statutory certification has been audited.

The Board Member's Responsibility for the Financial Report

The Board Members of the Goulburn-Murray Rural Water Corporation are responsible for the preparation and the fair presentation of the financial report in accordance with the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free of material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report published in both the annual report and on the website of the Goulburn-Murray Rural Water Corporation for the year ended 30 June 2009. The Board Members are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the published in both the annual report and on the website of published in both the annual report and on the website of the Goulburn-Murray Rural Water Corporation website.

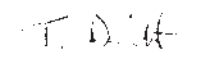
Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Goulburn-Murray Rural Water Corporation as at 30 June 2009 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
21 August 2009


D D R Pearson
Auditor-General

Goulburn-Murray Water Financial Performance Indicators

Performance indicator	Notes	2007-08 Result	2008-09 Result	2008-09 Target	Variance
FINANCIAL PERFORMANCE INDICATORS					
Long Term Profitability					
Earnings before net interest and tax ÷ Average total assets	1,2	0.8%	-1.6%	-1.1%	-45%
Owner's Investment					
Net profit after tax ÷ average total equity	1,2	0.9%	-1.6%	-1.3%	-23%
Long Term Financial Viability					
Total debt (including finance leases) ÷ total assets		1.1%	1.0%	1.0%	0%
Liquidity and Debt Servicing (Interest Cover)					
Earnings before net interest and tax expense ÷ net interest expense	3	32	-120	N/A	N/A
Immediate Liquidity and Debt Servicing (Cash Cover)					
Cash flow from operations before net interest and tax payments ÷ net interest payments	3	41	121	N/A	N/A

1. In 2007/08 the Corporation received \$40m in Government grants in advance of expenditure which increased profit in that year and distorted comparisons with the 2008/09 result.
2. The 2008/09 result was below target due to low allocations resulting in low consumptive revenue and some expenditure being incurred on programs funded by revenue received in advance in 2007/08.
3. The 2008/09 targets did not have net interest expense as budgeted interest revenue exceeded interest expense.

Goulburn-Murray Water

Financial Performance Indicators

Performance Statement for 2008/09

In our opinion the accompanying performance indicators relating to the 2008/09 financial year are presented fairly in accordance with the direction of the Minister for Water under the Financial Management Act 1994.

The performance indicators are as determined by the Minister and include actual results, targets and variance from targets.

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



Stephen Mills
CHAIRMAN



David Stewart
MANAGING DIRECTOR

20 August 2009



Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board, Goulburn-Murray Rural Water Corporation

The Performance Report

The accompanying performance report for the year ended 30 June 2009 of the Goulburn-Murray Rural Water Corporation which comprises the statement of financial performance indicators, the related notes and the management certification has been audited.

The Board Member's Responsibility for the Performance Report

The Board Members of the Goulburn-Murray Rural Water Corporation are responsible for the preparation and fair presentation of the performance report in accordance with the *Financial Management Act 1994*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the performance report that is free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance report based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the performance report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance report 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 entity's internal control. An audit also includes evaluating the overall presentation of the performance report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Matters Relating to the Electronic Presentation of the Audited Performance Report

This auditor's report relates to the performance report published in both the annual report and on the website of the Goulburn-Murray Rural Water Corporation for the year ended 30 June 2009. The Board Members of the Goulburn-Murray Rural Water Corporation are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited performance report to confirm the information included in the audited performance report presented on the Goulburn-Murray Rural Water Corporation website.

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the performance report of the Goulburn-Murray Rural Water Corporation in respect of the 30 June 2009 financial year presents fairly, in all material respects, in accordance with *the Financial Management Act 1994*.

MELBOURNE
21 August 2009



D D R Pearson
Auditor-General

Disclosure Index

	DISCLOSURE	PG
Charter and purpose		
FRD 22B	Manner of establishment and the relevant Ministers	Inside front cover
FRD 22B	Objectives, functions, powers and duties	Inside front cover
FRD 22B	Nature and range of services provided	Inside front cover

Management and structure		
FRD 22B	Organisational structure	9

Financial and other information		
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FRD 22B	Occupational health and safety policy	48
FRD 22B	Summary of the financial results for the year	45 & 46
FRD 22B	Significant changes in financial position during the year	45 & 46
FRD 22B	Major changes or factors affecting performance	45 & 46
FRD 22B	Subsequent events	45 & 46
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Appendices

Appendices

Appendix A1 Bulk Entitlement (Eildon – Goulburn Weir) Reporting

This appendix is included in the Goulburn-Murray Water 2008/09 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 2008 to 30 June 2009.

BE Clause	Item	Report	Notes
17.1(d)	Diversions at Goulburn Weir offtake channels		See Note 1
	Cattanach Canal	132,617 ML	
	Stuart Murray Canal	373,662 ML	
	East Goulburn Main Channel	126,282 ML	
	Total Goulburn Weir offtake diversion	632,561 ML	
17.1(e)(i)	Diversion by primary entitlement holders licenced under Section 51(1) (a) of the Water Act 1989	8,331 ML	
17.1(e)(ii)	Diversion by other corporations	22,305 ML	
17.1(g)	Storage contents		
	Lake Eildon	432,874 ML	Vol 30/06/09
	Goulburn Weir	25,228 ML	Vol 30/06/09
	Waranga Basin	71,940 ML	Vol 30/06/09
	Greens Lake	16,162 ML	Vol 30/06/09
17.1(h)	Target filling releases	No	
17.1(i)	Credits	No	
17.1(j) & 17.1(k)	Net Water Share and Allocation transfers of this BE	Water Share Trade: See appendix B5 Allocation Trade: 39,875 ML	See Note 2
17.1(l)	Goulburn Weir releases for supplement or environmental purposes	25,783 ML	See Note 3
17.1(m)	Alterations to Schedule 1 entitlements		
	Water Shares in Irrigation Areas	Decreased by 54,639 ML	See Note 4
	Water Shares of Diverter Licences	Decreased by 5,996 ML	See Note 5
17.1(n)	Transfers of primary entitlements	See Appendices B2 to B7	
17.1(o)	Supply to primary entitlements	See Appendix B8	
17.1(p)	Amendments to this BE	Yes	See Note 6
17.1(q)	New BE granted	No	
17.1(r)	Environmental Management and Metering programs	Programs implemented	See Note 7
17.1(s)	BE compliance failures	No	
17.1(t)	BE compliance difficulties	Yes	See Note 8

Notes

- Volumes were obtained from hydrographic data collected by Thiess Services:
 - Cattanach Canal SI No 405702
 - Stuart Murray Canal SI No 405700
 - East Goulburn Main Channel SI No 405704
- Net Allocation transfers including transfers to areas not covered by this BE.
- Water released from the Goulburn Water Quality Reserve and water released to meet inter valley trade requirements.
- Alteration of BE due to transfers of High-Reliability Water Shares from Irrigation Areas including transfers to Non Water Users.
- Alteration of BE due to transfers of High-Reliability Water Shares from diversion licence holders including transfers to Non Water Users.
- Bulk Entitlement (Eildon-Goulburn Weir) Conversion Further Amending Order 2009 came into effect on 28 May 2009.
- Programs are coordinated with Goulburn-Murray Water's Environmental Management System (ISO 14001 certified) and the Regional Water Monitoring Partnership.
- Qualified Rights, which reduced minimum passing flow requirements due to low water availability, were in place from the start of July to the end of November.

Appendix A2 Bulk Entitlement (Eildon – Goulburn Weir) Reporting

Diversions by Other Authorities with Bulk Entitlements

Authority	Town	BE Volume (ML)	Diversion (ML)	Notes
Goulburn Valley Water	Alexandra	916	376	
	Bonnie Doon	112	45	
	Eildon	480	123	
	Euroa	1,990	818	
	Mooroopna	300	160	See Note 1
	Murchison	350	196	
	Nagambie	825	605	
	Seymour	5,340	2,200	
	Shepparton	17,970	11,566	See Note 1
	Colbinabbin (channel supply)	89	25	
	Corop (channel supply)	44	10	
	Dookie (channel supply)	160	110	
	Girgarre (channel supply)	100	50	
	Katandra West (channel supply)	64	46	
	Kyabram and Merrigum (channel supply)	2,000	1,222	
	Rushworth (channel supply)	530	315	
	Stanhope (channel supply)	200	85	
	Tatura (channel supply)	2,600	2,108	
	Tongala (channel supply)	1,404	746	
TOTAL		35,474	20,806	
Coliban Water	Boort (channel supply)	425	163	
	Pyramid Hill (channel supply)	300	162	
	Lockington (channel supply)	130	79	
	Mitiamo (channel supply)	60	19	
	Dingee (channel supply)	50	8	
	Rochester (channel supply)	1,400	978	
	Macorna (channel supply)	40	7	
	Mysia (channel supply)	15	1	
	TOTAL		2,420	1,417
GWMWater	Quambatook	100	82	
	TOTAL	100	82	
TOTAL ALL AUTHORITIES (ML)		37,994	22,305	See Note 2

Notes

1. Shepparton, Mooroopna and Toolamba all share the same supply Bulk Entitlement.
2. All Goulburn urban bulk entitlements were allocated 100% of their Bulk Entitlement.

Appendix A3 Bulk Entitlement (River Murray – Goulburn-Murray Water) Reporting

This appendix is included in the Goulburn-Murray Water 2008/09 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 2008 to 30 June 2009.

BE Clause	Item	Report		Notes
22.1(b)	Offtake points			
	Cobram pump station		3,411 ML	See Note 1
	Yarrawonga Main Channel		140,955 ML	
	Torrumbarry diversions			
	National Channel		263,733 ML	
	Ashwin's pump		15 ML	
	Pental Island pumps		120 ML	
	Swan Hill No 9 channel offtake from Little Murray (if Fish Point Weir open)		0 ML	See Note 2
	Swan Hill pumps		5,041 ML	
	Nyah pumps		4,889 ML	
	Woorinen pumps		9,142 ML	
	Private diversion points		30,025 ML	
	Total diversions at offtake points		457,331 ML	
22.1(c)	New offtake points		No	
22.1(d)	Return points			
	Broken Creek		25,296 ML	
	Yarrawonga Main Channel outfall		3,981 ML	
	Torrumbarry returns			
	Koondrook spillway		1,772 ML	
	Loddon River at Kerang Weir		4,319 ML	
	Sheepwash Creek Weir		0 ML	
	Little Murray Weir (if Fish Point Weir closed)		529 ML	See Note 2
	6/7 channel outfall (if Fish Point Weir open)		0 ML	See Note 2
	Lake Boga outfall channel		0 ML	
	Barr Creek at Capel's Crossing		386 ML	
	Total returns		36,284 ML	
22.1(e)	G-MW supplies to other corporations	BE Volume	Supplied	
	Coliban Water			
	Cohuna	677 ML	603 ML	
	Gunbower	131 ML	66 ML	
	Leitchville	422 ML	338 ML	
	Lower Murray Water			
	Kerang	2,100 ML	927 ML	
	Murrabit	60 ML	22 ML	
	Goulburn Valley Water			
	Katamatite	84 ML	49 ML	
	Nathalia	652 ML	402 ML	
	Numurkah/Wunghnu	1,206 ML	834 ML	
	Picola	44 ML	22 ML	
	DSE environmental allocation	27,600 ML	10,026 ML	
	Total supplies to other corporations		13,107 ML	
22.1(f)	Supply to primary entitlements	See Appendix B8		
22.1(g)	Metering program	Program implemented		See Note 3
22.1(h) & 22.1(i)	Net water share and allocation transfers of this BE	Water Share Trade: See appendix B5		See Note 4
		Allocation Trade: -5,742 ML		
22.1(j)	Amendment to this BE	Yes		See Note 5
22.1(k)	New BE granted to G-MW	No		
22.1(l)	BE compliance failures	No		
22.1(m)	BE compliance difficulties	No		

Notes

- Cobram pump station became operational in August 2006, but is not yet recognised as a new offtake point in the BE.
- Recognition of offtake diversions and returns depends on status of Fish Point Weir (as indicated).
- The program is coordinated with Goulburn-Murray Water's Environmental Management System (ISO 14001 certified) and the Regional Water Monitoring Partnership.
- Net Allocation transfers of entitlement, including transfers to areas not covered by this BE.
- Bulk Entitlement (River Murray - Goulburn Murray Water) Amending Notice 2009 came into effect on 9 April 2009.

Appendix A4 Bulk Entitlement (Campaspe System – Goulburn-Murray Water) Reporting

This appendix is included in the Goulburn-Murray Water 2008/098 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 2008 to 30 June 2009.

BE Clause	Item	Report		Notes
18.1(e)	G-MW share of Lake Eppalock annual inflow	3,815 ML		
18.1(f)	G-MW share of diversion to primary entitlements	2,098 ML		
18.1(g)	G-MW share of annual evaporation losses	1,297 ML		See Note 1
18.1(h)	Internal spills from or to G-MW’s share of storage	No		
18.1(i)	Minimum passing flows	Required	Actual	
	Campaspe River d/s Lake Eppalock	870 ML	6,467 ML	
	Campaspe River d/s Campaspe Siphon	1,417 ML	3,513 ML	
18.1(j)	Credits granted	No		
18.1(k) & 18.1(l)	Net Water Share and Allocation transfers of this BE	Water Share Trade: See Appendix B5		See Note 2
		Allocation Trade: 2,177 ML		
18.1(m)	Seasonal allocations in any month	No Allocation to High or Low Reliability Water Shares was possible in the Campaspe System during 2008/09.		
18.1(n)	Alterations to Schedule 1 entitlements			
	Water Shares in Irrigation Areas	Decreased by 1,552 ML		See Note 3
	Water Shares of Diverter Licences	Decreased by 300 ML		See Note 4
18.1(o)	Transfers of primary entitlements	See Appendices B2 to B7		
18.1(p)	Supply to primary entitlements	1,766 ML		See note 5
18.1(q)	Amendments to this BE	No		
18.1(r)	New BE granted	No		
18.1(s)	Environmental Management and Metering programs	Programs implemented		See Note 6
18.1(t)	BE compliance failures	No		
18.1(u)	BE compliance difficulties	No		
18.1(v)	Interruptions to minimum passing flows	Yes		See Note 7

Notes

- Gross evaporation based on measured evaporation at Lake Eppalock.
- Net High-Reliability Water Share and Allocation transfers of entitlement, including transfers to areas not covered by this BE.
- Alteration of BE due to transfers of High-Reliability Water Shares from Irrigation Areas including transfers to Non Water Users.
- Alteration of BE due to transfers of High-Reliability Water Shares from diversion licence holders including transfers to Non Water Users.
- Volume supplied from Campaspe system to meet primary entitlements.
- Programs are coordinated with Goulburn-Murray Water’s Environmental Management System (ISO 14001 certified) and the Regional Water Monitoring Partnership. Additional water quality monitoring was undertaken in cooperation with the North Central Catchment Management Authority.
- Qualified Rights, which reduced minimum passing flow requirements due to low water availability, were in place for the entire year.

Appendix A5 Bulk Entitlement (Campaspe System – Goulburn-Murray Water) Reporting

Diversions by Other Authorities with Bulk Entitlements

Authority	Town	BE Volume (ML)	Diversion (ML)	Notes
Coliban Water	Axedale/Goornong	215	60	See Note 1
	Part Rochester	134	0	See Note 2
	TOTAL	349	60	
TOTAL ALL AUTHORITIES (ML)		349	60	

Note

- Axedale and Goornong have a combined maximum annual entitlement volume of 215 ML. The entitlement was reduced by 50% to 108 ML based on Qualification of Right.
 - All of the Rochester usage for the year was supplied via the Waranga Western Channel on the Goulburn system.
- * Includes supplementary supplies to Lower Goulburn River for transfer arrangement for supply of Goulburn Water to the Tungamah domestic & stock system and Snowy Inter-Valley Transfer.

Appendix A6 Bulk Entitlement (Broken System - Goulburn-Murray Water) Reporting

This appendix is included in the Goulburn-Murray Water 2008/09 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 2008 to 30 June 2009.

BE Clause	Item	Report		Notes
20.1(d)	Storage contents			
	Nillahcootie		4,812 ML	Vol 30/06/09
	Mokoan		0 ML	Vol 30/06/09 See Note 1
20.1(e)	Diversion to primary entitlements		7,889 ML	
20.1(f)	Annual evaporation losses from storages			See Note 2
	Nillahcootie		1,885 ML	
	Mokoan		20,543 ML	
20.1(g)	Environmental minimum flows	Required	Actual	
	Broken River at Moorngag	2,212 ML	9,250 ML	
	Broken River d/s Broken Weir	2,001 ML	8,403 ML	
	Holland's Creek d/s Diversion Weir	2,272 ML	2,727 ML	
	Broken River at Gowangardie Weir	6,609 ML	12,425 ML	
20.1(h)	Credits granted		No	
20.1(i) & 20.1(j)	Net Water Share and Allocation transfers of this BE	Water Share Trade: See Appendix B5 Allocation Trade: 0 ML		See Note 3
20.1(k)	Alterations to Schedule 1 entitlements			
	Water Shares		Decreased by 102 ML	See Note 4
20.1(l)	Transfers of primary entitlements	See Appendices B2 to B7		
20.1(m)	Supply to primary entitlements		4,283 ML	
20.1(n)	Amendments to this BE		No	
20.1(o)	New BE granted		No	
20.1(p)	Environmental Management and Metering programs	Programs implemented		See Note 5
20.1(q)	BE compliance failures		No	
20.1(r)	BE compliance difficulties		Yes	See Note 6
20.1(s)	Interruptions to minimum passing flows		Yes	See Note 6

Notes

- Level on 30 June 2009 was below measurable limit.
- Gross evaporation based on measured evaporation at each storage.
- Net allocation transfers, including transfers to areas not covered by this BE.
- Alteration of BE due to transfers of High-Reliability Water Shares from diversion licence holders including trade to Non Water Users.
- Programs are coordinated with Goulburn-Murray Water's Environmental Management System (ISO 14001 certified) and the Regional Water Monitoring Partnership.
- Qualified Rights, which reduced minimum passing flow requirements due to low water availability, were in place for the entire year.

Appendix A7 Bulk Entitlement (Ovens System – Goulburn-Murray Water) Reporting

This appendix is included in the Goulburn-Murray Water 2008/09 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 2008 to 30 June 2009.

BE Clause	Item	Report		Notes
19.1(e)	Diversion to primary entitlements	See Appendix B8		
19.1(f)	Annual evaporation losses			
	Lake Buffalo	2,498 ML		See Note 1
	Lake William Hovell	705 ML		
19.1(g)	Environmental minimum flows	Required	Actual	
	Ovens River at Wangaratta	31,944 ML	343,586 ML	
	Buffalo River downstream of Lake Buffalo	16,954 ML	134,532 ML	
	King River at Docker Road and Hurdle Ck at Bobbinawarrah	8,753 ML	120,301 ML	
	King River at Cheshunt	8,757 ML	107,354 ML	
	Ovens River at Rocky Point	25,191 ML	357,185 ML	
	Ovens River at Peechelba	31,990 ML	432,407 ML	
19.1(h)	Credits granted	No		
19.1(i) & 19.1(j)	Net Water Share and Allocation transfers of this BE	Water Share Trade: See Appendix B5 Allocation Trade: 0 ML		See Note 2
19.1(k)	Alterations to Schedule 1 entitlements			
	Water Shares	Decreased by 104 ML		See Note 3
19.1(l)	Transfers of primary entitlements	See Appendices B2 to B7		
19.1(m)	Supply to primary entitlements	See Appendix B8		
19.1(n)	Amendments to this BE	No		
19.1(o)	New BE granted	No		
19.1(p)	Environmental Management and Metering programs	Programs implemented		See Note 4
19.1(q)	BE compliance failures	Yes		See Note 5
19.1(r)	BE compliance difficulties	Minor		See Note 6
19.1(s)	Interruptions to minimum passing flows	No		

Notes

- Gross evaporation based on measured evaporation at each storage.
- Net Allocation transfers of entitlement, including transfers to areas not covered by this BE.
- Alteration of BE due to transfers of High-Reliability Water Shares from diversion licence holders including trade to Non Water Users.
- Programs are coordinated with Goulburn-Murray Water's Environmental Management System (ISO 14001 certified) and the Regional Water Monitoring Partnership.
- 1 day in January at Docker Road where the flow was 3 ML/d below the 40 ML/d requirement.
2 days in May downstream of Lake Buffalo where the flow was less than 4 ML/d below the 60 ML/d requirement.
1 day in January at Wangaratta where the flow was 13 ML/d below the 140 ML/d requirement. 1 day in March at Wangaratta where the flow was 1 ML/d below the 100 ML/d natural flow requirement. 4 days in April at Wangaratta where the flow was between 8 and 10 ML/d below the natural flow requirement of between 80 and 118 ML/d.
2 days in January at Peechelba where the flow was 2 ML/d below the 140 ML/d requirement. 1 day in April where the flow was 16 ML/d below the natural flow requirement of 87 ML/d.
- Due to the failure and subsequent relocation of Gauging Station 403217 (Rose River at Matong North) data was not available for this site between 22 January and 30 June. A method to estimate flows for the Rose River site was devised for this period. As this site is used to calculate natural flow requirements, estimations of flow for this site may have impacted on natural flow compliance.

Appendix A8 Bulk Entitlement (Loddon System – Goulburn-Murray Water) Reporting

This appendix is included in the Goulburn-Murray Water 2008/09 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 2008 to 30 June 2009.

BE Clause	Item	Report	Notes
21.1(f)	Annual amounts of water taken from the system waterway	See Appendix B8	
21.1(g)	Annual evaporation losses from storages		
	Cairn Curran	1,867 ML	See Note 1
	Tullaroop	1,822 ML	
21.1(h)	Credits granted	No	
21.1(i) & 21.1(j)	Net Water Share and Allocation transfers of this BE	Water Share Trade: See Appendix B5 Allocation Trade: 28 ML	See Note 2
21.1(k)	Alterations to Schedule 1 entitlements		See Note 3
	Water Shares	Decreased by 103 ML	
21.1(l)	Transfers of primary entitlements	See Appendices B2 to B7	
21.1(m)	Supply to primary entitlements	See Appendix B8	
21.1(n)	Amendments to this BE	No	
21.1(o)	New BE granted	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	Yes	See Note 5

Notes

1. Gross evaporation based on measured evaporation at each storage.
2. Net Allocation transfers of entitlement, including transfers to areas not covered by this BE.
3. Alteration of BE due to transfers of High-Reliability Water Shares from diversion licence holders including trade to Non Water Users.
4. Programs are coordinated with Goulburn-Murray Water’s Environmental Management System (ISO 14001 certified) and the Regional Water Monitoring Partnership. Additional water quality monitoring was undertaken in cooperation with the North Central Catchment Management Authority.
5. Qualified Rights, which reduced minimum passing flow requirements due to low water availability, were in place for the entire year.

Appendix B

Appendix BI – Allocation Statistics

GOULBURN MURRAY WATER – REGULATED TRADING ZONES

Inflows	Volume(ML)	Outflows	Volume(ML)
Net carryover at 1 July 2008	204,248	Carryover to next financial year	-200,833
Seasonal allocation	682,908	Water usage	-679,378
Advanced allocation	0	Write-off allocation	-48,032
Spill allocation	2,853	Trade – sellers	-301,688
Trade – buyers	338,021	Overuse	1,900
Total inflows	1,228,031	Total outflows	-1,228,032
Closing balance	-1		

Components of trade – buyers

Within authority	221,032
From other authorities	2,673
From interstate	114,316
Total trade	338,021

* refer to note 7
regarding variance

Components of trade – sellers

Within authority	221,032
To other authorities	56,286
To interstate	24,370
Total trade	301,688

* refer to note 7
regarding variance

Notes:

1. This table provides a summary of allocations made, trade in, trade out, usage, overuse, carryover and write-off.
2. The table shows statistics for ABAs with regulated trading zone sources only. This includes allocations made to all water shares and also some bundled entitlements, such as supply by agreements and urban bulk entitlements. Unregulated and groundwater entitlements are excluded because some are not metered and usage is not fully available.
3. This table excludes adjustments made this year to correct 2007/08 figures. Because of this use in this table differs from the "usage by delivery system" table.
4. Carryover at 1 July 2008 has been adjusted to take into account adjustments to carryover made during the year, overuse carried over and reinstatement of write-off.
5. Write-off reported in this table includes write-off for the Ovens and King systems (which have no ability to carryover) (19,155 ML) and write-off against bulk entitlements. Trade volumes here differ from the allocation trade summary as they include regulated trading zones only.
6. Inflows reported as "trade - buyers" and outflows reported as "trade -sellers" include journal adjustments and therefore the total inflow and outflow differs slightly to the "components of trade" table.

Appendix B2 – Allocation Trade Summary

Allocation trade type		G-MW	Lower Murray Water	Total Northern Victoria
Interstate trade inbound	Number	1,400	2,033	3,433
	Volume (ML)	114,316	131,924	246,240
Interstate trade outbound	Number	333	101	434
	Volume (ML)	24,365	5,432	29,797
Trade within authority	Number	7,616	1,663	9,279
	Volume (ML)	221,032	44,547	265,579
Trade between authorities – buyer	Number	79	835	914
	Volume (ML)	2,673	56,286	58,959
Trade between authorities – seller	Number	835	79	914
	Volume (ML)	56,286	2,673	58,959
Total Victorian buyers	Number	9,095	4,531	13,626
	Volume (ML)	338,021	232,757	570,778
Total Victorian sellers	Number	8,784	1,843	10,627
	Volume (ML)	301,683	52,652	354,335
Total trades	Number	10,184	3,876	14,060
	Volume (ML)	415,999	184,576	600,575
Net Trade In	Number	311	2,688	2,999
	Volume (ML)	36,339	180,104	216,443

Notes:

1. This table shows trade statistics for all trading zones (regulated, unregulated and groundwater). It therefore differs in G-MW's case from the ABA statement which is for regulated trading zones only.
2. Between authority trades are counted by each authority involved in the trade. Hence summing authority values will double count these trades. They are therefore counted on the seller side only when determining the total trade volume.
3. In a pool exchange, a number of sellers (say 20) sell to a number of buyers (say 15) at the pool price. Administratively, this is implemented in the water register as 20 trades to a clearing account and then 15 trades from that clearing account. To avoid double counting, only the seller side is counted (ie this is counted as 20 trades).
4. The clearing accounts are held by G-MW. In the register, a G-MW to LMW pool exchange will be recorded as a trade from G-MW to the G-MW clearing account and a second trade from the G-MW clearing account to LMW. In order to avoid double counting, this trade is only counted on one side, however, depending on which side is chosen it may be classified as either a within or between authority trade. To adjust for this it is assumed that all between authority trades are correct, therefore the number and volume of within authority purchases and sales is reduced and the number of between authority purchases and sales is increased proportionately.
5. In 2007/08 there was a 508 ML negative remaining balance in the clearing accounts at year end with some pool exchange trades yet to be submitted and approved. This resulted in a 508 ML difference between buyer and seller volumes within authority for G-MW. The transactions used to correct for this in 2008/09 are excluded from this table so that within authority buyer and seller volumes are equal.
6. This table is for approved trades only. Some trades were still in progress at year end and will be finalised in 2009/10.

Appendix B3 – Trade of Allocation Matrix – Purchases by G-MW

		ALLOCATION TRADE (VOLUME (ML))														
		BUYER														
		1A Greater Goulburn	1B Boort	2A Broken – Nill to Casey's	2B Broken – Casey's to Goulb	3 Lower Goulburn	4A Campaspe – Eppalock to WWC	4C Lower Campaspe	5A Loddon – CC/Tull to LWP	6VIC Murray – Dart to Barmah	6B Lower Broken Creek	7VIC Murray – Barmah to SA	9A Ovens	9B King	Unregulated, groundwater, not tradeable	
SELLER	Goulburn-Murray Water	1A Greater Goulburn	78,169	7,406	0	0	1,436	2,193	0	0	6,516	433	12,175	0	0	0
		1B Boort	6,692	1,939	0	0	0	0	0	20	350	0	751	0	0	0
		2A Broken – Nill to Casey's	0	0	86	136	0	0	0	0	0	0	0	0	0	0
		2B Broken – Casey's to Goulb	0	0	82	1,262	0	0	0	0	0	0	0	0	0	0
		3 Lower Goulburn	10,895	87	0	0	1,054	142	0	0	804	43	116	0	0	0
		4A Campaspe – Eppalock to WWC	362	177	0	0	0	548	0	0	0	0	0	0	0	0
		4C Lower Campaspe	27	0	0	0	0	0	0	0	30	0	0	0	0	0
		5A Loddon – CC/Tull to LWP	0	0	0	0	0	0	0	70	8	0	0	0	0	0
		6VIC Murray – Dart to Barmah	8,339	3,029	0	0	20	0	0	8	17,920	859	2,242	0	0	0
		6B Lower Broken Creek	1,059	262	0	0	0	0	0	0	950	384	418	0	0	0
		7VIC Murray – Barmah to SA	7,113	1,253	0	0	4	134	0	8	1,208	48	25,101	0	0	1
		9A Ovens	0	0	0	0	0	0	0	0	0	0	0	1,083	0	0
		9B King	0	0	0	0	0	0	0	0	0	0	0	0	322	0
		Unregulated, groundwater, not tradeable	0	0	0	0	0	0	0	0	0	0	1	0	0	15,258
		Lower Murray Water	1A Greater Goulburn	0	0	0	0	0	0	0	0	0	0	0	0	0
		7VIC Murray – Barmah to SA	710	165	0	0	0	0	0	304	0	1,494	0	0	0	
	NSW State Water Corporation	10A NSW Murr U/S Barmah Choke	589	0	0	0	0	0	0	716	0	163	0	0	0	
		10B NSW – Murr Irrigation Ltd	7,104	104	0	0	0	0	0	1,524	0	746	0	0	0	
		11 NSW Murr D/S Barmah Choke	7,560	1,906	0	0	300	0	0	411	0	6,664	0	0	0	
		13 Murrumbidgee	49,122	7,363	0	0	120	305	0	7,988	328	19,218	0	0	0	
		14 Lower Darling	920	0	0	0	0	0	0	54	0	93	0	0	0	
	Dept of Water Land and Bio Con	12 South Australian Murray	528	0	0	0	0	0	0	59	0	434	0	0	0	
	TOTAL PURCHASED		179,189	23,690	167	1,398	2,935	3,322	0	106	38,841	2,095	69,615	1,083	322	15,259
	NUMBER OF TRADES		5031	333	15	48	34	52	0	21	1171	77	2056	25	12	220

Table continued over page

Notes

- In a pool exchange, a number of sellers (say 20) sell to a number of buyers (say 15) at the pool price. Administratively, this is implemented in the water register as 20 trades to a clearing account and then 15 trades from that clearing account. To avoid double counting, only the seller side is counted (ie this is counted as 20 trades).
- The clearing accounts are held by G-MW. In the register, a G-MW to LMW pool exchange will be recorded as a trade from G-MW to the G-MW clearing account and a second trade from the G-MW clearing account to LMW. In order to avoid double counting, this trade is only counted on one side, however, depending on which side is chosen it may be classified as either a within or between authority trade. To adjust for this it is assumed that all between authority trades are correct, therefore the number and volume of within authority purchases and sales is reduced and the number of between authority purchases and sales is increased proportionately.
- In 2007/08 there was a 508 ML negative remaining balance in the clearing accounts at year end with some pool exchange trades yet to be submitted and approved. This resulted in a 508 ML difference between buyer and seller volumes within authority for G-MW. The transactions used to correct for this in 2008/09 are excluded from this table so that within authority buyer and seller volumes are equal.
- This table is for approved trades only. Some trades were still in progress at year end and will be finalised in 2009/10.

Appendix B3 – Trade of Allocation Matrix Continued – Purchases by Other Water Corporations and States

		BUYER											
		1A Greater Goulburn	7VIC Murray - Barmah to SA	10A NSW Murr U/S Barmah Choke	10B NSW - Murr Irrigation Ltd	11 NSW Murr D/S Barmah Choke	13 Murrumbidgee	14 Lower Darling	12 South Australian Murray	TOTAL SOLD	NUMBER OF TRADES	NET SOLD	
SELLER	Goulburn-Murray Water	1A Greater Goulburn	973	17,446	0	80	1,631	97	0	5,762	134,316	4586	-44,873
		1B Boort	577	782	0	0	148	0	0	7,060	18,318	243	-5,372
		2A Broken – Nill to Casey's	0	0	0	0	0	0	0	0	222	12	54
		2B Broken – Casey's to Goulb	0	0	0	0	0	0	0	0	1,343	51	-54
		3 Lower Goulburn	0	124	0	0	0	0	0	40	13,304	153	10,370
		4A Campaspe – Eppalock to WWC	0	0	0	0	0	0	0	0	1,088	51	-2,234
		4C Lower Campaspe	0	0	0	0	0	0	0	0	57	3	57
		5A Loddon – CC/Tull to LWP	0	0	0	0	0	0	0	0	78	19	-28
		6VIC Murray – Dart to Barmah	891	4,503	132	0	70	50	0	2,404	40,467	1364	1,626
		6B Lower Broken Creek	20	280	0	0	0	0	0	17	3,390	137	1,295
		7VIC Murray – Barmah to SA	320	30,371	0	0	1,650	0	0	5,225	72,436	1908	2,821
		9A Ovens	0	0	0	0	0	0	0	0	1,083	25	0
		9B King	0	0	0	0	0	0	0	0	322	12	0
		Unregulated, groundwater, not tradeable	0	0	0	0	0	0	0	0	15,259	220	0
		Lower Murray Water	1A Greater Goulburn	150	491	0	0	0	0	0	641	3	-4,808
		7VIC Murray – Barmah to SA	1,942	41,964	0	0	3,049	249	0	2,135	52,011	1840	-175,296
	NSW State Water Corporation	10A NSW Murr U/S Barmah Choke	245	3,063	0	0	0	0	0	4,775	56	4,643	
		10B NSW – Murr Irrigation Ltd	0	3,482	0	0	0	0	0	12,960	120	12,880	
		11 NSW Murr D/S Barmah Choke	333	39,212	0	0	0	0	0	56,386	944	49,839	
		13 Murrumbidgee	0	78,333	0	0	0	0	0	162,776	2159	162,380	
		14 Lower Darling	0	4,927	0	0	0	0	0	5,993	91	5,993	
	Dept of Water Land and Bio Con	12 South Australian Murray	0	2,330	0	0	0	0	0	3,350	63	-19,292	
	TOTAL PURCHASED		5,450	227,307	132	80	6,547	396	0	22,642	600,575		0
	NUMBER OF TRADES		62	4469	2	1	121	9	0	301		14,060	

Notes

1. In a pool exchange, a number of sellers (say 20) sell to a number of buyers (say 15) at the pool price. Administratively, this is implemented in the water register as 20 trades to a clearing account and then 15 trades from that clearing account. To avoid double counting, only the seller side is counted (ie this is counted as 20 trades).
2. The clearing accounts are held by G-MW. In the register, a G-MW to LMW pool exchange will be recorded as a trade from G-MW to the G-MW clearing account and a second trade from the G-MW clearing account to LMW. In order to avoid double counting, this trade is only counted on one side, however, depending on which side is chosen it may be classified as either a within or between authority trade. To adjust for this it is assumed that all between authority trades are correct, therefore the number and volume of within authority purchases and sales is reduced and the number of between authority purchases and sales is increased proportionately.
3. In 2007/08 there was a 508 ML negative remaining balance in the clearing accounts at year end with some pool exchange trades yet to be submitted and approved. This resulted in a 508 ML difference between buyer and seller volumes within authority for G-MW. The transactions used to correct for this in 2008/09 are excluded from this table so that within authority buyer and seller volumes are equal.
4. This table is for approved trades only. Some trades were still in progress at year end and will be finalised in 2009/10.

Appendix B4 – Regulated Water Entitlements by Authority

Water Authority	Water SystemSource	Delivery system (grouped)	Number	Volume (ML)	
Goulburn-Murray Water	Broken	Env – Snowy	1	990	
		GMW – NWU	3	34	
		Broken River	302	26,378	
	Bullarook	Bullarook	31	849	
	Campaspe	Campaspe Irrigation District	162	18,112	
		GMW – NWU	15	2,327	
		Campaspe River	329	17,944	
	Goulburn	Central Goulburn Irr.Area	4,040	349,833	
		Env – Snowy	1	14,812	
		GMW –NWU	432	63,386	
		Murray Valley Irrigation Area	24	1,233	
		Pyramid-Boort	930	225,417	
		Rochester Irrigation Area	1,733	170,601	
		Shepparton Irrigation Area	2,485	161,997	
		Torrumbarry Irrigation Area	4	374	
		Goulburn – unregulated	2	0	
		Loddon River	30	631	
		Goulburn River	1,514	70,000	
		Murray River	4	5,025	
		Loddon	GMW – NWU	1	2
	Torrumbarry Irrigation Area		9	1,709	
	Loddon River		893	25,426	
	Murray	Central Goulburn Irr.Area	1	86	
		Env – Snowy	2	7,694	
		GMW – NWU	348	50,338	
		Murray Valley Irrigation Area	2,173	250,853	
		Nyah, Tresco and Woorinen	664	30,690	
		Rochester Irrigation Area	1	1	
		Shepparton Irrigation Area	1	238	
		Torrumbarry Irrigation Area	2,702	313,180	
		Murray River	1,121	110,636	
	Ovens	GMW – NWU	6	216	
		Ovens River	488	34,167	
	Source Not Identified	Goulburn River	402	658	
	Goulburn-Murray Water Total			20,450	1,955,178
	Lower Murray Water	Goulburn	LMW – NWU	5	729
Murray			79	15,528	
Murray		First Mildura Irr. District	2,096	76,124	
		LMW – NWU	90	7,906	
		Murray	1,227	358,862	
Robinvale, Red Cliffs and Merbein	2,411	101,713			
Lower Murray Water Total			5,908	560,940	
Southern Rural Water	Thomson/Macalister	Macalister	71	3,706	
		Macalister Irrigation District	1,153	124,118	
		SRW – NWU	4	443	
		Thomson	164	16,619	
	Werribee	Bacchus Marsh Irrigation Distr	123	3,818	
		Werribee	75	1,097	
Werribee Irrigation District	232	10,040			
Southern Rural Water Total			1,822	159,839	
Regulated Total			28,180	2,675,957	
2007–08			25,118	2,515,772	
2008–09 Ex Southern			26,358	2,516,118	

Notes:

- This table shows the number and volume of active, regulated entitlements (excluding low and spill reliability) as at 30 June 2009.
- Delivery systems are grouped to reduce the complexity caused by small delivery systems.
- The volume of entitlements held by G-MW was reduced by 11,686 ML during 2008/09 due to the following:
 - Transfer of 13,800 ML of G-MW's River Murray Flora and Fauna entitlement to Lower Murray Water following amendment to the River Murray bulk entitlements
 - A net transfer and variation of 1,988 ML of entitlements from Lower Murray Water to Goulburn Murray Water systems through water trading
 - Issue of 122.1 ML of entitlement for G-MW to supply losses for the Normanville supply system in accordance with the Goulburn-Murray Water Eildon-Goulburn Weir Bulk Entitlement.
 - 4 ML of entitlement issued due to subsequent conversion errors during unbundling.
- 415.5ML of Normanville water allowances are recorded in the register at both individual level and at bulk level. This double counting has been corrected in the table above.

Appendix B5 – Transfer and Variation of High Reliability Water Shares (MLs)

SOURCE		DESTINATION																					Total Trades (ML)	Number of Trades	Net Out (ML)	Net Out as % of Water Shares (irrigation districts only)						
		Goulburn Murray Water															Lower Murray Water															
		Broken River	Bullarook	Campaspe River	Campaspe Irrigation District	Central Goulburn Irr. Area	GMW – NWU	Goulburn River	Loddon River	Murray River	Murray Valley Irrigation Area	Nyah, Tresco and Woorinen	Ovens River	Pyramid-Boort	Rochester Irrigation Area	Shepparton Groundwater	Shepparton Irrigation Area	Torrumbarry Irrigation Area	1062 Katunga Groundwater	First Mildura Irr. District	LMW – NWU	Murray River					Robinvale, Red Cliffs and Merbein					
Goulburn Murray Water	Broken River	774	0	0	0	0	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	806	13	32	
	Bullarook	0	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	19	1	0	
	Campaspe River	0	0	771	0	0	300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,071	11	300		
	Campaspe Irrigation District	0	0	0	740	0	905	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,645	13	898	5%	
	Central Goulburn Irr. Area	0	0	0	0	23,551	13,277	359	0	0	5	0	0	40	30	0	56	0	0	0	100	2,070	0	39,487	452	14,951	4%					
	GMW – NWU	0	0	0	7	448	21,601	60	1	5,029	880	123	49	704	24	0	2,056	850	0	0	930	1,233	0	33,996	233	-66,093						
	Goulburn River	0	0	0	0	5	5,702	1,822	0	0	6	0	0	1	8	0	7	0	0	0	0	0	0	7,551	71	5,035						
	Loddon River	0	0	0	0	0	0	0	783	0	0	0	0	0	0	0	0	0	0	0	0	0	0	783	13	-1						
	Murray River	0	0	0	0	0	1,324	0	0	2,526	62	0	0	0	1	0	0	128	0	0	0	0	0	4,041	72	-6,992						
	Murray Valley Irrigation Area	0	0	0	0	239	12,325	0	0	0	25,550	0	0	0	0	0	0	80	0	0	0	0	0	38,193	355	11,691	5%					
	Nyah, Tresco and Woorinen	0	0	0	0	0	477	0	0	50	0	1,860	0	0	0	0	162	0	0	0	82	0	2,630	62	294	1%						
	Ovens River	0	0	0	0	0	153	0	0	0	0	584	0	0	0	0	0	0	0	0	0	0	0	737	24	104						
	Pyramid-Boort	0	0	0	0	0	8,058	0	0	0	0	0	0	3,982	72	0	6	129	0	0	0	650	0	12,896	97	8,169	4%					
	Rochester Irrigation Area	0	0	0	0	105	5,444	0	0	670	0	0	0	0	9,884	0	0	0	0	0	0	1,115	0	17,218	157	7,199	4%					
	Shepparton Groundwater	0	0	0	0	108	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	108	1	108						
Shepparton Irrigation Area	0	0	0	0	81	8,448	275	0	0	0	0	0	0	0	0	11,679	0	0	0	0	51	0	20,535	278	6,731	4%						
Torrumbarry Irrigation Area	0	0	0	0	0	9,564	0	0	2,758	0	353	0	0	0	0	0	28,074	0	0	200	4,200	0	45,149	319	15,588	5%						
Lower Murray Water	1062 Katunga Groundwater	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	108	0	0	0	108	2	41							
	First Mildura Irr. District	0	0	0	0	0	681	0	0	0	0	0	0	0	0	0	0	0	68	8,978	307	141	13	10,188	258	542	1%					
	LMW – NWU	0	0	0	0	0	993	0	0	0	0	0	0	0	0	0	23	0	470	1,059	2,279	115	4,939	43	-1,851							
	Murray River	0	0	0	0	0	8,559	0	0	0	0	0	0	0	0	0	0	0	0	3,279	34,766	8	46,611	195	-509							
Robinvale, Red Cliffs and Merbein	0	0	0	0	0	2,248	0	0	0	0	0	0	0	0	0	0	115	0	90	916	532	9,452	13,353	326	3,766	4%						
Total Trades (ML)	774	19	771	747	24,536	100,089	2,517	785	11,033	26,502	2,336	633	4,272	10,019	0	13,804	29,561	68	9,646	6,790	47,119	9,587	302,063		0							
Number of Trades	11	1	10	6	327	707	52	14	57	290	46	22	52	118	0	217	257	1	234	68	242	264		2,996								

- Notes**
- This table summarises all recorded water entitlement transfer, divide and transfer and variation applications for high-reliability water shares. Some other trades were still in progress at year end and will be finalised in 2009/10.
 - Transfer applications result in a change of ownership. In some cases, the change of ownership occurs with a transfer of land. Transfers of ownership that are part of a water/land sale are not separated out.
 - A variation application occurs without a change in ownership.
 - Delivery systems are grouped to reduce complexity caused by small delivery systems.
 - An exceed of the 4% limit may be due to:
 - sale of water shares by a mortgagee (the Water Act does not currently require this to be subject to the 4%), or
 - processing issues.

Appendix B6 – Transfer and Variation of Low Reliability Water Shares ML

		DESTINATION																						Total Trades (ML)	Number of Trades				
		Goulburn Murray Water																		Lower Murray Water									
		Broken River	Bullarook	Campaspe River	Campaspe Irrigation District	Central Goulburn Irr. Area	GMW - NWU	GMW - NWU (Spill)	Goulburn River	Loddon River	Murray River	Murray Valley Irrigation Area	Nyah, Tresco and Woorinen	Ovens River	Ovens (Spill)	Pyramid-Boort	Rochester Irrigation Area	Shepparton Groundwater	Shepparton Irrigation Area	Torrumberry Irrigation Area	1062 Katunga Groundwater	First Mildura Irr. District	LMW - NWU			Murray River	Robinvale, Red Cliffs and Merbein		
SOURCETRANSFER AND VARIATION OF LOW RELIABILITY AND SPILL WATER SHARES (VOLUME (ML))	Goulburn Murray Water	Broken River	150	0	0	0	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	156	8
	Bullarook	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10	1
	Campaspe River	0	0	377	0	0	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	410	5
	Campaspe Irrigation District	0	0	20	479	0	133	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	632	7
	Central Goulburn Irr. Area	0	0	0	0	12,880	3,280	0	691	0	99	0	0	0	0	2,308	70	0	617	0	0	0	0	0	13	0	19,957	298	
	GMW – NWU	0	0	0	0	547	5,506	0	15	0	1,674	240	29	0	0	1,033	251	0	735	175	0	0	324	651	0	11,179	121		
	GMW – NWU (Spill)	0	0	0	0	0	0	0	0	0	0	0	0	0	24	0	0	0	0	0	0	0	0	0	0	0	24	2	
	Goulburn River	0	0	0	0	0	2,171	0	409	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,580	34	
	Loddon River	0	0	0	0	0	0	0	291	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	291	8	
	Murray River	0	0	0	0	0	1,005	0	0	0	107	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,126	18	
	Murray Valley Irrigation Area	0	0	0	0	77	4,892	0	0	0	0	12,801	0	0	0	125	0	0	0	36	0	0	0	0	0	0	17,931	242	
	Nyah, Tresco and Woorinen	0	0	0	0	0	97	0	0	0	0	0	473	0	0	0	0	0	0	0	0	0	0	0	0	0	571	22	
	Ovens River	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Ovens (Spill)	0	0	0	0	0	0	43	0	0	0	0	0	0	188	0	0	0	0	0	0	0	0	0	0	0	230	12	
	Pyramid-Boort	0	0	0	0	0	14,462	0	0	0	0	0	0	0	0	2,974	0	0	155	299	0	0	0	0	0	0	17,890	76	
	Rochester Irrigation Area	0	0	0	0	270	1,575	0	0	0	322	0	0	0	0	673	4,164	0	167	0	0	0	0	662	0	7,832	85		
	Shepparton Groundwater	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Shepparton Irrigation Area	0	0	0	0	33	1,953	0	111	0	0	0	0	0	0	1,306	0	0	6,792	0	0	0	0	0	0	0	10,194	182	
	Torrumberry Irrigation Area	0	0	0	0	0	5,916	0	0	0	1,287	0	10	0	0	0	0	0	0	16,117	0	0	0	227	100	23,657	235		
	Lower Murray Water	1062 Katunga Groundwater	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	First Mildura Irr. District	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	LMW –NWU	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	324	48	372	2		
Murray River	0	0	0	0	0	5,596	0	0	0	0	0	0	0	0	48	0	0	0	0	0	0	0	230	0	5,874	44			
Robinvale, Red Cliffs and Merbein	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Trades (ML)	150	10	397	479	13,806	46,624	43	1,226	291	3,488	13,055	512	0	211	8,466	4,485	0	8,465	16,628	0	0	324	2,107	148	120,913				
Number of Trades	7	1	5	4	217	387	2	29	8	30	189	19	0	12	80	49	0	162	176	0	0	1	21	3	1402				

Notes:

- 1. This table summarises all recorded water entitlement transfer, divide and transfer and variation applications for low and spill reliability water shares. Some other trades were still in progress at year end and will be finalised in 2009/10.
- 2. Transfer applications result in a change of ownership. In some cases, the change of ownership occurs with a transfer of land. Transfers of ownership that are part of a water/land sale are not separated out.
- 3. A variation application occurs without a change in ownership.
- 4. Delivery systems are grouped to reduce complexity caused by small delivery systems.

Appendix B7 – Water Shares 4% Net Trade Out Limit by Irrigation District

Irrigation Area	Reliability Class	4% Trade out Limit (ML)	Net Water Traded Out (ML)	4% Trade out Limit Remaining (ML)
Campaspe Irrigation District High	High	751.9	817	-65.1
Central Goulburn Irrigation Area High	High	14,267.20	14,833.90	-566.7
Murray Valley Irrigation Area High	High	10,462.00	11,729.80	-1,267.80
Nyah, Tresco and Woorinen High	High	1,171.60	369.2	802.4
Pyramid-Boort High	High	8,176.10	8,169.40	6.7
Rochester Irrigation Area High	High	6,975.50	7,238.40	-262.9
Shepparton Irrigation Area High	High	6,712.40	6,822.90	-110.5
Torrumbarry Irrigation Area High	High	13,097.80	15,720.00	-2,622.20
Campaspe Irrigation District Low	Low	402.5	152.8	249.7
Central Goulburn Irrigation Area Low	Low	6,475.80	6,234.00	241.8
Murray Valley Irrigation Area Low	Low	4,826.90	4,974.30	-147.4
Nyah, Tresco and Woorinen Low	Low	225.9	99	126.9
Pyramid-Boort Low	Low	3,960.20	3,924.20	36
Rochester Irrigation Area Low	Low	3,152.50	3,235.20	-82.7
Shepparton Irrigation Area Low	Low	3,028.00	1,579.80	1,448.20
Torrumbarry Irrigation Area Low	Low	6,000.00	7,127.20	-1,127.20

Notes:

The 4% trade-out limit was exceeded in some cases in 2008-09 due to –

- correction of delivery systems incorrectly converted during unbundling on 1 July 2007,
 - sale of water shares by a mortgagee (the Water Act does not currently require this to be subject to the 4%), or
 - incorrect outcomes from processing applications.
- (Taken from Victorian Water Register @ 30 June 2009.)

Appendix B8 – Usage by Delivery System

Water Authority	Delivery System (grouped)	Volume (ML)
G-MW	Broken	4,283
	Bullarook	13
	Campaspe	578
	Campaspe Irrigation District	3,324
	Central Goulburn Irrigation Area	144,553
	Adjustments	200
	Goulburn	26,986
	Loddon	1,318
	Murray	28,772
	Murray Valley Irrigation Area	93,075
	Nyah, Tresco and Woorinen	16,757
	Ovens	10,492
	Pyramid-Boort	80,152
	Rochester Irrigation Area	74,782
	Shepparton Irrigation Area	64,884
	Torrumbarry Irrigation Area	113,432
	GMW – Outside GMA	14,271
Murray-Unregulated	1	
Goulburn-Unregulated	4	
G-MW Total		677,875

Notes:

1. This table shows usage per delivery system for ABAs with regulated trading zone sources.
2. Delivery systems are grouped to reduce the complexity caused by small delivery systems.
3. Water shares in FMID include one water share which was incorrectly given the delivery system "Katunga Groundwater".

Appendix B9 – Unregulated Entitlements

Water System Source	Trading zone source	Licences	Volume (ML)
Broken	120 Broken Unregulated	157	1,536
	130 Lower Goulburn Unregulated	1	2
	170 Barmah to Nyah Unregulated	26	331
	6 VIC Murray – Dart to Barmah	1	5
	Not Tradable	413	8,213
Campaspe	1022 Campaspe Groundwater	1	2
	110 Goulburn Unregulated	9	350
	140 Campaspe Unregulated	139	934
	141 Coliban Unregulated	55	533
	Not Tradable	369	6,895
East Gippsland	5A Loddon – CC/Tull to LWP	1	0
Goulburn	110 Goulburn Unregulated	815	13,214
	111 King Parrot Creek Unregulated	309	2,026
	112 Yea River Unregulated	255	4,358
	130 Lower Goulburn Unregulated	141	2,660
	180 Ovens and King Unregulated	1	2
	1A Greater Goulburn	1	0
	Not Tradable	855	18,237
Kiewa	160 Upper Murray Unregulated	1	0
	190 Kiewa Catchment Unregulated	1	4
	191 Kiewa Main Stem Unregulated	462	14,606
	Not Tradable	192	3,908
Loddon	1011 Mid Loddon Groundwater	1	2
	150 Loddon Unregulated	219	6,034
	151 Lower Loddon Unregulated	123	9,302
	7 VIC Murray – Barmah to SA	41	179
	Not Tradable	679	14,878
Murray	151 Lower Loddon Unregulated	2	0
	160 Upper Murray Unregulated	546	12,771
	170 Barmah to Nyah Unregulated	24	2,346
	1A Greater Goulburn	1	26
	Not Tradable	645	13,278
Ovens	180 Ovens and King Unregulated	846	15,589
	9A Ovens	1	18
	Not Tradable	388	9,470
Unregulated Total		7,721	161,707
2007–08		7,704	161,751

Notes

1. This table shows the number and volume of active, unregulated entitlements as at 30 June 2009.
2. Entitlements are grouped by trading zone source rather than delivery system due to the complexity of multiple small delivery systems in unregulated systems

Appendix C

Appendix C1 – Groundwater Use – Groundwater Management Areas and Water Service Protection Areas

Groundwater management unit	WSPA Plan (Approved / Draft)	Permissible Consumptive Volume (PCV)	Entitlements (ML)	Allocation limit as at 30 June 08	Licenses as at 30/6/09					Stock and domestic only		Total use
					No. Licenses	No. Metered Bores	Metered Use in Current Year (ML)	Est. Non-Metered Use in Current Year (ML)	Estimate Methodology	No. S&D Bores	S&D Estimated Use (ML)	
Campaspe Deep Lead WSPA	approved 2003	47,252	46,096	29,962	114	115	24,107	–	not applicable	84	174	24,281
Shepparton WSPA	approved 1997	–	241,033	241,033	1,445	993	57,154	–	not applicable	539	1,147	58,301
Spring Hill WSPA	approved 2001	5,062	4,909	3,239	55	59	2,041	–	not applicable	52	110	2,151
Katunga WSPA	approved 2006	59,780	59,539	41,677	190	132	32,849	–	not applicable	236	568	33,417
Mid Loddon WSPA	Draft Local Management Rules	37,200	34,014	34,014	97	99	19,422	–	not applicable	95	252	19,673
Upper Loddon WSPA	No Management Plan	13,648	13,264	13,264	115	135	5,066	–	not applicable	123	262	5,328
Alexandra GMA	No Management Plan	1,937	1,714	1,714	10	7	182	1,028	60% of entitlement	7	16	1,227
Barnawartha GMA	No Management Plan	2,100	635	635	5	–	–	381	60% of entitlement	10	20	401
Kinglake GMA	N/A	2,015	1,864	1,864	54	29	263	1,118	60% of entitlement	59	122	1,503
Mullindolingong GMA	N/A	6,980	1,532	1,532	35	13	–	613	40% of entitlement	28	56	669
Upper Ovens GMA	N/A	4,010	3,658	3,658	102	–	–	1,463	40% of entitlement	62	133	1,596
Lower Ovens GMA	N/A	25,200	17,062	17,062	253	–	–	6,825	40% of entitlement	346	604	7,429
Mid-Goulburn GMA	No Management Plan	14,900	12,330	12,330	61	37	4,566	–	not applicable	50	100	4,666
Southern Campaspe Plains GMA	No Management Plan	8,850	8,307	8,307	24	20	3,509	–	not applicable	13	124	3,633
Unincorporated Areas	No Management Plan	–	42,201	42,201	747	379	33	16,880	40% of entitlement	1,460	3,032	19,946

Comments

- The number of domestic and stock bores are those identified in the Water Register.
- The Upper and Lower Ovens GMA's were created in 2008 data is pending updates in the Water Register.
- The Upper and Lower Ovens GMA's have superseded the Murrumbidgee GMA. Metering records are based on the superseded Murrumbidgee boundary and are not currently available for the Upper and Lower Ovens GMA's.
- Unincorporated areas have now been added to this table rather than attached as a separate appendix.

Appendix C2 – Urban Groundwater Use

Town Supplied	Urban authority	Licensed Entitlement (ML/yr)	Extraction (ML) 08'09
Strathmerton	Goulburn Valley Water	730	2
Katunga	Goulburn Valley Water	110	53
Barnawartha	North East Region Water	293	88
Chiltern	North East Region Water	25	107
Springhurst	North East Region Water	20	5
Wangaratta	North East Region Water	150	5
Moyhu	North East Region Water	15	0
Myrtleford	North East Region Water	75	0
Goorambat	North East Region Water	24	16
Elmore	Coliban Water	284	179
Trentham	Coliban Water	48	32
Smeaton	Central Highlands Water	48	–
Allendale – Clunes	Central Highlands Water	350	–
Clunes	Central Highlands Water	350	154
Springhill Supply System	Central Highlands Water	350	207
Waubra	Central Highlands Water	100	26
Learmonth	Central Highlands Water	100	0
Avoca (Bung Bong)	Central Highlands Water	200	0

Appendix C3 – Groundwater Trades

Groundwater management unit	Permanent trade		Temporary trade	
	No. trades	Total volume (ML)	No. trades	Total volume (ML)
Campaspe Deep Lead WSPA	–	–	48	4,031
Shepparton WSPA	–	–	–	–
Spring Hill WSPA	–	–	13	325
Katunga WSPA	–	–	53	3,471
Mid Loddon WSPA	–	–	21	3,235
Upper Loddon WSPA	–	–	21	1,440
Alexandra	–	–	–	–
Barnawartha	–	–	–	–
Kinglake	–	–	2	33
Mullindoolingong GMA	–	–	–	–
Upper Ovens GMA	–	–	1	5
Lower Ovens GMA	–	–	2	44
Mid-Goulburn GMA	–	–	3	164
Southern Campaspe Plains GMA	–	–	–	–
Unincorporated Areas	–	–	3	500

Corporate Directory

G-MW Water Services Operations

Shepparton Operations

G-MW Shepparton
21 Wheeler Street
Shepparton Vic 3630
Phone: (03) 5832 9900

Pyramid-Boort Operations

G-MW Pyramid Hill
24 Barber Street
Pyramid Hill Vic 3575
Phone: (03) 5455 7100

Torrumbarry Operations

G-MW Torrumbarry
78 Kerang-Koondrook Road
Kerang Vic 3579
Phone: (03) 5451 0111

Murray Valley Operations

G-MW Cobram
Dillon Street
Cobram Vic 3644
Phone: (03) 5871 0100

Central Goulburn Operations

G-MW Tatura
33 Casey Street
Tatura Vic 3616
Phone: (03) 5833 5705

Rochester-Campaspe Operations

G-MW Rochester
41 High Street
Rochester Vic 3561
Phone: (03) 5484 0400

Diversions Operations

G-MW Tatura
33 Casey Street
Tatura Vic 3616
Phone: (03) 5833 5740

Wangaratta Centre

Murrell Street
Wangaratta Vic 3677
Phone: (03) 5723 2501

G-MW Dams Operations

Goulburn Loddon Dams

Lake Eildon Unit
19 High Street
Eildon Vic 3713

Murray North East Dams Unit

Hume Dam
Private Bag 2
Wodonga Vic 3691

Goulburn-Murray Water Region



MAJOR STORAGES

- Lake Nillahcootie
- Lake Mokoan
- Lake Eildon
- Goulburn Weir
- Waranga Basin
- Lake Eppalock
- Cairn Curran Reservoir
- Newlyn Reservoir
- Hepburns Lagoon
- Tullaroop Reservoir
- Laanecoore Reservoir
- Dartmouth Dam*
- Hume Dam**
- Yarrowonga Weir*
- Torrumbarry Weir*
- Mildura Weir*
- Lake Buffalo
- Lake William Hovell

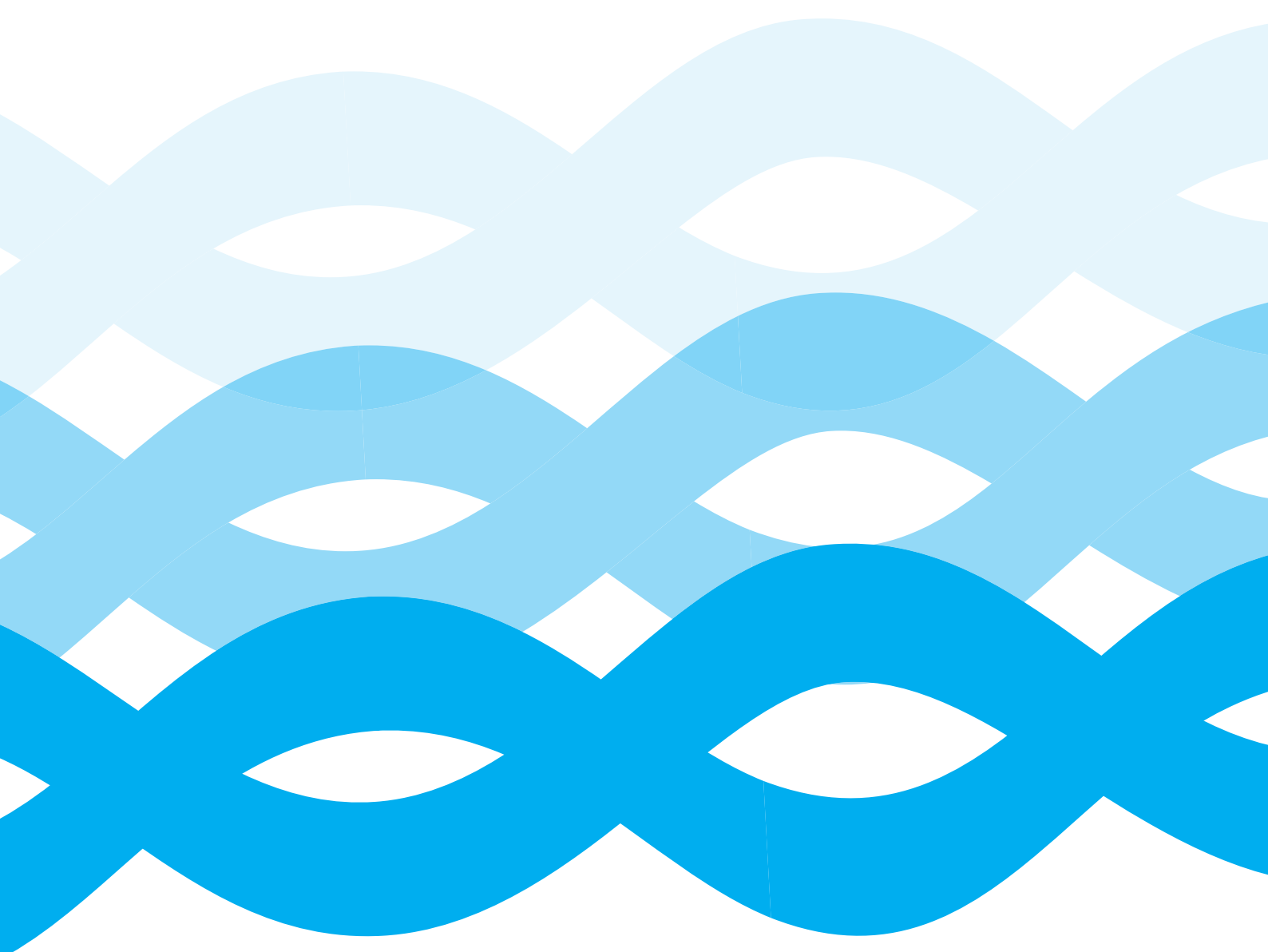
DISTRICT SERVICES

- IRRIGATION AREAS**
 - Shepparton
 - Central Goulburn
 - Rochester-Campaspe
 - Pyramid-Boort
 - Murray/Valley
 - Torrumbarry
- WATER DISTRICTS**
 - Tungamah
 - East Loddon
 - West Loddon
 - Normanville
- FLOOD PROTECTION DISTRICT**
 - Loch Garry

KEY

- Chammel/Canal
 - River
 - Operations Centres
 - Dams Operation Centres
 - Pipelines
- (Not managed by G-MW)

* Murray-Darling Basin Authority assets
 ** Managed by NSW Constructing Authority



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Printed on paper manufactured using
FSC certified 100% recycled pulp.