

2013/14 Annual Report



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GMW Profile

Goulburn-Murray Rural Water Corporation trading as Goulburn-Murray Water (GMW) is a statutory Corporation constituted by Ministerial order under the provisions of the Water Act 1989.

During the reporting period, the responsible Minister was The Hon Peter Walsh, MLA.

GMW has functions and powers to store, manage and deliver water across most of Northern Victoria, including manage and operate an irrigation district (section 221), a water district (section 163) and a waterway management district (section 189).

GMW services a region of 68,000 square kilometres, bordered by the Great Dividing Range to the south, the River Murray to the north and stretching from Corryong in the east to Nyah in the west.

Our key responsibilities:

- Managing the delivery of water to its irrigation and water districts and maintaining the infrastructure for these districts
- Implementing Government's regulations and policy for groundwater and surface water resource management in accordance with delegated powers
- Delivery of GMW's Connections Project
- Harvesting, storing and maintaining water in its reservoirs and dams

GMW 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.

Appointed by the Minister for Water, GMW is the Victorian Resource Manager given responsibility for making the seasonal determination for all Victorian Murray entitlement holders. In this role GMW 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. This is in accordance with the interstate sharing arrangements in the Murray-Darling Basin Agreement and is also subject to the modifications agreed to by the Council of Australian Governments.

GMW is delivering the Connections Project on behalf of the State and Federal Governments. The Connections Project is a \$2 billion investment in the modernisation of the irrigation infrastructure in the Goulburn Murray Irrigation District delivering water efficiency and water saving outcomes.

GMW is the Minister's delegate for a range of functions including water share and allocation trading, water use licensing, works licensing and take and use licensing from unregulated streams and groundwater.

The Essential Services Commission regulate GMW prices on behalf of the Australian Consumer and Competition Commission. The Department of Treasury and Finance (DTF) performs a shareholder advisory function and is primarily responsible for the financial oversight of GMW. Specifically DTF monitors the financial performance, debt funding and financial governance of GMW. DTF is also involved in monitoring the performance and related financial expenditure of the Connections Project by providing an ongoing due diligence role in regard to commercial and project/financial risks through DTF's Gateway High Value Risk process.

GMW plays an important role in implementing the National Water Initiative and is also a partner in the Victorian Water Register which is used to manage water entitlements.

About this Report

Our Annual Report describes the programs, initiatives and actions we undertook between 1 July 2013 and 30 June 2014.

Our Strategy

From Blueprint to Strategy

In March 2013 GMW released its Blueprint to provide its customers with certainty regarding its plans for the future of GMW, and to inform decisions that its customers may be making about their future.

The Blueprint raised three initiatives that confirmed GMW's commitment to developing a lean, effective and efficient customer focused organisation. These initiatives were:

- Transform the business of GMW to make it lean and more customer focused
- Redesign GMW's tariffs so they are both simpler and better reflect the cost of new infrastructure
- Deliver the Connections Project that will see substantial improvements in customer-service levels.

Of the above initiatives, two have been completed (transformation of the business and the redesign of the tariff system) and the Connections Project is due to be completed in June 2018 (delivery of the Connections Project).

GMW's 5 Year Strategy

Since the development of the GMW Blueprint, and completion of two of the three key initiatives, GMW has developed a 5 year Corporate Strategy, which supersedes the Blueprint. The strategy places a heavy emphasis on customer satisfaction and cost reduction.

In 2012/13 GMW introduced three Fundamental Commitments into its business which set out its strategic priorities for the next 5 years.

The Fundamental Commitments are:

- partnering with our customers;
- creating the opportunity to increase production in Northern Victoria over the next 20 years; and
- being a high performing organisation.

Underpinning each of the Fundamental Commitments is a suite of Strategic Outcomes that GMW are committed to realise to ensure we fulfill our Fundamental Commitments. GMW's strategic outcomes are:

Strategic Outcomes relating to GMW's Fundamental Commitment, '*Partnering with our customers*':

- We listen to, understand and anticipate what is important to our customers
- We deliver appropriate service levels for our retail customers
- We deliver appropriate service levels for our wholesale customers
- We deliver appropriate connections
- We are easy to deal with
- Our WSC are engaged and active partners supporting our fundamental commitments.

Strategic Outcomes relating to GMW's Fundamental Commitment, '*Creating the opportunity to increase food production in Northern Victoria over the next 20 years*':

- We deliver water to the national bottom quartile price per ML
- We have delivered predictability and certainty in pricing
- We have 90% water delivery efficiency
- Together with key stakeholders, we have successful partnering arrangements to increase production of agriculture
- GMID customers have achieved the on-farm benefits of a modernised network.

Strategic Outcomes relating to GMW's Fundamental Commitment, '*A high performing organisation*':

- We have an ongoing depth of capability, opportunity and leadership throughout the organisation
- We are a highly respected and trusted organisation serving our local communities
- We have processes and systems that are a match for delivering our fundamental commitments.

In addition, GMW have identified a set of Conditions of Satisfaction, or rules of the game, that govern our business, which are outlined below:

- Safety first is non-negotiable
- We always operate consistent with our agreed practices/behaviours
- We comply with our statement of obligations
- Water resources are managed to preserve entitlements and minimise environmental impacts
- We maintain our dams and storages to meet industry safety standards
- We have strong ethical governance
- Our decisions are informed to ensure we are financially sustainable
- We meet our obligations to our investors, including their expectations for return
- We manage our risks.

In order to achieve the above Strategic Outcomes and Conditions of Satisfaction, and to ultimately realise our Fundamental Commitments, an extensive suite of initiatives have been identified for action which are currently being embedded across the organisation as core business.

Joint Report by Chairman and Managing Director

Goulburn-Murray Water is on a journey. A journey to be customer centric, to provide cost reflective services, to be lean and efficient; and to be able to deliver stable and predictable pricing to its customers. Our destination is a place where staff and customers are experiencing tangible results that demonstrate that we are fundamentally committed to partnering with its customers and creating the opportunity to increase agricultural productivity in Northern Victoria.

Over the past three years we've focused on building core operational and financial foundations, improving governance and creating visibility over the Connections Project. We've also commenced the redesign of our tariff structure, transformed the business and reshaped the way that the Connections Project has been delivered.

Our reforms have been informed by our customer base, in particular our Water Services Committees; indeed we have partnered with them on working groups to develop the Diverters Tariff and will continue to work in partnership with them in the development of the Drainage Tariff and Water Plan 4.

Over the coming five years, we are committed to demonstrating further progress towards our fundamental commitments and customer centric efficiency.

In 2013/14 we have focused on reducing debt, becoming more efficient and delivering results through business transformation. We have streamlined the business, flattening structures and enabling us to continue to deliver on our commitment to remove \$20 million in operational expenditure from the business.

This year has seen a particular focus on reducing transaction costs and red tape. In January we announced that GMW customers would save some \$2.5 million over the next three years, in various fees and charges due to our work in business efficiency and process streamlining. This is in addition to the \$6 million that has already been removed from business operations enabling us to deliver one of the strongest pricing platforms in the past five years. Our 2014/15 prices will see a number of customers experiencing either price reductions or less than CPI price changes. Delivering this pricing framework whilst

ensuring GMW's financial sustainability is a considerable achievement and evidence of the considerable amount of work that has gone into reshaping the tariff framework.

Overall GMW's financial position continues to strengthen. GMW's water storage and delivery operating earnings show a strong result with EBITDA of \$23.8 million, well ahead of budget. This has been driven by strong demand, spillable revenue; lower than expected operations, maintenance and administration costs. In 2013/14 GMW delivered a total of 1,440,000 megalitres of water to customers in irrigation areas and regulated river systems. GMW's net cash position at 30 June 2014 was \$50 million, which is a \$123 million improvement on the \$73 million net borrowing position at 30 June 2013.

GMW's \$2billion Connections Project continues to deliver the modernisation of the Goulburn-Murray Irrigation District and the implementation of a range of water saving/water efficiency projects. It is a significant and fundamental reshaping of the way in which water is used for irrigated agriculture in Northern Victoria. In 2013/14 The Connections Project decommissioned 154.7km of channels, executed 368 legal agreements with landowners and achieved 100% of its water savings. To date it has provided in the order of \$99 million to landowners by way of grants and payment schedules.

As we continue to deliver the Connections Project, remove inefficiency from the business and deliver pricing stability to our customers, GMW moves closer to realizing its commitment to support increased agricultural productivity in Northern Victoria.



Llew Vale OAM
Goulburn-Murray Water Chairman



Gavin Hanlon
Goulburn-Murray Water Managing Director

On behalf of the Executive, staff and the Board of Goulburn-Murray Water I would like to acknowledge that our unrelenting progress towards a customer centric vision has been the tireless work of our Chairman Llew Vale. Llew originally came to the Board of Goulburn-Murray Water in a temporary capacity however it soon became apparent that his exceptional leadership and guidance was critical to our future success.

His generosity, strategic insights and astuteness are well known throughout the water industry and he has served Goulburn-Murray Water with both dedication and distinction during a time of great change and uncertainty. As an organisation we are genuinely disappointed that his tenure with the Board has come to an end and we extend to him our heartfelt thanks and best wishes for the future.

In accordance with the Financial Management Act 1994, we are pleased to attest that the GMW Annual Report is compliant with all statutory report requirements. We are pleased to present the Report of Operations for GMW for the year ending 30 June 2014.

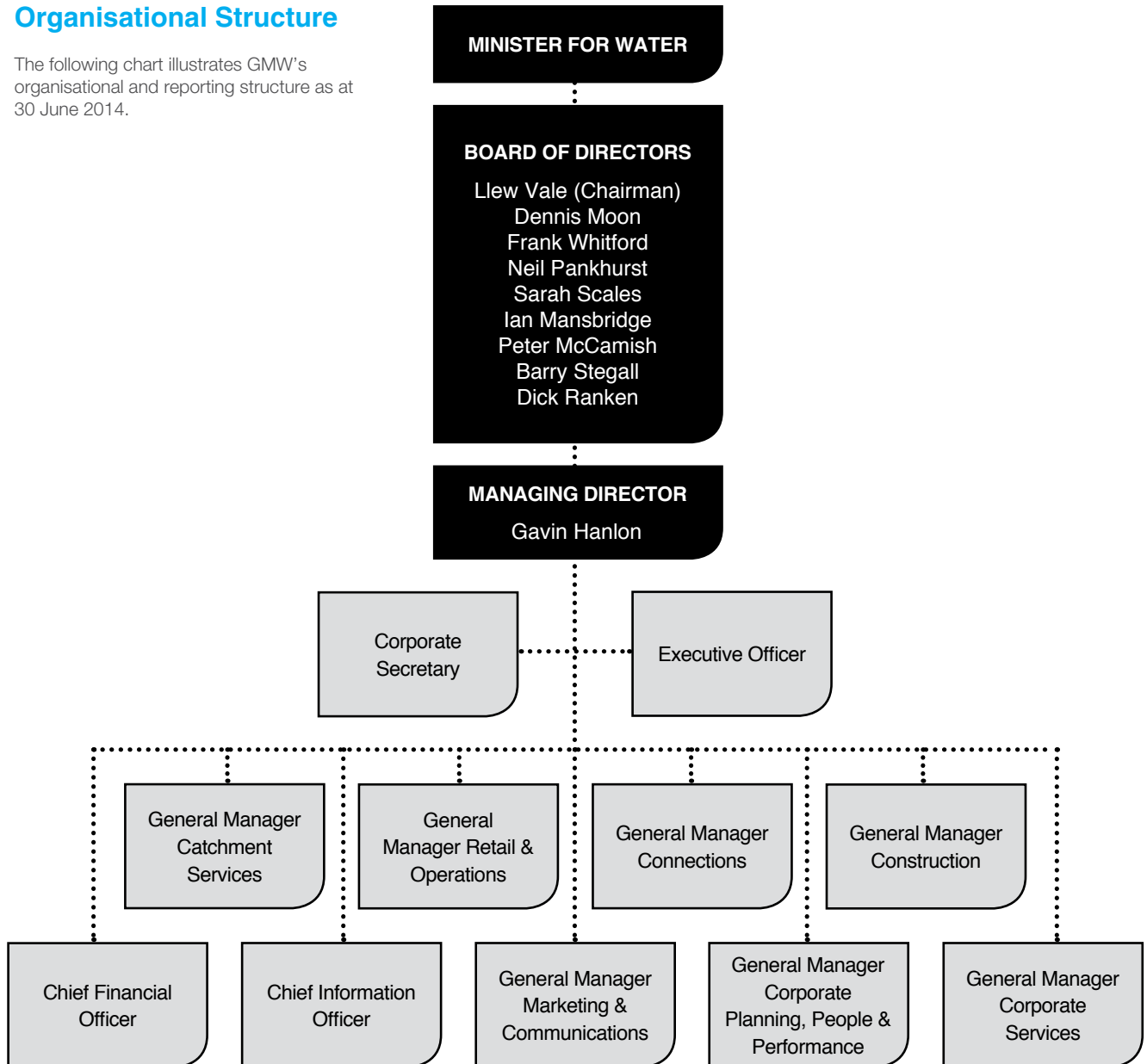


Gavin Hanlon
Goulburn-Murray Water Managing Director

Organisational Structure

Organisational Structure

The following chart illustrates GMW's organisational and reporting structure as at 30 June 2014.



Governance

The Board

The Minister for Water appoints the Directors of Goulburn-Murray Water under the Water Act 1989. The Minister also appoints a Chairman from the Board members. The Board then appoints a Managing Director.

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



Llew Vale OAM

Llew Vale has extensive governance and water industry experience and expertise in primary production. Mr Vale has been a farmer for 38 years at Toora and is a former Councillor and Mayor of the Shire of South Gippsland. He served as Chair of South Gippsland Water from its inception in 1995 until September 2011, having previously been a member of the South Gippsland Water Board. Mr Vale was awarded an Order of Australia in 2002 for services to the water industry and community. Mr Vale is currently a director of Melbourne Water.



Dennis Moon

Dennis Moon is a business owner from Rochester with experience in irrigation systems, particularly sub surface drip. Mr Moon has been an irrigator in Northern Victoria for 25 years and with partners operates Campaspe Irrigation, who specialise in the design, supply and construction of a wide range of on-farm irrigation supplies. He is the former chair of the Australian Tomato Processing Research Council and is the tomato representative on Horticulture Australia Limited. Mr Moon was awarded a Nuffield Scholarship.



Frank Whitford FAIM

Frank Whitford from Shepparton has extensive knowledge of the retail industry across Australia. Mr Whitford is an experienced Managing Director, having held this role at Fletcher Jones, Mitre 10 and Sportsgirl-Sportscraft. Mr Whitford has also held senior management roles at Coles-Myer and Kodak. He is also involved with the family Wagyu beef breeding and calf rearing business across two farms in northern Victoria. Mr Whitford is the current Deputy Chair of PrimeSafe Victoria and a Board member of the Australian Wagyu Association. He has also served as a Director on a number of Boards for over 15 years.



Barry Steggall

Barry Steggall is a former Mayor of the City of Swan Hill. He is experienced in Victorian government policies as he was formerly State Deputy Leader of the National Party and Member of Parliament for Swan Hill from 1983 to 2002. He specialised in water, environment and food issues during his Parliamentary career. Mr Steggall is also a board member of Cooperative Schools Victoria. He is a former member of Victoria's Independent Panel for Sustainable Water Strategies.



Peter McCamish

Peter McCamish has significant knowledge of the Goulburn Valley horticultural industry, as he has been part of this industry for 34 years. He is a Fellow of the Australian Institute of Company Directors and has served on a number of boards including S D Reid Holdings, a Tasmanian cherry grower and exporter, SPC - Ardmona Limited and the Water for Rivers.



Neil Pankhurst

With practical experience in primary production and customer engagement Mr Pankhurst is an irrigator and dairy farmer from Tongala who is a Councillor and served a term as Mayor of the Shire of Campaspe. Mr Pankhurst is also chair of Tongala and District Financial Services.



Sarah Scales BAgr

Sarah Scales is a business and risk management consultant and also owns a mixed farming enterprise near Mansfield. Ms Scales was appointed to the Board of Queensland Sugar Limited in January 2013 and has been a director of InterGrain P/L, a plant breeding company, since October 2011. She was previously the General Manager AWB International in addition to other senior management positions at AWB Limited. Ms Scales has a Bachelor of Agricultural Science and has completed the Stanford Executive program.



Ian Mansbridge FCIM, CPA, FCIS, FGIA, Dip. CM

Ian Mansbridge is a fourth generation farmer at Pomppapier. His Executive roles have included Managing Director of Sandhurst Trustees and Elders Rural Bank and a General Manager of Bendigo Bank. His current Directorships include Sandhurst Trustees, MyState, Tasmanian Perpetual Trustees, The Rock Building Society and Australian Friendly Society and Chair Bendigo Art Gallery Foundation.



Dick Ranken

Dick Ranken is a livestock farmer from Avenel. Mr Ranken retired in 2009 after a 30 year career with the International Finance Corporation (IFC), the private-sector arm of the World Bank Group. Mr Ranken is a board member of a bank in Mongolia and a private equity fund in the Pacific Islands. He is a member of the Burnt Creek Landcare group and Upton Hill CFA. Mr Ranken holds a Bachelor of Agricultural Economics, a Master of Arts, and has completed an executive development program at Harvard Business School. He is a member of the Australian Institute of Company Directors (AICD).



Gavin Hanlon B App Sci, M App Sci, MBA, FAICD, FAIM

Gavin Hanlon has 12 years' experience as a CEO / MD in the Victorian water industry. He was Managing Director of Coliban Water before his current role with GMW and before Coliban Water he was the CEO of North Central Catchment Management Authority. He is a Williamson Fellow.

Governance

Water Services Committees

Water Services Committees are also advisory committees to the Board, created under section 122(c) of the Act. The Committees are comprised of customers appointed by the Board. There are six gravity irrigation committees, four regional committees, two water district committees and one flood protection district committee.

Board Committees

From 1 July 2013 to 30 June 2014 the following Board Committees operated:

| Committee | Purpose |
|-----------------------|--|
| Risk and Compliance | Oversee risk management and compliance |
| Audit | Oversee the internal and external audit program, review the annual financial statements and monitor management financial and accounting responsibilities. |
| Remuneration | Oversee remuneration policy and management remuneration. |
| Connections Strategy* | Approve district/overview plans enabling the delivery of a world class streamlined irrigation system. |
| Connections Project* | Approving Strategic Connections Landscape Plans within the scope of District Overview Plans to enable the delivery of a world class streamlined irrigation system. |
| Connections** | Enable the delivery of a world class streamlined irrigation system by: <ul style="list-style-type: none">• Monitoring the performance of the Connections Project and report performance to the Board• Recommend to the Board the use of compulsory reconfiguration powers• Approve District/Overview Plans, Strategic Connections Landscape Plans within the scope of District Overview Plans, Landowner Schedules |

*To 18 December 2013

**Commenced 18 December 2013

Board Meetings

| Person | Number attended/number eligible to attend | | | | | | |
|-----------------|---|-------|-------------------------------|--------------|-----------------------|----------------------|--------------|
| | Board | Audit | Risk and Compliance Committee | Remuneration | Connections Strategy* | Connections Project* | Connection** |
| Llew Vale OAM | 15/15 | 4/4 | 4/4 | 4/4 | 1/1 | 5/6 | 6/6 |
| Frank Whitford | 15/15 | | | 4/4 | 1/1 | 6/6 | 6/6 |
| Ian Mansbridge | 13/15 | 4/4 | 0/1 | | 1/1 | | |
| Dennis Moon | 14/15 | | | 4/4 | 1/1 | | 5/6 |
| Neil Pankhurst | 13/15 | | 3/4 | | | 6/6 | 3/3 |
| Sarah Scales | 15/15 | 4/4 | 3/3 | | | | 3/3 |
| Peter McCamish | 13/15 | 4/4 | | | | 5/6 | 6/6 |
| Barry Steggall | 15/15 | | 4/4 | | 1/1 | 6/6 | 6/6 |
| Dick Ranken | 15/15 | 4/4 | 4/4 | | | | |
| Gavin Hanlon | 13/15 | 4/4 | 2/4 | 4/4 | | 5/6 | 6/6 |
| Jenny Dawson*** | | 4/4 | | | | | |

*To 18 December 2013

**Commenced 18 December 2013

***Jenny Dawson is not a director. Jenny is a former director who has been engaged by GMW as Audit Committee Chair.

Board Charter

The Board's key governance document is its Charter which covers the following key areas of conduct:

- Functions and responsibilities of the Board
- Conduct of Directors
- Disclosure of pecuniary and other interests
- Responsibilities of the Chairman
- Duties of the Managing Director
- Board delegations to management
- Matters reserved for the Board
- Board meetings and Committees
- Conflicts of interest
- Directors as customers

Board 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 corporation seal dated 28 May 2014.

Directors as GMW Customers

It is a requirement of the Board Charter that Directors declare their interest as customers when information which may affect water pricing or delivery is discussed and decided upon by the Board. In accordance with the Charter, 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. In the interests of transparency, it has been practice of the Board to disclose in the Annual Report the names of those Directors who are also GMW customers.

Directors Ian Mansbridge, Dennis Moon, Neil Pankhurst, Frank Whitford and Peter McCamish are customers of the Corporation.

Within one month of joining GMW all Directors and staff register their direct and indirect water holdings with the Corporate Secretary. On an annual basis, Directors and staff are required to update this information.

Risk Attestation

Risk Attestation

I, Llew Vale, certify that Goulburn-Murray Water had risk management processes in place consistent with the Australian/ New Zealand Risk Management Standard (AS/NZ ISO 31000:2009) and an internal control system was in place that enabled the executive to understand, manage and satisfactorily control risk exposures. GMW's Board verifies this assurance and that the risk profile of Goulburn-Murray Water has been critically reviewed within the last 12 months.



Llew Vale OAM
Goulburn-Murray Water Chairman
19 August 2014

Our Customers

Our Customers

GMW provides a range of water storage, delivery and management services to more than 35,000 surface and groundwater customers across its service region. Our 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.

Understanding and Responding to customer needs

This year GMW commenced a program aimed at delivering on a number of key promises that were made to customers last year. Our commitment to partner with our customers means that our customers are encouraged to actively participate in defining and shaping the services GMW delivers. In order to ensure our services reflect customer needs we continuously capture and evaluate customer insights and experiences through our central contact centre, at our regionally based customer service centres, by regularly engaging with our Water Services Committees and through our annual Customer Satisfaction Survey

During the year, GMW also embarked on a customer experience improvement program, which focused on using real-time customer feedback to drive improvements. We implemented changes to streamline customer transactions and reduce costs, simplify our billing information, improved the content on our website, developed key event customer newsletters for end of season and pricing and launched a 'plain English' campaign to reduce the complexity of the language we use in customer communications.

We also updated our Customer Charter and Debt management procedures to reflect our customer focused approach to providing services.

| GMW Customers | Category | Number of customers 2012/13 | Number of customers 2013/14 |
|-----------------------------------|--|--|-----------------------------|
| Irrigation, rural and groundwater | Gravity irrigation (channels) | 14,296 | 14,165 |
| | Pumped irrigation systems | 679 | 675 |
| | Regulated surface water diversions | 3,649 | 3,661 |
| | Unregulated surface water diversions | 7,373 | 7,473 |
| | Domestic and stock supply | 1,188 | 1,189 |
| | Groundwater | 7,939 | 8,364 |
| | Flood Protection – Loch Garry | 120 | 120 |
| | Urban Water Corporations | 6 | 6 |
| | Environmental Water Holders | 2 | 2 |
| | Non water users | Customers with water share not associated with a water use licence or registration | 1,169 |
| Commercial operators | Agricultural, tourism and recreational leases and licences | 774 | 773 |
| | Houseboat licences | 723 | 717 |
| | Hydroelectric companies | 2 | 2 |
| | Plantation operators | 1 | 1 |

Our Customer Service - Performance

Water Deliveries

During the 2013/14 irrigation season a total of 1,440,000 megalitres (ML) was delivered to GMW customers in the irrigation areas and regulated river systems, 490,000 ML less than the previous season - 2012/13.

Of the 136,000 irrigation orders received, 91% were delivered on the day requested by the customer. Over half of the irrigation orders received were lodged via the internet demonstrating our customers' appetite for self service and online convenience.

| Percentage of orders delivered on day (regardless of notice) | | |
|--|--------|--------|
| | Actual | Target |
| Gravity | 91% | 91% |
| Pumped | 99% | 98% |

Our Customers

Water transactions

GMW plays a key role in the development of the water market acting as the Minister's delegate for processing of transactions and working closely with the Department of Environment and Primary Industries (DEPI) in the development of the Victorian Water Register. During December 2013 we were able to deliver new Water Register functionality to Water Brokers enabling them to trade allocation online. This benefited our customers by allowing them to trade allocation on demand and without having to make application through GMW. For customers, this has improved their access to water markets allowing them to trade smaller volumes more regularly. By the end of the year this option has become very popular with 60% of allocation trades are processed online.

Across the 2013/14 irrigation year, customers maintained high volume of trades for allocation driven by good seasonal conditions and irrigators securing allocation for the next season. In May GMW launched the 'Carry Over' campaign to assist customers in securing unused allocation for next season in line with new carryover rules. This saw a record number of 2000 allocation trades processed in June.

Transfer of Water Shares was still relatively active during 2013/14 despite not having the Commonwealth in the market as a buyer.

As part of our commitment to improving customer service, reducing red tape across the business and delivering savings of over \$2.5 million over the next 3 years we've reduced the fees and processing times for a range of common customer transactions including:

- In partnership with DEPI, supported the implementation of an online water broker portal for the Victorian Water Register. The portal enables water brokers to gain instant approval for allocation trade applications lodged online. Water brokers and customers have responded very positively to the new service, with around 60% of trades now lodged and approved online. The new portal has also led to a reduction in the allocation trade application fee by approximately 50%.
- Title search fees have been reduced from \$53 to \$33.
- Groundwater stock and domestic bore application processing times reduced from 4 weeks to 7 days with the fee reduced from \$953 to \$375.

| | | 2012/13 | 2013/14 |
|-----------------------|-------------|-----------|-----------|
| Water share transfers | Volume (ML) | 185,805 | 158,105 |
| | Number | 2,829 | 2,723 |
| Allocation trades | Volume (ML) | 2,103,755 | 1,991,177 |
| | Number | 10,561 | 10,531 |

Customer Satisfaction

In July 2013 we surveyed 750 randomly selected customers from across the region as part of our annual customer satisfaction survey. The survey provides an overview of perceptions of performance. The results of the survey were positive and reflect an increased level of overall satisfaction in relation to the service provided by GMW. Overall satisfaction had increased by 11% from the previous year, moving from 52% to 63%

GMW will continue to work closely with Water Services Committees and our broader customer base to design programs to improve services based on the feedback provided.

Our Connections Project

After integration into GMW, the Connections Project continued its responsibility for the delivery of the \$2 billion modernisation of the Goulburn-Murray Irrigation District (GMID) and the implementation of a range of

water saving/water efficiency projects. The Connections Project is on track to deliver a modernised, highly efficient automated water delivery system for customers in the GMID. It is a significant and fundamental reshaping of the way in which water is used for irrigated agriculture Northern Victoria.

The GMW Connections Project involves two key programs:

1. Upgrading the major supply channels that deliver thousands of megalitres of water to hundreds of customers in an Irrigation Area – to create a smarter backbone channel network.
2. Connecting properties currently supplied from local spur channels to the backbone network. Our goal is to connect; most cases this will involve an individual connection such as a pipeline from the backbone channel to the property.

During the year, customer consultation resources within the Retail and Operations Division were increased from 10 to 29 staff.

| Connections Implementation Process | | | | |
|--|-------------------------|------------------------|-------------------------------|--------|
| | Program to 30 June 2013 | 1 July to 30 June 2014 | Program Total to 30 June 2014 | Target |
| Number of Landowner Schedules approved | 30.5 | 12.5 | 43 | n/a** |
| Number of Landowners in Schedules | 987 | 373 | 1,360 | n/a** |
| Number of Landowners with Executed Legal Agreements* | 1,607 | 368 | 1,975 | n/a** |
| Total delivery share moved to the Backbone | 1,826 | 624 | 2,450 | 2,705 |
| Total channel decommissioned (km)* | 388 | 155 | 543 | 547 |
| Total number of meters treated | 5,970 | 649 | 6,619 | 7,221 |

* Note that a review of the data has seen adjustments from previous report.

** There are no formal CIP2 targets for Landowner Schedules or Legal Agreements.

Our Customers

| Seasonal Determinations for Northern Victorian Water Systems | | | | | | | | | | | | |
|--|--------|-------|--------|-------|----------|-------|----------|-------|--------|-------|-----------------|-------|
| Season | Murray | | Broken | | Goulburn | | Campaspe | | Loddon | | Bullarook Creek | |
| | HRWS% | LRWS% | HRWS% | LRWS% | HRWS% | LRWS% | HRWS% | LRWS% | HRWS% | LRWS% | HRWS% | LRWS% |
| 2013/14 | 100 | 0 | 100 | 100 | 100 | 0 | 100 | 46 | 100 | 0 | 100 | 100 |

Our Wholesale Catchment Services

GMW delivers a range of catchment services to implement Government regulations and policy for groundwater and surface water resource management.

Reserves established in 2012/13 and inflows early in the 2013/14 season enabled seasonal determinations of 100% high-reliability water share (HRWS) on all systems and 100% low-reliability water share (LRWS) in the Broken and Bullarook systems. A low-reliability seasonal determination of 46% was reached in the Campaspe system. There was no seasonal determination against LRWS in the Goulburn, Murray or Loddon systems.

Carryover

Northern Victorian water entitlement holders carried over 1,334 GL into the 2013/14 season, approximately 1,100 GL less than what was carried over into the 2012/13 season.

In its role as Resource Manager, GMW declared a low risk of spill in the Goulburn and Murray systems on 10 December 2013. A low risk of spill was declared in the Campaspe system on 10 January 2014. These declarations allowed customers to trade or use allocation held in spillable water accounts. The volume returned from spillable water accounts totaled 205 GL. The total volume of allocation available to entitlement holders, after reductions for spills, was 3,385 GL.

Groundwater

Favourable conditions continued in 2013/14 and, despite the dry summer, led to consistently good recovery in groundwater levels across GMW's region. Allocations of 100% were announced for all Groundwater Management Units, other than Katunga Water Supply Protection Area which received its maximum possible allocation of 70% in accordance with the management plan.

Dams

During the year, GMW delivered a number of initiatives to improve the operation and services provided at and around its storages including:

- Updated and improved the consistency of operations and maintenance manuals for all remaining storages under GMW management. GMW also reviewed its dam safety emergency management plans and flood incident management plans for all storages
- Progressed Land and On-Water Management Plans in consultation with local agencies, local government, community groups and residents. Development of plans for Lake Eppalock, Cairn Curran, William Hovell, Lake Buffalo were completed. Plans currently in development relate to Greens Lake, Kow Swamp, Lake Charm and Lake Kangaroo.

Capital Works

Capital works were delivered in two main areas. GMW in its normal course of business (Water Storage and Delivery), delivered capital works (outlined below) and the Connections Project, which is modernising the Goulburn Murray irrigation network, also delivered capital works (also outlined below).

GMW – Water Storage and Delivery

During 2013/14 GMW delivered \$13.2 million dollars of capital projects. GMW delivers its works through a mix of direct management with internal resources and by outsourcing to contractors. The mix is determined through competitive tendering of works and ensures GMW continuously compares costs and demonstrates efficient delivery. Works within GMW's Irrigation Areas were targeted to irrigation backbone assets ensuring the investment was consistent with the roll out of modernisation.

Some of the projects undertaken were:

- Lake Nillahcootie spillway bridge refurbishment
- Central Goulburn channels 1 to 4 modernisation
- ICT server and network upgrade
- Shepparton Irrigation Area fire recovery fencing.

As the construction authority for the Murray Darling Basin Authority, GMW:

- Completed refurbishment of the Mildura-Merbein Salt Interception Scheme
- Completed Lake Dartmouth low level outlet works winch upgrade
- Commenced Mildura weir trestles mechanisation (ongoing)
- Completed and commissioned the Hattah Lakes Environmental Flows project
- Completed the construction phase of the Hipwell Road Environmental Flows project.

The table on the following page (pg16) details the major capital projects delivered during the period (% complete represents of the 2013/14 program).

Our Customers

| Capital Projects | | |
|--|---------------------|----------------------------|
| Project | 2013/14 Expenditure | % Complete at 30 June 2014 |
| Bridge and Culvert Replacements | \$2.3 million | 90% |
| Access Tracks and Fencing Program | \$1 million | 90% |
| Mildura-Merbein Salt Interception Scheme Refurbishment, Central Goulburn Channels 1 to 4 Program | \$2.3 million | 100% |
| Information Technology - Relocation of Secondary Data Centre, Construction of new Primary Data Centre and Virtual Desktop Infrastructure | \$2.2 million | 90% |
| Upgrade and renewals on dams infrastructure | \$2.2 million | 95% |
| upgrade and renewals of meters, pumps and electrics, plant and equipment for irrigation and drainage services. | \$1 million | 95% |

Connections Project

In addition to the GMW Capital Works Program outlined above, the Connections Project delivered \$53 million of capital works.

The intensive construction period which occurs between May and August when the channel systems are dewatered, was hampered in both 2013 and 2014 by wet weather however, satisfactory progress was made.

Some of the projects undertaken were:

- Channel automation consisting of mostly small 1-3 gate structures with an occasional larger structure.
- Channel remediation consisted of channel lining with both HDPE and clay and some outer bank remodelling.
- Backbone Extension pipeline program, which only commenced scoping in early 2014 and was the first year of this program.
- Stage 2 channel decommissioning program is in its early stages.
- Considerable planning was undertaken during the year for other capital works projects, which will be delivered in the 2014/15 Financial Year.

The following table details the major capital projects delivered by the Connections Project during the period (% complete represents of the whole program, which spans multiple years):

| Connections Project Capital Works Projects | | |
|--|------------------------|----------------------------|
| Capital Projects | 2013/14 Expenditure \$ | % Complete at 30 June 2014 |
| Channel automation program – Stage 1 | \$3.5 million | 95% |
| Channel automation program – Stage 2 | \$1.3 million | 25% |
| Channel remediation program | \$10.7 million | 35% |
| Meter installation program | \$28.8 million | 45% |
| Backbone extension pipelines program | \$2.3 million | 15% |
| SCADA Canopy Upgrade | \$2.5 million | 50% |

Our Environment

Our Environment

GMW fulfilled its obligations under the *Safe Drinking Water Act 2003* and *Safe Drinking Water Regulations 2005* as demonstrated by GMW receiving a risk management plan audit certificate after the completing the regulatory audit. GMW also fulfilled all obligations under the *Water Industry Act 1994*, *Environmental Protection Act 1970*, *Planning and Environment Act 1987* and GMW Statement of Obligations issued by the Minister for Water.

GMW undertook blue-green algae and water quality monitoring at key locations to ensure effective management of risks to the public and our customers.

GMW manages its interactions with the environment through its Environmental Management System (EMS). GMW's EMS is certified to the International Standard for Systems AS/NZ ISO 14001 and has maintained this certification throughout 2013/14. Performance against this standard was assessed through the completion external audits.

Sustainable Resource Management

GMW's land and river health, water quality monitoring and resource management programs contribute to GMW's sustainable management of surface water and groundwater resources, especially within our Irrigation Areas. These programs are delivered by GMW in conjunction with partner agencies including the Murray-Darling Basin Authority, Catchment Management Authorities and the Department of Environment and Primary Industries.

GMW undertook aquatic plant management, surface and subsurface drainage management, water quality monitoring and salinity and salt interception management to manage the environmental risks within our area of operation.

Groundwater management plans provide a clear and practical framework to support the sustainable use of Victoria's groundwater resources. During 2013/14 local management plans were approved for the Kiewa and Upper Murray Groundwater Management Areas. Additionally, during the past year, GMW successfully implemented local management plans for the Central Victorian Mineral Springs, Upper Goulburn and Strathbogie Groundwater Management Areas. GMW also commenced a local

management plan for the Shepparton Irrigation Region (SIR); a change which will see low cost, adaptive and up-to-date management arrangements introduced for SIR groundwater customers.

System efficiency

Modernisation in GMW's Irrigation Areas is seeking to improve the operational efficiency of GMW's channel delivery networks. The following table shows system efficiencies compared with 2012/13. System efficiency reflects the percentage of water diverted into an Irrigation Area that is recorded through customers' outlets.

| GMW System Efficiency within Irrigation Areas 2013/14 | | |
|---|------------|------------|
| | 2012/13 | 2013/14 |
| Shepparton | 83.4% | 83.3% |
| Central Goulburn | 81.1% | 80.6% |
| Rochester | 83.5% | 79.6% |
| Loddon Valley | 83.0% | 82.8% |
| Murray Valley | 78.4% | 83.2% |
| Torrumbarry | 68.9% | 74.7% |
| Total | 78% | 80% |

A number of factors influence the system efficiency including the total volume of water delivered during the season, start of season channel fill and end of season channel drawdown, operation of local system storages, seasonal weather conditions and local catchment inflows.

Victorian Waterway Management Strategy

The Victorian Waterway Management Strategy provides a framework to manage and restore Victorian rivers over the long term. GMW has been involved in the implementation of the strategy with a particular focus on water resource and catchment management.

GMW has actively participated in the development of the Regional Waterway Strategies by the North East, Goulburn Broken and North Central catchment management authorities, which all fall within GMW's region.

Regional Catchment Strategy

GMW was actively involved in the review, development and implementation of the Regional Catchment Strategy for each of the three catchment management authorities within GMW's region.

Biodiversity

GMW respects the intent of biodiversity and works with government departments and Catchment Management Authorities to support biodiversity conservation and protection activities across its region.

Our Environment

Greenhouse Gas Emissions

GMW recorded an 11.8% reduction in Greenhouse Gas Emissions over the 2013/14 period. This significant reduction can be largely attributed to a decrease in GMID water deliveries for the season, combined with the ongoing implementation of GMW's Emission Reduction Initiatives. The introduction of additional new and modernised energy consuming assets, such as pressurised pipelines, has been identified as having negative impact on GMW total energy consumption. With the exclusion of emission from these assets, GMW is 48 tonnes below its 2013/14 target of 12,297 tonnes CO₂e.

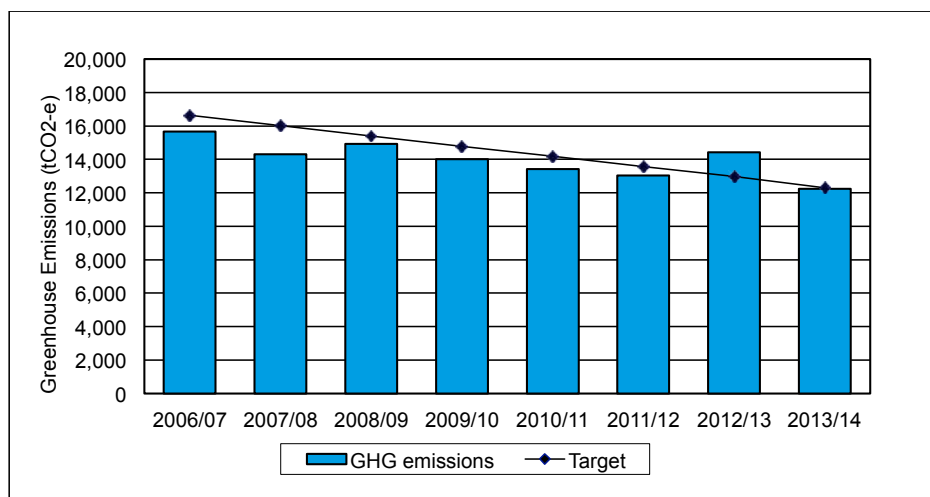
| Greenhouse Emissions by Source | | | | | |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|
| T CO ₂ e by source | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 |
| Energy ¹ | 8,702 | 9,001 | 8,356 | 9,753 | 8,634 |
| Vehicle Fleet ² | 5,306 | 4,416 | 4,698 | 4,636 | 4,223 |
| Temporary Pumping ³ | | | | | |
| New & Modernised Assets ⁴ | | | | | 609 |
| Total | 14,008 | 13,417 | 13,054 | 14,579 | 12,858 |

1 - Electricity and gas to run offices and depot and deliver water to customers.

2 - Fuel consumed by the vehicle fleet.

3 - In some years temporary drought pumping can make a significant contribution to greenhouse emissions, but this was not the case in 2013/14.

4 - New & Modernised Energy Consuming Assets (e.g. Pump Stations for pressurised pipelines, SCADA Towers)



Corporate Water Consumption

Corporate Water Consumption at GMW's 15 major office locations was 16,017 KL in 2013/14. Based on full time equivalent employees (FTE) at major offices, this equates to an office water consumption of 24KL per FTE per year.

| (KL) | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 |
|---------------------|---------|---------|---------|---------|---------|
| Water Consumption | 10,229 | 11,934 | 13,584 | 16,781 | 16,017 |
| Consumption per FTE | 17 | 19 | 20 | 24 | 24 |

Our People

Complying with Our Employment Obligations

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

Consistent with these obligations, GMW has a number of initiatives being rolled out across the business, including:

- A Corporate Induction program for water storage and delivery employees; and an online Corporate Induction for the Connections Project employees
- A Manager Development program is being implemented which includes specific information relating to GMW's employment obligations in accordance with statutory and regulatory requirements
- Introduced a revised and streamlined recruitment process which is aligned to the Public Sector principles of merit based selection.

Our Employees

GMW employs a total of 757 staff (figures exclude Directors and Chairperson) equivalent to 741 full time employees (FTE). The demographics of GMW's workforce are outlined in the following tables.

| | Total Employees | Full Time Equivalent | % Male | % Female |
|---------|-----------------|----------------------|--------|----------|
| 2013/14 | 757 | 741 | 76 | 24 |
| 2012/13 | 694* | 688** | 76 | 24 |
| 2011/12 | 702 | 684 | 78 | 22 |
| 2010/11 | 702 | 685 | 78 | 22 |
| 2009/10 | 727*** | 713 | 79 | 21 |

Total Employees and Full Time Equivalent figures include casual employees and those on WorkCover.

* Total number of Connections Project employees as at 30 June 2013 was 62

** Full Time Equivalent includes casual employees

*** Total number of employees includes 15 employees seconded to NVIRP and 23 seconded to GMW's FutureFlow project

| Classification | Total Employees | Full Time Equivalent |
|----------------|-----------------|----------------------|
| Band A | 136 | 135 |
| Band B | 203 | 200 |
| Band C | 200 | 195 |
| Band D | 114 | 112 |
| Band E | 56 | 55 |
| Band F | 31 | 31 |
| EO | 9 | 9 |

Note: Classification banding does not include Directors, Casual employees, those on WorkCover and Committee Members.

| Age Brackets | Total Employees |
|--------------|-----------------|
| < 25 | 34 |
| 25 – 34 | 186 |
| 35 – 44 | 189 |
| 45 – 54 | 185 |
| 55 – 64 | 145 |
| 65> | 10 |

Our People

Making Our Workplace Safer

The 2013/14 year saw GMW successfully complete external surveillance audits of its Occupational Health and Safety Management Systems against the AS/NZS 4801 standard and was again recommended for continuation of certification.

Integration of the Occupational Health and Safety and the Environment and Sustainability teams has been a strong focus with the addition of an HSE Team leader and recruitment of all vacancies bringing the HSE Team to a full contingent. This will allow the processes to be streamlined and reduce cost to the business by cross-skilling resources and removing system duplication.

Our business was also successful in achieving the Goulburn Valley Safety Groups

Safety Solution of the year for a product designed to eliminate a prevalent Manual Handling risk posed to our field operations employees.

The GMW Life Program was re-launched providing employee focus to heart disease, stroke and diabetes. A total of 563 employees participated in health and safety initiatives during the financial year period.

Online contractor HSE inductions were stable with a total of 1807 persons either renewing or completing this for the first time compared with 1828 in the 2012/13 financial year.

Targeted risk management initiatives were implemented based on organisational incident trends and included proactive information, instruction and training to high risk areas.

Rehabilitation & Return to Work

GMW's rehabilitation and return to work system has maintained a high level of performance for the past 4 years. In 2013/14 there were further improvements to our claims management program reducing the average cost of claims by 77% and the duration rate by 29%. This continued the steep decline in average claim cost from \$96,000 in 2009/10 to \$3055 in 2013/14. The result is a second reduction in workers compensation premium this year now totaling a \$1.3 million saving since 2012. The turnaround in trend is expected to accumulate approximately \$15.2 million in savings over a ten year period. GMW's investment in injury risk reduction and resilience training programs will continue to be developed and refined in line with the changing nature and modernisation of the business.

Occupational Health and Safety Key Performance Indicators

| | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 |
|---|---------|---------|---------|---------|---------|
| Number of health and safety employee representative committees | 23 | 18 | 19 | 9 | 9 |
| Number of lost time injuries for the year | 7 | 8 | 9 | 12 | 16 |
| Number of days lost to injuries incurred during the year | 313 | 162 | 122 | 85 | 161 |
| Lost Time Injury Frequency Rate (lost time injuries per million hours worked) | 6 | 7.2 | 9 | 9 | 13.1 |
| Average Lost Time Rate (average number of days lost per lost time injury) | 44.7 | 20.3 | 12.2 | 7.1 | 10.1 |

Our Obligations

Freedom of Information (FOI)

GMW is subject to the *Freedom of Information Act 1982* (the Act). Requests for access to GMW documents under the Act can be sent to:

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

Requests must be made in writing, provide necessary information to identify the documents sought and be accompanied by a \$26.50 application fee. If payment of the application fee would cause hardship it may be waived or reduced. Additional access charges may also apply.

From 1 July 2013 to 30 June 2014 GMW received 30 new FOI requests. Requests were received from various sections of the community including individuals, community groups, solicitors and organisations.

During this time 22 requests were finalised. The outcomes were:

| | |
|---------------------------|---|
| Full access granted | 5 |
| Partial access granted | 5 |
| Access denied | 2 |
| Did not proceed/withdrawn | 3 |
| Request invalid | 2 |
| No documents/other | 5 |

Four applications for review of an FOI decision were made to the FOI Commissioner. The outcomes were:

FOI Commissioner made same decision: 2

FOI Commissioner made different decision: 0

Review not finalised: 2

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

No complaints were received from the FOI Commissioner concerning FOI requests handled by GMW.

Enquiries concerning FOI can be made by contacting GMW on 1800 013 357 or via email foi@gmwater.com.au

Information Available

Information held at by GMW and available on request subject to the *Freedom of Information Act 1982*.

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- details of publications produced by GMW about itself, and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by GMW
- details of any major external reviews carried out on GMW
- details of major research and development activities undertaken by GMW
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by GMW to develop community awareness of the entity and its services
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement on industrial relations within GMW and details of time lost through industrial accidents and disputes
- a list of major committees sponsored by the GMW, the purposes of each committee and the extent to which the purposes have been achieved
- details of all consultancies and contractors including:
 - (i) consultants/contractors engaged;
 - (ii) services provided; and expenditure committed to for each engagement.

Energy and Water Ombudsman (Victoria) Limited

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

During the 2013/14 financial year, the Energy and Water Ombudsman referred 45 matters to GMW. The nature of these referrals is outlined below.

Ombudsman referrals

| | |
|----------------------|----|
| Enquiries | 0 |
| Unassisted Referrals | 5 |
| Assisted Referrals | 31 |
| Real Time Resolution | 2 |
| Stage 1 Complaints | 1 |
| Stage 2 Complaints | 6 |
| Stage 3 Complaints | 0 |

As at 30 June 2014, there was one (1) complaint against the Corporation being investigated by the Ombudsman office.

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

The Energy and Water Ombudsman (Victoria)
Reply Paid 469
Melbourne VIC 8060

Victorian Industry Participation Policy (VIPP)

The *Victorian Industry Participation Policy Act 2003* requires public bodies and government department to report on the implementation of the Victorian Industry Participation Policy.

During 2013/14 GMW commenced 5 contracts totaling \$20,084,243.30 (inclusive of GST) in value to which the Victorian Industry Participation Policy was applied. All contracts are for regional projects.

Our Obligations

The commitments by contractors under the VIPP included:

- One contract committed to 100 percent local content while the commitment from other suppliers ranged from 60% to 91%
- Retention of 100 FTE existing jobs
- Transfer of dam and irrigation construction skills, training in relation to Occupation Health and Safety and environmental systems for new and existing contractor staff
- Three apprentice/traineeships positions were created.

During 2013/14 GMW completed no contracts to which the Victorian Industry Participation Policy was applied.

Protected Disclosures

The *Protected Disclosure Act 2012* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

GMW does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. GMW:

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

Under the *Protected Disclosure Act 2012*, State government agencies such as GMW can no longer directly receive disclosures about improper or corrupt conduct. Disclosures about improper or corrupt conduct about the Corporation or its employees must now be made to the Independent Broad based Anti-Corruption Commission (IBAC) on:

Phone: 1300 735 135
Fax: (03) 8635 6444
Postal address: GPO Box 24234,
Melbourne, VIC 3001

During the period 1 July 2013 to 30 June 2014 (0) disclosures were received and (0) were referred to IBAC.

Carers Recognition Act 2012

Goulburn-Murray Water has taken all practical measures to comply with its obligations under the Act. These include:

- considering the carer relationships principles set out in the Act when setting policies and providing services, for example when reviewing our employment policies such as flexible working arrangements and leave provisions to ensure that these comply with the statement of principles in the Act;
- ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act. Considerations to the Carers Recognition Act are included in GMW's Corporate Induction program when advising staff of current Carer's leave entitlements / principles in line with the Act.

Consultancies

Consultants were engaged by the Corporation during 2013/14 to provide expert analysis and technical advice to facilitate decision making. Consultancies are for the water storage and delivery business as well as the Connections Project.

In 2013/14 the Corporation engaged 13 consultancies where the total fees payable were less than \$10,000 with a total expenditure of \$55,422.

The following consultants were engaged during the reporting period, with a total contract cost of \$10,000 or more:

| Consultant | Purpose of consultancy | Total fees approved \$ | Expenditure for Reporting Period \$ | Future Commi-tments \$ | Start Date | End Date |
|--|--|------------------------|-------------------------------------|------------------------|------------|------------|
| Australia Cultural Heritage Management | Cultural Heritage Management Plan at Box Creek Weir | 48,376 | 48,376 | | 16/10/2012 | 15/12/2013 |
| Bios Pty Ltd | Native vegetation site assessment | 16,667 | 16,667 | | 26/06/2013 | 31/07/2013 |
| Deloitte Touche Tohmatsu | Phase 2 Asset Plan Review | 183,240 | 183,240 | | 7/07/2013 | 11/08/2013 |
| Deloitte Touche Tohmatsu | Phase 3 Asset Management Review | 167,636 | 167,636 | | 1/08/2013 | 24/09/2013 |
| Deloitte Touche Tohmatsu | Professional services | 90,147 | 90,147 | | 23/05/2014 | 15/06/2014 |
| GHD Pty Ltd | Localised Groundwater Impact Assessment Project | 198,550 | 163,309 | 35,241 | 5/09/2013 | 30/06/2014 |
| GHD Pty Ltd | Development of CHMPs for GMWCP Decommissioning Program 2013 - 2016 | 150,000 | 16,170 | 133,830 | 8/05/2013 | 30/05/2016 |
| GHD Pty Ltd | Review of F(PA) factor adopted in the DSE Water Savings Technical Manual | 45,000 | 45,000 | | 21/12/2012 | 30/09/2013 |
| GHD Pty Ltd | Revision of the Methodology of Zeroing Negative Outfall Losses and Savings | 64,999 | 64,999 | | 23/05/2013 | 30/10/2013 |
| GHD Pty Ltd | Box Creek Weir - Approval Review | 12,617 | 12,617 | | 9/07/2013 | 30/06/2014 |
| GHD Pty Ltd | Gunbower Lagoons Modernisation Project - Peer Review | 23,210 | 23,210 | | 26/11/2013 | 10/12/2013 |
| GHD Pty Ltd | Dartmouth Annual Geological Inspection 2014 | 17,676 | 17,676 | | 13/03/2014 | 2/05/2014 |
| RPS AQUATERRA PTY LTD | Options and Concept Planning | 30,000 | 30,000 | | 1/07/2013 | 30/03/2014 |
| RPS AQUATERRA PTY LTD | CG 1 Strategic Transition | 240,233 | 86,825 | | 24/08/2012 | 31/01/2014 |
| RPS AQUATERRA PTY LTD | CG2 Rea Strategic Connection | 79,240 | 79,240 | | 19/04/2013 | 29/11/2013 |
| RPS AQUATERRA PTY LTD | Consultation | 63,916 | 30,916 | | 27/03/2013 | 31/03/2014 |
| Sinclair Knight Merz | Developing CHMPs for GMWCP Decommissioning Program 2013 - 2016 | 150,000 | 16,603 | 133,397 | 8/05/2013 | 30/05/2016 |
| Sinclair Knight Merz | Environmental & Cultural Heritage Due Diligence Assessments - Remediation 2013 Program | 22,258 | 22,258 | | 16/10/2012 | 15/12/2013 |
| Sinclair Knight Merz | Native Vegetation & Cultural Heritage Assessment | 32,778 | 32,778 | | 26/11/2012 | 25/11/2013 |
| Sinclair Knight Merz | Detail Desing for Channel No. PH 2/2 Reconfiguration | 96,187 | 96,187 | | 9/05/2013 | 26/09/2013 |
| Sinclair Knight Merz | Gunbower Lagoons Modernisation Project - Environmental Infrastructure Design | 91,586 | 91,586 | | 30/08/2013 | 21/10/2013 |
| Sinclair Knight Merz | Kerang Lakes Bypass Investigation; Bypass Channels - Native Vegetation Assessment | 24,234 | 24,234 | | 22/01/2013 | 30/06/2014 |
| Sinclair Knight Merz | Cosgrove Pipeline Project - Decommissioning & Environmental Approvals Review | 58,300 | 58,300 | | 28/10/2013 | 30/12/2013 |
| Sinclair Knight Merz | Assessment of Goulburn System Reliability Impact: Greens Lake Investigation | 37,583 | 37,583 | | 4/12/2013 | 28/02/2014 |

Our Obligations

| Consultant | Purpose of consultancy | Total fees approved \$ | Expenditure for Reporting Period \$ | Future Commi-tments \$ | Start Date | End Date |
|------------------------------------|--|------------------------|-------------------------------------|------------------------|------------|------------|
| Sinclair Knight Merz | Goulburn Simulation Model Update 2012/13 | 59,197 | 59,197 | | 17/04/2013 | 19/07/2013 |
| Sinclair Knight Merz | Lake Buffalo Gate Replacement Investigation | 23,132 | 23,132 | | 24/01/2014 | 14/03/2014 |
| Sinclair Knight Merz | Tullaroop Dam Safety Upgrade - Water Resource Modelling | 37,349 | 37,349 | | 28/02/2014 | 31/03/2014 |
| Sinclair Knight Merz | Growing Grass Frog Survey in the Kerang/Koondrook Region | 308,000 | 183,751 | 124,249 | 1/10/2013 | 28/02/2014 |
| URS Australia Pty Ltd | Developing CHMPs for GMWCP Decommissioning Program 2013 - 2016 | 150,000 | 18,645 | 131,355 | 8/05/2013 | 30/05/2016 |
| URS Australia Pty Ltd | Woolshed Swamp Environmental Protection Works - Design & Costing of Environmental Water Conduit | 25,490 | 25,490 | | 9/07/2013 | 31/07/2013 |
| URS Australia Pty Ltd | Silt Assessment in the GMW Irrigation Network | 29,326 | 29,326 | | 13/08/2013 | 25/10/2013 |
| URS Australia Pty Ltd | Greens Lake Hydrogeology Study | 41,800 | 41,800 | | 10/01/2014 | 10/03/2014 |
| URS Australia Pty Ltd | Tullaroop Dam Safety Upgrade - Concept Design & Project Cost Estimate | 15,000 | 15,000 | | 17/02/2014 | 21/03/2014 |
| URS Australia Pty Ltd | Surface Water/groundwater Interactions Between the River Murray & the Deep Lead Aquifer in the Katun | 25,000 | 4,799 | | 4/03/2014 | 19/03/2014 |
| Yorta Yorta Nation Aboriginal Corp | Provision of Cultural Heritage Services | 851,702 | 851,702 | | 1/07/2012 | 30/06/2013 |
| Yorta Yorta Nation Aboriginal Corp | Provision of Cultural Heritage Services | 2,805,000 | | 2,805,000 | 1/07/2012 | 30/06/2013 |
| Peter Croxford | Real Estate Negotiation/Consultancy | 28,143 | 28,143 | | 1/07/2012 | 30/06/2013 |
| TOTALS | | 6,343,571 | 2,773,890 | 3,363,073 | | |

Our Obligations

Disclosure of advertising expenditure over \$150,000

Nil reported during the 2013/14 period.

Value of Community Service Obligations

During 2013/14 GMW granted \$192,611.05 in pension concessions compared to \$200,398.84 pension concessions granted in 2012/13.

National Competition Policy

GMW aims to comply with Victorian Government policies and timeframes for National Competition Policy including competitive neutrality.

Capital Projects

There were no capital projects over \$50 million undertaken during the 2013/14 financial year.

Risk Management

GMW's Corporate Risk approach in relation to risk management is to ensure the practice is embedded into and maintained as part of GMW's culture. GMW have reviewed its risk management framework in the 2013/14 year to ensure it remains consistent with industry best practice and supports the effective oversight and management of risk by the business.

GMW's risk management framework is based on AS/NZS ISO 31000:2009 Risk Management – Principles and guidelines.

Statutory Planning

Approximately 1400 planning applications were referred in the 2013/14 financial and a further 49 Planning Scheme Amendments received submissions. Under the *Planning and Environment Act 1987* GMW is required to respond to matters referred to it within 28 days or within the time period determined by the relevant Council. During 2013/14 GMW fulfilled these requirements for all referrals.

Under the Planning & Environment Act 1987 GMW is a determining referral authority for developments within Special Water Supply Catchments in each of the 18 local government areas that contain 43 Special Water Supply Catchments in total.

The GMW planning section is also involved in the Development of Domestic Wastewater Management Plans for the 18 Councils that contain Special Water Supply Catchments.

GMW also receives referrals for drainage and water supply issues for subdivisions and developments within the Goulburn-Murray Irrigation District.

Building Act 1993

GMW has complied with the building and maintenance provisions of the *Building Act 1993*.

Financial Statements 2013/14

GMW Financial Commentary

Financial Highlights

- Strong operational performance of GMW's core services of Water Storage & Delivery provided operational earnings (earnings before interest, tax, depreciation and amortisation (EBITDA)) of \$19.7m which was well ahead of budget.
- The Connections Project received funding in excess of expenditure requirements in 2014-15 resulting in GMW ending the financial year with a strong balance sheet. Cash flows for the Connections Project will vary over the life of the project reflecting the different timing of expenditure and funding.
- This strong operational performance combined with funding receipts being in excess of expenditure for the Connections Project resulted in:
 - » Positive cash flows from operations of \$117.7m.
 - » GMW's net cash position (cash and cash equivalents less borrowings) was \$49.7m compared to a net debt position of \$73.7m for the prior year
 - » GMW's gross debt balance of \$139.4m decreasing by \$1.5m over the prior year due to the repayment of debt with no additional borrowings taken out during the year.
- Depreciation (and amortisation) of \$70.3m on GMW's \$4b infrastructure asset base continues to drive after tax losses for the business. The losses are the outcome of the regulatory environment GMW operates in and are not reflective of the underlying operational and financial sustainability of the business.

GMW Financial Structure

GMW aggregates the activities of the business into two major components:

- Water Storage & Delivery – These are the core operating activities of GMW which include harvesting, storing and delivering water to customers.

- Connections Project – These are the activities relating to the delivery of the \$2 billion State and Federal Governments' irrigation modernisation and renewal program in Northern Victoria. This annual report represents the second year of the Connections Project operating as a business unit of GMW.

The operations of the Connections Project are financially ring-fenced from Water Storage & Delivery operations to assist in delivering governance, financial and operational accountability for the business. Financial transactions between the Water Storage & Delivery business and the Connections Project are eliminated in producing GMW's financial statements, so as to avoid double counting of revenue and expenses.

Water Storage & Delivery – Operational Result

The 2013-14 financial year for Water Storage & Delivery was one where water deliveries were slightly ahead of expectations and with a continued focus on expenditure control ensured another strong financial performance with operational earnings (EBITDA) 38% ahead of budget. This year's operating result was lower than the last two years due to lower water deliveries and spillable water revenue.

The main drivers of the positive operating result for 2013-14 were strong retail revenue combined with lower operating costs. The Water Storage & Delivery business also provides a number of contracting services which supported the strong result.

The Water Storage & Delivery business achieved an EBITDA result of \$19.7m compared to 2012-13 of \$42.9m and \$25.0m in 2011-12. Positive operational cash flows of \$24.5m were achieved compared to 2012-13 of \$30.9m and \$24.8m in 2011-12 and were also well ahead of budget.

Connections Project Result

The Connections Project has reported funding received/receivable of \$78m for the year which has been recognised as revenue. A further \$70m of funding received to date will be recognised as revenue as the project progresses and the funds are expended.

Overall the Connections Project enters into the 2014-15 year in a strong cash position due to the funding received which has not yet been spent. Cash holdings at 30 June 2014 were \$139.6m with debt of \$18.0m which is unchanged from the prior year. Connections Project borrowings reflects bridging finance to manage the timing of project funding and expenditure.

GMW Before Tax Position

GMW's 2013-14 loss before tax of \$55.5m is better than budget and is in line with previous years' losses (\$44.0m in 2012/13 and \$52.2m for the 2011-12 year).

GMW incurred \$70.3m of pre-tax depreciation and amortisation expense during 2013-14 which is consistent with prior years. The large depreciation and amortisation expense is due mainly to the revaluation of land, buildings and infrastructure assets to fair value at 30 June 2011 which increased asset values by \$1.2 billion. Under the economic regulatory framework, GMW is unable to recover the majority of its statutory depreciation through customer charges which drives the before tax losses.

GMW's before tax losses are not reflective of the underlying sustainability of GMW.

Assets and Borrowings

The Corporation's asset base increased by \$72.4m during the year to \$4.4 billion. This increase is primarily due to assets constructed by the Connections Project for Water Storage & Delivery during the year. Assets continue to be decommissioned by the Connections Project as a result of the reconfiguration of parts of the delivery network. It is anticipated that this will continue throughout the remainder of the project. The decommissioning of assets should lead to lower maintenance costs in future years in addition to the water savings which it will generate.

GMW's net cash position (cash on hand less borrowings) at 30 June 2014 was \$49.7m, which is a \$123.4m improvement on the \$73.7m net borrowing position at 30 June 2013. As noted above GMW did not require any new debt during the 2013-14 year. This reflects the strong operational performance of the business over the last three years and strong net cash position combined with funding receipts of the Connections Project exceeding expenditure.

Net borrowings associated with Water Storage & Delivery at 30 June 2014 were \$71.9m with gearing at 2.9%. Net borrowings decreased by \$11m from the prior year.

Financial Statements 2013/14

GMW Financial Commentary

| Summary of Financial Results - Water Storage & Delivery and Connections Project (before internal adjustments) | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| | 2013/14 | 2012/13 | 2011/12 | 2010/11 | 2009/10 |
| | ('S000) | ('S000) | ('S000) | ('S000) | ('S000) |
| Water Storage & Delivery | | | | | |
| Profit & Loss | | | | | |
| Total revenue | 170,294 | 185,545 | 160,257 | 134,020 | 140,313 |
| Expenses excluding interest, depreciation and amortisation | 150,563 | 142,623 | 135,243 | 139,097 | 162,256 |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | 19,731 | 42,922 | 25,014 | (5,077) | (21,943) |
| Depreciation and amortisation | 69,535 | 68,775 | 70,301 | 41,209 | 37,203 |
| Interest expense | 8,140 | 8,286 | 6,897 | 6,650 | 2,835 |
| Net result before tax - Water Storage & Delivery | (57,944) | (34,139) | (52,184) | (52,936) | (61,981) |
| Cash Flow | | | | | |
| Net cash flow from operations | 24,471 | 30,870 | 24,795 | (10,838) | (1,605) |
| Payments for property, plant, equipment and infrastructure | 14,202 | 24,408 | 36,129 | 52,053 | 102,703 |
| Connections Project (Integrated into GMW on 1 July 2012) | | | | | |
| Profit & Loss | | | | | |
| Funding revenue | 78,066 | 83,748 | - | - | - |
| Project Expenditure | | | | | |
| Project costs | 57,778 | 80,167 | | | |
| Other project costs (1) | 17,832 | 13,486 | | | |
| Total Project Expenditure | 75,610 | 93,653 | - | - | - |
| Net result before tax - Connections Project | 2,456 | (9,905) | - | - | - |
| Cash Flow | | | | | |
| Net cash flow from operations | 93,266 | (36,218) | - | - | - |
| Payments for property, plant, equipment and infrastructure | 64,077 | 62,933 | - | - | - |
| (1) Includes employee expenses, other operating costs, depreciation and interest | | | | | |
| Summary of Financial Results - Total GMW (after internal adjustments) | | | | | |
| Profit & Loss | | | | | |
| Total revenue | 231,824 | 256,972 | 160,257 | 134,020 | 140,313 |
| Total expenses | 287,310 | 301,016 | 212,441 | 186,956 | 202,294 |
| Net result before tax - GMW | (55,486) | (44,044) | (52,184) | (52,936) | (61,981) |
| Balance Sheet | | | | | |
| Assets | | | | | |
| Current | 231,000 | 147,212 | 61,584 | 34,536 | 36,385 |
| Non-current | 4,170,281 | 4,181,685 | 4,108,918 | 4,066,984 | 2,266,479 |
| Total assets | 4,401,281 | 4,328,897 | 4,170,502 | 4,101,520 | 2,302,864 |
| Liabilities | | | | | |
| Current | 135,596 | 74,130 | 73,824 | 59,710 | 79,332 |
| Non-current | 587,196 | 607,222 | 588,932 | 570,118 | 23,037 |
| Total liabilities | 722,792 | 681,352 | 662,756 | 629,828 | 102,369 |
| Cash Flow | | | | | |
| Net cash flow from operations | 117,737 | (5,348) | 24,795 | (10,838) | (1,605) |
| Payments for property, plant, equipment and infrastructure | (78,279) | (87,341) | (36,129) | (52,053) | (102,703) |

Statement of Comprehensive Income

Statement of Comprehensive Income for the Year ended 30 June 2014

| | Notes | 2013/14 \$000 | 2012/13 \$000 |
|---|-------|------------------|------------------|
| Revenue from operating activities | | | |
| Water storage and delivery | | 121,049 | 126,661 |
| Government grants | | 3,664 | 6,860 |
| Government funding - Connections Project | | 76,420 | 80,505 |
| Contracting services | | 19,806 | 30,552 |
| Other revenue | | 10,885 | 12,394 |
| Total revenue | 2 | 231,824 | 256,972 |
| Expenses from operating activities | | | |
| Operating, maintenance and administration expenses | 3(a) | 69,155 | 69,776 |
| Connections Project costs | 3(b) | 57,788 | 80,167 |
| Employee expenses | 3(c) | 67,374 | 64,473 |
| Depreciation and amortisation | 3(d) | 70,333 | 69,573 |
| Other expenses | 3(e) | 22,660 | 17,027 |
| Total expenses | | 287,310 | 301,016 |
| Profit / (Loss) before tax | | (55,486) | (44,044) |
| Income tax expense/(benefit) | 4 (a) | (16,859) | (8,454) |
| Net Profit / (Loss) for the Year | | (38,628) | (35,590) |
| Other comprehensive income/(loss) for the year, net of tax | | - | - |
| Total comprehensive income/(loss) for the year | | (38,628) | (35,590) |

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

Balance Sheet

Balance Sheet as at 30 June 2014

| | Notes | 2013/14 \$000 | 2012/13 \$000 |
|--|-------|------------------|------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 5 | 189,147 | 67,204 |
| Receivables | 6 | 36,403 | 71,142 |
| Inventories | | 3,224 | 2,868 |
| Assets classified as held for sale | 7 | 2,226 | 5,998 |
| Total current assets | | 231,000 | 147,212 |
| Non-current assets | | | |
| Receivables | 6 | 77 | 87 |
| Intangible assets | 8 | 11,553 | 12,102 |
| Infrastructure assets, property, plant and equipment | 9 | 4,158,651 | 4,169,496 |
| Total non-current assets | | 4,170,281 | 4,181,685 |
| Total assets | | 4,401,281 | 4,328,897 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Payables | 10 | 34,496 | 44,508 |
| Employee benefits | 11 | 16,727 | 16,901 |
| Borrowings | 12 | 4,095 | 1,501 |
| Other liabilities | 13 | 80,279 | 11,220 |
| Total current liabilities | | 135,597 | 74,130 |
| Non-current liabilities | | | |
| Employee benefits | 11 | 2,942 | 2,014 |
| Borrowings | 12 | 135,355 | 139,450 |
| Deferred tax liability | 4(c) | 448,899 | 465,758 |
| Total non-current liabilities | | 587,196 | 607,222 |
| Total liabilities | | 722,793 | 681,352 |
| Net assets | | 3,678,488 | 3,647,545 |
| EQUITY | | | |
| Contributed capital | 14(a) | 2,527,901 | 2,458,330 |
| Asset revaluation reserve | 14(b) | 1,215,516 | 1,215,516 |
| Accumulated surplus / (deficit) | 14(c) | (64,929) | (26,301) |
| Total equity | | 3,678,488 | 3,647,545 |
| Commitments for expenditure | 16 | | |
| Contingent liabilities | 17 | | |

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

Statement of Changes in Equity

Statement of Changes in Equity for the Year ended 30 June 2014

| | Contributed Capital | Asset Revaluation Reserve | Accumulated Surplus / (Deficit) | Total |
|---|------------------------|---------------------------------|---------------------------------------|------------------|
| Notes | \$000 | \$000 | \$000 | \$000 |
| Balance at 1 July 2012 | 2,282,941 | 1,215,516 | 9,289 | 3,507,746 |
| Total comprehensive income/(loss) for the year | - | - | (35,590) | (35,590) |
| Transactions with State in capacity as Owner | | | | |
| Contributions by owner | 14(a) 57,601 | - | - | 57,601 |
| Administrative restructure - net assets received | 14(a) 117,788 | - | - | 117,788 |
| Balance at 30 June 2013 | 2,458,330 | 1,215,516 | (26,301) | 3,647,545 |
| Total comprehensive income/(loss) for the year | - | - | (38,628) | (38,628) |
| Transactions with State in its capacity as Owner | | | | |
| Contributions by owner | 14(a) 69,571 | - | - | 69,571 |
| Balance at 30 June 2014 | 2,527,901 | 1,215,516 | (64,929) | 3,678,488 |

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

Cash Flow Statement

Cash Flow Statement for the Year ended 30 June 2014

| | Notes | 2013/14 \$000 | 2012/13 \$000 |
|---|-----------|------------------|------------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Receipts from customers | | 162,823 | 159,991 |
| Receipts from government | | 160,370 | 58,911 |
| Interest received | | 2,723 | 3,357 |
| GST received from ATO | | 16,321 | 5,437 |
| Payments | | | |
| Payments to suppliers and employees | | (214,068) | (222,616) |
| Interest and other costs of finance paid | | (8,746) | (8,901) |
| Environmental contribution levy | | (1,686) | (1,527) |
| Net cash (outflow) / inflow from operating activities | 20 | 117,737 | (5,348) |
| Cash flows from investing activities | | | |
| Payment for intangible assets, infrastructure assets, property, plant & equipment | | (78,279) | (87,341) |
| Payment for assets held for sale | | (31) | (1,682) |
| Proceeds from assets held for sale | | 2,749 | 924 |
| Proceeds from sale of property, plant & equipment | | 522 | 2,010 |
| Net cash (outflow) from investing activities | | (75,039) | (86,089) |
| Cash flows from financing activities | | | |
| Capital contributions from Victorian Government | | 80,746 | 44,380 |
| Cash received from administrative restructure | | - | 64,773 |
| Repayment of borrowings | | (1,501) | (1,412) |
| Proceeds from borrowings | | - | 18,000 |
| Net cash inflow from financing activities | | 79,245 | 125,741 |
| Net increase in cash and cash equivalents | | 121,943 | 34,304 |
| Cash and cash equivalents at the beginning of the year | | 67,204 | 32,900 |
| Cash and cash equivalents at the end of the year | 5 | 189,147 | 67,204 |

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

Notes to the Financial Statements

Year Ended 30 June 2014

Notes to the Financial Report for the year ended 30 June 2014

1. Significant Accounting Policies

(a) Reporting Entity

The financial report covers Goulburn Murray Rural Water Corporation (the Corporation or GMW) as an individual reporting entity.

Its principal address is:
40 Casey Street
Tatura Vic 3616

A description of the Corporation's operations and its principal activities is included in the report of operations which does not form part of this financial report.

The financial report at 30 June 2014 comprises the Corporation and was authorised for issue by the Board on 19 August 2014.

(b) Statement of Compliance

This general purpose financial report has been prepared in accordance with the Financial Management Act 1994 (FMA), Financial Reporting Directions issued by the Minister for Finance and applicable Australian Accounting Standards (AAS) which include Interpretations and other pronouncements issued by the Australian Accounting Standards Board (AASB).

Where appropriate, Australian Accounting Standards applicable to not-for-profit entities have been applied.

(c) Basis of Accounting Preparation and Measurement

Accrual Basis of Accounting

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

Presentation Currency

All amounts are presented in Australian dollars, unless otherwise noted.

Historical Cost Convention

The financial report has been prepared on the basis of historical cost, except for certain non-current assets that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets.

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 realised or paid within the next twelve months. See 1(k) for a variation in relation to employee benefits.

Notes to the Financial Statements

Year Ended 30 June 2014

Rounding

Unless otherwise stated, amounts shown in the financial report are rounded to the nearest thousand dollars. Immaterial discrepancies in tables between totals and sums of components reflect rounding.

Critical Accounting Estimates

The preparation of the financial report in conformity with AASBs requires the use of certain accounting estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. It also requires management to exercise its judgement in the process of applying the entity's accounting policies. Estimates and judgements are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The most significant accounting estimates undertaken in the preparation of this financial report relate to:

- (i) Fair value and the impairment of assets (refer Note 1(j)).
- (ii) Unearned revenue (refer Note 1(k)).
- (iii) Construction Work In progress (refer Note 1(j)).
- (iv) Contingent Liabilities (refer Note 17).
- (v) Estimation of useful lives (refer Note 1(j)).
- (vi) Deferred tax assets & liabilities (refer Note 1(l)).
- (vii) Valuation of financial instruments (refer Note 22 (f))
- (viii) Provision for employee benefits (refer Note 1(k))
- (ix) Estimation of accrued expenses (refer Note 10).

Consistent with AASB 13 Fair Value Measurement, the Corporation determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment and financial instruments, and for non recurring fair value measurements such as non financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For the purpose of fair value disclosures, the Corporation has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, the Corporation determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Notes to the Financial Statements

Year Ended 30 June 2014

The Valuer-General Victoria (VGV) is the Corporation's independent valuation agency.

The Corporation, in conjunction with VGV and other external valuers, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

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

Accounting Policies

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

The accounting policies set out below have been applied in preparing the financial report for the period ended 30 June 2014 and the comparative information presented for the year ended 30 June 2013.

(d) Basis of Consolidation

A wholly owned subsidiary company Watermove Pty Ltd operated as a water broker prior to ceasing operations during the financial 2012-13 year. The Corporation has not prepared either the 2013-14 or the 2012-13 financial reports on a consolidated basis as the impact of the transactions and year end balances of Watermove are not material.

(e) Objectives and Funding for the Connections Project

Subsequent to the restructuring of administrative arrangements (1 July 2012), the Northern Irrigation Renewal Project (NVIRP) was integrated into GMW and renamed as the Connections Project – a division of GMW.

The objectives of the Connections Project is to plan, design and deliver the program for modernisation of the irrigation system throughout the Goulburn Murray Irrigation District (GMID).

Stage 1 of the Connections Project was initially expected to be completed during 2013, at a cost up to \$1.004 billion. In October 2011, Cabinet directed that the NVIRP Stage 1 Business Case be reviewed to enable the integrated delivery of Stage 1 and Stage 2 of the Project and to support the completion of the Food Bowl Modernisation Project agreement with the Commonwealth, with a revised completion date for Stage 1 being 30 June 2018, to align with the completion of Stage 2. Refer to Note 15 Funding commitments, for further details.

Stage 2 of the Project commenced during 2011-12 and will cost up to \$1.059 billion.

(f) Revenue Recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Corporation and the income can be reliably measured.

Notes to the Financial Statements

Year Ended 30 June 2014

Water Storage and Delivery Revenue

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

Revenue for bulk water supplied to other water corporations is brought to account throughout the year based on the agreed entitlement volumes allocated to each customer.

Government Grants

Government grants are recognised at their fair value when there is reasonable assurance that the grant will be received and the Corporation has complied with the attached conditions. Such grants are treated as non-reciprocal transfers in accordance with AASB 1004 *Contributions*.

Government grants which have outstanding performance or return conditions are recognised in accordance with AASB 118 *Revenue* with reference to the percentage of completion method. The stage of completion is measured by reference to total expenditure incurred to date compared with the funding provided. The Corporation regards the receipt of such revenue as a reciprocal transfer as the Corporation is required to provide the necessary services in return for grant funding. A liability is recognised in the Balance Sheet in respect of grant revenue which is unearned at the balance date. AASB 118 *Revenue* requires revenue to be recognised in the reporting periods in which the services are rendered.

Grants received from the Victorian State Government, which were originally appropriated as additions to net assets or where they are in the nature of owners' contributions, are accounted for as Equity – Contributed Capital in accordance with FRD 119A *Transfers of Capital*.

Contracting Services

The Corporation is the Victorian constructing authority for the Murray Darling Basin Authority (MDBA) and performs contracted works on a cost recovery basis for MDBA and other clients. Revenue is recognised as services are provided.

Interest

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

Other Income

Other income includes income from property leases and licences, grazing and occupational licences, boating licences and power generation. This income is recognised over the period of the relevant lease or licence or when it is earned.

(g) Expenses

Operations, Maintenance and Administration Expenses

Expenses from transactions are recognised in the period that they are incurred.

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.

Notes to the Financial Statements

Year Ended 30 June 2014

Finance Costs

Finance costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred. Finance costs relate to interest on bank overdrafts and short and long term borrowings.

Disposal of Non-Financial Assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is determined after deducting from the proceeds the carrying value of the asset at that time.

Each year the Corporation negotiates with customers to rationalise parts of the irrigation infrastructure where reconfiguration works permit the realignment of channels and structures. Where assets are assessed as being no longer in use, the book value of these assets is written off. The write off is recognised in the Statement of Comprehensive Income as a loss on disposal.

Depreciation and Amortisation

All non-current physical assets (excluding items under operating leases, assets and land held-for-sale) that have a limited useful life are depreciated. 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 recognised so as to write off the cost or valuation of assets (other than freehold land and work in progress) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year.

The following are the estimated useful lives for the different asset classes for both current and prior years:

| Class of Assets | Estimated Life (years) |
|--|-------------------------------|
| Buildings | 40 |
| Plant, equipment, furniture and fittings | 2 to 10 |
| Intangibles | 3 to 10 |
| Infrastructure – electronic equipment | 5 to 20 |
| Infrastructure – channels and structures | 30 to 120 |
| Infrastructure – drains and dams | 25 to 200 |

The component of channels and drains which are under water are considered to have an indefinite life and therefore not depreciated. The fair value of these components is \$896 million (2013: \$897m). Depreciation is not recognised in respect of these assets because

Notes to the Financial Statements

Year Ended 30 June 2014

their service potential has not, in any material sense, been consumed during the reporting period.

Intangible assets with finite useful lives such as computer software are amortised on a straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

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

Employee Expenses

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

Connections Project - Project Costs

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

The recognition of costs associated with agreements to provide incentives for on-farm works and acquisitions of delivery shares is in accordance with the legal relevant agreements.

(h) Financial Instruments

Recognition

Financial instruments, incorporating financial assets (excluding statutory receivables – refer note 1(i)) and financial liabilities, are recognised when the Corporation becomes a party to the contractual provisions of the instrument.

When a financial asset or financial liability is recognised initially, it is measured at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent to initial recognition, the financial instruments are measured as set out below.

Loans and Receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost, less any impairment. Interest income is recognised by applying the effective interest rate.

Notes to the Financial Statements

Year Ended 30 June 2014

Payables

Payables are recognised when the Corporation becomes obliged to make future payments resulting from the purchase of goods and services. Payables are initially recognised at fair value, being the cost of the goods and services.

Borrowings

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

(i) Financial Assets

Cash and Cash Equivalents

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Cash and deposits are measured at nominal value.

Receivables

Receivables consist of:

- contractual receivables relating to debts for water rates, water consumption and contracting services provided. Contractual receivables are classified as financial instruments and categorised as loans and receivables (refer to Note 1(h) for recognition and measurement). Thus, they are initially recognised at fair value and subsequently measured at amortised cost less any accumulated impairment.
- statutory receivables, such as Goods and Services Tax (GST) input tax credits recoverable. Statutory receivables, are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

All receivables are subject to impairment testing and a provision for impairment is recognised when there is objective evidence that debts may not be collected. Bad debts are written off when identified.

Impairment of Financial Assets

At the end of each financial year, the Corporation assesses whether there is objective evidence that a financial asset or group of financial assets are impaired. All financial assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Notes to the Financial Statements

Year Ended 30 June 2014

(j) Non-Financial Assets

Inventories

Inventories comprise stores and materials used in the construction of new works and for the repair and maintenance of existing assets. All inventories are measured 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.

Work In Progress

Connections Project

Costs associated with the delivery of a modernised irrigation system which result in a new asset or enhance an existing asset are recorded as construction work in progress. The balance of construction work in progress represents the costs incurred to date less the value of assets or asset enhancements transferred to infrastructure, property plant and equipment during the period when assets are in the location and condition necessary for them to be capable of operating in the manner intended by management. Direct labour costs are capitalised to the assets.

Water Storage and Delivery

Work in progress is valued at cost plus an appropriate share of overheads. Assets are transferred from work in progress when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, Plant and Equipment

Measurement and Recognition

All non-current physical assets (with the exception of plant, equipment, furniture and fittings) are recognised initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

In estimating the fair value of an asset GMW uses market-observable data to the extent it is available. Information about the valuation techniques and inputs used in determining the fair value of property, plant and equipment is disclosed in Note 9.

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.

Assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Where assets are constructed by the Corporation, the cost at which they are recorded includes an appropriate share of overheads.

Plant, equipment, furniture and fittings are recognised at fair value less accumulated depreciation as the carrying amount is considered to be a reasonable approximation of fair value.

Revaluations of Non-Financial Assets

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with the Financial Reporting Directions (FRDs) issued by the Minister for Finance. An independent fair value assessment is undertaken every 5 years in accordance with the requirements of Financial Reporting Direction 103E "Non-Current Physical Assets" but may occur more

Notes to the Financial Statements

Year Ended 30 June 2014

frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations. Certain infrastructure assets are revalued using specialised valuers. Any intervening revaluations are determined in accordance with the requirements of FRD103E.

Any revaluation increase arising on revaluation is recognised in other comprehensive income and accumulated within equity, except to the extent that it reverses a revaluation decrease for the same asset class previously recognised in the Statement of Comprehensive Income, in which case the increase is credited to the Statement of Comprehensive Income to the extent of the decrease previously expensed. A decrease in the carrying amount arising on revaluation is recognised in the Statement of Comprehensive Income to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes. Asset revaluation reserves are not transferred to accumulated funds on derecognition of the relevant asset.

Non-Financial Assets Classified as Held for Sale

Non-financial assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell, and are not subject to depreciation. They are classified as current assets and as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. The condition is regarded as having been met only when the sale is highly probable and is expected to be completed within 12 months from the date of the classification.

In estimating the fair value of an asset GMW uses market-observable data to the extent it is available. Where Level 1 inputs are not available, GMW engages third party qualified valuers to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of non-financial assets held for sale is disclosed in Note 7.

Impairment of Assets

All assets are assessed annually for indicators of impairment, except for inventories. 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 asset is considered impaired and is written down to its recoverable amount. The difference is written-off by a charge to the Statement of Comprehensive Income except for an asset previously revalued and the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

The recoverable amount for assets is measured at the higher of depreciated replacement cost and fair value less costs to sell.

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

Notes to the Financial Statements

Year Ended 30 June 2014

Intangible Assets

Intangible assets acquired separately are recognised initially at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised as an expense in the Statement of Comprehensive Income when the asset is derecognised.

Refer to Note 1(g) Depreciation and Amortisation.

Water Shares

GMW holds water shares both as part of its normal operations, the Water Storage & Delivery business, and for the Connections Project. The two paragraphs below outline their use and classification:

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

Native Vegetation Offsets

Native vegetation offsets are acquired by the Connections Project during the course of the project. They are accounted for as intangible assets in the reporting period in which they are acquired and consumed in the normal course of the project.

In estimating the fair value of native vegetation offsets GMW uses market-observable data to the extent it is available.

(k) Liabilities

Payables

Payables consist predominantly of goods and services provided to the Corporation prior to the end of the financial year, which are unpaid at year end. Payables are initially recognised at fair value, being the cost of the goods and services. The amounts are unsecured.

Connections Project - Unearned Revenue

Funding revenue received by the Connections Project is recognised under the percentage of completion methodology. Any portion that is not recognised as revenue in the current period is recognised as a liability.

Refer to Note 1(f) Connections Project Funding.

Notes to the Financial Statements

Year Ended 30 June 2014

Borrowings

Borrowings consist of short and long term loans from Treasury Corporation of Victoria. 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.

Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the financial year end.

Annual Leave and Other Entitlements

Employee entitlements relating to wages and salaries, annual leave and other relevant entitlements expected to be wholly 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 wholly 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

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the Corporation does not expect to settle the liability within 12 months because it will 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:

- undiscounted valueo if the Corporation expects to wholly settle within 12 months; and
- present valueo if the Corporation does not expect to wholly settle within 12 months.

Conditional LSL 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. This non-current LSL liability is measured at present value.

Employee Benefit On-Costs

Employee benefits on-costs, including payroll tax, workers compensation and superannuation, are included in the provision for employee benefits.

Performance Payments

Performance payments to eligible employees 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

Notes to the Financial Statements

Year Ended 30 June 2014

balance date to the extent that a performance payment is expected to be incurred. The performance payment accrual is classified as a current liability as payment is expected to occur within 12 months.

(l) Taxation

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

The income tax expense or revenue for the period is the expected tax payable or receivable on the current period's taxable income based on the national corporate income tax rate of 30%, adjusted for changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial report and the amount of unused tax losses.

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, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss. Deferred tax assets are recognised for deductible temporary differences and unused tax losses on the basis of there being sufficient taxable temporary differences relating to the same taxation authority and the expectation that taxable profits will be generated in the longer term.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

(m) Leased Assets

At the inception of a lease, the lease is classified as a finance or operating lease based on the economic substance of the agreement in regards to the risks and rewards incidental to ownership.

A lease is classified as a finance lease when the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating 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 Statement of Comprehensive Income in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

GMW does not have any finance leases.

(n) Equity

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital, in accordance with FRD 119A Transfers through contributed capital.

Notes to the Financial Statements

Year Ended 30 June 2014

(o) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer Note 16) at their nominal value and inclusive of the goods and services tax (GST) payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

(p) Contingent Assets and Liabilities

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

(q) Goods and Services Tax

Income, expenses and assets are recognised net of the amount of associated GST, except where GST incurred is not recoverable from the taxation authority. In this case, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as an operating cash flow in the Cash Flow Statement.

(r) New and Revised AASBs affecting amounts reported and or disclosures in the financial statements

(i) AASB 13

AASB 13 establishes a single source of guidance for all fair value measurements. AASB 13 does not change when a Department is required to use fair value, but rather provides guidance on how to measure fair value under Australian Accounting Standards when fair value is required or permitted. The Corporation has considered the specific requirements relating to highest and best use, valuation premise, and principal (or most advantageous) market. The methods, assumptions, processes and procedures for determining fair value were revisited and adjusted where applicable. In light of AASB 13, the Corporation has reviewed the fair value principles as well as its current valuation methodologies in assessing the fair value, and the assessment has not materially changed the fair values recognised.

However, AASB 13 has predominantly impacted the disclosures of the Corporation. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards, including AASB 7 *Financial Instruments: Disclosures*.

Notes to the Financial Statements

Year Ended 30 June 2014

The disclosure requirements of AASB 13 apply prospectively and need not be applied in comparative information before first application. Consequently, the 2012-13 comparatives of these disclosures have not been provided, except for financial instruments, of which the fair value disclosures are required under AASB 7 *Financial Instruments: Disclosures*.

(ii) AASB 119

The Corporation has applied AASB 119 *Employee Benefits* (September 2011, as amended) and the related consequential amendments for the first time in the current year.

The revised AASB 119 changes the accounting for defined benefit obligations and termination benefits.

The revised standard also changes the definition of short-term employee benefits. These were previously benefits that were expected to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. The Corporation considers that the change in classification has not materially altered the measurement of its annual leave provision, hence have not amended the annual leave liability measurement.

(s) New Accounting Standards and Interpretations issued that are not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2014 reporting period. As at 30 June 2014, the following standards and interpretations had been issued but were not mandatory for financial year ending 30 June 2014. 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 on | Impact on Corporation's financial report |
|--|--|---|--|
| AASB 9 <i>Financial instruments</i> | This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i>). | 1 Jan 2017 | This amendment is not expected to have any significant impact on the Corporation's financial report. |
| AASB 10 <i>Consolidated Financial Statements</i> | This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or | 1 Jan 2014 | This amendment is not expected to have any significant impact on the Corporation's financial report. |

Notes to the Financial Statements

Year Ended 30 June 2014

| Standard/ Interpretation | Summary | Applicable for annual reporting periods beginning on | Impact on Corporation's financial report |
|--|--|---|--|
| | rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities. | | |
| <i>AASB 11 Joint Arrangements</i> | This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement. | 1 Jan 2014 | This amendment is not expected to have any significant impact on the Corporation's financial report. |
| <i>AASB 12 Disclosure of Interests in Other Entities</i> | This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures. | 1 Jan 2014 | This amendment is not expected to have any significant impact on the Corporation's financial report. |
| <i>AASB 128 Investments in Associates and Joint Ventures</i> | This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. | 1 Jan 2014 | This amendment is not expected to have any significant impact on the Corporation's financial report. |

In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2013-14 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting. The AASB Interpretation in the list below is also not effective for the 2013-14 reporting period and is considered to have insignificant impacts on public sector reporting.

Notes to the Financial Statements

Year Ended 30 June 2014

- *AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).*
- *AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards.*
- *2013-1 Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements.*
- *2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.*
- *2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting.*
- *2013-5 Amendments to Australian Accounting Standards – Investment Entities*
- *2013-6 Amendments to AASB 136 arising from Reduced Disclosure Requirements*
- *2013-7 Amendments to AASB 1038 arising from AASB 10 in relation to consolidation and interests of policy holders*
- *2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*
- *AASB Interpretation 21 Levies.*

Notes to the Financial Statements

Year Ended 30 June 2014

Note 2: Revenue from operating activities

| | 2013/14 \$000 | 2012/13 \$000 |
|---|------------------|------------------|
| Water storage & delivery | | |
| Fixed charges | 95,985 | 90,985 |
| Variable charges | 14,681 | 21,430 |
| Bulk water sales | 10,383 | 14,246 |
| Total Water storage & delivery | 121,049 | 126,661 |
| Government grants | | |
| Salinity works | 1,071 | 1,468 |
| Other | 2,593 | 5,392 |
| Total Government grants | 3,664 | 6,860 |
| Government funding - Connections Project | 76,420 | 80,505 |
| Contracting services | | |
| Murray-Darling Basin Authority | 19,450 | 29,923 |
| Other external clients | 356 | 629 |
| Total Contracting services | 19,806 | 30,552 |
| Other revenue | | |
| Interest | 2,268 | 3,357 |
| Leasing and licences | 1,967 | 2,028 |
| Boating licences | 1,182 | 982 |
| Power generation | 862 | 1,433 |
| Termination fees | 116 | 183 |
| Connections Project - sale of water | 1,108 | 1,116 |
| Fees for services | 826 | 1,083 |
| Sale of water shares and water allocation | 1,498 | 806 |
| Other | 1,058 | 1,406 |
| Total Other revenue | 10,885 | 12,394 |
| Total Revenue | 231,824 | 256,972 |

(a) Ex gratia expenses

A total \$26,301 of debts were written off against revenue in the 2013/14 year. These debts were deemed commercially unviable to collect.

Notes to the Financial Statements

Year Ended 30 June 2014

Note 3. Expenses from operating activities

| | 2013/14 \$000 | 2012/13 \$000 |
|--|------------------|------------------|
| (a) Operations maintenance and administration expenses | | |
| Connections Project | 1,795 | 967 |
| Contracted services | 16,180 | 19,040 |
| Contributions to Victorian Government re Murray-Darling Basin Authority (i) | 13,545 | (946) |
| Electricity | 1,745 | 1,776 |
| Insurances | 1,635 | 2,230 |
| Labour hire | 1,415 | 2,311 |
| Materials | 5,074 | 5,065 |
| Murray-Darling Basin Authority and Government Services Contract | 14,905 | 25,552 |
| Plant and motor vehicles | 5,631 | 5,942 |
| Plant hire | 1,712 | 1,290 |
| Property & legal expenses | 2,278 | 1,874 |
| Other | 3,240 | 4,675 |
| Total Operations maintenance and administration expenses | 69,155 | 69,776 |
| | | |
| (i) GMW paid \$10,289,495 to DEPI as an MDBA contribution in the 2012/13 year. This was offset by an adjustment to reverse an accrual relating to a prior year. As a result a net credit of \$945,622 was recorded for the 2012/13 year. | | |
| (b) Connections Project costs | | |
| Connections Project | 57,642 | 79,579 |
| Impairment loss on water shares held as intangible assets | - | 293 |
| Impairment loss on land held for resale | 146 | 295 |
| Total Connections Project costs | 57,788 | 80,167 |
| | | |
| (c) Employee expenses | | |
| Post employment benefits | | |
| <i>- Defined contribution plans</i> | | |
| Water Storage & Delivery | 3,648 | 3,204 |
| Connections Project | 604 | 475 |
| | | |
| <i>- Defined benefit plans</i> | | |
| Water Storage & Delivery | 1,039 | 1,113 |
| Connections Project | 34 | 45 |
| | | |
| Termination benefits | | |
| Water Storage & Delivery | 1,628 | 2,085 |
| Connections Project | 258 | 197 |
| | | |
| Salary, wages and other costs | | |
| Water Storage & Delivery | 56,318 | 53,366 |
| Connections Project | 3,844 | 3,988 |
| Total Employee expenses | 67,374 | 64,473 |
| | | |
| (d) Depreciation and amortisation | | |
| Depreciation of buildings | 1,058 | 1,021 |
| Depreciation of Plant, equipment, furniture & fittings | 1,585 | 1,653 |
| Depreciation of infrastructure assets | 64,611 | 63,964 |
| Amortisation of intangibles | 3,081 | 2,934 |
| Total Depreciation and amortisation | 70,333 | 69,573 |
| | | |
| (e) Other expenses | | |
| Interest expense | 8,990 | 8,286 |
| Loss on disposal of infrastructure assets, property, plant and equipment | 12,888 | 8,741 |
| Impairment loss on land held for resale - Water Storage & Delivery | 782 | - |
| Total Other expenses | 22,660 | 17,027 |
| Total Expenses | 287,310 | 301,016 |

Notes to the Financial Statements

Year Ended 30 June 2014

Note 4: Income tax relating to continuing operations

| | 2013/14 \$000 | 2012/13 \$000 |
|--|------------------|------------------|
| a) Income tax recognised in profit or loss | | |
| Current tax | | |
| Current tax expense/(benefit) in respect of current year | (32,452) | (29,031) |
| Adjustments recognised in the current year in relation to the current tax of prior years | 7 | (268) |
| | (32,445) | (29,299) |
| Deferred tax | | |
| Deferred tax expense recognised in the current year | 15,586 | 20,845 |
| Total Income tax expense/(benefit) recognised in the current year relating to continuing operations | (16,859) | (8,454) |

| | 2013/14 \$000 | 2012/13 \$000 |
|--|------------------|------------------|
|--|------------------|------------------|

b) Reconciliation of income tax to prima facie tax payable

The income tax for the year can be reconciled to the accounting profit as follows:

| | | |
|--|-----------------|-----------------|
| Profit / (loss) before tax from continuing operations | (55,486) | (44,044) |
| Income tax calculated at 30% (2013: 30%) | (16,646) | (13,213) |
| Non assessable income | - | (128) |
| Provision for impairment of receivables | 121 | (31) |
| Impairment of assets held for sale | 354 | - |
| Prepayments | 216 | 102 |
| Accrued expenses | 458 | 1,730 |
| Employee benefits | 226 | (84) |
| Infrastructure assets, property, plant & equipment | (17,181) | (17,407) |
| Tax effect of current year losses | (32,452) | (29,031) |
| Deferred income tax expense | 15,586 | 20,845 |
| Adjustments recognised in the current year in relation to the current tax of prior years | 7 | (268) |
| Total income tax expense/(benefit) | (16,859) | (8,454) |

The tax rate used for the 2014 and 2013 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

| | 2013/14 \$000 | 2012/13 \$000 |
|--|------------------|------------------|
|--|------------------|------------------|

c) Deferred tax balances

Deferred tax asset / (liability) comprising:

| | | |
|--|------------------|------------------|
| Infrastructure assets, property, plant and equipment | (869,004) | (851,901) |
| Offset by deferred tax asset comprising: | | |
| Tax losses | 403,956 | 371,498 |
| Provision for impairment of receivables | 214 | 90 |
| Impairment of assets held for sale | 354 | - |
| Accrued expenses | 9,680 | 8,880 |
| Employee benefits | 5,901 | 5,675 |
| Net deferred tax asset / (liability) | (448,899) | (465,758) |

Movement in Net deferred tax asset / (liability)

| | | |
|---|------------------|------------------|
| Opening balance | (465,758) | (474,212) |
| Tax effect of current year tax losses | 32,452 | 29,031 |
| Movement charged to operating profit / (loss) | (15,586) | (20,845) |
| Under / (over) provision for income tax | (7) | 268 |
| Closing balance | (448,899) | (465,758) |

GMW has recognised accumulated tax losses as a deferred tax asset on the basis of there being sufficient taxable temporary differences relating to the same taxation authority and the expectation that taxable profits will be generated in the longer term.

Notes to the Financial Statements

Year Ended 30 June 2014

Note 5: Cash and Cash Equivalents

| | 2013/14 | 2012/13 |
|---|----------------|---------------|
| | \$000 | \$000 |
| Cash, bank balances and deposits | | |
| Connections Project | 139,609 | 27,244 |
| Water Storage & Delivery | 49,538 | 39,960 |
| Total Cash and cash equivalents | 189,147 | 67,204 |

Note 6: Receivables

| | 2013/14 | 2012/13 |
|--|---------------|---------------|
| | \$000 | \$000 |
| Current | | |
| Trade debtors - Water Storage & Delivery | 18,816 | 28,008 |
| Government funding - Connections Project | 13,187 | 37,459 |
| Other receivables | 5,110 | 5,982 |
| | 37,113 | 71,449 |
| Less provision for impairment | (710) | (307) |
| Total Current receivables | 36,403 | 71,142 |
| Non-current receivables | | |
| Trade debtors - Water Storage & Delivery | 77 | 87 |
| Total Non-current receivables | 77 | 87 |

a) Movement in provision for impairment of receivables

| | | |
|---|------------|------------|
| Balance at the beginning of the year | 307 | 412 |
| Increase / (decrease) in provision recognised in the net profit/(loss) for the year | 403 | (105) |
| Balance at end of year | 710 | 307 |

b) Ageing analysis of contractual receivables

| | <i>Past due but not impaired</i> | | | | |
|--|----------------------------------|--------------------------------------|-------------------|-------------------|---------------------|
| | <i>Carrying amount</i> | <i>Not past due and not impaired</i> | <i>1-2 Months</i> | <i>2-3 Months</i> | <i>>3 Months</i> |
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| 2014 | | | | | |
| Receivables: | | | | | |
| Trade debtors - Water storage & delivery | 18,892 | 4,418 | 3,485 | 236 | 10,753 |
| Government funding - Connections Project | 13,187 | 12,049 | - | 3 | 1,135 |
| Other receivables | 731 | 731 | - | - | - |
| Total | 32,810 | 17,198 | 3,485 | 239 | 11,888 |
| 2013 | | | | | |
| Receivables: | | | | | |
| Trade debtors - Water storage & delivery | 28,095 | 20,110 | 188 | 42 | 7,755 |
| Government funding - Connections Project | 37,459 | 37,459 | - | - | - |
| Other receivables | 756 | 756 | - | - | - |
| Total | 66,310 | 58,325 | 188 | 42 | 7,755 |

c) Nature and extent of risk arising from contractual receivables

Refer note 22 for the nature and extent of risk arising from contractual receivables

Notes to the Financial Statements

Year Ended 30 June 2014

Note 7: Assets classified as held for sale

| | 2013/14 | 2012/13 |
|--|--------------|--------------|
| | \$000 | \$000 |
| Land - at fair value - Connections Project (i) | 1,413 | 3,992 |
| Less Provision for impairment | (397) | (251) |
| | 1,016 | 3,741 |
| Land - at fair value - Water Storage & Delivery (ii) | 1,992 | 2,257 |
| Less Provision for impairment | (782) | - |
| | 1,210 | 2,257 |
| Total Assets classified as held for sale | 2,226 | 5,998 |

(i) Land held for sale by the Connections Project represents purchases of land undertaken by Rural Finance Corporation of Victoria (RFC) on behalf of the Connections Project as part of the on farm works program. Valuations are performed by RFC annually. RFC has been marketing these parcels of land on behalf of GMW and is expecting the remaining holdings will be sold within the next 12 months. RFC has complied with all the necessary obligations in relation to land purchases and sales by government related entities.

(ii) Land held for sale by Water Storage & Delivery has been valued by GMW's Property Management Group based on recent sales and estimated market value.

Details of GMW's Assets classified as held for sale in respect of the fair value hierarchy as at 30 June 2014 are as follows:

| | Level 1 | Level 2 | Level 3 | Fair value at 30/6/14 |
|---------------------------------|---------|---------|---------|--------------------------|
| | \$000 | \$000 | \$000 | \$000 |
| Land - Connections Project | - | 1,016 | - | 1,016 |
| Land - Water Storage & Delivery | - | 1,210 | - | 1,210 |

Land held for sale is valued based on an independent valuation or an estimate of market value.

Note 8: Intangible Assets

| | 2013/14 | 2012/13 |
|---|---------------|---------------|
| | \$000 | \$000 |
| Computer software - at cost | 23,092 | 19,116 |
| Native vegetation offsets - at cost (a) | 840 | 1,166 |
| Water shares - at cost (b) | 3,816 | 5,498 |
| | 27,748 | 25,780 |
| Accumulated amortisation | (16,195) | (13,678) |
| Total Intangible assets | 11,553 | 12,102 |

Movements during the reporting period

| | Computer Software | Native Vegetation Offsets (a) | Water Shares (b) | Total |
|---|----------------------|-------------------------------------|---------------------|---------------|
| | \$000 | \$000 | \$000 | \$000 |
| 2013/14 | | | | |
| Opening WDV | 5,731 | 1,166 | 5,205 | 12,102 |
| Additions | 4,247 | 20 | - | 4,267 |
| Disposals | - | - | (1,682) | (1,682) |
| Impairment | - | - | 293 | 293 |
| Consumption | - | (346) | - | (346) |
| Amortisation | (3,081) | - | - | (3,081) |
| Closing WDV | 6,897 | 840 | 3,816 | 11,553 |
| 2012/13 | | | | |
| Opening WDV | 5,209 | - | 3,816 | 9,025 |
| Additions | 1,870 | 372 | 1,682 | 3,924 |
| Connections Project balance at integration with GMW | 1,586 | 1,424 | - | 3,010 |
| Impairment | - | - | (293) | (293) |
| Consumption | - | (630) | - | (630) |
| Amortisation | (2,934) | - | - | (2,934) |
| Closing WDV | 5,731 | 1,166 | 5,205 | 12,102 |

(a) Up until 31 December 2013, the Corporation was required to mitigate the loss of native vegetation by commensurate gains through the provision of appropriate offsets under Native Vegetation: A Framework for Action (2002). From 1 January 2014, offsets must comply with the new Native Vegetation Permitted Clearing Regulations. The planned loss of native vegetation, as a consequence of construction work, creates an obligation which the Corporation must offset and provision for this is made at this time. Satisfaction of this obligation requires the Corporation to purchase Native Vegetation Credits which are recognised as intangible assets. Once the "offset" has been formally established and registered, the Corporation extinguishes its liability by removing the corresponding intangible asset. The balance of the intangible assets at 30 June 2014 represents the credits purchased which have not been formally offset against these obligations. These credits are not amortised.

(b) The water shares included in Intangible Assets are bulk entitlements that were converted from water shares, water shares held for operational purposes and water shares held by the Connections Project, having been acquired from landowners.

Notes to the Financial Statements

Year Ended 30 June 2014

Note 9: Infrastructure assets, property, plant & equipment

| | 2013/14 \$000 | 2012/13 \$000 |
|---|------------------|------------------|
| Land | | |
| At fair value | 48,887 | 49,622 |
| Total Land | 48,887 | 49,622 |
| Buildings | | |
| At fair value | 25,713 | 25,498 |
| Accumulated depreciation | (3,030) | (2,044) |
| Total Buildings | 22,683 | 23,454 |
| Plant, equipment, furniture & fittings | | |
| At fair value | 19,462 | 19,262 |
| Accumulated depreciation | (12,550) | (13,716) |
| Total Plant, equipment, furniture & fittings | 6,912 | 5,546 |
| Infrastructure | | |
| At fair value | 4,175,392 | 4,118,854 |
| Accumulated depreciation | (194,670) | (132,559) |
| | 3,980,722 | 3,986,295 |
| Work in progress | 99,447 | 104,579 |
| Total Infrastructure | 4,080,169 | 4,090,874 |
| Total Infrastructure assets, property, plant & equipment | 4,158,651 | 4,169,496 |

Movements during the reporting period

| | Opening WDV \$000 | Additions \$000 | Transfers in/(out) of Work in Progress \$000 | Other Transfers \$000 | Disposals \$000 | Depreciation \$000 | Closing WDV \$000 |
|---|----------------------|--------------------|---|-----------------------------|--------------------|-----------------------|----------------------|
| 2013/14 | | | | | | | |
| Land | 49,622 | - | - | - | (735) | - | 48,887 |
| Buildings | 23,454 | - | 552 | - | (265) | (1,058) | 22,683 |
| Plant, equipment, furniture and fittings | 5,546 | 515 | 2,444 | - | (8) | (1,585) | 6,912 |
| Infrastructure | 3,986,295 | - | 70,402 | - | (11,364) | (64,611) | 3,980,722 |
| Work in progress (a) | 104,579 | 73,641 | (73,398) | (4,245) | (1,130) | - | 99,447 |
| Total Infrastructure assets, property, plant & equipment | 4,169,496 | 74,156 | - | (4,245) | (13,502) | (67,254) | 4,158,651 |
| 2012/13 | | | | | | | |
| Land | 54,136 | - | - | (2,257) | (2,257) | - | 49,622 |
| Buildings | 23,614 | - | 861 | - | - | (1,021) | 23,454 |
| Plant, equipment, furniture and fittings | 5,861 | 1,172 | 210 | - | (44) | (1,653) | 5,546 |
| Infrastructure | 3,996,806 | - | 61,940 | - | (8,487) | (63,964) | 3,986,295 |
| Work in progress (a) | 19,317 | 149,166 | (63,011) | (893) | - | - | 104,579 |
| Total Infrastructure assets, property, plant & equipment | 4,099,734 | 150,338 | - | (3,150) | (10,788) | (66,638) | 4,169,496 |

(a) Work in progress

| | Connections Project \$000 | Water Storage & Delivery \$000 | Total \$000 |
|--------------------------------|---------------------------------|---|----------------|
| Balance at 1 July 2013 | 74,625 | 29,954 | 104,579 |
| Movement 2013/14 | | | |
| Additions | 59,350 | 14,291 | 73,641 |
| Transfers | (50,978) | (26,665) | (77,643) |
| Disposals | - | (1,130) | (1,130) |
| Total movement 2013/14 | 8,372 | (13,504) | (5,132) |
| Balance at 30 June 2014 | 82,997 | 16,450 | 99,447 |

(a) The Connections Project undertakes capital works, which results in the construction of assets or the enhancement of existing assets owned by the Corporation. Capital Work in Progress undertaken by the Connections Project becomes an asset of the Corporation as the work is performed.

(b) Infrastructure assets, land and buildings, and plant, equipment, furniture & fittings carried at fair value (i) Specialised land and specialised buildings

The market approach is used for specialised land, although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land is classified as Level 3 fair value measurements.

For GMW's specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciation. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of GMW's specialised land and specialised buildings was performed by Egans Valuers. Specialised land was valued using the market approach adjusted for CSO and specialised buildings were valued at depreciated replacement cost. The effective date of the valuation was 30 June 2011. Annually management consider a range of indicators to assess the fair value of the assets against carrying value. Management are satisfied that the carrying value is not materially different to the fair value of the assets at 30 June 2014.

Notes to the Financial Statements

Year Ended 30 June 2014

(ii) Infrastructure assets

Infrastructure assets are valued using the depreciated replacement cost method. This cost represents the replacement cost of the asset after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset. As depreciation adjustments are considered as significant unobservable inputs in nature, infrastructure assets are classified as level 3 fair value measurements.

An independent valuation of GMW's infrastructure assets was performed by AECOM Valuers and was based on the depreciated replacement cost of the assets. The effective date of the valuation was 30 June 2011. Annually, management consider a range of indicators to assess the fair value of the assets against the carrying value. Management are satisfied that the carrying value is not materially different to the fair value of the assets.

GMW used various publically available indices to determine the movement in fair value assessments, in accordance with the guidance provided the by the Department of Treasury and Finance (DTF). This review has indicated that there was not a material movement in the fair value assessments during the period.

(iii) Plant, equipment, furniture & fittings

Plant, Equipment, Furniture & Fittings are held at fair value which is determined using the depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2014.

For all assets measured at fair value, the current use is considered the highest and best use.

(c) Details of GMW's land, buildings and infrastructure assets and plant, equipment, furniture & fittings in respect of the fair value hierarchy as at 30 June 2014 are as follows:

| | Level 1 | Level 2 | Level 3 | Fair value at 30/6/14 |
|---|---------|---------|------------------|--------------------------|
| | \$000 | \$000 | \$000 | \$000 |
| Land | - | - | 48,887 | 48,887 |
| Buildings | - | - | 22,683 | 22,683 |
| Infrastructure | - | - | 3,980,722 | 3,980,722 |
| Plant, equipment, furniture & fittings | - | - | 6,912 | 6,912 |
| Total Infrastructure assets, property, plant & equipment | - | - | 4,059,204 | 4,059,204 |

Reconciliation of Level 3 fair value

| | Land | Buildings | Infrastructure | Plant, equipment, furniture & fittings |
|--|---------------|---------------|------------------|---|
| 2013/14 | \$000 | \$000 | \$000 | \$000 |
| Opening Balance | 49,622 | 23,454 | 3,986,295 | 5,546 |
| Purchases/(sales) | (735) | (265) | (11,364) | 507 |
| Transfers in/(out) of Level 3 | - | 552 | 70,402 | 2,444 |
| <i>Gains/(losses) recognised in net result</i> | | | | |
| Depreciation | - | (1,058) | (64,611) | (1,585) |
| Total | 48,887 | 22,683 | 3,980,722 | 6,912 |

Notes to the Financial Statements

Year Ended 30 June 2014

Description of significant unobservable inputs to Level 3 valuations

| Asset Type | Valuation technique | Significant unobservable inputs | Range | Sensitivity of fair value measurement to changes in significant unobservable inputs |
|--|---|--|--|--|
| Specialised land | | | | |
| Land | Market Evidence (Based on Egan Valuers Valuation 2011) | Community Service Obligation (CSO) \$ per hectare | CSO adjustment was 20% - 90% of market value. \$566 - \$1,496,259 | A significant increase or decrease in the CSO adjustment and /or land values would result in a significantly higher or lower fair value. Land will continue to be held to fulfil Community Service Obligations. |
| Specialised buildings | | | | |
| Buildings | Depreciated replacement cost (Based on Egan Valuers Valuation 2011) | \$ per m2 | \$33 - \$2,640 | Based on current construction costs and forecast inflation rates any change in unobservable inputs is not expected to be significant. A significant increase or decrease in construction costs would result in a significantly higher or lower fair value. Buildings will continue to be held to fulfil Community Service Obligations. |
| | | Useful life of specialised buildings | 50 - 70 years | No significant changes to the useful lives are expected. A significant increase or decrease in the estimated useful life of the assets would result in a significantly higher or lower fair value. |
| Infrastructure Assets | | | | |
| Dams | | | | |
| <ul style="list-style-type: none"> • Foundation Works • Embankments • Spillways • Outlet Works | Depreciated replacement cost (Based on AECOM Valuation 2011) | \$ per m3 \$ per m3 \$ per m3 \$ per tonne \$ per m3 \$ per tonne | \$40 - \$2,100 \$25 - \$200 \$450 - \$2,100 \$11,000 \$450 - \$2,100 \$11,000 | Based on current construction costs and forecast inflation rates any change in unobservable inputs is not expected to be significant. A significant increase or decrease in construction costs would result in a significantly higher or lower fair value. |
| | | Useful life of the Infrastructure | 20 to 350 years | No significant changes to the useful lives are expected. A significant increase or decrease in the estimated useful life of the assets would result in a significantly higher or lower fair value. |
| Channels (excluding banks) | | | | |
| <ul style="list-style-type: none"> • Earthen Channels • HDPE Lined Channels • Concrete Lined Channels | Depreciated replacement cost (Based on AECOM Valuation 2011). Unit rate will vary based on nominal flow (ML/day) | \$ per metre \$ per metre \$ per metre | \$14 - \$985 \$202 - \$1,235 \$310 - \$2,124 | Based on current construction costs and forecast inflation rates any change in unobservable inputs is not expected to be significant. A significant increase or decrease in construction costs would result in a significantly higher or lower fair value. |
| | | Useful life of the Infrastructure | 100 years | No significant changes to the useful lives are expected. A significant increase or decrease in the estimated useful life of the assets would result in a significantly higher or lower fair value. |
| Structures | | | | |
| <ul style="list-style-type: none"> • Bridges • Culverts | Depreciated replacement cost (Based on AECOM Valuation 2011) | \$ per m2 \$ per metre | \$865 - \$1,689 \$2,464 - \$8,251 | Based on current construction costs and forecast inflation rates any change in unobservable inputs is not expected to be significant. A significant increase or decrease in construction costs would result in a significantly higher or lower fair value. |
| | | Useful life of the Infrastructure | 75 years | No significant changes to the useful lives are expected. A significant increase or decrease in the estimated useful life of the assets would result in a significantly higher or lower fair value. |
| Meters | | | | |
| | Depreciated replacement cost (Based on AECOM Valuation 2011) | Cost per unit | \$338 - \$10,676 | Based on current construction costs and forecast inflation rates any change in unobservable inputs is not expected to be significant. A significant increase or decrease in construction costs would result in a significantly higher or lower fair value. |
| | | Useful life of the Infrastructure | 25 years | No significant changes to the useful lives are expected. A significant increase or decrease in the estimated useful life of the assets would result in a significantly higher or lower fair value. |
| Pipelines | | | | |
| | Depreciated replacement cost (Based on AECOM Valuation 2011) | Cost per unit | \$50 - \$1,337 | Based on current construction costs and forecast inflation rates any change in unobservable inputs is not expected to be significant. A significant increase or decrease in construction costs would result in a significantly higher or lower fair value. |
| | | Useful life of the Infrastructure | 40 years | No significant changes to the useful lives are expected. A significant increase or decrease in the estimated useful life of the assets would result in a significantly higher or lower fair value. |
| Plant, Equipment, Furniture & Fittings | | | | |
| Plant, Equipment, Furniture & Fittings | Depreciated replacement cost | Cost per unit | Cost per unit varies from \$0 - \$573,760; | Based on recent purchases and forecast inflation no significant changes are anticipated. Significant changes in purchase prices would result in a significantly higher or lower fair value |
| | | Useful life of assets | 2 - 10 years | A significant increase or decrease in the estimated useful life of the assets would result in a significantly higher or lower fair value. |

Notes to the Financial Statements

Year Ended 30 June 2014

Note 10: Payables

| | 2013/14 | 2012/13 |
|--|---------------|---------------|
| | \$000 | \$000 |
| Current payables | | |
| Trade creditors - Water Storage & Delivery | 4,838 | 4,890 |
| Trade creditors - Connections Project | 2,302 | 3,120 |
| Accrued expenses (i) | 27,356 | 36,498 |
| Total Payables | 34,496 | 44,508 |

(i) Accrued expenses includes non-contractual amounts

a) Ageing analysis of contractual payables

| | Carrying Amount | Less than 1 month | 1-2 Months | 2-3 Months | >3 Months |
|--|-----------------|-------------------|------------|------------|------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| 2014 | | | | | |
| Payables: | | | | | |
| Trade creditors - Water Storage & Delivery | 4,838 | 4,742 | 79 | 1 | 16 |
| Trade creditors - Connections Project | 2,302 | 1,016 | 414 | 171 | 701 |
| Total | 7,140 | 5,758 | 493 | 172 | 717 |
| 2013 | | | | | |
| Payables: | | | | | |
| Trade creditors - Water Storage & Delivery | 4,890 | 4,731 | 116 | 40 | 3 |
| Trade creditors - Connections Project | 3,120 | 2,690 | 285 | 41 | 104 |
| Total | 8,010 | 7,421 | 401 | 81 | 107 |

b) Nature and extent of risk arising from contractual payables

All Payables are denominated in Australian dollars. Refer note 22 for the nature and extent of risk arising from contractual payables

Note 11: Employee benefits

| | 2013/14 | 2012/13 |
|--|---------------|---------------|
| | \$000 | \$000 |
| Current | | |
| Annual leave | | |
| Unconditional and expected to be settled wholly within 12 months | 5,664 | 5,393 |
| Long service leave | | |
| Unconditional and expected to be settled wholly within 12 months | 11,063 | 11,508 |
| Total current employee benefits | 16,727 | 16,901 |
| Non-current | | |
| Conditional long service leave | 2,942 | 2,014 |
| Total employee benefits | 19,669 | 18,915 |

a) Connections Project

Employee benefits relating to the Connections Project included in the balances above are:

| | 2013/14 | 2012/13 |
|---|--------------|------------|
| Current | | |
| Annual leave | | |
| Unconditional and expected to settle within 12 months | 560 | 378 |
| Long service leave | | |
| Unconditional and expected to settle within 12 months | 125 | 231 |
| Unconditional and expected to settle after 12 months | - | - |
| Total current employee benefits | 685 | 609 |
| Non-current | | |
| Conditional long service leave | 627 | 264 |
| Total employee benefits - Connections Project | 1,312 | 873 |

(i) Employee benefits consist of annual leave and long service leave accrued by employees.

(ii) Annual leave amounts are measured at nominal values and Long service leave amounts are measured at both nominal and present values.

Notes to the Financial Statements

Year Ended 30 June 2014

Note 12: Borrowings

| | 2013/14 \$000 | 2012/13 \$000 |
|-------------------------------------|------------------|------------------|
| Current | | |
| Water Storage & Delivery | 4,095 | 1,501 |
| Total current borrowings | 4,095 | 1,501 |
| Non-current | | |
| Water Storage & Delivery | 117,355 | 121,450 |
| Connections Project | 18,000 | 18,000 |
| Total Non-current borrowings | 135,355 | 139,450 |
| Total Borrowings | 139,450 | 140,951 |

| Borrowings maturity analysis | Carrying amount | Less than 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | > 5 years |
|------------------------------|-----------------|------------------|-----------|-----------|-----------|-----------|-----------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| 2013/14 | | | | | | | |
| Borrowings | | | | | | | |
| Loans from TCV | 139,450 | 4,095 | 6,695 | 19,802 | 11,915 | 2,035 | 94,908 |
| 2012/13 | | | | | | | |
| Borrowings | | | | | | | |
| Loans from TCV | 140,951 | 1,501 | 4,095 | 6,696 | 19,801 | 11,915 | 96,943 |

Note 13: Other liabilities

| | 2013/14 \$000 | 2012/13 \$000 |
|--|------------------|------------------|
| Current | | |
| Funds held for government or governmental programs | 9,127 | 11,220 |
| Unearned revenue - Connections Project | 70,268 | - |
| Other provisions | 883 | - |
| Total Other liabilities | 80,278 | 11,220 |

Note 14: Equity

| | 2013/14 \$000 | 2012/13 \$000 |
|--|------------------|------------------|
| (a) Contributed capital | | |
| Balance 1 July | 2,458,330 | 2,282,941 |
| Capital contributions - Connections Project | 69,571 | 57,601 |
| Administrative restructure - Transfer of NVIRP net assets to GMW | - | 117,788 |
| Balance 30 June | 2,527,901 | 2,458,330 |

The treatment of capital contributions is set out in Allocation Statements signed by the Minister for Water. On 1 July 2012 the net assets of NVIRP were transferred to GMW. This has been treated as a contribution by the State.

| (b) Asset revaluation reserve | | |
|-------------------------------|------------------|------------------|
| Land | 24,308 | 24,308 |
| Buildings | 6,721 | 6,721 |
| Infrastructure assets | 1,184,487 | 1,184,487 |
| Balance 30 June | 1,215,516 | 1,215,516 |

There have been no movements in the asset revaluation reserve during the 2012/13 and 2013/14 years, as assets are only formally revalued every 5 years in accordance with FRD 103E unless otherwise required.

| (c) Accumulated surplus / (deficit) | | |
|---|-----------------|-----------------|
| Accumulated surplus / (deficit) at beginning of the year | (26,301) | 9,289 |
| Net profit/(loss) for the year | (38,628) | (35,590) |
| Accumulated surplus / (deficit) at end of the year | (64,929) | (26,301) |

Notes to the Financial Statements

Year Ended 30 June 2014

Note 15: Funding commitments

(a) Funding

The Connections Project has two discrete funding streams for Stage 1 and Stage 2 of the project.

(i) Stage 1 funding of \$1,004m is being provided by the State Government via the Department of Environment and Primary Industries (DEPI), including \$104m paid directly to GMW to upgrade the Goulburn Murray Irrigation District in Northern Victoria. Funding commenced in 2007-08 and will continue to 2017-18.

(ii) Stage 2 funding of \$1,059m is being provided by the Federal Government (via the State Government) and the Department of Environment and Primary Industries (DEPI).

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

Operational funding (Stage 1 & 2) to meet direct operating costs.

Project works funding (Stage 1 & 2) :

- Output – Funding which is received largely for connections, is recognised as revenue on a percentage of completion basis in accordance with AASB 118 (Revenue).

- Capital – which will predominantly fund the construction of assets or the enhancement of existing assets owned by GMW, is recognised as a transfer through contributed capital in accordance with FRD 119A.

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

(iv) During 2013/14 the Victorian Government agreed to a reapportioning of the funding between Operational funding and Project works funding (Output and Capital).

| | Total committed at start of project \$000 | Received / Receivable \$000 | Balance \$000 |
|---|---|-----------------------------------|------------------|
| As at 30 June the funding position is as follows: | | | |
| 2014 (i) | | | |
| Operational funding | | | |
| Stage 1 | 52,482 | 50,416 | 2,066 |
| Stage 2 | 69,117 | 18,050 | 51,067 |
| Total Operational funding | 121,599 | 68,466 | 53,133 |
| Project works funding - Output | | | |
| Stage 1 | 352,556 | 251,571 | 100,985 |
| Stage 2 | 661,493 | 146,369 | 515,124 |
| Total Project works funding - Output | 1,014,049 | 397,940 | 616,109 |
| Project works funding - Capital | | | |
| Stage 1 | 495,539 | 484,254 | 11,285 |
| Stage 2 | 328,414 | 60,670 | 267,744 |
| Total Project works funding - Capital | 823,953 | 544,924 | 279,029 |
| Total Project works funding - Output & Capital | 1,838,002 | 942,864 | 895,138 |
| Total funding commitments | 1,959,601 | 1,011,330 | 948,271 |
| 2013 | | | |
| Operational funding | | | |
| Stage 1 | 50,798 | 50,415 | 383 |
| Stage 2 | 60,000 | 10,263 | 49,737 |
| Total Operational funding | 110,798 | 60,678 | 50,120 |
| Project works funding - Output | | | |
| Stage 1 | 361,600 | 230,546 | 131,054 |
| Stage 2 | 709,663 | 15,585 | 694,078 |
| Total Project works funding - Output | 1,071,263 | 246,131 | 825,132 |
| Project works funding - Capital | | | |
| Stage 1 | 488,090 | 465,817 | 22,273 |
| Stage 2 | 289,450 | 9,537 | 279,913 |
| Total Project works funding - Capital | 777,540 | 475,354 | 302,186 |
| Total Project works funding - Output & Capital | 1,848,803 | 721,485 | 1,127,318 |
| Total funding commitments | 1,959,601 | 782,163 | 1,177,438 |

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

(b) Reconciliation of revenue - Connections Project

| | 2014 \$'000 |
|---|-----------------|
| Revenue receivable at 1 July 2013 | 19,933 |
| Funding received/receivable during the year: | |
| Operational funding | (7,917) |
| Project works funding - Output | (158,778) |
| Total Project expenditure recognised as revenue during the year: | |
| Operational expenditure | 11,392 |
| Project works expenditure | 65,103 |
| Unearned revenue at 30 June 2014 | (70,268) |

Capital Contributions received for the Connections Project during the year have been accounted for in accordance with the requirements of FRD 119A "Transfers Through Contributed Capital". Refer Note 14 for details.

Notes to the Financial Statements

Year Ended 30 June 2014

Note 16: Other Commitments

| | 2013/14 | 2012/13 |
|--|--------------|--------------|
| <i>(a) Capital expenditure commitments</i> | \$000 | \$000 |
| Infrastructure assets, property, plant & equipment - Water Storage & Delivery | | |
| Mildura Merbein Salt Interception Project | 392 | 3,372 |
| Dams and Dam Safety Projects | 285 | 195 |
| East Loddon Pipeline Project | 43 | - |
| Bridge Renewal and Upgrade Projects | 441 | - |
| WRIMS Project - Aquarius customisation | 206 | - |
| Channel Upgrades | 2,088 | - |
| Channel Outlet Upgrades | 218 | - |
| Other | 1,274 | 1,252 |
| Total Property, plant and equipment (inclusive of GST) | 4,947 | 4,819 |

| | | |
|---|---------------|---------------|
| Connections Project | | |
| Project works | 62,534 | 59,747 |
| Total Connections Project (inclusive of GST) | 62,534 | 59,747 |
| Total Capital expenditure commitments (inclusive of GST) | 67,481 | 64,566 |

These commitments are likely to fall within:

| | | |
|---|---------------|---------------|
| No later than 1 year | 36,247 | 33,266 |
| Later than 1 year and not later than 5 years | 31,234 | 30,228 |
| Later than 5 years | - | 1,072 |
| Total Property, plant and equipment (inclusive of GST) | 67,481 | 64,566 |

| <i>(b) Lease commitments</i> | 2013/14 | 2012/13 |
|--|---------------|---------------|
| <i>(i) Revenue commitments - lessor</i> | \$000 | \$000 |
| Nagambie Caravan Park | | |
| No later than 1 year | 392 | 381 |
| Later than 1 year and not later than 5 years | 1,689 | 1,640 |
| Later than 5 years | 28,760 | 29,201 |
| Total Non-cancellable operating lease revenue commitments | 30,841 | 31,222 |

| <i>(ii) Expenditure commitments - lessee</i> | 2013/14 | 2012/13 |
|--|---------------|---------------|
| | \$000 | \$000 |
| Non-cancellable operating lease commitments | | |
| No later than 1 year | 4,847 | 4,855 |
| Later than 1 year and not later than 5 years | 6,521 | 6,109 |
| Later than 5 years | 386 | 371 |
| Total Non-cancellable operating lease commitments | 11,754 | 11,335 |

The Corporation does not hold any finance lease liabilities.

| <i>(c) Other expenditure commitments</i> | 2013/14 | 2012/13 |
|---|---------------|---------------|
| | \$000 | \$000 |
| Environmental contribution (i) | 3,372 | 5,058 |
| Shepparton irrigation area | - | 5,323 |
| Connections Project | 34,955 | 23,812 |
| Nagambie Caravan Park | 15,421 | 15,611 |
| Other | 125 | - |
| Total Other expenditure commitments (inclusive of GST) | 53,872 | 49,804 |

These commitments are likely to fall within:

| | | |
|---|---------------|---------------|
| No later than 1 year | 36,854 | 31,012 |
| Later than 1 year and not later than 5 years | 2,599 | 4,192 |
| Later than 5 years | 14,419 | 14,600 |
| Total Other expenditure commitments (inclusive of GST) | 53,872 | 49,804 |

(i) GMW is committed to Environmental Contribution payments of \$1.686m per year for the period 2013/14 to 2015/16

Notes to the Financial Statements

Year Ended 30 June 2014

Note 17: Contingent Liabilities

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

| | 2013/14 | 2012/13 |
|---|---------------|---------------|
| | \$000 | \$000 |
| Connections Project | | |
| Verbally agreed with irrigators (i) | 41,255 | 28,289 |
| Total Contingent Liabilities - Connections Project | 41,255 | 28,289 |

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

Note 18: Superannuation

The Corporation contributes in respect of its employees, to the superannuation schemes of the Boards and Authorities listed below. The basis for the contributions are determined by the various funds or at the statutory rate for accumulation funds.

Contributions details are:

| | Paid contribution for the year | | Contribution outstanding at year end | |
|--|--------------------------------|--------------|--------------------------------------|------------|
| | 2013/14 | 2012/13 | 2013/14 | 2012/13 |
| | \$000 | \$000 | \$000 | \$000 |
| Defined Benefit Plans | | | | |
| State Employee Retirement Benefits Board | 74 | 96 | 26 | 20 |
| Vision Super | 218 | 159 | - | 14 |
| Emergency Services and State Superannuation Fund | 987 | 1,315 | 34 | 52 |
| Accumulation Fund | | | | |
| Vision Super Saver & Other accumulation funds | 4,378 | 3,655 | 241 | 129 |
| Total | 5,657 | 5,225 | 301 | 215 |

State Superannuation Schemes - Defined Benefit Funds

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

Vision Super Defined Benefit Plan

The Vision Super Defined Benefit Plan is a multi employer sponsored plan. GMW has responsibility for any unfunded liabilities in respect of employees who are members of the plan.

Vision Super Saver & Other Accumulation Funds

Vision Super and other Accumulation Funds receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9.25% for 2013/14; 9% for 2012/13). No further liability accrues to the employer as the superannuation benefits accruing to the employees are represented by their share of the assets of the fund. As at reporting date there were no loans to or from GMW to any of the above funds.

Notes to the Financial Statements

Year Ended 30 June 2014

Note 19. Responsible persons and executive officers disclosures

Names

The names of the persons who were responsible persons at any time during the financial year were:

| Minister: | Period of position held |
|---|-----------------------------|
| The Hon Peter Walsh MLA, Minister for Water | 1 July 2013 to 30 June 2014 |
| Directors of GMW: | |
| Llew Vale OAM (Chair) | 1 July 2013 to 30 June 2014 |
| Gavin Hanlon (Managing Director) | 1 July 2013 to 30 June 2014 |
| Ian Mansbridge | 1 July 2013 to 30 June 2014 |
| Peter McCamish | 1 July 2013 to 30 June 2014 |
| Dennis Moon | 1 July 2013 to 30 June 2014 |
| Neil Pankhurst | 1 July 2013 to 30 June 2014 |
| Dick Ranken | 1 July 2013 to 30 June 2014 |
| Sarah Scales | 1 July 2013 to 30 June 2014 |
| Barry Steggall | 1 July 2013 to 30 June 2014 |
| Frank Whitford | 1 July 2013 to 30 June 2014 |

Remuneration

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 of Board Members:

Where appropriate individual and total remuneration figures include payment of entitlements, termination payments and bonuses.

Payments were made to individual directors within the following bands:

| Remuneration Band | Number of Directors | |
|--------------------------|---------------------|------------------|
| | 2013/14 | 2012/13 |
| \$30,000 to \$39,999 | - | 2 |
| \$40,000 to \$49,999 | 7 | 7 |
| \$50,000 to \$59,999 | 1 | - |
| \$90,000 to \$99,999 | - | 1 |
| \$100,000 to \$109,999 | 1 | - |
| \$310,000 to \$319,999 | - | 1 |
| \$370,000 to \$379,999 | 1 | - |
| Total amount (\$) | \$843,777 | \$790,321 |
| Total numbers | 10 | 11 |

Transactions with directors:

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

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

Notes to the Financial Statements

Year Ended 30 June 2014

Remuneration of executive officers and other personnel:

Executive officers

Remuneration received, or due and receivable from GMW in connection with the management of GMW (includes termination payments and bonuses paid). The base remuneration is exclusive of bonus payments, termination payments and retirement benefits. Where an executive resigns or terminates during the year base remuneration is disclosed on a pro-rata basis.

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

| Income band | Total Remuneration | | Base Remuneration | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2013/14 | 2012/13 | 2013/14 | 2012/13 |
| \$140,000 to \$149,999 | - | - | - | 2 |
| \$150,000 to \$159,999 | 1 | - | 1 | - |
| \$160,000 to \$169,999 | 1 | 1 | - | 1 |
| \$170,000 to \$179,999 | - | 1 | 1 | - |
| \$180,000 to \$189,999 | - | 1 | - | 1 |
| \$190,000 to \$199,999 | - | 1 | 1 | 1 |
| \$200,000 to \$209,999 | 1 | - | - | 1 |
| \$210,000 to \$219,999 | - | 1 | 1 | - |
| \$220,000 to \$229,999 | - | 1 | 1 | 1 |
| \$230,000 to \$239,999 | 2 | - | - | 1 |
| \$240,000 to \$249,999 | - | - | 2 | - |
| \$250,000 to \$259,999 | - | 1 | - | - |
| \$260,000 to \$269,999 | - | 1 | - | - |
| \$270,000 to \$279,999 | 2 | - | - | - |
| \$280,000 to \$289,999 | - | - | - | 1 |
| \$310,000 to \$319,999 | - | 1 | - | - |
| \$320,000 to \$329,999 | 1 | - | - | - |
| Total amount (\$) | \$1,868,899 | \$1,991,089 | \$1,444,599 | \$1,770,206 |
| Total numbers (i) | 8 | 9 | 7 | 9 |
| Total annualised employee equivalent (i) | 8 | 9 | 7 | 9 |

(i) 1 person had base remuneration lower than \$100,000 but total remuneration above \$100,000 for 2013/14.

Payments to other personnel

The number of contractors charged with significant management responsibilities are disclosed within the \$10,000 band below. The contractors are responsible for planning, directing or controlling, directly or indirectly, the entity's activities.

| Expense band | Total Expenses (exclusive of GST) | |
|--|-----------------------------------|------------------|
| | 2013/14 | 2012/13 |
| \$180,000 to \$189,999 (i) | 1 | - |
| \$370,000 to \$379,999 | - | 1 |
| Total expenses (exclusive of GST) | \$187,687 | \$375,686 |

(i) The lower amount in 2013-14 resulted from the contract ending during the 2013/14 year.

Notes to the Financial Statements

Year Ended 30 June 2014

Note 20: Cash flow information

| | 2013/14 | 2012/13 |
|---|----------------|----------------|
| | \$000 | \$000 |
| (a) Reconciliation of cash and cash equivalents | | |
| Cash, bank balances and deposits | 189,147 | 67,204 |
| Balance per cash flow statement | 189,147 | 67,204 |
| | | |
| | 2013/14 | 2012/13 |
| | \$000 | \$000 |
| (b) Reconciliation of net profit/(loss) for the year to net cash flows from operating activities | | |
| Net profit/(loss) for the period before tax | (55,486) | (44,044) |
| Non-cash movements: | | |
| (Gain)/loss on sale or disposal of non-current assets | 12,888 | 8,741 |
| Depreciation and amortisation of non-current assets | 70,333 | 69,573 |
| Impairment of non-current assets | 928 | 588 |
| Movements in assets and liabilities: | | |
| (Increase)/decrease in receivables | 24,332 | (44,339) |
| (Increase)/decrease in inventories | (355) | (914) |
| (Increase)/decrease in other non-financial assets | 2,725 | (3,741) |
| Increase/(decrease) in payables | (7,440) | 8,006 |
| Increase/(decrease) in provisions | 754 | 482 |
| Increase/(decrease) in other liabilities | 69,058 | 300 |
| Net cash flows from/(used in) operating activities | 117,737 | (5,348) |
| | | |
| (c) Cash balances with restrictions over their use | | |
| Funds held to finance externally funded projects - Water Storage & Delivery | 7,937 | 10,432 |
| Funding received in advance - Connections Project | 93,943 | - |
| | | |
| (d) Financing facilities | | |
| Unused borrowings | 53,100 | 23,500 |

Note 21: Auditor Remuneration

| | 2013/14 | 2012/13 |
|---|------------|------------|
| | \$000 | \$000 |
| External Audit - Victorian Auditor General's Office | 185 | 185 |
| Internal Audit | 194 | 326 |
| Total Audit fees | 379 | 511 |

Notes to the Financial Statements

Year Ended 30 June 2014

Note 22: Financial risk management objectives and policies

| | 2013/14 \$000 | 2012/13 \$000 | |
|--|--|----------------------------|----------------|
| (a) Categorisation of financial instruments | | | |
| Financial Assets and Liabilities | | | |
| Cash and cash equivalents | 189,147 | 67,204 | |
| Contractual receivables | 32,810 | 66,310 | |
| Financial Instruments - Amortised cost | | | |
| Contractual payables | (34,496) | (44,508) | |
| Borrowings | (139,450) | (140,951) | |
| | Total interest income / (expense) | Impairment loss | Total |
| Net gain/(loss) on holding of financial instruments (i) | | | |
| 2014 | | | |
| Financial Instruments | (6,722) | - | (6,722) |
| Total | (6,722) | - | (6,722) |
| 2013 | | | |
| Financial Instruments | (4,929) | - | (4,929) |
| Total | (4,929) | - | (4,929) |

(i) Does not include statutory receivables or statutory payables

(b) Credit risk

Credit risk arises from the contractual financial assets of the Corporation, which comprise cash and deposits and non-statutory receivables. The Corporation's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Corporation. Credit risk is measured at fair value and is monitored on a regular basis.

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 variable 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 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 GMW 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 are not protected under the Act. There has been no material bad debt in this area in recent years. An analysis of the ageing of receivables at reporting date has been provided in note 6.

(c) Liquidity risk

Liquidity risk is the risk that the Corporation would be unable to meet its obligations as and when they fall due. The Corporation operates under the Government fair payments policy of settling financial obligations in 30 days and in the event of dispute, making payments within 30 days of the date of resolution. The Corporation's maximum exposure to liquidity risk is the carrying of amounts of financial liabilities as disclosed on the face of the balance sheet. The Corporation manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities and by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and financial liabilities. Refer note 10 to review the ageing analysis of payables. Given the above, liquidity risk is not considered a material risk.

(d) Market risk

Foreign currency risk

There is no exposure to foreign currency risk.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. GMW does not hold any interest bearing financial instruments that are measured at fair value, therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. GMW has minimal exposure to cash flow interest rate risks through its cash and deposits which are at a floating rate.

| Interest rate exposure of financial instruments | \$000 | | | | |
|---|---|-----------------------------|---------------------------|------------------------------|--------------------------------------|
| | Weighted average % interest rate | Carrying Amount \$000 | Fixed interest rate | Variable interest rate | Non- interest bearing \$000 |
| 2014 | | | | | |
| Cash | 2.7% | 189,147 | - | 2.7% | - |
| Contractual receivables | 7.6% | 32,810 | 7.6% | 0.0% | 22,640 |
| Contractual payables | 0.0% | (34,496) | - | 0.0% | (34,496) |
| Borrowings | 6.4% | (139,450) | 4.3% to 7.4% | 0.0% | - |
| Total | | 48,011 | | | (11,856) |
| 2013 | | | | | |
| Cash | 2.8% | 67,204 | - | 2.8% | - |
| Contractual receivables | 10.0% | 66,310 | 10.0% | - | 59,040 |
| Contractual payables | 0.0% | (44,508) | - | - | (44,508) |
| Borrowings | 6.4% | (140,951) | 4.3% to 7.4% | - | - |
| Total | | (51,945) | | | 14,532 |

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

Notes to the Financial Statements

Year Ended 30 June 2014

(e) Sensitivity disclosure analysis and assumptions

| | Interest rate risk | | | | |
|------------------------------------|--------------------|--------------------|---------------|---------------------|---------------|
| | Total | 0.5% Profit | Equity | -0.5% Profit | Equity |
| 2014 | | | | | |
| Financial Assets | \$000 | \$000 | \$000 | \$000 | \$000 |
| Cash | 189,147 | 946 | 946 | (946) | (946) |
| Contractual receivables | 32,810 | - | - | - | - |
| Total Financial Assets | 221,957 | 946 | 946 | (946) | (946) |
| Financial Liabilities | | | | | |
| Contractual Payables | (34,496) | - | - | - | - |
| Borrowings | (139,450) | (697) | (697) | 697 | 697 |
| Total Financial Liabilities | (173,946) | (697) | (697) | 697 | 697 |
| Total increase (decrease) | 48,011 | 248 | 248 | (248) | (248) |
| | Total | 0.5% Profit | Equity | -0.5% Profit | Equity |
| 2013 | | | | | |
| Financial Assets | \$000 | \$000 | \$000 | \$000 | \$000 |
| Cash | 67,204 | 336 | 336 | (336) | (336) |
| Contractual receivables | 66,310 | - | - | - | - |
| Total Financial Assets | 133,514 | 336 | 336 | (336) | (336) |
| Financial Liabilities | | | | | |
| Contractual payables | (44,508) | - | - | - | - |
| Borrowings | (140,951) | (705) | (705) | 705 | 705 |
| Total Financial Liabilities | (185,459) | (705) | (705) | 705 | 705 |
| Total increase and decrease | (51,945) | (369) | (369) | 369 | 369 |

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

(f) Fair value management

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

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

| Carrying amounts and fair value of financial assets and financial liabilities (i) | 30 June 2014 | | 30 June 2013 | |
|---|-----------------|----------------|------------------|------------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial Assets | | | | |
| Cash and cash equivalents | 189,147 | 189,147 | 67,204 | 67,204 |
| Receivables | 32,810 | 32,810 | 66,310 | 66,310 |
| Total Financial Assets | 221,957 | 221,957 | 133,514 | 133,514 |
| Financial Liabilities | | | | |
| Payables | 34,496 | 34,496 | (44,508) | (44,508) |
| Borrowings | 139,450 | 139,450 | (140,951) | (140,951) |
| Total Financial Liabilities | 173,946 | 173,946 | (185,459) | (185,459) |

(i) Does not include statutory receivables or statutory payables

Note 23: Subsidiary

GMW has a wholly owned non operating subsidiary Watermove Pty Ltd, which ceased trading in August 2012. Watermove Pty Ltd is not trading and balances are immaterial to the financial statements.

Note 24: Events after the reporting date

No material events have occurred after the reporting date.

Statutory Certification

The attached financial statements for Goulburn Murray Rural Water Corporation have been prepared in accordance with Standing Directions 4.2 of the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the statement of comprehensive income balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2014 and the financial position of the Corporation at 30 June 2014.

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

We authorise the attached financial statements for issue on 19 August 2014.



Llew Vale OAM
Chairman



Gavin Hanlon
Managing Director



John Calleja
Chief Financial Officer

19 August 2014

Independent Auditor's Report

VAGO

Victorian Auditor-General's Office

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INDEPENDENT AUDITOR'S REPORT

To the Board Members, Goulburn Murray Rural Water Corporation

The Financial Report

The accompanying financial report for the year ended 30 June 2014 of the Goulburn Murray Rural Water Corporation which comprises the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the statutory certification has been audited.

The Board Members' Responsibility for the Financial Report

The Board Members of the Goulburn Murray Rural Water Corporation are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from 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 financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about 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.

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.

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 2014 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Goulburn Murray Rural Water Corporation for the year ended 30 June 2014 included both in the Goulburn Murray Rural Water Corporation's annual report and on the website. The Board Members of the Goulburn Murray Rural Water Corporation are responsible for the integrity of the Goulburn Murray Rural Water Corporation's website. I have not been engaged to report on the integrity of the Goulburn Murray Rural Water Corporation's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
29 August 2014


John Doyle
Auditor-General

Performance Report

| Financial Performance Indicator | | | | | | | | |
|---------------------------------|---|----------------|----------------|----------------|------------------------|-------|--------------------|-------|
| KPI | Key Performance Indicator | 2012-13 Result | 2013-14 Result | 2013-14 Target | Variance to prior year | Notes | Variance to target | Notes |
| F1 | Cash Interest Cover Net operating cash flows before net interest and tax/net interest payments | 0.04 | 22.38 | 2.3 | 55850.00% | 1 | 870.62% | 1 |
| F2 | Gearing Ratio Total debt / total assets*100 | 3.00% | 3.00% | 3.40% | 0.00% | | 11.66% | 5 |
| F3 | Internal Financing Ratio Net operating cash flow less dividends/ net capital expenditure*100 | -6.00% | 157.00% | 11% | 2716.67% | 2 | 1387.64% | 2 |
| F4 | Current Ratio Current assets/current liabilities (excluding long term employee provisions and revenue in advance) | 2.86 | 5.12 | 0.38 | 79.02% | 3 | 1239.57% | 3 |
| F5 | Return on Assets Earnings before net interest and tax/ average assets*100 | -1.00% | -1.00% | -2.2% | 0.00% | | 54.82% | 6 |
| F6 | Return on Equity Net profit after tax/average total equity*100 | -1.00% | -1.00% | -1.63% | 0.00% | | 38.58% | 7 |
| F7 | EBITDA Margin Earnings before Interest, Tax, Depreciation and Amortisation/total revenue*100 | 13.00% | 10.00% | 2.01% | -23.08% | 4 | 396.72% | 8 |

Notes to this table:

- Cash Interest Cover is significantly better than the prior year and target due to strong operating cash flows due to lower payments to landowners by the Connections Project reflecting timing of achievement of landholder agreements combined with positive operating cash flows from the Water Storage & Delivery business. Earlier receipt of funding for Stage 2 of the Connections Project than expected has resulted in lower net interest costs.
- The Internal Financing Ratio is better than target due to stronger operating cash flows as per Note 1 combined with lower capital expenditure spend in 2013-14 compared to 2012-13 and target.
- The Current Ratio has improved due to higher current assets at 30 June 2014 due mainly to increased cash holdings as well as lower current liabilities due mainly to lower payables.
- EBITDA Margin is lower than the prior year mainly due to higher variable revenue (and resulting earnings) in 2012-13 due to unbudgeted high water deliveries and spillable water revenue. In 2013-14 variable revenue was closer to expectations. GMW is continuing to explore opportunities to reduce costs so as to improve its EBITDA result.
- The Gearing Ratio has improved compared to target due to lower debt as a result of stronger operating cash flows, lower capital expenditure and higher total assets at 30 June 2014 compared to target.
- Improved Return on Assets is due to improved earnings compared to target mainly due to lower expenditure plus higher assets due to increased cash holdings at 30 June 2014. Return on Assets is negative as GMW reports a net loss before net interest and tax due to the annual depreciation expense which was \$70.3m in 2013-14.
- Return on Equity is higher than target due to improved earnings compared to target mainly due to lower expenditure. Return on Equity is negative as GMW reports a net loss after tax due to the annual depreciation expense which was \$70.3m in 2013-14.
- The EBITDA Margin is significantly better than target due to higher earnings as a result of lower expenditure than expected.

| Water Performance Indicators | | | | | | | | |
|------------------------------|--|----------------|----------------|----------------|------------------------|-------|--------------------|-------|
| KPI | Key Performance Indicator | 2012-13 Result | 2013-14 Result | 2013-14 Target | Variance to prior year | Notes | Variance to target | Notes |
| WSR1 | Rural water supply deliveries Number of orders delivered/total number of orders*100 | 97.3 | 97.10 | 96.8 | -0.21% | | 0.31% | |
| WSR2 | Unavailability of Domestic and Stock Supply Duration that domestic and stock service is unavailable in excess of on-property storage | 0.00% | 0.00% | 1.50% | 0.00% | | -100.00% | 1 |
| WSR3 | Groundwater supply Number of transfers processed within target period/total number of transfers processed*100 | 87.0% | 100.0% | 63% | 14.94% | 2 | 58.73% | 2 |

Notes to this table:

- Despite being shown as a negative variance, the 2013-14 result is a positive result.
- Greater focus and improved processes enabled the business to process transfers more expeditiously.

Performance Report Certification

| Customer Responsiveness Performance Indicators | | | | | | | | |
|--|--|----------------|----------------|----------------|------------------------|-------|--------------------|-------|
| KPI Number | Key Performance Indicator | 2012-13 Result | 2013-14 Result | 2013-14 Target | Variance to prior year | Notes | Variance to target | Notes |
| CR4 | Billing Complaints No. of complaints per 100 customers | 0.033 | 0.024 | 0.018 | -27.27% | 1 | 33.33% | 1 |

Notes to this table:

1. Despite being shown as a negative variance, the 2013-14 result is an improvement from 2012-13. GMW continues to engage with customers and improve services and processes to minimise customer complaints.

| Environmental Performance Indicators | | | | | | | | |
|--------------------------------------|--|----------------|----------------|----------------|------------------------|-------|--------------------|-------|
| KPI Number | Key Performance Indicator | 2012-13 Result | 2013-14 Result | 2013-14 Target | Variance to prior year | Notes | Variance to target | Notes |
| E2 | Total net CO2 emissions Net tonnes Co2 equivalent | 14,579 | 12,858 | 12,297 | -11.80% | 1 | 4.56% | |

Notes to this table:

1. 4.73% of emissions are attributed to new and modernised energy consuming assets that are additional to original assets incorporated in the baseline data for targets.

We certify that the accompanying Performance Report of Goulburn-Murray Rural Water Corporation in respect of the 2013-14 financial year is presented fairly in accordance with the *Financial Management Act 1994*.

The Performance Report outlines the relevant performance indicators for the financial year as determined by the Minister for Water and as set out in the 2013-14 Corporate Plan, the actual and comparative results achieved for the financial year against predetermined performance targets and these indicators, and an explanation of any significant variance between the actual results and performance targets and/or between the actual results in the current year and the previous year.

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



Llew Vale OAM
Chairman



Gavin Hanlon
Managing Director



John Calleja
Chief Financial Officer

Dated this 19th day of August 2014

Independent Auditor's Report

VAGO

Victorian Auditor-General's Office

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INDEPENDENT AUDITOR'S REPORT

To the Board Members, Goulburn Murray Rural Water Corporation

The Performance Report

The accompanying performance report for the year ended 30 June 2014 of the Goulburn Murray Rural Water Corporation which comprises the performance report, the related notes and the certification has been audited.

The Board Members' Responsibility for the Performance Report

The Board Members of 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* and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the performance report that is free from material misstatement, whether due to fraud or error.

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. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about 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.

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.

Opinion

In my opinion, the performance report of the Goulburn Murray Rural Water Corporation in respect of the 30 June 2014 financial year presents fairly, in all material respects, and in accordance with the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Performance Report

This auditor's report relates to the performance report of the Goulburn Murray Rural Water Corporation for the year ended 30 June 2014 included both in the Goulburn Murray Rural Water Corporation's annual report and on the website. The Board Members of the Goulburn Murray Rural Water Corporation are responsible for the integrity of the Goulburn Murray Rural Water Corporation's website. I have not been engaged to report on the integrity of the Goulburn Murray Rural Water Corporation's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the performance report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance report to confirm the information contained in the website version of the performance report.

MELBOURNE
29 August 2014


John Doyle
Auditor-General

Appendix A1 Bulk Entitlement (Eildon - Goulburn Weir) Reporting

This appendix is included in the Goulburn-Murray Water 2013/14 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 2013 to 30 June 2014. Hydrographic data has been used where available, operational data has been used where hydrographic data was not available.

| BE Clause | Item | Report | Notes |
|---|---|---|------------------------|
| 17.1(d) | Annual volume taken from waterway at Goulburn Weir offtake channels | | See Note 1 |
| | Cattanach Canal | 267,807 ML | |
| | Stuart Murray Canal | 651,478 ML | |
| | East Goulburn Main Channel | 196,356 ML | |
| | Total Goulburn Weir offtake diversion | 1,115,641 ML | |
| 17.1(da) | Distribution loss in Goulburn Irrigation Districts | | |
| | Shepparton | 25,578 ML | |
| | Central Goulburn | 76,720 ML | |
| | Rochester/ Pyramid Hill/ Boort | 76,681 ML | |
| | Total distribution loss | 178,979 ML | |
| 17.1(e)(i) | Diversion by primary entitlement holders taken directly from waterway | | |
| | Private River Diverters | 21,551 ML | |
| | Normanville WWD | 318 ML | |
| | East Loddon WWD | 638 ML | |
| | West Loddon WWD | 231 ML | |
| | Tungamah WWD | 163 ML | |
| 17.1(e)(ii) | Diversion from Bulk Entitlement by other authorities | See Appendix A2 | |
| 17.1(g) | Storage contents | | Volume at 30 June 2014 |
| | Lake Eildon | 2,421,454 ML | |
| | Goulburn Weir | 24,518 ML | |
| | Waranga Basin | 258,807 ML | |
| | Greens Lake | 20,370 ML | |
| 17.1(h) | Additional releases from Lake Eildon as per Schedule 5 | 0 ML | See Note 2 |
| 17.1(i) | Credits granted | No | |
| 17.1(j) | Temporary or permanent transfers of this BE | None | |
| 17.1(k) | Transfer of entitlement or allocation under the Act | None | |
| 17.1(l) | Regulated releases for Inter Valley Trade, Murray Supplement or the Water Quality Reserve | 124,925 ML | See Note 3 |
| 17.1(m) | Alterations to Schedule 1, 2A and 3 entitlements | | |
| | Water Shares | see 17.1 (n) and (p) | |
| | Urban Bulk Entitlements | see 17.1 (p) | |
| | Environmental Bulk Entitlements | see 17.1 (p) | |
| 17.1(n) | Details of transfers of primary entitlements | See appendices B4 & B5 for transfer details of water shares | |
| 17.1(o) | Supply to primary entitlements | | See Note 4 |
| | Water Shares in Irrigation Areas | 768,097 ML | |
| | Water Shares of Private River Diverters | As for 17.1(e)(i) | |
| | Urban Bulk entitlements | As for 17.1(e)(ii) See Appendix A2 | |
| | Melbourne Water Authorities | As for 17.1(e)(ii) See Appendix A2 | |
| | Victorian Environmental Water Holder | As for 17.1(e)(ii) plus 321,737 ML | |
| | Normanville WWD | 165 ML | |
| | East Loddon WWD | 124 ML | |
| | West Loddon WWD | As for 17.1(e)(i) | |
| | Tungamah WWD | 272 ML | |
| Total supply to primary entitlements | 1,184,232 ML | | |
| 17.1(p) | Amendments to this BE | Yes | See Note 5 |
| 17.1(q) | New BE granted for supply of primary entitlements in this BE | No | |
| 17.1(r) | Environmental Management and Metering programs | Programs implemented | See Note 6 |
| 17.1(s) | BE compliance failures | No | |
| 17.1(t) | BE compliance difficulties and responses | No | |

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 | Channel System Zone 1A | 7,191 | 5,095 | |
| | River Supply Zone 1A | 7,679 | 2,902 | |
| | River Supply Zone 3 | 18,620 | 11,752 | |
| | TOTAL | 33,490 | 19,749 | |
| Coliban Water | Channel system Zone 1A | 1,980 | 1,264 | |
| | Channel system Zone 1B | 440 | 198 | |
| | TOTAL | 2,420 | 1,462 | |
| Grampians Wimmera Mallee Water | Quambatook | 100 | 81 | |
| | TOTAL | 100 | 81 | |
| Melbourne Bulk Entitlements | City West Water, South East Water and Yarra Valley Water | NA | 7 | |
| | TOTAL | 0 | 7 | |
| Victorian Environmental Water Holder | Snowy Environmental Reserve | 16,812 | 0 | |
| | Living Murray Water - high-reliability | 39,625 | 0 | |
| | Living Murray Water - low-reliability | 156,980 | 0 | |
| | Goulburn River Entitlements | 1,432 | 0 | |
| | Environmental Entitlement NVIRP savings | NA | 0 | |
| | TOTAL | 214,849 | 0 | See Note 1 |
| TOTAL AUTHORITIES (ML) | | 250,859 | 21,299 | |

Notes to this table:

- This figure only includes diversions from the waterway, in stream deliveries are included in Appendix A1 17.1(o).

Notes to Appendix A1 Bulk Intitlement table on opposite page:

- Volumes 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
- There were no releases made from Lake Eildon under target filling arrangements in season 2013/14.
- This is the release for delivery of the Goulburn Inter Valley Trade Account. There were no releases from the Goulburn Water Quality Reserve or for Murray supplement in season 2013/14.
- Normanville WWD includes delivery for Normanville and Catumnal. Delivery for Quambatook and Mysia is reported under 17.1(e)(ii) in Appendix A2. East Loddon Water Works District delivery is only for water allowances, supply to Coliban Water is reported under 17.1(e)(ii) in Appendix A2. West Loddon WWD delivery and diversion are equal.
- There was one amendment made to this BE during season 2013/14.
- Environmental Management: Programs are coordinated with Goulburn-Murray Water's Environmental Management System (ISO 14001-certified). The Minister for Water approved the updated Metering Program for all Bulk Entitlements held by GMW in 2011.

Appendix A3 Bulk Entitlement

(River Murray - Goulburn Murray Water) Reporting

*This appendix is included in the Goulburn-Murray Water 2013/14 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 2013 to 30 June 2014. Hydrographic data has been used where available, operational data has been used where hydrographic data was not available.

| BE Clause | Item | Report | | Notes |
|--------------------------------|---|--|---------------------|-------------------|
| 22.1(b) | Off-take points | | | |
| | Cobram pump station | | 4,431 ML | See Note 1 |
| | Yarrawonga Main Channel | | 299,353 ML | See Note 1 |
| | National Channel | | 657,504 ML | |
| | Ashwin's pump | | 0 ML | |
| | Pental Island pumps | | 550 ML | |
| | Swan Hill No 9 channel off-take from Little Murray (if Fish Point Weir open) | | 13,402 ML | See Note 2 |
| | Swan Hill pumps | | 11,262 ML | |
| | Nyah pumps | | 5,586 ML | |
| | Woorinen pumps | | 13,350 ML | |
| | River Diversion Points | | | |
| | Private Pental Island diverters (if Fish Point Weir open) | | 276 ML | |
| | Environmental River diversion | | 4,742 ML | |
| | Urban River diversion | | 22,526 ML | |
| Private River diversion points | | 39,566 ML | | |
| | Total diversions at off-take points | | 1,072,548 ML | |
| 22.1(c) | New off-take points | | No | |
| 22.1(d) | Return points | | | |
| | Broken Creek | | 3,530 ML | |
| | Yarrawonga Main Channel outfall | | 21,380 ML | |
| | Koondrook spillway | | 115,593 ML | |
| | Loddon River at Kerang Weir | | 77,755 ML | |
| | Sheepwash Creek Weir | | 0 ML | |
| | Little Murray Weir (if Fish Point Weir closed) | | 23,656 ML | See Note 2 |
| | 6/7 channel outfall (if Fish Point Weir open) | | 5,014 ML | See Note 2 |
| | Lake Boga outfall channel (if Fish Point Weir open) | | 3,605 ML | See Note 2 |
| | Barr Creek at Capel's Crossing | | 18,869 ML | |
| | Lake Charm outfall channel | | 1,768 ML | |
| | | Total returns | | 271,170 ML |
| 22.1(e) | GMW supplies to bulk entitlements held by other authorities | BE Volume | Supplied | See Note 3 |
| | Coliban Water | 6,285 ML | 4,268 ML | |
| | Lower Murray Water | 30,971 ML | 4,688 ML | |
| | Goulburn Valley Water | 3,735 ML | 4,137 ML | |
| | Melbourne Water Authorities | NA | 0 ML | |
| | North East Water | 13,236 ML | 8,294 ML | |
| | Victorian Environmental Water Holder | | | |
| | Snowy Environmental Reserve | 29,794 ML | NA | |
| | Flora and Fauna | 27,600 ML | 4,742 ML | |
| | Living Murray | 5,710 ML | 25,153 ML | |
| | Other | NA | 173,921 ML | See Note 4 |
| | Total supplies to Bulk Entitlements | | 225,203 ML | |
| 22.1(f) | GMW supplies to primary entitlement holders excluding bulk entitlements in (e) | | | |
| | Murray Valley Irrigation Area | | 222,427 ML | |
| | Torrumbarry irrigation Area | | 302,296 ML | |
| | Nyah, Tresco and Woorinen | | 20,747 ML | |
| | Private River Diverters | | As for 22.1(b) | |
| | Environmental Water Holder (non BE water) | | 0 ML | |
| | | Total supplies to primary entitlement holders excluding bulk entitlements | | 585,312 ML |
| 22.1(g) | Metering program | | Program implemented | See Note 5 |
| 22.1(h) | Temporary or permanent transfers of this BE or primary entitlements | No transfers of this BE, see appendices B2, B4 and B5 for trades | | |
| 22.1(i) | Transfer of entitlement or allocation under the Act to GMW or primary entitlement holders | No transfers to this BE, see appendices B2, B4 and B5 for trades | | |
| 22.1(j) | Amendment to this BE | | Yes | See Note 6 |
| 22.1(k) | New BE granted to GMW for River Murray | | No | |
| 22.1(l) | BE compliance failures | | No | |
| 22.1(m) | BE compliance difficulties and actions | | No | |
| 22.1(n) | Murray Valley Losses | | 41,881 ML | See Note 7 |
| | Torrumbarry Losses | | 80,957 ML | |
| | Victoria Mid Murray Storage losses | | 38,788 ML | |
| 22.1(o) | Victoria Mid Murray Storage annual operating plan | | Implemented | See Note 8 |

Appendix A4 Bulk Entitlement

(Campaspe System - Goulburn Murray Water) Reporting

*This appendix is included in the Goulburn-Murray Water 2013/14 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 2013 to 30 June 2014. Hydrographic data has been used where available, operational data has been used where hydrographic data was not available.

| BE Clause | Item | Report | Notes |
|-----------|--|---|------------|
| 18.1(e) | GMW share of Lake Eppalock annual inflow | 79,629 ML | |
| 18.1(f) | Annual amounts taken from the system waterway for primary entitlements listed in Schedules 1 and 2 | | |
| | Water shares | 10,097 ML | |
| | Supplement to Goulburn system | 0 ML | |
| | Victorian Environmental Water Holder | 0 ML | See Note 1 |
| | Coliban Water | 55 ML | |
| | Total diversion | 10,152 ML | |
| | Campaspe Inter Valley Trade Account delivery | 17,922 ML | |
| 18.1(g) | Annual evaporation losses to GMW share of Lake Eppalock | 26,795 ML | See Note 2 |
| 18.1(h) | Internal spills from or to GMW's share of storage | 3,089 ML from GMW's share | |
| 18.1(i) | Minimum passing flows | Minimum passing flows not provided to the Campaspe River were recorded in the Passing Flow Account as required by clause 11 of the Bulk Entitlement | |
| 18.1(j) | Credits granted | No | |
| 18.1(k) | Temporary or permanent transfers of this BE | None | |
| 18.1(l) | Transfer of entitlement or allocation under the Act | None | |
| 18.1(m) | Seasonal determinations in any month | 1 July 2013 - 100% HRWS & 0% LRWS 1 Oct 2013 - 100% HRWS & 13% LRWS 15 Oct 2013 - 100% HRWS & 38% LRWS 16 Dec 2013 - 100% HRWS & 46% LRWS | |
| 18.1(n) | Alterations to Schedule 1 and 2 entitlements | | |
| | Water shares | See 18.1(o) and (q) | |
| | Coliban Water | See 18.1(o) | |
| | Victorian Environmental Water Holder | See 18.1(q) | |
| 18.1(o) | Details of transfers of primary entitlements | See appendices B4 & B5 for transfer details of water shares | |
| 18.1(p) | Supply to primary entitlements | As for 18.1(f) excluding the supplement diversion plus | See Note 3 |
| | Victorian Environmental Water Holder | 11,676 ML | |
| | Living Murray | 1,768 ML | |
| | Total supply to primary entitlements | 23,596 ML | |
| 18.1(q) | Amendments to this BE | Yes | See Note 4 |
| 18.1(r) | New BE granted | No | See Note 4 |
| 18.1(s) | Environmental Management and Metering programs | Programs implemented | See Note 5 |
| 18.1(t) | BE compliance failures | Minor | See Note 6 |
| 18.1(u) | BE compliance difficulties and response | Yes | See Note 7 |
| 18.1(v) | Details of interruptions to minimum passing flows | Yes | See Note 7 |

Notes to this table:

- This figure only includes diversions from the waterway, instream deliveries are included in 18.1(p).
- Gross evaporation based on measured evaporation at Lake Eppalock.
- As there are no irrigation areas or districts in the Campaspe system the volume of diversion and delivery are the same, with the exception of environmental water delivered instream and the supplement provided to the Goulburn System.
- There was one amendment made to this BE during season 2013/14.
- Environmental Management: Programs are coordinated with Goulburn-Murray Water's Environmental Management System (ISO 14001 certified). The Minister for Water approved the updated Metering Program for all Bulk Entitlements held by GMW in 2011.
- In August 2013, flows downstream of Lake Eppalock were below the required flow for four days and in June 2014, the flow downstream of Lake Eppalock was below the required flow for one day.
- Due to maintenance works at Lake Eppalock, the flow downstream of Lake Eppalock was less than the required flow for three days in May and one day in June. On 18 September, due to an operational issue with the outlet valve, the flow downstream of Lake Eppalock was less than the required flow. Minimum passing flows not provided were credited to the Passing Flow Account for later use.

Notes to Appendix A3 Bulk Entitlement table on opposite page:

- Cobram pump station has been operational since August 2006, but is not yet recognised as a new off-take point in the BE. A new measuring site for the Yarrawonga Main Channel oftake is now in use.
- Recognition of off-take diversions and returns depends on status of Fish Point Weir (as indicated).
- Volume includes water supplied through GMW's channel distribution system, rivers and wetlands. Includes the Environmental and Urban diversion volumes reported in 22.1(b).
- This volume includes water shares held by Victorian Environmental Water Holder and Commonwealth Environmental Water Office which were traded into ABAs linked to Environmental Bulk Entitlements. Some of the water used was credited as return flows for further use downstream.
- The Minister for Water approved the updated Metering Program for all Bulk Entitlements held by GMW in 2011.
- There was one amendment made to this BE during season 2013/14.
- The losses attributed to the operation of the VMMS are based on the fixed distribution loss and the net evaporation from Kow Swamp, Kangaroo Lake, Lake Charm and Lake Boga. The losses for the Murray Valley and Torrumbarry Irrigation Areas are based on water balance calculations of the irrigation areas, using diversions, deliveries and returns.
- The Victorian Mid-Murray Storages Annual Operating Plan was submitted in July 2013.

Appendix A5 Bulk Entitlement

(Broken System - Goulburn-Murray Water) Reporting

This appendix is included in the Goulburn-Murray Water 2013/14 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 2013 to 30 June 2014. Hydrographic data has been used where available, operational data has been used where hydrographic data was not available.

| BE Clause | Item | Report | Notes |
|-----------|--|---|-----------------------|
| 20.1(e) | Annual amounts taken from the system waterway for Schedules 1 and 2 primary entitlements | | |
| | Water shares (excluding Broken creek) | 4,883 ML | |
| | North East Water | 105 ML | |
| | Supplement to Goulburn or Murray systems | 0 ML | |
| | Diversions to Broken Creek | 3,761 ML | |
| | Total diversions | 8,748 ML | |
| 20.1(f) | Annual evaporation losses from Lake Nillahcootie | 3,726 ML | See Note 1 |
| 20.1(g) | Environmental minimum flows | Environmental minimum flows were provided as specified in clause 12 of the Bulk Entitlement | See Note 2 and Note 7 |
| 20.1(h) | Credits granted | No | |
| 20.1(i) | Temporary or permanent transfers of this BE | None | |
| 20.1(j) | Transfer of entitlement or allocation under the Act | None | |
| 20.1(k) | Alterations to Schedule 1 and 2 entitlements | | |
| | Water shares | See 20.1 (l) and (n) | |
| | North East Water | See 20.1 (n) | |
| 20.1(l) | Details of transfers of primary entitlements | See appendices B4 & B5 for transfer details of water shares | |
| 20.1(m) | Supply to primary entitlements | As for water shares and North East Water diversions in 20.1 (e) plus | See Note 3 |
| | Broken Creek | 617 ML | |
| | Commonwealth water shares | 122 ML | |
| | Total supply to primary entitlements | 5,726 ML | |
| 20.1(n) | Amendments to this BE | Yes | See Note 4 |
| 20.1(o) | New BE granted for supply of primary entitlements in this BE | No | |
| 20.1(p) | Environmental Management and Metering programs | Programs implemented | See Note 5 |
| 20.1(q) | BE compliance failures | Yes | See Note 6 |
| 20.1(r) | BE compliance difficulties and response | Yes | See Note 7 |
| 20.1(s) | Details of interruptions to minimum passing flows | Yes | See Note 8 |

Notes to this table:

- Gross evaporation based on measured evaporation at Lake Nillahcootie.
- An amendment to the Bulk Entitlement occurred in June 2014 to formalise the changes to the compliance sites which were needed due to the removal and relocation of some river gauges in the Broken system. The Broken River at Moorngag compliance site (Sl. 404206) was replaced with the Broken River downstream Back Creek Junction site (Sl.404243).
- The volume of diversion and delivery are the same, with the exception of diversions to Broken Creek from the Broken system which included environmental water delivered via Broken Creek.
- There was one amendment made to this BE during season 2013/14.
- The Minister for Water approved the updated Metering Program for all Bulk Entitlements held by GMW in 2011. Environmental Management: Programs are coordinated with Goulburn-Murray Water's Environmental Management System (ISO 14001 certified)
- Losses for Broken Creek were 1,172 ML above the annual average allowance under the Bulk Entitlement due to high operating requirements this season. Operating requirements are being reviewed.
- Difficulties were experienced at the Broken River downstream Broken Weir site as the regulator is closed during periods of high flow and flow passed over the spillway is not gauged. Flows measured at Casey's Weir and Gowangardie Weir were in excess of the minimum requirement which indicated that the flow requirements at Broken Weir were met.
- In January, flow downstream of Gowangardie Weir was less than the required flow for one day due to higher than anticipated irrigation demand. This also occurred at the Broken Weir site on 29 December and 1 January. The flow downstream of Broken Weir was less than the required flow for an additional 2 days in April and 5 days in May due to fluctuating natural flow requirements caused by climatic conditions. These fluctuating conditions also contributed to flows in the Broken River in the reach between Lake Nillahcootie and Broken Weir being 1 ML/d below the required flow for 5 days in July 2013.

Appendix A6 Bulk Entitlement

(Ovens System - Goulburn-Murray Water) Reporting

*This appendix is included in the Goulburn-Murray Water 2013/14 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 2013 to 30 June 2014. Hydrographic data has been used where available, operational data has been used where hydrographic data was not available.

| BE Clause | Item | Report | Notes |
|-----------|---|---|------------|
| 19.1(e) | Annual volume taken from waterway for Schedule 1 and 2 primary entitlements | | |
| | Water shares | 6,124 ML | |
| | North East Water | 3,635 ML | |
| 19.1(f) | Annual evaporation losses | | |
| | Lake Buffalo | 2,538 ML | See Note 1 |
| | Lake William Hovell | 716 ML | |
| 19.1(g) | Environmental minimum flows | Environmental minimum flows were provided and calculated in accordance with clause 12 and Schedule 5 of the Ovens Bulk Entitlement. | |
| 19.1(h) | Credits granted | No | |
| 19.1(i) | Temporary or permanent transfers of this BE | None | |
| 19.1(j) | Transfer of entitlement or allocation under the Act | None | |
| 19.1(k) | Alterations to Schedule 1 and 2 entitlements | | |
| | Water shares | See 19.1 (l) and (n) | |
| | North East Water | See 19.1 (n) | |
| 19.1(l) | Details of transfers of primary entitlements | See appendices B4 & B5 for transfer details of water shares | |
| 19.1(m) | Supply to primary entitlements | As for 19.1 (e) plus | See Note 2 |
| | Commonwealth water shares | 70 ML | |
| | Total supply to primary entitlements | 9,829 ML | |
| 19.1(n) | Amendments to this BE | No | |
| 19.1(o) | New BE granted for supply of primary entitlements in this BE | No | |
| 19.1(p) | Environmental Management and Metering programs | Programs implemented | See Note 3 |
| 19.1(q) | BE compliance failures | No | |
| 19.1(r) | BE compliance difficulties and response | No | |
| 19.1(s) | Details of interruptions to minimum passing flows | No | |

Notes to this table:

- Gross evaporation based on measured evaporation at each storage.
- As there are no irrigation areas or districts in the Ovens system the volume taken and supplied are the same, with the exception of environmental water which is delivered in stream
- 'Environmental Management: Programs are coordinated with Goulburn-Murray Water's Environmental Management System (ISO 14001 certified) The Minister for Water approved the updated Metering Program for all Bulk Entitlements held by GMW in 2011.

Appendix A7 Bulk Entitlement

(Loddon System - Goulburn-Murray Water) Reporting

This appendix is included in the Goulburn-Murray Water 2013/14 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 2013 to 30 June 2014. Hydrographic data has been used where available, operational data has been used where hydrographic data was not available.

| BE Clause | Item | Report | Notes |
|-----------|---|---|------------|
| 21.1(f) | Annual amounts taken from the system waterway for primary entitlements in Schedules 1 and 2 | | |
| | Water shares (excluding Serpentine Creek) | 7,894 ML | |
| | Supplement to Goulburn system | 6,628 ML | |
| | Diversion to Serpentine Creek | 3,470 ML | |
| | East Loddon Waterworks District | 0 ML | |
| | Coliban Water | 391 ML | |
| | Central Highlands Water | 1,256 ML | |
| | Victorian Environmental Water Holder | 2,000 ML | |
| | Total diversions | 21,639 ML | See Note 1 |
| | Loddon Inter Valley Trade Account delivery | 2,778 ML | |
| 21.1(g) | Annual evaporation losses | | |
| | Cairn Curran | 17,702 ML | See Note 2 |
| | Tullaroop | 6,435 ML | |
| 21.1(h) | Credits granted | No | |
| 21.1(i) | Temporary or permanent transfers of this BE | None | |
| 21.1(j) | Transfer of entitlement or allocation to GMW | None | |
| 21.1(k) | Alterations to Schedule 1 or 2 entitlements | | |
| | Water shares | See 21.1 (l) and (n) | |
| | Other entitlements | see 21.1 (n) | |
| 21.1(l) | Details of transfers of primary entitlements | See appendices B4 & B5 for transfer details of water shares | |
| 21.1(m) | Annual supply to primary entitlements | As for 21.1 (f) excluding the Goulburn supplement and Serpentine Creek diversion plus | See Note 3 |
| | Serpentine creek | 576 ML | |
| | Victorian Environmental Water Holder | 9,368 ML | |
| | Total supply to primary entitlements | 21,485 ML | |
| 21.1(n) | Amendments to this BE | Yes | See Note 4 |
| 21.1(o) | New BE granted for this system | No | |
| 21.1(p) | Environmental Management and Metering programs | Programs implemented | See Note 5 |
| 21.1(q) | BE compliance failures | No | |
| 21.1(r) | BE compliance difficulties and response | No | |

Notes to this table:

1. This is only environmental diversion to Loddon wetlands, it excludes environmental water that has been delivered instream (see 21.1(m)).
2. Gross evaporation based on measured evaporation at Cairn Curran.
3. As there are no irrigation areas or districts in the Loddon system the volumes taken and supplied are the same, with the exception of environmental water delivered instream.
4. There was one amendment made to this BE during the 2013/14 season.
5. Environmental Management: Programs are coordinated with Goulburn-Murray Water's Environmental Management System (ISO 14001 certified) and the Regional Water Monitoring Partnership.
The Minister for Water approved the updated Metering Program for all Bulk Entitlements held by GMW in 2011.

Appendix A8 Bulk Entitlement

(Bullarook System - Goulburn-Murray Water) Reporting

This appendix is included in the Goulburn-Murray Water 2013/14 Annual Report in compliance with the requirements of clause 17.2 of the Bulk Entitlement (Bullarook System - Goulburn-Murray Water) Conversion Order 2009 ("BE"), which obliges the Authority to report on certain matters as specified in clause 17.1 of the same Order. The period of reporting is 1 July 2013 to 30 June 2014. Hydrographic data has been used where available, operational data has been used where hydrographic data was not available.

| BE Clause | Item | Report | Notes |
|-----------|--|---|------------|
| 17.1 (d) | Annual amounts of water taken from the system by primary entitlement holders | | |
| | Water shares | 838 ML | |
| | Central Highlands Water | 121 ML | |
| 17.1(e) | Temporary or permanent transfers of this BE | None | |
| 17.1(f) | BE temporarily or permanently transferred to GMW | None | |
| 17.1 (g) | Details of transfers of primary entitlements | See appendices B4 & B5 for transfer details of water shares | |
| 17.1 (h) | Annual supply to primary entitlements | As for 17.1 (d) plus | See Note 1 |
| | Victorian Environmental Water Holder | 0 ML | |
| 17.1 (i) | Amendments to this BE | No | |
| 17.1 (j) | New BE granted for this system | No | |
| 17.1 (k) | Environmental Management and Metering programs | Programs implemented | See Note 2 |
| 17.1 (l) | BE compliance failures | Minor | See Note 3 |
| 17.1 (m) | BE compliance difficulties and responses | Yes | See Note 4 |

Notes to this table:

- As there are no irrigation areas or districts in the Bullarook system the volumes taken and supplied are the same, with the exception of environmental water which is delivered in stream.
- Environmental Management: Programs are coordinated with Goulburn-Murray Water's Environmental Management System (ISO 14001 certified) The Minister for Water approved the updated Metering Program for all Bulk Entitlements held by GMW in 2011.17.1
- Under the current arrangements the release was less than required by less than 1 ML/d due to fluctuating natural flow requirements for 10 days in July and August, 1 day in November and 1 day in May. The release was less than required for 1 day in September due to timing in changes to the release.
- An interim operating arrangement between all Bulk Entitlement holders is in place. Operating arrangements are yet to be finalised due to difficulties in developing a feasible methodology for determining natural flows using the limited available gauged data. The interim operating arrangements allowed minimum flows to be restricted to 1 ML/d while the seasonal determination was less than 20%. This occurred in July and August 2013. The interim operating arrangement also covers compliance difficulties at the Smeaton site (SI 407227).

Appendix B1 Allocation Statistics

| Inflows | Volume (ML) |
|------------------------------|------------------|
| Net carryover at 1 July 2013 | 954,992 |
| Seasonal allocation | 2,279,625 |
| Spill allocation | 617 |
| Trade in (3) (4) | 234,444 |
| Return flows (7) | 438,761 |
| | |
| Total inflows | 3,908,439 |

| Outflows | Volume (ML) |
|---|-------------------|
| Water usage | -2,108,660 |
| Trade out (3)(4) | -508,166 |
| Spillable water write-off | -264,043 |
| Allocation adjustments (5) | -20,313 |
| | |
| | |
| Total outflows | -2,901,182 |
| | |
| Unused water at 30 June 2014 | 1,007,257 |
| Less: End of year adjustments | |
| Overuse | -6,162 |
| Evaporation on 30 June carryover | 42,160 |
| Write-off on 30 June (6) | 142,751 |
| | 178,749 |
| Equals: Carryover carried forward to 1 July 2014 | 828,509 |

Notes to this table:

- This table provides a summary of water made available in allocation accounts managed by G-MW during the 2013/14 water year.
- The table shows movement of water for allocation accounts with regulated trading zone sources only. This includes allocations made to all water shares and regulated bundled entitlements, such as supply by agreements and urban bulk entitlements. It does not include water accounted against loss provisions in rural bulk entitlements. Unregulated and groundwater entitlements are excluded because some are not metered and usage is not fully available.
- Trade in' is defined as the volume of trades into Goulburn-Murray Water from interstate and from Lower Murray Water allocation accounts. 'Trade out' is defined as the volume of trades from Goulburn-Murray Water allocation accounts to interstate and to Lower Murray Water allocation accounts. A summary of all trades including within authority trades can be found in the 'Allocation Trade Summary' report.
- Trade in (of 234,470 ML) includes approximately 190 GL of trade from NSW or SA, 31 GL of which was moved from NSW for the environment. Trade out (of 508,191 ML) includes approximately 393 GL of trade to NSW or SA, 359 GL of which was moved to SA for the environment.
- The 'allocation adjustments' shown in this table include amendments to allocation made during the year.
- June 2014 write-off reported in this table includes:
 - Write-off against the Snowy environmental account in the register which allows transfer of water to the Snowy in fulfilment of Victoria's obligations under the Snowy recovery program (83.5 GL).
 - Write-off in the Ovens and King systems, which have no ability to carryover (25 GL).
 - Write-off in the Broken, Loddon & Bullarook systems where carryover is only allowed to 50% of entitlement volume (9 GL).
 - Write-off in the Murray, Goulburn and Campaspe systems where carryover is only allowed to 100% of entitlement volume (14 GL).
 - Write-off from ABAs that are no longer linked to active entitlements (10.5 GL) or have no carryover capacity.
- Return flows represent credits for the reuse of environmental water in a downstream system.
- The Victorian Water Register also records Loss Provision Bulk Entitlements for delivering water in irrigation districts. The accounting for these is not included in the above table.

Appendix B2 Water Entitlements in Regulated Water Systems

| Water Entitlements in regulated systems | | | | | | | | |
|---|---------------------------------|---------------|--------------------------------|---------------|--------------------|-----------|-----------------|--------------|
| River basin | Water Shares - High Reliability | | Water Shares - Low Reliability | | Bulk Entitlements | | Other | |
| | Volume (ML) | Number | Volume (ML) | Number | Volume (ML) | Number | Volume (ML) | Number |
| Broken | 17,625.0 | 313 | 3,345.2 | 156 | 135.0 | 1 | | |
| Bullarook | 757.7 | 31 | 380.8 | 24 | 600.0 | 2 | | |
| Campaspe | 23,465.3 | 372 | 19,174.8 | 115 | 29,141.0 | 8 | 0.0 | 1 |
| Goulburn | 989,984.9 | 10,851 | 438,615.9 | 6,759 | 755,046.8 | 29 | 10,179.5 | 1,148 |
| Loddon | 21,391.4 | 411 | 8,083.4 | 209 | 7,524.0 | 5 | 205.5 | 67 |
| Murray | 867,707.2 | 7,382 | 294,737.2 | 4,077 | 476,592.6 | 38 | 2,055.2 | 70 |
| Ovens | 26,260.9 | 520 | 12,535.2 | 382 | 7,832.0 | 2 | | |
| Regulated Total 30 June 2014 | 1,947,192.4 | 19,880 | 776,872.5 | 11,722 | 1,276,871.4 | 85 | 12,440.2 | 1,286 |
| Regulated Total 30 June 2013 | 1,913,265.7 | 19,171 | 775,065.6 | 11,790 | 1,254,083.5 | 74 | 12,435.9 | 1,281 |

Notes to this table:

1. This table shows the number and volume of active entitlements in regulated water systems as at 30 June 2014.
2. The entitlement group "Other" includes Supply by Agreements, Water Allowances and a small number of Take and Use licences.
3. Bulk entitlements include entitlements with different reliability types as well as loss provisions in the Murray and Goulburn basins.
4. The 12,535 ML of water shares in the Ovens in the 'Low reliability' column have a reliability of 'Spill' not 'Low'.
5. The volume of water shares in G-MW's jurisdiction increased by 35,734 ML from 2012/13 due to:
 - i. the transfer of 26,045 ML of water shares from Lower Murray Water to Goulburn-Murray Water during the year via dimension update.
 - ii. the net transfer of 341 ML of water shares from Goulburn-Murray Water to Lower Murray Water during the year.
 - iii. the issue of 34,596 ML of new water shares (largely issued to the Commonwealth Environmental Water Holder for the connections stage 2 water savings)
 - iiii. The surrender of 24,994 ML of water shares (around 15 GL of which was surrendered by GMW in respect to the Campaspe system, an equivalent bulk entitlement was issue to the environment in its place)
6. The volume of bulk entitlements in GMW's jurisdiction increased by 22,788 ML from 2012/13 due to increases in environmental bulk entitlement volumes due to audited water savings.

Appendix B3 Trade of Allocation

| Allocation Trade | | | | | | | | | | | | | |
|-----------------------------|-------------------------------|-----------------------|---------------|-----------------------------|------------------------------|------------------|-------------------------------|-------------------|----------------------------|--------------|-------------------------------|-----------------------|--|
| Seller | | Buyer | | | | | | | | | | | |
| | | Goulburn-Murray Water | | | | | | | | | | | |
| | | 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 | 5B Bullarook | 6 VIC Murray - Dart to Barmah | 6B Lower Broken Creek | |
| Goulburn Murray Water | 1A Greater Goulburn | 455,764 | 25,021 | | | 4,298 | 1,303 | 2 | 1,133 | | 20,117 | 2,320 | |
| | 1B Boort | 32,050 | 10,807 | | | | 300 | | 80 | | 460 | 120 | |
| | 2A Broken - Nill to Casey's | | | | 24 | | | | | | | | |
| | 2B Broken - Casey's to Goulb | | | 2 | 408 | | | | | | | | |
| | 3 Lower Goulburn | 12,236 | 186 | | | 189 | | | | | 495 | | |
| | 4A Campaspe - Eppalock to WWC | 21,205 | 2,519 | | | 400 | 9,008 | 70 | | | 1,059 | 65 | |
| | 4C Lower Campaspe | 448 | | | | | 632 | 9 | | | | | |
| | 5A Loddon - CC/Tull to LWP | 3,395 | 147 | | | | | | 4,784 | | 145 | 4 | |
| | 5B Bullarook | | | | | | | | | 269 | | | |
| | 6 VIC Murray - Dart to Barmah | 27,075 | 4,878 | | | 158 | | | 56 | | 77,608 | 1,684 | |
| | 6B Lower Broken Creek | 3,392 | 100 | | | | | | 12 | | 5,336 | 1,337 | |
| 7 VIC Murray - Barmah to SA | 54,890 | 20,906 | | | 205 | 617 | | 440 | | 112,866 | 1,067 | | |
| 9A Ovens | | | | | | | | | | | | | |
| 9B King | | | | | | | | | | | | | |
| 20 Snowy | | | | | | | | | | | | | |
| Lower Murray Water | 1A Greater Goulburn | 378 | 1,500 | | | | | | | | | | |
| | 1B Boort | | | | | | | | | | | | |
| | 7 VIC Murray - Barmah to SA | 10,736 | 1,787 | | | 370 | 101 | | | | 9,499 | 24 | |
| NSW | 10 NSW Murr U/S Barmah Choke | 7,484 | 2,659 | | | 430 | | | | | 20,401 | | |
| | 11 NSW Murr D/S Barmah Choke | 8,594 | 918 | | | 980 | | | 50 | | 8,528 | | |
| | 13 Murrumbidgee | 7,322 | 8,349 | | | | | 50 | 299 | | 2,925 | | |
| | 14 Lower Darling | 175 | | | | | | | | | 95 | | |
| SA | 12 South Australian Murray | 18,451 | 2,114 | | | | 1,000 | | | | 5,855 | | |
| | TOTAL PURCHASED | 663,595 | 81,890 | 2 | 432 | 7,030 | 12,961 | 131 | 6,854 | 269 | 265,387 | 6,620 | |
| | NUMBER OF TRADES | 5,042 | 362 | 1 | 6 | 57 | 43 | 4 | 61 | 10 | 1,430 | 117 | |

Notes to this table:

- 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 GMW. In the register, a GMW to LMW pool exchange will be recorded as a trade from GMW to the GMW clearing account and a second trade from the GMW 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.

| | | | | | Lower Murray Water | | | New South Wales | | | | South Aus | | | |
|--------------------------------|------------|------------|---------------|---------------------|--------------------|--------------------------------|---------------------------------|---------------------------------|-----------------|------------------|-------------------------------|------------------|---------------------|----------|--|
| 7 VIC Murray - Barmah to SA | 9A Owens | 9B King | 20 Snowy | 1A Greater Goulburn | 1B Boort | 7 VIC Murray - Barmah to SA | 10 NSW Murr U/S Barmah Choke | 11 NSW Murr D/S Barmah Choke | 13 Murrumbidgee | 14 Lower Darling | 12 South Australian Murray | TOTAL SOLD | NUMBER OF TRADES | NET SOLD | |
| 51,234 | | | 33,696 | 10,850 | | 14,416 | 530 | 475 | 930 | | 3,158 | 625,246 | 4,658 | -38,348 | |
| 26,183 | | | 1,852 | 2,000 | | 2,425 | | 100 | | 110 | 100 | 76,587 | 241 | -5,303 | |
| | | | | | | | | | | | | 24 | 1 | 22 | |
| | | | | | | | | | | | | 410 | 6 | -22 | |
| 652 | | | 3,025 | 300 | | 1,020 | 1,000 | | | 1,000 | 878 | 20,981 | 136 | 13,951 | |
| 2,974 | | | | 150 | | 1,050 | | 40 | | | 406 | 38,945 | 222 | 25,985 | |
| | | | | | | | | | | | | 1,088 | 10 | 958 | |
| 1,269 | | | 470 | 50 | | 55 | | | | | 282 | 10,600 | 120 | 3,746 | |
| | | | | | | | | | | | | 269 | 10 | 0 | |
| 31,307 | | | 33,189 | 530 | | 6,295 | 420 | 400 | 254 | | 9,268 | 193,122 | 1,274 | -72,265 | |
| 1,903 | | | 81 | | | 320 | | | 242 | | 3,549 | 16,272 | 188 | 9,653 | |
| 90,082 | | | 11,196 | 4,400 | | 59,059 | 2,028 | 3,038 | 5,004 | 174 | 359,843 | 725,813 | 2,206 | 406,986 | |
| | 182 | | | | | | | | | | | 182 | 5 | 0 | |
| | | 272 | | | | | | | | | | 272 | 5 | 0 | |
| | | | | | | | | | | | | 0 | 0 | -83,509 | |
| 968 | | | | | | 2,003 | | | | 226 | | 5,074 | 11 | -21,644 | |
| | | | | | | 500 | | | | | | 500 | 1 | 500 | |
| 18,564 | | | | 2,184 | | 47,207 | 578 | 1,105 | 50 | 1,835 | 3,928 | 97,968 | 1,735 | -106,447 | |
| 13,875 | | | | | | 8,316 | | | | | | 53,165 | 93 | 48,609 | |
| 23,111 | | | | 200 | | 18,121 | | | | | | 60,502 | 336 | 55,344 | |
| 24,700 | | | | 2,650 | | 9,735 | | | | | | 56,030 | 141 | 49,550 | |
| | | | | | | 291 | | | | | | 561 | 7 | -2,783 | |
| 32,005 | | | | 3,405 | | 33,601 | | | | | | 96,430 | 323 | -284,982 | |
| 318,828 | 182 | 272 | 83,509 | 26,719 | 0 | 204,414 | 4,556 | 5,158 | 6,480 | 3,344 | 381,412 | 2,080,042 | | | |
| 2,500 | 5 | 5 | 14 | 59 | 0 | 1,818 | 18 | 33 | 15 | 8 | 121 | | 11,729 | | |

Appendix B4 Transfer And Variation Of High Reliability Water Shares

| Northern Systems - Transfer and variation of high reliability water shares (Volume (ML)) | | | | | | | | | | | |
|--|--------------------------------------|-----------------------|-----------|--------------------------|----------------|----------------------------|---------------|----------------|--------------|--------------|-------------------------------|
| | | Destination | | | | | | | | | |
| | | Goulburn-Murray Water | | | | | | | | | |
| | | Broken River | Bullarook | Campaspe Irrigation Area | Campaspe River | Central Goulburn Irr. Area | GMW - NWU | Goulburn River | Loddon River | Murray River | Murray Valley Irrigation Area |
| Goulburn-Murray Water | Broken River | 523 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Bullarook | 0 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Campaspe Irrigation Area | 0 | 0 | 0 | 654 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Campaspe River | 0 | 0 | 0 | 1,302 | 0 | 40 | 0 | 0 | 0 | 0 |
| | Central Goulburn Irr. Area | 0 | 0 | 0 | 0 | 22,603 | 5,074 | 76 | 0 | 37 | 14 |
| | GMW - NWU | 4 | 0 | 282 | 0 | 3,227 | 12,269 | 8 | 127 | 1,073 | 1,229 |
| | Goulburn River | 0 | 0 | 0 | 0 | 12 | 264 | 3,225 | 0 | 42 | 0 |
| | Loddon River | 0 | 0 | 0 | 0 | 0 | 107 | 0 | 1,354 | 0 | 0 |
| | Murray River | 0 | 0 | 0 | 0 | 0 | 2,110 | 0 | 0 | 4,965 | 770 |
| | Murray Valley Irrigation Area | 0 | 0 | 0 | 0 | 0 | 9,292 | 0 | 0 | 0 | 28,525 |
| | Nyah, Tresco and Woorinen | 0 | 0 | 0 | 0 | 0 | 624 | 0 | 0 | 117 | 0 |
| | Ovens River | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Pyramid-Boort | 0 | 0 | 0 | 0 | 200 | 2,616 | 0 | 0 | 0 | 0 |
| | Rochester Irrigation Area | 0 | 0 | 0 | 0 | 172 | 1,962 | 0 | 0 | 240 | 42 |
| | Shepparton Groundwater | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Shepparton Irrigation Area | 0 | 0 | 30 | 0 | 1,114 | 2,173 | 25 | 0 | 0 | 0 |
| Torrumbarry Irrigation Area | 0 | 0 | 0 | 0 | 0 | 5,545 | 0 | 0 | 296 | 0 | |
| Lower-Murray Water | LMW - NWU | 0 | 0 | 0 | 0 | 0 | 3,777 | 0 | 0 | 108 | 0 |
| | Murray River | 0 | 0 | 0 | 0 | 0 | 3,407 | 0 | 0 | 0 | 0 |
| | Robinvale, Red Cliffs, Merbein, FMID | 0 | 0 | 0 | 0 | 0 | 1,041 | 0 | 0 | 0 | 0 |
| | Total Trades (ML) | 527 | 6 | 312 | 1,956 | 27,328 | 50,300 | 3,334 | 1,481 | 6,877 | 30,580 |
| | Number of Trades | 11 | 1 | 4 | 25 | 542 | 525 | 66 | 29 | 112 | 294 |

Notes to this table:

1. 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 2014/15.
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.

| | | | | | | | | Lower Murray Water | | | | | |
|--|---------------------------|-------------|---------------|---------------------------|------------------------|----------------------------|----------------------------|--------------------|--------------|--------------------------------------|-------------------|------------------|--------------|
| | Nyah, Tresco and Woorinen | Ovens River | Pyramid-Boort | Rochester Irrigation Area | Shepparton Groundwater | Shepparton Irrigation Area | Tomumbarry Irrigation Area | LMW - NWU | Murray River | Robinvale, Red Cliffs, Merbein, FMID | Total Trades (ML) | Number of Trades | Net Out (ML) |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 523 | 9 | -4 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6 | 1 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 654 | 5 | 342 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,342 | 22 | -615 |
| | 2 | 0 | 574 | 177 | 0 | 82 | 4 | 2,082 | 300 | 0 | 31,024 | 595 | 3,697 |
| | 10 | 5 | 1,488 | 525 | 0 | 417 | 16,633 | 723 | 1,717 | 9 | 39,745 | 250 | -10,555 |
| | 0 | 0 | 150 | 272 | 0 | 0 | 77 | 0 | 0 | 0 | 4,042 | 70 | 708 |
| | 0 | 0 | 56 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,518 | 31 | 36 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 105 | 0 | 0 | 0 | 7,949 | 110 | 1,072 |
| | 0 | 0 | 0 | 0 | 0 | 54 | 0 | 0 | 0 | 0 | 37,871 | 367 | 7,290 |
| | 2,605 | 0 | 0 | 0 | 0 | 0 | 150 | 0 | 70 | 0 | 3,565 | 89 | 890 |
| | 0 | 1,166 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,166 | 33 | -5 |
| | 0 | 0 | 11,996 | 0 | 0 | 55 | 1,568 | 1,038 | 236 | 0 | 17,708 | 142 | 3,075 |
| | 0 | 0 | 185 | 14,355 | 0 | 57 | 131 | 470 | 0 | 0 | 17,614 | 241 | 2,223 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 184 | 62 | 0 | 10,114 | 80 | 0 | 0 | 0 | 13,781 | 283 | 3,004 |
| | 8 | 0 | 0 | 0 | 0 | 0 | 33,416 | 752 | 696 | 17 | 40,729 | 503 | -11,602 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 24 | 399 | 551 | 506 | 5,365 | 47 | -2,816 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,669 | 16,746 | 268 | 22,090 | 215 | 1,390 |
| | 50 | 0 | 0 | 0 | 0 | 0 | 145 | 1,049 | 384 | 9,466 | 12,135 | 472 | 1,870 |
| | 2,676 | 1,171 | 14,633 | 15,391 | 0 | 10,778 | 52,331 | 8,181 | 20,699 | 10,265 | 258,826 | | 0 |
| | 72 | 34 | 131 | 208 | 0 | 232 | 479 | 104 | 215 | 401 | | 3,485 | |

Appendix B5 – Transfer And Variation Of Low Reliability Water Shares

| Northern Systems - Transfer and variation of low and spill reliability water shares (Volume (ML)) | | | | | | | | | | | |
|---|--------------------------------------|-----------------------|-----------|--------------------------|----------------|----------------------------|--------------|----------------|--------------|--------------|-------------------------------|
| | | Destination | | | | | | | | | |
| | | Goulburn-Murray Water | | | | | | | | | |
| | | Broken River | Bullarook | Campaspe Irrigation Area | Campaspe River | Central Goulburn Irr. Area | GMW - NWU | Goulburn River | Loddon River | Murray River | Murray Valley Irrigation Area |
| Goulburn-Murray Water | Broken River | 136 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Bullarook | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Campaspe Irrigation Area | 0 | 0 | 13 | 302 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Campaspe River | 0 | 0 | 0 | 695 | 22 | 0 | 0 | 0 | 0 | 0 |
| | Central Goulburn Irr. Area | 0 | 0 | 0 | 0 | 13,624 | 344 | 17 | 0 | 21 | 121 |
| | GMW - NWU | 0 | 0 | 0 | 0 | 391 | 2,312 | 0 | 49 | 60 | 3,540 |
| | Goulburn River | 0 | 0 | 0 | 0 | 4 | 0 | 932 | 0 | 0 | 0 |
| | Loddon River | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 566 | 0 | 0 |
| | Murray River | 0 | 0 | 0 | 0 | 0 | 402 | 0 | 0 | 2,284 | 0 |
| | Murray Valley Irrigation Area | 0 | 0 | 0 | 0 | 0 | 930 | 0 | 0 | 0 | 20,180 |
| | Nyah, Tresco and Woorinen | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Ovens River | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Pyramid-Boort | 0 | 0 | 0 | 0 | 344 | 337 | 0 | 0 | 0 | 0 |
| | Rochester Irrigation Area | 0 | 0 | 0 | 0 | 424 | 314 | 0 | 0 | 0 | 221 |
| | Shepparton Groundwater | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Shepparton Irrigation Area | 0 | 0 | 14 | 0 | 199 | 583 | 12 | 0 | 0 | 0 | |
| Torrumbarry Irrigation Area | 0 | 0 | 0 | 0 | 0 | 1,560 | 0 | 0 | 0 | 48 | |
| Lower-Murray Water | LMW - NWU | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Murray River | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Robinvale, Red Cliffs, Merbein, FMID | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total Trades (ML) | 136 | 3 | 27 | 998 | 15,008 | 6,782 | 960 | 614 | 2,365 | 24,109 |
| | Number of Trades | 7 | 1 | 2 | 13 | 310 | 80 | 26 | 20 | 46 | 237 |

Notes to this table:

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 2014/15.
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.

| | | | | | | | | Lower Murray Water | | | | | |
|--|---------------------------|-------------|---------------|---------------------------|------------------------|----------------------------|---------------------------|--------------------|--------------|--------------------------------------|-------------------|------------------|--------------|
| | Nyah, Tresco and Woorinen | Ovens River | Pyramid-Boort | Rochester Irrigation Area | Shepparton Groundwater | Shepparton Irrigation Area | Torumbary Irrigation Area | LMW - NWU | Murray River | Robinvale, Red Cliffs, Merbein, FMID | Total Trades (ML) | Number of Trades | Net Out (ML) |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 136 | 7 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 1 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 315 | 2 | 288 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 718 | 13 | -280 |
| | 0 | 0 | 191 | 159 | 0 | 757 | 870 | 0 | 164 | 0 | 16,267 | 310 | 1,258 |
| | 0 | 0 | 23 | 848 | 0 | 441 | 2,313 | 0 | 1 | 0 | 9,976 | 80 | 3,195 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 37 | 0 | 0 | 0 | 972 | 26 | 11 |
| | 0 | 0 | 18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 583 | 20 | -31 |
| | 9 | 0 | 0 | 0 | 0 | 0 | 107 | 0 | 0 | 0 | 2,802 | 46 | 438 |
| | 0 | 0 | 0 | 0 | 0 | 24 | 0 | 0 | 0 | 0 | 21,134 | 237 | -2,975 |
| | 1,255 | 0 | 0 | 0 | 0 | 0 | 32 | 0 | 0 | 0 | 1,287 | 26 | 23 |
| | 0 | 586 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 586 | 20 | 0 |
| | 0 | 0 | 6,390 | 289 | 0 | 27 | 1,060 | 105 | 0 | 0 | 8,553 | 69 | 1,387 |
| | 0 | 0 | 272 | 7,446 | 0 | 378 | 192 | 0 | 12 | 0 | 9,258 | 121 | 463 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 218 | 53 | 0 | 7,881 | 146 | 0 | 0 | 0 | 9,106 | 180 | -402 |
| | 0 | 0 | 54 | 0 | 0 | 0 | 24,946 | 0 | 404 | 100 | 27,112 | 295 | -2,590 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 105 | 0 | 0 | 105 | 1 | -105 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 212 | 0 | 212 | 5 | -580 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 100 | 100 | 2 | -100 |
| | 1,264 | 586 | 7,165 | 8,795 | 0 | 9,508 | 29,702 | 210 | 791 | 200 | 109,223 | | 0 |
| | 26 | 20 | 69 | 121 | 0 | 180 | 295 | 1 | 5 | 2 | | 1,461 | |

Appendix B6 Usage By Delivery System

| Usage in regulated trading zone sources per delivery system | | | | |
|---|--------------------------|------------------|----------------------|------------------|
| Delivery System | Environmental Usage (ML) | Urban Usage (ML) | Irrigator Usage (ML) | Grand Total (ML) |
| Broken River | 122 | 105 | 5,500 | 5,726 |
| Bullarook | - | - | 838 | 838 |
| Campaspe Irrigation Area | - | 55 | 2,459 | 2,514 |
| Campaspe River | 13,444 | 4 | 7,633 | 21,082 |
| Central Goulburn Irr. Area | - | 5,653 | 313,363 | 319,016 |
| Goulburn River | 321,738 | 14,683 | 22,033 | 358,454 |
| Loddon River | 6,560 | 1,615 | 8,604 | 16,779 |
| Murray River | 232,240 | 18,089 | 38,572 | 288,900 |
| Murray Valley Irrigation Area | 29,205 | 2,100 | 221,844 | 253,149 |
| Nyah, Tresco and Woorinen | - | 1 | 20,746 | 20,747 |
| Ovens River | 70 | 3,641 | 6,115 | 9,825 |
| Pyramid-Boort | 4,808 | 436 | 163,760 | 169,004 |
| Rochester Irrigation Area | 41 | 1,545 | 162,571 | 164,158 |
| Shepparton Irrigation Area | 50 | 237 | 127,055 | 127,342 |
| Torrumbarry Irrigation Area | 45,380 | 1,535 | 304,198 | 351,113 |
| Grand Total | 653,656 | 49,699 | 1,405,291 | 2,108,647 |

Notes to this table:

1. This table shows usage per delivery system for allocation accounts with regulated trading zone sources.
2. Delivery systems are grouped to reduce the complexity caused by small delivery systems.
3. Usage is split into usage type by taking the owner type of the holders of each allocation account.

Appendix B7- Water Entitlements in Unregulated Water Systems

| Water Entitlements in unregulated systems | | | | | | | | | | |
|---|----------------|--------------|--------------------------|-----------|--------------------|--------------|---------------|------------|----------------|--------------|
| River basin | Irrigation | | Industrial or commercial | | Domestic and Stock | | Other | | Grand total | |
| | Ent Vol (ML) | Number | Ent Vol (ML) | Number | Ent Vol (ML) | Number | Ent Vol (ML) | Number | Ent Vol (ML) | Number |
| Avoca | | | | | | | 278 | 3 | 278 | 3 |
| Broken | 9,843 | 488 | 41 | 4 | 208 | 100 | 2,342 | 11 | 12,434 | 603 |
| Bullarook | | | | | | | | 2 | | 2 |
| Campaspe | 7,268 | 420 | | | 215 | 100 | 590 | 6 | 8,073 | 526 |
| Goulburn | 36,793 | 1,352 | 503 | 21 | 2,085 | 984 | 7,440 | 42 | 46,821 | 2,399 |
| Kiewa | 17,260 | 423 | 12 | 2 | 1,052 | 229 | 2,294 | 21 | 20,617 | 675 |
| Loddon | 27,656 | 906 | 5,660 | 8 | 209 | 88 | 4,464 | 8 | 37,989 | 1,010 |
| Murray | 28,403 | 905 | 109 | 8 | 825 | 348 | 55,351 | 35 | 84,688 | 1,296 |
| Ovens | 23,485 | 786 | 115 | 14 | 1,097 | 430 | 2,592 | 28 | 27,289 | 1,258 |
| Grand Total | 150,707 | 5,280 | 6,441 | 57 | 5,691 | 2,279 | 75,351 | 156 | 238,190 | 7,772 |

Notes to this table:

1. This table shows the number and volume of active entitlements in unregulated systems as at 30 June 2014.
2. The entitlement information included in the 'Other' column includes 60 urban bulk entitlements totalling 20,440 ML and 7 environmental bulk entitlements totalling 54,300 ML

| Trade of surface water and Use Licences | | | | | | |
|---|-----------------|--------------|-----------------|----------------|--------------------------------|----------------|
| River basin | Permanent trade | | Temporary trade | | Trade as part of land transfer | |
| | Number | Volume (ML) | Number | Volume (ML) | Number | Volume (ML) |
| Broken | | | 1 | 25.0 | 9 | 49.6 |
| Campaspe | | | 4 | 62.0 | 5 | 44.3 |
| Goulburn | 5 | 78.0 | 6 | 157.9 | 61 | 916.4 |
| Kiewa | 3 | 108.0 | 6 | 379.0 | 12 | 259.0 |
| Loddon | 1 | 4.9 | 3 | 267.0 | 11 | 440.4 |
| Murray | 1 | 20.0 | 5 | 211.0 | 27 | 1,333.2 |
| Ovens | 4 | 59.0 | 6 | 282.0 | 36 | 829.9 |
| Total | 14 | 269.9 | 31 | 1,383.9 | 161 | 3,872.8 |

Notes to this table:

1. This table shows the number and volume (ML) of trades of surface water take and use licences. Temporary and permanent volume trades indicate the trade of water across different locations, as distinct from ownership changes that are part of land transfers.

Appendix B8 (A) – Groundwater Entitlements

| Water entitlements in groundwater systems | | | | | | | | | | | | |
|---|---------------------------------------|----------------|--------------|--------------------------|------------|--------------------|------------|---------------|------------|----------------|--------------|--------------------|
| Groundwater catchment | GMU | Irrigation | | Industrial or commercial | | Domestic and Stock | | Other | | Grand total | | Metered Usage (ML) |
| | | Ent Vol (ML) | Number | Ent Vol (ML) | Number | Ent Vol (ML) | Number | Ent Vol (ML) | Number | Ent Vol (ML) | Number | |
| Avoca | Unincorporated (GMU) | 138 | 1 | 0 | 0 | 2 | 1 | 3 | 1 | 143 | 3 | 0 |
| Campaspe | Central Victorian Mineral Springs GMA | 1,747 | 53 | 165 | 11 | 0 | 0 | 308 | 3 | 2,220 | 67 | 288 |
| | Lower Campaspe Valley (GMU) | 55,221 | 124 | 342 | 9 | 0 | 0 | 311 | 7 | 55,874 | 140 | 26,555 |
| | Shepparton Irrigation (GMU) | 17,090 | 113 | 15 | 1 | 38 | 19 | 60 | 18 | 17,203 | 151 | 769 |
| | Unincorporated (GMU) | 1,256 | 33 | 508 | 10 | 17 | 7 | 3,098 | 5 | 4,879 | 55 | 499 |
| Goulburn - Broken | Katunga (GMU) | 56,714 | 137 | 1,648 | 17 | 314 | 83 | 1,934 | 100 | 60,610 | 337 | 25,174 |
| | Mid Goulburn (GMU) | 11,593 | 55 | 775 | 6 | 96 | 11 | 26 | 3 | 12,490 | 75 | 2,663 |
| | Shepparton Irrigation (GMU) | 177,159 | 895 | 523 | 25 | 233 | 110 | 1,621 | 86 | 179,536 | 1,116 | 34,395 |
| | Strathbogie GMA | 1,349 | 60 | 190 | 7 | | | | | 1,539 | 67 | 124 |
| | Unincorporated (GMU) | 4,583 | 108 | 1,122 | 22 | 112 | 46 | 49 | 6 | 5,866 | 182 | 830 |
| | Upper Goulburn GMA | 5,213 | 85 | 771 | 28 | | | 100 | 1 | 6,084 | 114 | 699 |
| Loddon | Central Victorian Mineral Springs GMA | 1,459 | 46 | 160 | 9 | 0 | 0 | 1,094 | 8 | 2,712 | 63 | 176 |
| | Loddon Highlands (GMU) | 18,899 | 157 | 216 | 7 | 48 | 1 | 1,530 | 20 | 20,694 | 185 | 6,275 |
| | Mid Loddon (GMU) | 33,086 | 91 | 819 | 11 | 88 | 23 | 132 | 4 | 34,125 | 129 | 12,654 |
| | Unincorporated (GMU) | 4,935 | 9 | 29 | 3 | 6 | 3 | 261 | 3 | 5,231 | 18 | 34 |
| Ovens | Barnawartha (GMU) | 303 | 2 | 70 | 1 | 4 | 2 | 2 | 1 | 379 | 6 | 39 |
| | Lower Ovens (GMU) | 18,463 | 227 | 796 | 22 | 77 | 4 | 710 | 14 | 20,046 | 267 | 5,098 |
| | Unincorporated (GMU) | 2,526 | 28 | 50 | 4 | 8 | 4 | 0 | 0 | 2,584 | 36 | 993 |
| | Upper Ovens (GMU) | 3,404 | 87 | 252 | 14 | 40 | 18 | 5 | 3 | 3,700 | 122 | 743 |
| Upper Murray | Mullindoolingong (GMU) | 1,412 | 29 | 94 | 1 | 36 | 18 | 98 | 13 | 1,640 | 61 | 0 |
| | Unincorporated (GMU) | 4,341 | 91 | 110 | 7 | 100 | 45 | 266 | 34 | 4,817 | 177 | 38 |
| | Upper Ovens (GMU) | 12 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 1 | 0 |
| Grand Total | | 420,905 | 2,432 | 8,652 | 215 | 1,219 | 395 | 11,608 | 330 | 442,384 | 3,372 | 118,044 |

Notes to this table:

- This table shows the number and volume of active entitlements in groundwater systems as at 30 June 2014.
- This table includes 868 ML of private rights. This does not cover all private rights in GMW's jurisdiction and GMW is currently in the process of removing these from the register.
- The volume of groundwater entitlements in GMW's jurisdiction reduced by 7,047 ML from 2012/13 due to:
 - 633 ML of private right cancelled
 - 2,022 ML of new licence issued (including large licences in the Shepparton Irrigation GMU)
 - Surrender of 6,044 ML of licence
 - Entitlement volume changes resulting in a net decrease in entitlement volume of 2,430 ML.

Appendix B8 (B) – Groundwater Entitlements

| Trade of groundwater Take and Use Licences | | | | | | |
|--|-----------------|----------------|-----------------|----------------|--------------------------------|-----------------|
| GMU | Permanent trade | | Temporary trade | | Trade as part of land transfer | |
| | Number | Volume (ML) | Number | Volume (ML) | Number | Volume (ML) |
| Alexandra | | | | | 1 | 200.0 |
| Katunga | 3 | 654.2 | 12 | 1,095.0 | 16 | 5,951.0 |
| Kinglake | | | | | 1 | 100.0 |
| Loddon Highlands | 2 | 120.0 | 19 | 1,133.3 | 11 | 1,375.0 |
| Lower Campaspe Valley | 3 | 471.0 | 15 | 1,861.0 | 10 | 5,206.7 |
| Lower Ovens | 3 | 29.0 | 8 | 500.0 | 12 | 1,282.0 |
| Mid Goulburn | | | 2 | 126.0 | 4 | 1,528.6 |
| Mid Loddon | 4 | 628.0 | 1 | 292.0 | 3 | 698.0 |
| Mullindoolingong | | | | | 1 | 30.0 |
| Shepparton Irrigation | | | | | 70 | 12,640.8 |
| Unincorporated | | | | | 10 | 467.0 |
| Upper Ovens | 3 | 19.0 | 3 | 341.0 | 7 | 372.6 |
| Upper Goulburn | 1 | 10.0 | | | 3 | 169.0 |
| Central Victorian Mineral Springs | | | 1 | 2.0 | 2 | 25.0 |
| Strathbogie | | | | | 2 | 40.0 |
| Total | 19 | 1,931.2 | 61 | 5,350.3 | 153 | 30,085.7 |

Notes to this table:

1. This table shows the number and volume (ML) of trades of groundwater take and use licences. Temporary and permanent volume trades indicate the trade of water across different locations, as distinct from ownership changes that are part of land transfers.

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