

Southern Rural Water

Annual Report

2001 - 2002



Sustainable
Businesses, Environments, Communities



**TABLE OF
CONTENTS**

YEAR'S HIGHLIGHTS 2

VISION 4

CHAIRPERSON'S REPORT 5

CHIEF EXECUTIVE'S STATEMENT 6

SOUTHERN RURAL WATER 7

GOVERNANCE 9

OUR YEAR 10

ECONOMIC PERFORMANCE 12

- CUSTOMER SERVICE 12
- FINANCIAL MANAGEMENT 13
- MANAGING ASSETS 16

ENVIRONMENTAL PERFORMANCE 18

- NATURAL RESOURCE MANAGEMENT 18
- ENVIRONMENTAL MANAGEMENT 19

SOCIAL PERFORMANCE 23

- COMMUNITY CONSULTATION & INVOLVEMENT 23
- OUR WORKFORCE 25

STATUTORY REPORT 28

- BULK ENTITLEMENTS 29
- WATER TRANSFER, EXTRACTION & USE TABLES 32

FINANCIAL REPORT & NOTES 35

- STATUTORY CERTIFICATE 46
- AUDITOR-GENERAL'S REPORT 47

COMPLIANCE INDEX 48

YEAR'S HIGHLIGHTS

- We developed a draft **Water Services Agreement** detailing our mutual obligations with the State Government and documenting our responsibilities, business plans, activities and performance standards.
- Based on key findings from our **Stakeholder Survey**, we developed our **Communication Plan** and began to implement key activities to improve our engagement with customers, stakeholders and the community.
- We implemented our largest ever **capital works program**, costing \$7.7 million. This includes our Stage 1 refurbishment works at Narracan Dam, the replacement of Little Weir, and pipelining of channels at Nuntin and Werribee.
- We reduced the time taken to determine Licence applications and generally achieved our **Customer Service standards** across our Irrigation and Headworks businesses.
- We initiated the development of a **Southern Forum** - a group of natural resource managers from across southern Victoria to focus on the management of our coastal catchments.
- To improve the transparency of water allocation decisions, we introduced **public processes** for major licence applications.
- We completed **dam design reviews** for our seven large dams, in accordance with national guidelines, and started a similar review program for our major weirs.



■ Above: Releasing water from Glenmaggie Dam
Below: Irrigation in the Western Irrigation Business



■ Irrigation in the Eastern Irrigation Business



■ *Licensed Farm Dam*



■ *Licensed Drilling*

- We developed a comprehensive **Risk Management Policy** and implemented procedures to manage the security of our water supply. This includes improved response arrangements to ensure we meet the environmental flow requirements of all rivers and streams.
- We established our **Critical Assets Program** and **Major Failure Support Facility** to better manage the risk of interruption to irrigation water supplies. These are industry-leading activities.
- We continued to strengthen the role of the **Customer Consultative Committees** in our retail businesses. This year, in line with our commitment to gender equity, we encouraged women to apply for Committee vacancies and appointed two women to the Macalister Committee.
- We released our inaugural **Community and Environment report** which identified key responsibilities and activities for working with communities to manage and protect our waterways.
- We actively supported the development and introduction of **Streamflow Management**

Plans and Groundwater Management Plans across southern Victoria. We also contributed to the development of Victoria's new farm dam legislation and the Sustainable Diversion Limits project.

- We continued our support of **natural resource management** by contributing to a range of programs - the Macalister Nutrient Reduction Plan, Wellington Salinity Plan, our new Reservoir Management Plans, and our new Environmental Management Programs.
- We appointed **additional licensing field staff** to the Mornington Peninsula, Gippsland and south-western Victoria. The additional resourcing reflects our commitment to better service and improved natural resource management, and the expectations of stakeholders and the community for more intensive resource management.

VISION Southern Rural Water (SRW) is a Victorian Government Authority responsible for three irrigation districts, seven large dams, and surface and groundwater licensing across southern Victoria.

We aim to be a successful and enduring business, which means being regarded by our:

- customers as a respected and valued service provider
- shareholder as fulfilling expectations and adding value
- peers, stakeholders and the community as a professional, competent, respected and progressive business.

To realise this, we aim to improve customer service, charge the lowest viable prices, safeguard our business, build our capability and work in partnership to improve water resource management and regional development.

In our work we value:

- partnership with our customers
- engagement with the community
- corporate social responsibility
- continuous improvement
- informed action.



CHAIRPERSON'S REPORT

This year provided many changes and exciting developments for Southern Rural Water.

Ms Cheryl Batagol, Ms Jan Greig, Dr Martin Kent, Professor John Lovering, Mr John Pye and I joined Mr Geoff Crick and Mrs Jennifer McMillan on the Board. This Board has concentrated on consolidating past successes as well as actively addressing the new challenges and priorities.

SRW's Communication Plan is both our response to our 2001 Stakeholder Survey and our ongoing commitment to good, clear communication with customers, stakeholders and the community.

For the Board, the Communication Plan underpins a formal engagement program with stakeholders - including planned regular meetings, involvement in local and regional events and a range of targeted publications. As our Board meetings are held at strategic venues around southern Victoria, Board members have an opportunity to meet with local groups and individuals and to discuss their issues and concerns.

SRW is a statutory Authority. The Government shapes much of what we do, how and why we do it. As some of these obligations can be unclear, SRW has led the development of a generic rural Water Services Agreement. This Agreement defines the responsibilities of SRW and Government, sets specific performance expectations and confirms the funding sources for key community and business activities.

Our Corporate Plan has been developed as a blueprint for all our activities for the coming year. It reflects our obligations to Government, our customers, the community and the environment and documents our strategic and integrated vision for Victorian water resource management across southern Victoria.

This year we have also been building support for a Southern Forum. The purpose of this group is to



increase the focus on management of our coastal catchments by bringing together key natural resource managers from across southern Victoria. Support for the Forum is developing and I hope to see it formally established by early next year.

In closing, I offer my personal thanks to the Board for their guidance, support and wisdom. To Chief Executive, Martin Kent, and all management and staff at SRW for their enthusiasm, perseverance and professionalism. To our customers, stakeholders and the community for their co-operation and collaboration over the last twelve months.

I also thank Allan Pappin for his outstanding contribution to SRW and the Victorian rural water industry. As our immediate past Chairperson, he very generously and professionally set the scene for a smooth transition for me when I commenced in February 2002.

A handwritten signature in black ink, appearing to read 'Rob Skinner', with a horizontal line extending to the right.

Mr Rob Skinner
Chairperson

CHIEF EXECUTIVE'S STATEMENT

Whilst seasonal conditions in southern Victoria were kind to Southern Rural Water and our customers this year, our general operating environment remained very busy.

Although our four Businesses span a diversity of activity, this year demonstrated a wealth of achievements and highlights. It has been a busy and successful year - a year of change and challenges.

Our communities expect more intensive water resources management, better protection of the environment and the communities sustained by them. This expectation places pressure on our prices, particularly in Licensing. It also adds urgency to the need for a strategic, integrated vision for future water resources management across Victoria.

We need to build the trust and understanding of our customers, stakeholders and the community. We have started to achieve this by establishing transparent processes for significant water allocation decisions and improving communication. The preparation of Streamflow Management Plans and Groundwater Management Plans is an opportunity to keep people informed.

At the same time, we must maintain the viability of our business. The low demand for water, reflected in below average revenue, is a reminder of the need to watch the fundamentals of our business - customer service, viable prices, risk management and, importantly, building our capability. Here too, many challenges remain - but through careful planning we will be able to craft solutions that deliver many benefits, and truly achieve the triple bottom line.

In closing, I thank our management team and staff



for their enthusiasm, diligence, professionalism, and sheer hard work. It is through their efforts that SRW is able to deliver diverse water management services across 44% of Victoria. I also thank our customers and stakeholders for their input and collaboration; and the Board for their embrace of the organisation and continuing support.

I look forward to another challenging, rewarding and exciting year.

A handwritten signature in black ink, appearing to read 'Martin Kent', written in a cursive style.

Dr Martin Kent
Chief Executive

SOUTHERN RURAL WATER

Southern Rural Water has more than 10,000 customers, mostly farmers, graziers and growers and we generate almost \$16 million in operating turnover. We invest over \$3 million in capital works each year and manage infrastructure and operating assets worth over \$427 million. We manage the State's largest groundwater operation.

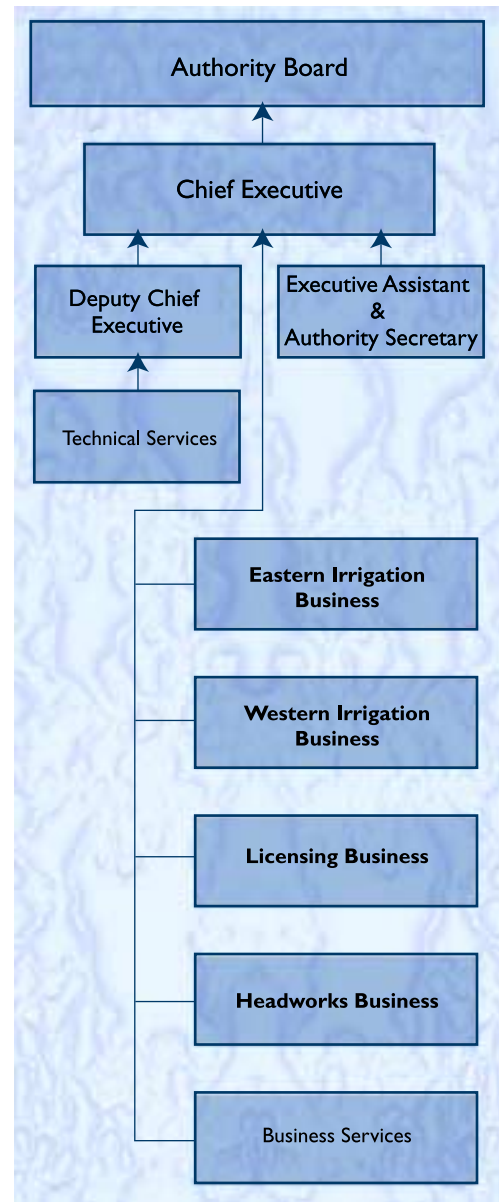
We have four principal businesses:

- Eastern Irrigation
- Western Irrigation
- Licensing
- Headworks.

We also manage the recreational facilities at Blue Rock, Cowwarr, Glenmaggie, Melton, Merrimu and Pykes Creek water storages. We have been appointed Resource Manager for a range of surface water catchments, mostly in Gippsland, and provide administrative support to the Victorian Drillers' Licensing Board.

Our main business centres are located in Maffra and Werribee. We employ over 100 people and have a network of field staff across southern Victoria – from Bairnsdale to Hamilton.

OUR ORGANISATIONAL STRUCTURE



EASTERN IRRIGATION BUSINESS

Our Eastern Irrigation Business operates the irrigation channels and drains of the Macalister Irrigation District and manages river diverters on the Macalister, Thomson and Latrobe Rivers and Rainbow Creek. It has almost 1,000 customers and delivers an average of 163,000 ML of water through the channel system each year. A further 20,000 ML of water is taken under licence by river diverters.

Our Eastern Irrigation Business has an annual turnover of about \$6 million.

WESTERN IRRIGATION BUSINESS

The Western Irrigation Business operates the Bacchus Marsh and Werribee Irrigation Districts. This Business also manages the river diverters on the Werribee and Maribyrnong River. It delivers some 4,000 ML per annum into the Bacchus Marsh District and 10,300 ML into Werribee for irrigation, stock and domestic purposes. River diverters hold a further 950 ML of licensed volume.

Our Western Irrigation Business has an annual turnover of about \$2 million and over 400 customers.

LICENSING BUSINESS

Our Licensing Business controls the taking and use of water from rivers, streams and groundwater aquifers across southern Victoria. It is also responsible for licensing the construction of bores and farm dams.

It administers over 7,800 licences. Of these, 3,700 are to use up to 111,000 ML of water from unregulated rivers, 800 licences to use up to 33,000 ML from regulated rivers, and 3,300 licences are to use just over 300,000 ML from groundwater bores. Each year the Licensing Business processes up to 1,300 new bore construction applications.

The Licensing Business turnover is around \$3 million.

HEADWORKS BUSINESS

The Headworks Business harvests and stores water for irrigation customers, urban water authorities and the Latrobe Valley power generators in accordance with the provisions of Bulk Entitlement Orders.

It has seven large dams: Blue Rock, Glenmaggie, Melton, Merrimu, Narracan, Pykes Creek, and Rosslynne.

Bulk Entitlement holders take around 300,000 ML of water during an average year. Business turnover of around \$3 million is supplemented by special purpose funding for dam improvement works.

GOVERNANCE

SRW, through its Board, reports to the Minister for Environment and Conservation, the Honourable Sherryl Garbutt, MP.

Authority Board

SRW's Board comprises eight members, appointed by the Minister on the basis of their skills and expertise.

As at 30 June 2002, SRW's Board Members were Mr Rob Skinner (Chairperson), Mrs Jennifer McMillan (Deputy Chairperson), Ms Cheryl Batagol, Mr Geoff Crick, Ms Jan Greig, Professor John Lovering, Mr John Pye and Dr Martin Kent (Chief Executive).



■ Board members L to R
Standing - Dr. Martin Kent,
Ms Jan Greig, Professor John
Lovering, Mr John Pye,
Mr Geoff Crick
Seated - Ms Cheryl Batagol,
Mr Rob Skinner,
Mrs Jennifer McMillan

Governance Statement

The Board has established general operating principles to ensure that the Authority fulfils its responsibilities in the best interest of Government, stakeholders, customers and the community. These include:

- being accountable to the Minister for the achievement of the results and targets required by Government
- ensuring that customers and other stakeholders are adequately consulted by management
- planning the future of the Authority

- setting, reviewing and amending policies to direct the Authority
- appointing the Chief Executive
- assessing the performance of the Authority and the Chief Executive
- avoiding unacceptable actions and situations.

Board Committees

The Board has established three Committees to provide advice and make recommendations. These Committees have a formal Terms of Reference, report to the Board and liaise closely with SRW's Chief Executive and senior management.

■ Audit Committee

Members – Mr Geoff Crick (Chair), Ms Jan Greig, Mrs Jennifer McMillan and Mr John Pye. This Committee reviews annual financial statements, monitors and provides specialist advice about financial management and accounting responsibilities. It oversees the internal and external audit program as well as the risk management program.

■ Remuneration & Corporate Governance Policy Committee

Members – Mr Rob Skinner (Chair), Ms Cheryl Batagol and Mrs Jennifer McMillan. This Committee oversees the implementation of SRW's remuneration policy, monitors executive and senior management remuneration and advises the Board about executive responsibilities.

■ Technical & Environment Committee

Members – Professor John Lovering (Chair), Ms Cheryl Batagol, Mr Geoff Crick and Ms Jan Greig. This Committee provides advice to the Board about SRW's technical and environmental activities across all four businesses. It develops policies and helps to identify and prioritise the annual works programs, investment in major projects, risk management strategies, asset integrity and service standards.

OUR YEAR

Eastern Irrigation Business

The season commenced on 15 August 2001 with Lake Glenmaggie holding 87,000ML or 45% capacity. Heavy rains, followed by intermittent showers across the District continued till mid-September when Lake Glenmaggie began spilling. This surplus of water meant that off-quota sales were available until mid-December. In early January we commenced ordering water from our entitlement in the Thomson Dam to meet our delivery requirements in the south-west of the District. Consistent rainfall meant there was limited demand for water. In late April we closed down the Northern Channel so that our capital works programs on Little Weir and the Nuntin pipeline could commence. Our season ended on 15 May 2002 with Glenmaggie holding 60,240ML (31.6%) and 8,328 ML remaining in our share of the Thomson Dam. Our total usage from the Thomson Dam was 3,573ML for the year.

Western Irrigation Business

The irrigation season got off to a good start with storage levels at 65% of capacity and irrigators being allocated 100% of water right. With good inflows over the late winter and early spring months, this allocation was increased to 130% in early October. By the end of November both the Melton and Pykes Creek Reservoirs were close to full and allocations were increased to 150% of water right. In January 2002, this was increased to 200%. Due to lower than expected demand throughout the season only customers who regularly use more than 200% of entitlement applied for temporary transfers of water rights. In Werribee, there were 38 temporary transfers totalling 1,300ML. In Bacchus Marsh, there were nine, totalling 105ML.

Licensing Business

Groundwater

In the west of our region, three consecutive dry winters meant that aquifer levels were low and

recharge rates uncertain. Customers, already suffering the economic effects of continued dry conditions, were required to extend their bores to intersect with aquifers. In the east, our customers are generally less reliant on groundwater but because of the extended dry weather they began to apply for groundwater entitlements to support their primary supply source. In both the east and west, the permissible annual volume from aquifers has been reached and some farmers have begun trading groundwater entitlements.

Surface Water

In the east, consistent rain meant that most waterways maintained good flows throughout the year and there were few restrictions.

There were no restrictions on the Upper Latrobe River and its tributaries or the Morwell River, and flows at Thorpdale were maintained at above environmental and bulk entitlement requirements. The Tarra, Jack and Albert Rivers operated without restriction - an unusual event as restrictions are generally imposed each year and total bans are common. Restrictions were imposed on the Avon River and Valencia Creek - but much later than usual and they were lifted by mid-April. Flows in the Mitchell, Tambo and Snowy Rivers remained sufficiently high to avoid restrictions. There was no requirement for rostering on streams in the Koo-Wee-Rup area and releases from Tarago Reservoir and its tributaries meant irrigation requirements were met.

The west also received good rainfalls and most rivers maintained good flows throughout the year. Most areas managed to get through the season - some with restrictions.

Irrigators on unregulated streams in the Werribee system were subjected to total bans between January and May. Irrigators on the regulated streams received the same allocation as the Western Irrigation Business.

Restrictions were imposed on the Moorabool River in mid-January and then all irrigation was banned in mid-February. River flows did not recover sufficiently to allow these bans to be lifted until June.

Level one rosters were introduced for the Merri and Gellibrand Rivers and customers were required to confirm the availability of water, daily.

The rivers further west in the State continued to be stressed, although good summer rains helped to keep them more sustainable than in previous years. Restrictions and some bans were imposed between January and May.

Headworks

The Werribee system began the year with a combined storage volume of 65% of capacity. By the end of July 2001, Merrimu held 60%, Melton 56% and Pykes Creek 80%. Rainfall over the next four months resulted in good inflows and ensured that both Melton and Pykes Creek Reservoirs filled to 100% capacity. Inflows into Merrimu Reservoir reached 62% capacity before demand exceeded inflows. Storage levels fell to 52% at year end. Melton and Pykes Creek provided ample supplies throughout the year and ended the year at 43% and 73% of capacity, respectively. Demand for water was below average and reflected the mild summer conditions.

In the Maribyrnong catchment, very dry conditions continued and significantly reduced inflows to Rosslynne Reservoir. The Reservoir started the year with 32% of capacity and had only 24 % at 30 June 2002. This lack of water meant demand was almost

half its long-term average.

Lake Glenmaggie filled by September and continued to spill through to early December when releases were increased to meet irrigation requirements. Overall demand for the year was generally below average and this was consistent with the higher rainfall recorded across the area. The storage was just over 50% capacity at 30 June 2002.

Lake Blue Rock started the season at a little under 80% capacity and reached 97% by January 2002. With the storage at such a high level and further inflows expected, the hydro power generating plant operated by Pacific Energy at Blue Rock ran at close to its maximum rate for most of the year. This provided the Latrobe system with sufficient flows to meet all downstream requirements.

In 2001 / 2002, Lake Narracan was prepared for major capital works. Water from the dam was released according to drawdown protocols and environmental guidelines.

ECONOMIC PERFORMANCE

As a regional organisation, SRW makes a business contribution that goes beyond managing rural water supplies. We play an important role in the economic fabric of our region and we are committed to promoting growth and improving relationships. When assessing projects and activities, we consider their regional and community impacts and how they can contribute to the development of our region. Our customers, the community and stakeholders expect us to provide high quality products and services. We will continue to deliver significant improvements in the quality and delivery of products and services through improved performance measures, enhanced service capability and better processes.

CUSTOMER SERVICE

Service Performance

Throughout 2001 / 2002, our focus was on improving customer service.

Business	Target	Achieved
Eastern Irrigation Business	95% of water orders delivered within one day of request, with three day's notice	93%
Western Irrigation Business	95% of water orders delivered within one day of request, with two day's notice	96%
Headworks	All water orders delivered according to customer instructions	100%

In our Licensing Business, our focus was to reduce handling times for licence applications. We measured our success in the reduction of the number of applications outstanding at month's end - this number fell from 227 to 114 over the year.

The following table shows the volume of water delivered into the Eastern and Western Irrigation Businesses and our delivery efficiency.

	Eastern Irrigation Business	Western Irrigation Business*	
		Bacchus Marsh	Werribee
Water rights & entitlements	110,664 ML	3,693 ML	8,011 ML
Seasonal sales delivered	12,283 ML	790 ML	2,080 ML
Total delivered to customers	122,947 ML	4,483 ML	10,091 ML
Water brought into system	177,379 ML	4,963 ML	12,967 ML
Delivery efficiency	69%	90%	78%

*Water in this system is delivered through a network of pipelines and open, concrete-lined channels.

Service Improvement

Developing our Customer Charter

During 2001 / 2002, each of our Businesses established a customer charter. These explain SRW's obligations to customers and establish a framework for measuring customer satisfaction and capturing feedback.

Increasing Licensing Field Presence

During 2001 / 2002, we reviewed our field operations performance and appointed additional staff. These people, located on the Mornington Peninsula, Gippsland and in south-western Victoria, will further enhance our ability to provide service to our customers and their communities.

Implementing Minor Works

- By replacing the culvert that crosses the Princes Highway, the Sale-Bairnsdale Railway line and SRW's Lake Wellington Drain, we have removed a bottleneck in the channel system and replaced a poor condition asset.

- By fitting a winter supply pump to the Boisdale pipeline, vegetable growers will have access to water all year round and the Northern Channel can be completely drained for maintenance works.
- By using remote controlled, closed circuit cameras to inspect smaller diameter pipes, we can locate failures and cracks in leaking siphons quickly and accurately. In the past, these leaks were responsible for substantial water loss in our irrigation systems.
- By upgrading the diesel generator with a fully automatic unit and installing a SCADA system (Supervisory Control And Data Acquisition) at Lerderberg Weir, we will be able to remotely operate and control the weir flood gates to maximise water harvesting without affecting passing flow requirements. The SCADA system will also have remote video capability to view performance of the weir, particularly during flood events.



■ Our new Lerderberg diesel generator

Improving Communications

- In addition to our existing newsletters, *Channels*, *Pipelines* and *Headlines*, our Licensing Business introduced its quarterly newsletter, *Diversions*. These newsletters have been developed to bring customers, stakeholders and the community up-to-date with our activities and to build understanding of how we are managing water resource issues.
- In 2001 / 2002, we commenced a major improvement program on Narracan Dam's

structure. As this work required the dam to be completely emptied, we developed a communications plan to inform the various statutory authorities, bulk entitlement holders, key stakeholders, conservation groups, the local community and MPs of our activities and progress. We also set performance measures for monitoring water quality throughout the drawdown process and for keeping key stakeholders and the community informed.



■ Releasing water from Narracan Dam

Trialling an Internet water ordering system

During 2001 / 2002, SRW piloted an Internet ordering system for irrigators in the Macalister Irrigation District (MID). Our trial group provided feedback on the performance of this online system and offered suggestions for improvements for all users. This service, an extension of our existing 24 hour telephone ordering system, enables customers to plan the delivery of water and to monitor their seasonal water usage online.

FINANCIAL MANAGEMENT

Pricing

All SRW's business activities are funded by customers through prices set to recover the long-term costs of doing business. These activities include:

- operations and maintenance
- renewing infrastructure at the end of its life
- operating dams to store the water used to supply our irrigation customers
- investment in business improvement programs (to improve service or reduce risk)

- the business's share of corporate overheads.

Where the level of activity varies according to seasonal influences (for example water deliveries in the Irrigation Businesses or the number of applications in our Licensing Business) prices are based on average levels of activity.

Asset Renewal

Each year, our prices include a renewals annuity. This is designed to generate sufficient reserve funds to replace assets when they reach the end of their life - in the next 40 years for our Irrigation Businesses and 100 years for our Headworks Business.

Our renewals annuity calculation is based on:

- identifying those assets which will reach the end of their life in the renewals period
- estimating the cost of replacing those assets
- calculating a renewals annuity that generates funds to meet these costs.

The following table shows the movements in our renewals reserves.

	Eastern Irrigation Business	Western Irrigation Business	Licensing Business	Headworks Business	Other
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Balance as at 30 June 2001	6,858	2,486	119	2,115	244
Annuity provision	1,036	388	18	422	89
Expenditure	2,619	1,027	0	690	101
Net provision /(Deficiency)	5,275	1,847	137	1,847	232
Imputed interest /(Charge)	240	86	6	81	12
Balance as at 30 June 2002	5,515	1,932	143	1,929	244

Community Obligations

In accordance with Government policy, SRW charges a 4% rate of return on the share of our dams used to store water for urban water authorities. The revenue raised in 2001 / 2002 was used to fund our dividend to Government and community programs such as:

- licensing new on-stream farm dams (for which there was no application fee)
- the management of recreation facilities at Blue Rock, Cowwarr, Glenmaggie, Melton, Merrimu and Pykes Creek Reservoir
- our contribution to dam safety works and the development of Streamflow and Groundwater Management Plans.

Financial Results

Accounting Standards

SRW prepares its financial statements in accordance with the Financial Management Act 1994 and relevant Australian Accounting Standards. This means that our financial statements are prepared differently to the way we set our prices.

The key differences are:

- the financial statements include depreciation instead of the renewals annuity. This adds some \$2.35 million to our expenses
- much of the spending on asset replacement is shown in our financial statements as maintenance. This adds some \$3.35 million to our expenses, rather than capital.

Consequently, the financial statements show a loss for the year of \$5.53 million, whereas the actual shortfalls in our businesses, generally caused by seasonal conditions, amount to slightly more than \$1 million.

Eastern Irrigation Business

With constant rainfall throughout the irrigation season, there was little demand for sales. This meant that revenue was some \$1.0 million below average. This, together with increased maintenance activity and a range of cost pressures, meant that the Business had an operating loss of \$0.8 million against a budgeted surplus of \$0.5 million.

Western Irrigation Business

Sales in the Werribee Irrigation District came in close to average. In the Bacchus Marsh Irrigation District, where there had been a cooler season and decrease in demand, revenue was almost \$120,000 below average. This, coupled with a range of cost pressures, meant the Business had an operating loss of some \$100,000 against a budgeted surplus of nearly \$80,000.

Licensing Business

In 2001 / 2002, SRW's Licensing business generated a total revenue of \$2.395 million. This is below the forecast of \$2.613 million and resulted in a revenue shortfall of \$218,000 for the year. The cost of operations, including river and aquifer management and control, was \$1.602 million. This was slightly over the budget of \$1.578 million.

Headworks Business

Generally, the Headworks Business traded in accordance with budget. Revenue for the Upper Latrobe system was \$184,000 below budget owing to some revenue being taken up in the previous year. This has been corrected in the Financial Statements and is shown as a Correction of Fundamental Error (See Note 3.1). As expected, the Werribee system produced an operating loss of over \$100,000. We were unable to recover the costs of the unallocated Bulk Entitlement share held in Lake Merrimu. We expect to resolve these issues in 2002 / 2003.

Water Services Agreement

Over the past year, SRW (in conjunction with the Department of Natural Resources & Environment and other rural water authorities) has led the development of a generic Water Services Agreement. This Agreement, adopted by the SRW Board, creates a comprehensive framework for defining the responsibilities of SRW and Government, setting specific performance expectations and confirming the funding sources for key community and other activities.

Price Reform

In recent years, SRW has standardised its annual fee for diversion licences and harmonised water right entitlements and off quota sale prices. In our Licensing Business, we plan to build on these initial changes by defining a 'basic service' price for both diversion and groundwater licences and adding a Streamflow or Groundwater Management Plan implementation charge. We will also introduce application fees for farm dam licences (previously no fee applied) and reduce the discounts for winterfill licences (to better reflect the work involved in their management).

Water Licensing Initiatives

SRW is a partner in several statewide water licensing initiatives, including the farm dams reforms passed by the Victorian Parliament in early 2002, the Sustainable Diversion Limits project and Streamflow and Groundwater Management Plans. Funding for these initiatives, including Government funding, is being developed in consultation with management agencies and stakeholders.

Government-funded Programs

In 2001 / 2002, SRW was a key partner in a number of programs funded by the Victorian Government, including the implementation of the Wellington Salinity Plan, the development of Streamflow and Groundwater Management Plans and Water For Growth.

MANAGING ASSETS

Asset Renewal

- Stage 1 of the Nuntin pipeline project, was the replacement of 400 metres of concrete-lined channels with an High Density Polyethylene (HDPE) plastic pipeline. Stage 2, to be constructed during the winter 2002 shut-down period, will replace almost four kilometres of leaking, undersized channels.



■ *Nuntin pipeline project*

- Our rehabilitation of siphon 7 on the Main Northern Channel required lining and waterproofing sections of an 80 year-old concrete siphon to significantly extend its lifespan. In addition to the lining, the contract also included installation of manholes to provide on-going access for inspection, dewatering and any future maintenance work.
- A Northern Outlet Valve at Glenmaggie was replaced and ancillary works completed. Two additional valves will be installed during winter 2002. These replacement valves, measuring 900mm in diameter, are manufactured in stainless steel and are hydraulically operated.
- The Southern Outlet Valve at Glenmaggie was given a complete overhaul and a new nose cone was re-fitted. It is expected that this new nose cone will provide years of protection against wear and tear.

- The \$1M Western Irrigation Business capital works program, implemented to ensure the future reliability of our irrigation service includes:
 - replacing an 80-year old elevated concrete flume in Bacchus Marsh
 - completing a feasibility study for piping all of the Werribee Irrigation District, including investigation of all options and associated issues
 - replacing parts of the 4/1 channel and the entire 2/4/1 channel with mainly HDPE pipeline without interrupting the fortnightly water supply to irrigators.



■ *Above: Replacing the Bacchus Marsh flume
Below: Western Irrigation Business
HDPE pipeline project*

Critical Assets Program

To minimise the risk of a major interruption to water supply, a Critical Assets Program has been initiated for both our Irrigation Businesses. This Program provides an integrated, risk-based surveillance, reporting and management system that identifies components of the system that are vulnerable to failure or that are difficult to rectify quickly.

In the Macalister Irrigation District, our Little Weir project included decommissioning the original dam embankment and scour pipe, constructing a new 2.55 metre diameter pipeline to convey irrigation flows of up to 600 ML/day almost 100 metres across a gully, between two existing tunnels. We also needed to stabilise the rock tunnels and their entry and or exit portals. Once this was completed we began revegetation of the upstream gully.

Generally, the program includes:

- improving existing access to tracks or building new tracks along channels and in confined areas in order to allow improved surveillance and inspection
- building fences along major channels to minimise cattle access and to encourage revegetation on the embankment as much of the erosion is attributed to roaming stock and surface run-off
- removing or pruning large trees along channels.

Dam Safety Review

During 2001 / 2002, we completed a review of all seven large dams to assess existing and potential design and operation risks.

- Lake Narracan Dam, important to a number of the Latrobe Valley power generators, required extensive structural modifications to ensure it met modern standards and that there was minimal risk of interruption to water supply.
- We completed seismic analysis of Glenmaggie Dam and a risk assessment study of its structure has

been initiated. Initial findings suggest that Glenmaggie Dam passes the Australian National Committee on Large Dams (ANCOLD) guidelines for hydrological and seismic analysis.

- Analysis of the embankment at Pykes Creek Reservoir found there was minimal risk of piping failure but that issues associated with embankment cut-offs required remedial works.
- We have installed remote monitoring and control equipment (SCADA) at Lerderberg Weir.
- Repair work on the Goodman's Creek dissipater within the Merrimu catchment was completed. The dissipater pool was remodelled and rip rap was placed within the downstream dissipater pool to minimise erosion.

We also plan to review the design and operations of our major weirs.

Major Failure Support Facility

In 2001 / 2002, we established a Major Failure Support Facility for all irrigation customers in the Macalister Irrigation District. This facility provides immediate financial support to farmers affected by a major supply failure and will enable them to meet the cost of replacing pasture with alternative feed sources while the failure persists - even if they are insured against such an event.

Managing Ongoing Risk

As part of our ongoing commitment to minimising risk, each Business has developed a Risk Management Policy, developed manuals and tested its procedures and contingency plans.

We also constantly monitor the recreational facilities used by the public at our reservoirs for maintenance and repairs. We have installed a number of No Swimming signs at recognised danger points across the Macalister Irrigation District and we completed phase 2 of our Road Crossing Upgrade & Protection Program, implemented in conjunction with the Wellington Shire.

ENVIRONMENTAL PERFORMANCE

SRW is focussed on protecting the environment and contributing to a better quality of life for current and future generations by providing products and services that meet environmental and sustainable growth standards.

NATURAL RESOURCE MANAGEMENT

Establishing Regional Partnerships

SRW works in partnership with Government and regional natural resource management groups across a range of projects, committees and action groups.

In 2001 / 2 we:

- led the development of the Western and Gippsland Water for Growth Committees, and are represented on both
- participated in the formation of the Gippsland Integrated Natural Resources Management Forum and led the formation of the Southern Forum
- provided technical expertise to the South West Land Use Change Project.

We also participated in local committees and groups to implement priorities set by Catchment Management Authorities and the Port Phillip and Westernport Catchment and Land Protection (CaLP) Board.

Collaborating in Water Resource Management

We collaborated with DNRE, other rural water licensing authorities and key stakeholders to implement key changes to the Victorian water industry by:

- introducing Watermove. This is a Victoria-wide, on-line water trading facility
- establishing an agreed Interim Diversion Limits

methodology to assess water availability in small catchments

- developing a methodology for managing Sustainable Diversion Limits for Victorian catchments. These new limits set diversion caps for the winter period. This complements our existing policy for not issuing new licences for extracting water during summer.

Streamflow Management Plans

In conjunction with our regional partners, SRW has developed Streamflow Management Plans (SFMPs) for priority, unregulated rivers and streams. These SFMPs:

- protect long-term sustainability by balancing environmental requirements with water consumption
- supply a framework of rules to ensure a specific river system meets agreed management objectives
- clarify diverters' rights to water and the future management plans for the river, including the security of supply, licensing, rostering, trading, environmental flows and sustainable diversion limits.

In the past year SFMPs have been:

- implemented for the Merri, Upper Latrobe and Gellibrand systems
- developed for the Avon and Upper Maribyrnong Rivers
- deferred, pending the completion of related environmental studies, for the Moorabool River.

SFMPs are also planned for the Barwon, Tarra, Hopkins, Morwell and Mitchell Rivers.

Recent amendments to the Water Act means that areas covered by SFMPs and Groundwater Management Plans can now be declared a Water Supply Protection Area - and its water protection measures become statutory obligations.

Groundwater Management Plans

Groundwater Management Plans (GMPs) are developed for areas that have been declared as a Groundwater Supply Protection Area (GSPA) by the Minister for the Environment and Conservation.

In 2001 / 2002, GMPs were:

- approved by the Minister for the Nullawarre and Yangery GSPAs
- submitted to the Minister for approval for the Sale, Denison and Wy Yung GSPAs
- initiated for Warrion, Deutgam, Bungaree, Wandin Yallock and Condah GSPAs.

The amalgamated Koo-Wee-Rup / Lang Lang Groundwater Management Areas has recently been declared a Water Supply Protection Area under recent amendments to the Water Act.

SRW has implemented the most substantial groundwater monitoring program in the State. It involved metering many groundwater licences as well as installing over 100 groundwater monitoring bores.

Promoting the use of Urban Recycled Water

SRW is actively involved in initiatives to achieve Government targets for water recycling. Our immediate target is to change attitudes about the use of recycled water, particularly in our high-value agricultural areas.

Gippsland Lakes Rescue Package

SRW is a key member of the Gippsland Lakes & Catchment Task Force. This Task Force, established by the Victorian Government to implement its Gippsland Lakes Rescue Package, has developed a strategic directions paper that details a commitment to reduce nutrient loads from the river basins to the Lakes by 40% and to secure a \$12 million commitment from Government to implement these strategies by 2004.

Managing Bulk Entitlements

Our policy for meeting bulk entitlement allocations ensures that while urban and rural demands are met, it is not at the expense of the environment. We only supply bulk entitlement allocations once the minimum environmental flows have been passed. However, with very dry and intermittent flows in the Werribee and Maribyrnong basins, we have had some difficulty in meeting minimum passing flow requirements. Currently, we are working with DNRE to identify alternative practices and reporting measures to better reflect the practicalities of regulating weirs and rivers.

Managing Environmental Releases

SRW manages its reservoirs to minimise the impact downstream on aquatic ecosystems and stream banks. Our reservoir release rules ensure that bulk entitlement flows meet passing flow agreements and are tailored to mirror natural flow. SRW is also researching the impact of these releases on the environment as this will enable us to better manage impacts resulting from water temperature and water quality.

ENVIRONMENTAL MANAGEMENT

Our Environmental Policy

The implementation of our environmental policy demonstrates our commitment to:

- recognising the impact of our operations on the environment and that we are committed to improving awareness and performance amongst staff and customers to minimise or control pollution and other external effects
- complying with all relevant environmental legislation, policies and regulations
- optimising our performance through the setting and continual improvement of environmental performance objectives
- encouraging input from customers, government and the wider community in the process of improving our environmental performance

- ensuring that this environmental policy is understood and maintained at all levels within SRW and is freely available to all customers and members of the wider community.

This policy is implemented through our Environmental Management System.



■ *Sustaining our environment*

Biodiversity Management

Our Biodiversity Management Strategy sets the direction and provides a framework for:

- reviewing Victoria's Biodiversity Strategy and the Flora and Fauna Guarantee Act to ensure our compliance
- incorporating biodiversity management requirements into our environment management programs
- working with regional partners to establish our Biodiversity Assets Register
- creating a spatial layer of SRW's property assets.

In 2001 / 2002 as part of our environmental management programs we:

- established guidelines/objectives for Biodiversity Asset Registers and Plans
- developed draft Water Quality and Biodiversity Management Plans for all seven major storages

- ensured large scale capital works programs had a zero impact on biodiversity and only native species were used in our revegetation works
- established Weed Management Programs in both Irrigation businesses
- initiated actions to reduce carp in SRW storages
- developed a draft Streamflow Management Plan for the Avon River
- initiated the Merri River environmental flow improvement project and reviewed the environmental flow requirements for the Barwon, Mitchell and Morwell Rivers.

We also intensified our management activities for:

- rehabilitating erosion sites
- revegetating marginal land at Lake Glenmaggie, Blue Rock Lake, Merrimu and Melton Reservoirs
- eradicating artichoke thistle in the Werribee Irrigation District, in conjunction with the Wyndham City Council.



■ *Implementing our weed management program in the Western Irrigation Business*

We have also worked closely with various Catchment Management Authorities, Landcare Groups and DNRE to develop strategies and undertake activities that have positive biodiversity outcomes.

Our Environmental Management System

The Environmental Management System (EMS) is how we identify and manage the impact of our activities on the environment. It provides a framework for identifying our environmental risks, managing environmental responsibilities and reporting on our overall environmental performance. During 2001 / 2002, it was successfully implemented into the Eastern Irrigation Business through our Environmental Management Programs.

Monitoring Thermal Releases

Our Headworks Business has undertaken a range of water quality monitoring activities to assess the impact of thermal pollution on downstream waterways from our reservoir releases. We have identified a number of monitoring sites and will install measuring equipment late in 2002.

Land Management & Erosion Control

As well as managing the water in reservoirs and waterways, we also manage some marginal lands around them. This land is often subject to erosion and weed infestation, and includes significant areas of remnant native vegetation.

During 2001 / 2002 we completed silt surveys of the Melton and Pykes Creek reservoirs to identify options for managing this potential risk.

We also contributed to the GrowWest project. This landscape improvement project aims to rejuvenate over 20,000 hectares of arid farmland in the upper reaches of the Werribee River catchment. The project's focus is on managing soil erosion, pest and weed control and the planting of native trees and grasses.

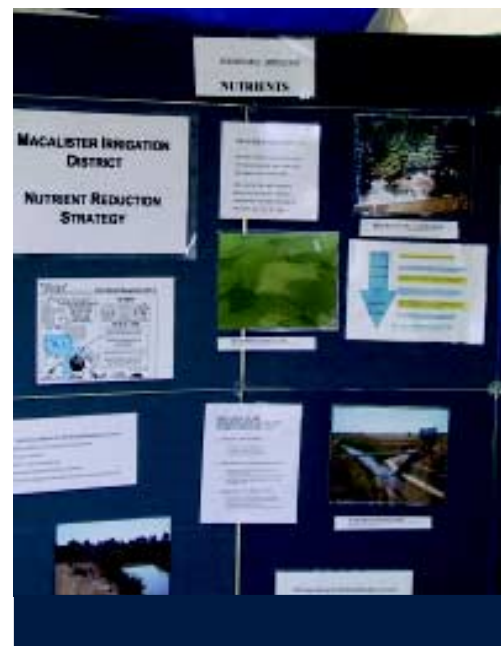
Blue Green Algae

In addition to continually monitoring reservoirs for potentially toxic blue green algae (BGA), we have developed an extensive BGA Response Plan.

In 2001 / 2002 we experienced BGA blooms in Lake Narracan and Lake Merrimu reservoirs. Neither incident produced toxins.

Nutrient Reduction

The Macalister Irrigation District Nutrient Reduction Plan is a joint initiative between Government and the farming community that aims to reduce phosphorous load from irrigation drains by 40% by the year 2005. SRW's role is to monitor discharges from drains, and to reduce flow and nutrient levels.



■ Nutrient information at Field day

To achieve this, we:

- installed an additional eight drain flow monitoring stations to our existing network of six stations. This means we now monitor up to 80% of the drain flow from the MID
- calculated the total phosphorus load from the MID using the nutrient and flow information collected and reported it to the EPA
- employed a Drain Project Officer to identify illegal drain diversions and dairy effluent discharges.

We also established a nutrient monitoring program in our Western Irrigation Business. The results from this program will give us an indication of the level of nutrients leaving the drains and assist us in setting reduction targets and timeframes.

Lake Wellington and Catchment Salinity Management Plan

In 2001 / 2002, we continued to implement a groundwater pumping program that is designed to lower watertables in the Macalister Irrigation District. Eighteen pumps extract over 4,500 ML of groundwater annually from shallow aquifers and divert this water into our channels and drains. While groundwater pumping is an effective means of salinity control, our long-term aim is to achieve a balance between recharge from irrigation and watertable levels so that the impact from irrigation practices is minimised.

Environment Protection Authority Compliance

SRW has two waste discharge licences issued by the Environment Protection Authority (EPA). These are for our waste treatment facilities at Lake Glenmaggie and Blue Rock Lake. In 2001 / 2 there were no compliance breaches with our licences.

Noxious Weed Control

In 2001 / 2002, SRW provided advice and support to the Maffra Foothills Reference Group so it could establish a Local Area Plan that identified ways of controlling or eradicating noxious weeds. We will continue to work closely with this group to ensure their plan is implemented.

European Carp Control Plan

In February 2002, we participated in a one-day workshop held by the Gippsland Coastal Board to develop a common strategy for the control of carp in all waterways that feed the Gippsland Lakes. Our Carp Control Plan aims to reduce carp from our channels, drains and reservoirs.

Research

SRW has established links and co-operative partnerships with the Arthur Rylah Institute, CRC for Catchment Hydrology, RMIT, CSIRO and the Macalister Research Farm. By forming alliances with these research organisations and working cooperatively with them on projects, we are kept informed and up-to-date on issues that could impact on the environment and our business.

Significant projects in 2001 / 2002 included a study on the sources of microbiology in the Werribee River, an assessment of the risk that BGA blooms pose to our business, and statistical research into our monitoring programs for drains and rivers. We have also led the formation of the Gippsland Research Co-ordination Group, to ensure a co-ordinated response to research in the Gippsland area.

SOCIAL PERFORMANCE

Customer, community and stakeholder involvement is an important feature of our business and fundamental to our success. By informing us of their needs and priorities and creating a basis for partnerships and action, we can build understanding and work together. We acknowledge our role in the broader community and the implications of our business practices and operations on society and the environment. We aim to achieve our corporate objectives through open and transparent relationships based on trust, respect and honesty.

COMMUNITY CONSULTATION & INVOLVEMENT

Stakeholder Engagement & Communications Plan

In 2001, SRW commissioned a Stakeholder Survey to identify how our stakeholders perceive us - and our work. The survey identified the need to improve connections with our communities and customers across south-western Victoria, in other areas where our Licensing business operates and with people who are not part of our intensive irrigation districts and have less exposure to water management issues. As a consequence, we developed a Communication Plan that reflects our commitment to building relationships with our customers, stakeholders and communities and have begun to implement this Plan.

Southern Forum

During 2001 – 2002, SRW together with water and resource managers from across southern Victoria, initiated the establishment of a Southern Forum to:

- identify and document the special needs, issues and importance of Victoria's coastal rivers and catchments
- promote understanding of these specific needs and issues, especially with funding bodies
- establish catchment strategies that integrate the water resource management activities of all stakeholders

- increase financial, research and policy support for southern Victoria's coastal rivers and catchments.

Customer Consultative Committees

To ensure that a strong customer perspective is brought to the planning and management of our businesses, the Board has appointed Customer Consultative Committees (CCCs) for our irrigation businesses. These Committees provide advice, raise issues, help shape our business plans and monitor performance. Each Committee is appointed for four years and, generally, there are between six and ten members. As part of our Gender Equity Plan, we are working to increase female participation on all our committees.

Our Licensing business has established the Licensing Business Forum to address strategic customer issues in surface and groundwater management.

Our Headworks business has focussed on developing bilateral relationships with our small number of bulk entitlement customers.

Working with Culturally Diverse Groups

- Late in 2001, SRW developed communication and referral protocols for water licence applications in south-west Victoria after an eel trap was inadvertently damaged during the construction of a stream gauging station on Mount Emu Creek. The trap was of cultural significance to the local Gunditjmara tribe. These protocols were developed at a conference for SRW staff and representatives from the Framlingham Aboriginal Trust.
- Similarly, cultural links and co-operative arrangements have been established with other Government agencies to develop working partnerships with Native Title Claimants. Registers of customer licences and stream gauges have been provided to the Native Title Tribunal to accurately assess native title claims.

- Our Communications Plan identifies the need for us to provide information to customers in languages other than English, on request. We are currently assessing the information needs of our communities.

Supporting our Regional Communities

We have established Community and Environment programs to assist individuals and groups in our communities.

In 2001 / 2002, we:

- financed the installation of the Burkes Bridge flow station to assist the Glenelg Hopkins CMA monitor stream flows on the stressed Glenelg River system
- assisted the Kilmany Landcare Group establish a native vegetation corridor adjacent to one of our major drains
- participated in Water Week by organising conducted tours of our operations for primary school students. The tour included a visit to Lake Glenmaggie, rehabilitated wetlands, a dairy and market garden in our Macalister Irrigation District and a Waterwatch demonstration.



■ Stratford Primary School students on our Water Week tour

- contributed to Waterwatch, a national, community water monitoring program that encourages people to be active in the protection and management of their local waterways and catchments

- SRW donated six canoes to the Woorabinda School Camp, located at Lake Narracan, for use in its outdoor education program.

Our people are also actively involved in regional and local community activities.

- A team of ten participated in the Gippsland *Relay for Life* and raised over \$1100. This 24-hour event, organised by the Anti Cancer Council, raises funds for cancer research.



■ Our Relay for Life team

- Last year our *Rusty Shovel Golf Day* raised over \$1200 for Maffra State Emergency Service.
- We also entered two rowing teams in the Gippsland *Corporate Challenge* and one team in the Corporate Slowpitch Softball Challenge.

Our staff also attend regional Field Days, speak at regional events and sponsor school prizes and activities.

OUR WORKFORCE

Enterprise Agreement 2001

After preliminary discussions with the Australian Workers Union and the Community and Public Sector Union, the SRW Enterprise Agreement Team was established. This team (comprising union officials, their nominated representatives and SRW employee and management representatives) negotiated an In Principle Agreement that focused on developing mutually agreed objectives that "... provide a positive outcome for both the business and employees." The Team's In Principle Agreement was ratified by State Government and certified by the Australian Industrial Relations Commission in October 2001. This Enterprise Agreement is for three years.

Recruitment and Training

As at 30 June 2002, SRW employed 99 permanent staff. In addition, we have eight limited tenure staff who are funded by State Government *Water for Growth* programs.

- All appointments to positions during 2001 / 2002 were made on the basis of merit and equity principles and our advertising and selection process was based on the State Government's merit and equity principles.
- SRW hosted six trainees under the Youth Employment Scheme and five have been offered ongoing employment.
- As training and professional development is encouraged, many of our employees have completed or are enrolled in water industry certificates and business management qualifications. Last year, we implemented a *Developing a Stronger Customer Focus* training program for all staff.
- Our Women's Network actively promotes professional development for women and encourages their involvement in community groups.

The following table shows comparative staffing numbers for the past three years.

Category		2001/2002	2000/2001	1999/2000
Female	Permanent full time	12	10	9
	Permanent part time	2	2	2
	Temporary full time	2	1	1
	Temporary part time	0	0	0
		16	13	12
Male	Permanent full time	86	89	86
	Permanent part time	2	2	2
	Temporary full time	2	1	2
	Temporary part time	1	1	0
		91	93	90
Total		107	106	102

Implementing an Open, Partnership Approach

- Our Employee Consultative Committee continues the work initiated by our Enterprise Agreement Team. This Committee provides a forum for discussing and resolving issues and promotes effective communication and harmonious relations between SRW and its employees.
- In 2001 / 2002, we held a series of facilitated workshops for staff to explain how individual and team activities and responsibilities were linked to the corporate plan. This program, *Linking You to Your Business Plan*, has been used as a model for encouraging employee participation and involvement in all our business activities. Similar participative groups have been established for managing issues and concerns relating to occupational health and safety, equal opportunity and employee relations. Our Human Resource staff provide expert advice to these groups and consult to business units.

- In July 2001, SRW received a grant from the Office of Public Employment to train staff as part-time field officers so they could work within business teams to identify and manage equal employment opportunity issues. Seven employees have been trained as EO Contact Officers.



■ *Our EO Eastern Team. From left Jim Watt, Manager HR, Vicki Lanigan, EO Contact Officer, Gavin Prior, EO Contact Officer and Valerie Purcell, Personnel Administration Officer.*

- SRW policies, procedures and instructions are available to all staff through an in-house, intranet-style system. Key issues for discussion and decision made at Board and Corporate Management Team meetings is also available via an internal, monthly newsletter, *Newsbrief*.
- We also implemented our Corporate Knowledge Program. In addition to documenting core information about our business, our policies and procedures, we also established an in-house, network resource system so that staff could access this information at all times.

Occupation Health & Safety Performance

SRW manages its Occupation Health & Safety (OHS) responsibilities in accordance with the provisions of relevant legislation, through two regional OHS Committees and a comprehensive network of workplace safety representatives.

The following table shows our OHS performance during 2001 / 2002, compared to the previous two years.

	2001/2002	2000/2001	1999/2000
# of lost time injuries	4	7	5
Total lost time (hours)	123	492	772
# of no lost time injuries (medical expenses only)	7	5	11
# of incidents / near misses	18	21	15

Continuous improvement in our OH&S performance has resulted in SRW's WorkCover premium not rising for the last two years, and a decrease in both the number of lost time injuries and total hours absent.

Each year consultants are engaged to review and report on our compliance with Uniform Building Regulations. Their recommendations are fully implemented. Our Maffra and Werribee offices comply with these OHS requirements.

Privacy

In anticipation of the Information Privacy Act 2001 being introduced, eight SRW staff attended privacy training provided by the Office of the Victorian Privacy Commissioner.

Freedom of Information

Members of the public can access SRW's documents, subject to the provisions of the Freedom of Information Act 1982, by applying in writing to the Freedom of Information Officer, Southern Rural Water, PO Box 153, Maffra, VIC 3860.

In 2001 / 2002, SRW received 19 requests for access or amendment to documents under the provision of the Freedom of Information Act 1982.

- Eight requests were for information relating to a groundwater licence application.

- Seven requests were received from one of our customers relating to his dealings with SRW over the past five years. The Victorian Civil & Administrative Tribunal (VCAT) is now reviewing this matter.

Managing Complaints

- *SRW's complaints register*

SRW has developed a formal complaints management system to monitor concerns and complaints from customers about any aspect of our business performance. This means that customers who feel they had been treated unfairly or disadvantaged by a decision made by SRW can have the decision subject to an internal review. During 2001 / 2002, SRW received 18 complaints. Of these, 15 have been resolved and three are still being investigated, with a decision pending.

- *Energy and Water Ombudsman Victoria*

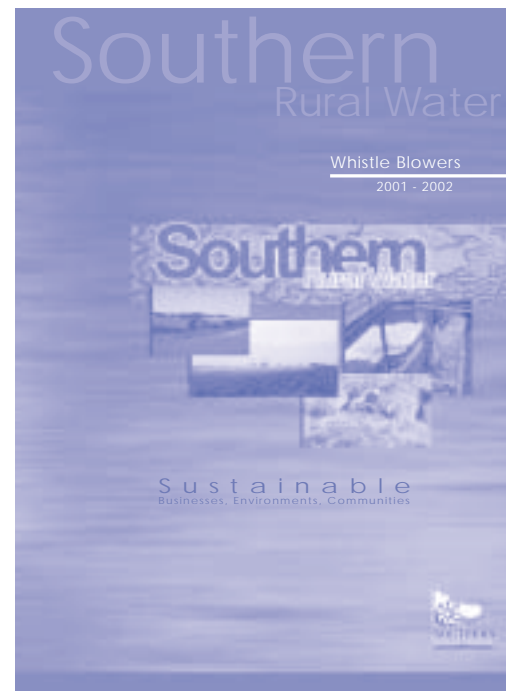
We also participate in the Energy and Water Ombudsman Victoria (EWOV) scheme. This scheme offers water authority customers an independent, third party for resolving formal complaints and disputes. During 2001 / 2002, there were four formal complaints against SRW registered with the Ombudsman. Three of these have been resolved.

- *Whistleblowers Protection Act 2001*

This legislation is designed to protect people who disclose information about serious wrongdoings within the Victorian Public Sector and it provides a framework for investigating these matters. All disclosures of improper conduct by SRW or its employees are managed by the SRW Protected Disclosure Co-ordinator.

Disclosures can be made to the SRW Protected Disclosure Co-ordinator, Southern Rural Water, PO Box 153, Maffra, VIC 3860 or direct to the Ombudsman Victoria, Level 22, 459 Collins Street, Melbourne, 3000.

There were no disclosures made to SRW, or the Ombudsman, and no recommendations made by the Ombudsman to SRW since the commencement of the Act in January 2002.



STATUTORY REPORT

Charter and Purpose

Southern Rural Water (SRW) is the trading name of the Gippsland and Southern Rural Water Authority. SRW is a statutory rural water authority, established under the provisions of the Water Act 1989. We have four principal businesses - Eastern Irrigation, Western Irrigation, Licensing and Headworks. We also manage the water storages and recreational facilities at Blue Rock, Cowwarr, Glenmaggie, Melton, Merrimu and Pykes Creek. We are the appointed Resource Manager for a range of surface water catchments, mostly in Gippsland, and provide administrative support to the Victorian Drillers' Licensing Board.

Our responsible minister is The Hon Sherryl Garbutt MP, Minister for Environment & Conservation.

Reporting period

This Annual Report has been prepared for the financial year, 1 July 2001 to 30 June 2002.

Directions from the Minister for Environment and Conservation

In July 2000, the Minister for Environment and Conservation directed that SRW transfer and surrender all the freehold land purchased for the proposed Mitchell River dam to the Crown. As at 30 June 2002, this transfer of land was incomplete.

Directions from the Minister for Finance

The information in this Report has been provided to comply with the requirements of Part 9 of the Directions of the Minister for Finance under the Financial Management Act 1994, if they have not been met elsewhere in the Report.

Additionally, in accordance with Section 9.1.3 (ii) (1) of the Directions, information listed in Section 9.1.3 (iv) has been prepared and is available to the relevant Minister, Members of Parliament and the public on request.

National Competition Pricing

SRW operates on a full cost recovery basis in accordance with the National Competition Policy. Prices are set in collaboration and consultation with customers to ensure that all operational costs are met and provision is made for the replacement of assets used to provide our services. We have also implemented a Tax Equivalent regime from 1 July 2001.

Consultancies

During 2001 / 2002 consultants were engaged by SRW to:

- Provide expert advice and to facilitate decision-making
- Specific one-off tasks or sets of tasks
- Provide skills not currently available within the Authority.

No consultants were paid more than \$100,000.

Consultants engaged at a contract cost less than \$100,000 numbered 23 and were paid \$ 676,059 in total.

Financial review of Operations & Financial Conditions

Four year financial summary

	2002 \$000	2001 \$000	2000 \$000	1999 \$000	1998 \$000
Revenue					
Water Rights & Charges	8812	9724	9313	9531	9149
Storage Operator Charges	4101	3422	3463	2989	3334
Government Grants	957	2683	938	2640	645
Other	1164	1377	1618	1625	1890
Total Revenue	15034	17206	15332	14785	15018
Expenditure					
Operations & Maintenance	12257	7244	7478	5536	5890
Depreciation	4637	5283	4228	4084	4007
Other	3676	4151	3536	4132	3348
Total Expenditure	20570	16678	15242	13752	13245
Net Operating Result	(5536)	528	90	1033	1773
Payment to Government	418	380	418	418	380
Movement in Retained Earnings	(5954)	148	(328)	615	1393
Add Back Depreciation	4637	5283	4228	4084	4007
Add Back Major Projects Expensed	3352	321	-	-	-
Less Renewals	2286	2723	2884	2811	2870
Renewals Based Result	(251)	3029	1016	1888	2530

BULK ENTITLEMENTS

Thomson / Macalister

The following information is provided in accordance with Section 20.3 of the Bulk Entitlement (Thomson / Macalister) Conversion Order.

- At 30 June 2002, SRW's entitlement in the Thomson Reservoir was 9,374 ML
 - Releases from the Thomson Reservoir to supply primary entitlements were 3,573 ML
 - The volume of SRW's share of storage capacity under Clause 9 was 8,245 ML
 - The volume of inflows attributed to SRW under Clauses 10.1 and 10.2 was 11,202ML
- The annual amounts of water taken by SRW from waterways were:

-Southern Channel	91,107 ML
-Northern Channel	41,449 ML
-Eastern Channel	25,595 ML
-Cowwarr Channel	3,891 ML
- The volume of water held at Lake Glenmaggie as at 30 June 2002 was 94,729ML
- The annual amount of water taken by the primary entitlement holders under this Order was 122,867ML
- There were no credits granted under Clause 17 of the Order
- There were no temporary or permanent transfers of a bulk entitlement or any other entitlement to SRW
- There were no alterations made to Schedules 1 or 2 under sub-clause 8.1 of the Order
- Permanent transfers of primary entitlements were:

-MID to MID	4 transfers	170 ML
-River to River	1 transfer	12 ML
-MID to River	5 transfers	304.7 ML
- Temporary transfers of primary entitlements were:

-MID to MID	26 transfers	1,494 ML
-River to River	5 transfers	498 ML
-MID to River	3 transfers	336 ML
- There are no amendments to this Bulk Entitlement Order.
- There have been no new Bulk Entitlements granted.
- There has been no program approved under sub-clause 18.2 to date.
- There has been no program approved under sub-clause 19.3 to date.

- The Authority is not aware of any failure to comply with the provision of the bulk entitlement. To minimise the potential for breaching compliance with environmental flows, we have developed a Risk Management Strategy and action plans.

Werribee

The following information is provided in accordance with Section 18.1 of the Werribee Bulk Entitlement Order

- There have been no transfers from Merrimu Reservoir to Melton Reservoir.
- Water taken from:

-Bacchus Marsh Diversion Weir	4,963 ML
-Werribee Diversion Weir	12,967 ML
-Maddingley Pumps	0 ML
- Volume of water taken from the waterway by primary entitlement holders including outfalls:

-Bacchus Marsh	4,088.2 ML
-Werribee	10,439.7 ML
-River Diverters	863.8 ML
-Myrniong	35.2 ML

 There have been no internal spills.
- As at June 30 2002, capacity shares were :

-Western Water	8,322 ML
-SRW	1,714 ML
-Unallocated	4,587 ML
- Share of passing flows:

-Western Water	244 ML
-SRW	81 ML
-Unallocated	81 ML
- SRW has not received any credits. For the year 2001 / 2002 a total of 394.8 ML was returned to the system waterway via the main channel outfall.
- One temporary transfer from this Bulk Entitlement has taken place.
 - SRW (WID) to Western Water (Merrimu Reservoir), 500.0 ML
 - Unallocated to Western Water (Merrimu Reservoir), 0 ML
- No transfers to SRW have taken place.
- There were no restrictions in place this year. July started with 100% of the allocation, August 130% allocation, October 150% and January 200%.
- There were no changes to Schedule 1 or Schedule 2.
- Permanent Transfers:
 - BMID to River, 1 Transfer, 15.0 ML
 - River to River, 1 Transfer, 10.0 ML

- Temporary Transfers
 - BMID to BMID, 7 Transfers, 78.2 ML
 - WID to WID, 35 Transfers, 769.4 ML
 - BMID to WID, 2 Transfers, 26.4 ML
 - WID to Werribee River, 2 Transfers, 30.7 ML
 - Werribee River to Werribee River, 1 Transfer, 45.0 ML
 - WID to Merrimu, 1 Transfer, 500 ML
- The annual volume supplied to:
 - Bacchus Marsh 3693.4 ML
 - Werribee 10,091.6 ML
- There are no amendments to this Bulk Entitlement Order.
- There have been no new Bulk Entitlements granted.
- Environmental management programs have been submitted to NRE for comment prior to seeking the Minister's endorsement. SRW has continued with the same metering program as before the Bulk Entitlement was signed except that some sites have been upgraded with new equipment.
- SRW had some minor non compliance issues with the passing flow provisions of the Bulk Entitlement at Lerderderg upstream of Goodmans gauging station this year. This was caused by the inability to regulate flows accurately under certain flow conditions and the rigidity of the passing flow provisions.
- SRW experienced difficulties in complying with the passing flow requirements due to the limited capability to regulate and release passing flows at the Lerderderg Weir structure without compromising either environmental passing flows or water harvesting opportunities. SRW has advised NRE of this problem and is hopeful that more realistic arrangements can be accommodated to protect the passing flow requirement and allow for the practical implementation of passing flows that better reflect the natural flows of the system and offer a degree of flexibility without reducing the overall environmental flow requirements.
- Southern Rural Water allowed 50% for transfer and operating losses.
- Southern Rural Water has had 26ML deducted for passing flow requirements.
- SRW has with its best endeavours provided for passing flow requirements as detailed in the Bulk Entitlement Order.
- 113.1 ML has been taken from the waterway by primary entitlement holders.
- There have been no Temporary or Permanent transfers from this Bulk Entitlement.
- A total of 356.9 ML was transferred from Western Water's Macedon System into the Maribyrnong System less 5% for estimated losses.
- There are no alterations to Schedule 1 or 2 of this Bulk Entitlement.
- There have been two Temporary Transfers within the system totalling 42.2 ML.
- There are no amendments to this Bulk Entitlement.
- There have been no new Bulk Entitlements granted.
- No environmental management programs have been implemented at this stage. SRW has continued with the same metering program as before the Bulk Entitlement was signed except some sites have been upgraded with new equipment.
- To Southern Rural Water's knowledge it has not failed to comply with any provisions of the Bulk Entitlement.
- SRW experienced difficulties in meeting with the passing flow requirements at a number of sites stipulated under the Bulk Entitlement Order this year due to the extremely dry conditions. SRW is currently discussing these concerns with NRE and is hopeful that more realistic arrangements can be accommodated that will continue to protect the passing flow requirements but also allow for the practical implementation of passing flows that better reflect the natural flows of the system.

Maribyrnong

The following information is provided in accordance with Section 19.1 of the Maribyrnong Bulk Entitlement Order.

- 134 ML was released to supply licence entitlements.
- Southern Rural Water's share of Rossllynne Reservoir at the 30 June 2002 was 117ML.
- Taking into account evaporation and measurement discrepancies Southern Rural Water had inflows of 46.73ML.

Latrobe

The following information is provided in accordance with Section 16.3 of the Bulk Entitlement Order 1996.

- At 30 June 2001, Blue Rock reservoir contained 154,530 ML of water. This is 74.2 % of capacity. Capacity is 208,188 ML.

- At 30 June 2002, the amount of water in the Authority's share of Blue Rock reservoir was 4164 ML or 2.0 % of the total capacity.
- The annual amount of water taken by licence holders from the system waterway was:
-0 ML, upstream of Yallourn Weir
-2615 ML, downstream of Yallourn Weir
- The amount of annual losses debited to the Authority's share of Blue Rock reservoir was 19 ML
- The amount of internal spill of water into the Authority's share of storage in Blue Rock was 0
- There were no periods of restrictions for any licence holders during 2001 / 2002.
- The Authority has provided for passing flow requirements as specified in the Bulk Entitlement Order for the complete year.
- There was one temporary and no permanent transfers of all or part of the Bulk Entitlement.
- There was no Bulk Entitlement or licence in respect of the system waterway temporarily or permanently transferred to the Authority.
- Although there was no amendment to this Bulk Entitlement, modelling will continue as this confirms natural flow indicators and is used to review passing flow requirements, particularly at Sale.
- There were no amounts supplied to any licence holders other than those specified in Schedule 1 of the Order.
- There has been no failure of which the Authority is aware to comply with any provisions of the Bulk Entitlement.
- Difficulties were experienced in relation to modified natural flow indicators at designated passing points. Modelling of passing flows is under review with DNRE.

Yallourn Energy

The following information is provided in accordance with Section 12.3 of the Bulk Entitlement Order 1996.

- The annual amount of water designated as taken by the Authority from the waterway at its pumping station was 16711 ML
- In accordance with Clause 11.4, the Authority has a network of metering installed within its low quality water system that enables it to determine the low quality water usage by both the Loy Yang A and Loy Yang B power stations. This equipment is checked monthly for validity and annually for signal integrity.
- There were no temporary and no permanent transfers of all or part of the Bulk Entitlement.
- There was no Bulk Entitlement or licence in respect of the system waterway temporarily or permanently transferred to the Authority.
- There was no amendment to this Bulk Entitlement.
- There has been no failure of which the Authority is aware to comply with any provisions of the Bulk Entitlement.
- There are no existing or anticipated difficulties experienced by the Authority in complying with the Bulk Entitlement.

WATER TRANSFER, EXTRACTION & USE TABLES

TABLE 1: PERMANENT TRANSFERS OF WATER RIGHTS AND DIVERSION LICENCES PROCESSED BY THE AUTHORITY
DURING YEAR ENDED 30 JUNE 2002

SUMMARY

	Internal transfers within district/area or waterway		Total transfers from other districts/areas and waterways within Southern Rural Water		Total transfers to other districts/areas and waterways within Southern Rural Water		Total transfers from districts/ areas and waterways of other Water Authorities		Total transfers to districts/ areas and waterways of other Water Authorities		Net increase/decrease for district/ area or waterway
	No.	ML	No.	ML	No.	ML	No.	ML	No.	ML	
To Districts											
Macalister	4	170.0	0	0.0	5	304.7	0	0.0	0	0.0	-304.7
Werribee	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Bacchus Marsh	0	0.0	0	0.0	1	15.0	0	0.0	0	0.0	-15.0
To Waterways											
Thomson River	1	12.0	4	104.7	0	0.0	0	0.0	0	0.0	104.7
Macalister River	0	0.0	1	200.0	0	0.0	0	0.0	0	0.0	200.0
Latrobe River	4	306.8	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Maribyrnong River	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Werribee River	1	10.0	1	15.0	0	0.0	0	0.0	0	0.0	15.0
Other	8	256.6	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Total	18	755.4	6	319.7	6	319.7	0	0.0	0	0.0	0.0

TABLE 1.1: PERMANENT TRANSFERS OF WATER RIGHTS AND DIVERSION LICENCES PROCESSED BY THE AUTHORITY
DURING YEAR ENDED 30 JUNE 2002

TRANSFERS FROM AND TO DISTRICTS/AREAS AND WATERWAYS WITHIN SOUTHERN RURAL WATER

	Macalister District		Werribee District		Bacchus Marsh District		Thomson River Waterway		Maribyrnong River Waterway		Werribee River Waterway		Other Waterways		Totals	
	No.	ML	No.	ML	No.	ML	No.	ML	No.	ML	No.	ML	No.	ML	No.	ML
To Districts																
Macalister	4	170.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	4	170.0
Werribee	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Bacchus Marsh	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
To Waterways																
Thomson River	4	104.7	0	0.0	0	0.0	1	12.0	0	0.0	0	0.0	0	0.0	5	116.7
Macalister River	1	200.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	200.0
Maribyrnong River	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Werribee River	0	0.0	0	0.0	1	15.0	0	0.0	0	0.0	1	10.0	0	0.0	2	25.0
Other	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	12	563.4	12	563.4
Total	9	474.7	0	0.0	1	15.0	1	12.0	0	0.0	1	10.0	12	563.4	24	1075.1

TABLE 2: TEMPORARY TRANSFERS OF WATER RIGHTS AND DIVERSION LICENCES PROCESSED BY THE AUTHORITY
DURING YEAR ENDED 30 JUNE 2002

SUMMARY

	Internal transfers within district/area or waterway		Total transfers from other districts/areas and waterways within Southern Rural Water		Total transfers to other districts/areas and waterways within Southern Rural Water		Total transfers from districts/ areas and waterways of other Water Authorities		Total transfers to districts/ areas and waterways of other Water Authorities		Net increase/decrease for district/ area or waterway
	No.	ML	No.	ML	No.	ML	No.	ML	No.	ML	
To Districts											
Macalister	26	1494.0	0	0.0	4	386.0	0	0.0	0	0.0	-386.0
Werribee	26	925.2	2	26.4	3	40.9	0	0.0	0	0.0	-14.5
Bacchus Marsh	1	6.4	0	0.0	2	26.4	0	0.0	0	0.0	-26.4
To Waterways											
Thomson River	5	498.0	3	336.0	0	0.0	0	0.0	0	0.0	336.0
Maribyrnong River	1	4.2	0	0.0	0	0.0	0	0.0	0	0.0	0.0
Werribee River	2	85.0	3	40.9	0	0.0	0	0.0	0	0.0	40.9
Other	28	1405.4	2	300.0	1	250.0	0	0.0	0	0.0	50.0
Total	89	4418.2	10	703.3	10	703.3	0	0.0	0	0.0	0.0

TABLE 2.1: TEMPORARY TRANSFERS OF WATER RIGHTS AND DIVERSION LICENCES PROCESSED BY THE AUTHORITY
DURING YEAR ENDED 30 JUNE 2002

TRANSFERS FROM AND TO DISTRICTS/AREAS AND WATERWAYS WITHIN SOUTHERN RURAL WATER

	Macalister District		Werribee District		Bacchus Marsh District		Thomson River Waterway		Maribyrnong River Waterway		Werribee River Waterway		Other Waterways		Totals	
	No.	ML	No.	ML	No.	ML	No.	ML	No.	ML	No.	ML	No.	ML	No.	ML
To Districts																
Macalister	26	1494.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	26	1494.0
Werribee	0	0.0	26	925.2	2	26.4	0	0.0	0	0.0	0	0.0	0	0.0	28	951.6
Bacchus Marsh	0	0.0	0	0.0	1	6.4	0	0.0	0	0.0	0	0.0	0	0.0	1	6.4
To Waterways																
Thomson River	3	336.0	0	0.0	0	0.0	5	498.0	0	0.0	0	0.0	0	0.0	8	834.0
Maribyrnong River	0	0.0	0	0.0	0	0.0	0	0.0	1	4.2	0	0.0	0	0.0	1	4.2
Werribee River	0	0.0	3	40.9	0	0.0	0	0.0	0	0.0	2	85.0	0	0.0	5	125.9
Other	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	29	1655.4	30	1705.4
Total	30	1880.0	29	966.1	3	32.8	5	498	1	4.2	2	85	29	1655.4	99	5121.5

TABLE 3: IRRIGATION WATER USAGE FOR THE YEAR ENDED 30 JUNE 2002

District/Area or Waterway	Total water rights allotted to District and diversion licences	Gross supply at offtakes (excl. volume passed to other Districts)	USERS IN DISTRICT			Users outside district from district channels	Total delivered from district	Diversions from rivers, streams, lakes and main channels		Total irrigation usage
			Under water rights/ domestic & stock allowance	Sales of water	Total delivered in district			Usage under entitlements and stock & domestic	Sales usage	
Macalister	116695.4	162042.3	97919.1	9691.2	107610.3	0.0	107610.3	0.0	0.0	107610.3
Werribee	9468.0	18413.1	8011.1	2080.5	10091.6	0.0	10091.6	0.0	0.0	10091.6
Bacchus Marsh	3677.4	7671.5	2904.0	435.6	3339.6	353.8	3693.4	0.0	0.0	3693.4
Gippsland Diverters	94873.5	0.0	0.0	0.0	0.0	0.0	0.0	23958.6	3333.8	27292.4
Maribyrnong System	1971.2	1074.0	0.0	0.0	0.0	0.0	0.0	206.7	19.9	226.6
Werribee System	1549.2	0.0	0.0	0.0	0.0	0.0	0.0	788.0	322.3	1110.3
Bunyip/Tarago System	12934.0	0.0	0.0	0.0	0.0	0.0	0.0	1468.1	168.8	1636.9
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2147.1	805.7	2952.8
Total	241168.7	189200.9	108834.2	12207.3	121041.5	353.8	121395.3	28568.5	4650.5	154614.3

**TABLE 4: PRIVATE DIVERSIONS FROM WATERWAYS AS AT 30 JUNE 2002
REGULATED**

	IRRIGATION			STOCK & DOMESTIC		OTHER		TOTAL
	Licence	Authorised Volume	Authorised Area	Licence	Authorised Volume	Licence	Authorised Volume	Authorised Volume
	No.	ML	HA	No.	ML	No.	ML	ML
AVON RIVER	0	0	0	0	0	0	0	0
BEMM RIVER	0	0	0	0	0	0	0	0
BUNYIP RIVER	88	4708.8	725.2	123	314	30	151.2	5174
BUNYIP RIVER WEIRS	0	0	0	0	0	0	0	0
GLENELG RIVER	0	0	0	0	0	0	0	0
HOPKINS RIVER	0	0	0	0	0	0	0	0
LAKE COLAC	0	0	0	0	0	0	0	0
LATROBE RIVER	91	11121.8	1872.8	19	48.4	8	20046.4	31216.6
LATROBE RIVER TRIBUTARIES	0	0	0	1	4.4	0	0	4.4
MARIBYRNONG RIVER	8	222.6	38.7	7	15.4	3	6.6	244.6
MITCHELL RIVER	0	0	0	0	0	0	0	0
MITCHELL RIVER TRIBUTARIES	0	0	0	0	0	0	0	0
MOORABOOL RIVER	66	1325	177.7	14	32.6	6	21.9	1379.5
NICHOLSON RIVER	0	0	0	0	0	0	0	0
OTWAY SYSTEM	0	0	0	0	0	0	0	0
PORTLAND	0	0	0	0	0	0	0	0
SNOWY RIVER	0	0	0	0	0	0	0	0
SNOWY RIVER TRIBUTARIES	0	0	0	0	0	0	0	0
SOUTH GIPPSLAND	0	0	0	0	0	0	0	0
TAMBO RIVER	0	0	0	0	0	0	0	0
TAMBO RIVER LOWER	0	0	0	0	0	0	0	0
TAMBO RIVER TRIBUTARIES	0	0	0	0	0	0	0	0
THOMSON COWWARR CHANNEL	4	332	87.5	1	66	1	2.2	400.2
THOMSON MACALISTER	49	3792.2	643.7	18	42.05	5	3383.8	7218.05
THOMSON RIVER	136	16624.3	2783.7	19	44	11	35.2	16703.5
WERRIBEE RIVER	30	873.5	302.9	37	107.6	11	119.8	1100.9
WESTERN PORT BAY TRIB	0	0	0	0	0	0	0	0
YARRA RIVER	0	0	0	0	0	0	0	0
TOTAL	472	39000.2	6632.2	239	674.4	75	23767.1	63441.75

UNREGULATED

AVON RIVER	69	6175.5	1011.4	17	37.4	7	49.4	6262.3
BEMM RIVER	12	715	135.6	5	17.6	5	11.0	743.6
BUNYIP RIVER	260	8225.2	816.1	166	436.2	71	264.8	8926.2
BUNYIP RIVER WEIRS	1	6	2	0	0	0	0.0	6.0
GLENELG RIVER	16	942.4	121.2	29	70.4	10	24.4	1037.2
HOPKINS RIVER	121	9610.8	1651.6	32	79.7	19	127.8	9818.3
LAKE COLAC	18	836.5	130.6	3	6.6	4	62.2	905.3
LATROBE RIVER	21	532.7	46.7	13	37.4	7	94.2	664.3
LATROBE RIVER TRIBUTARIES	428	16021.32	3986	119	332.4	120	851.4	17205.1
MARIBYRNONG RIVER	56	1748.6	164.5	56	203.4	16	37.5	1989.5
MITCHELL RIVER	142	12748.3	2122.7	54	147.4	14	44.0	12939.7
MITCHELL RIVER TRIBUTARIES	48	1878.4	323.46	16	37.4	9	78.4	1994.2
MOORABOOL RIVER	60	1622.7	405.3	13	30.8	5	67.6	1721.1
NICHOLSON RIVER	2	42.7	7	7	15.4	1	2.2	60.3
OTWAY SYSTEM	176	7910.2	1195	104	244.2	81	1136.3	9290.7
PORTLAND	26	1130.9	202.1	17	37.4	8	25.4	1193.7
SNOWY RIVER	29	2537.8	437	8	17.6	1	4.4	2559.8
SNOWY RIVER TRIBUTARIES	16	1211.5	195.5	10	28.6	6	28.4	1268.5
SOUTH GIPPSLAND	223	9981.5	1724	265	774.4	261	909.7	11665.6
TAMBO RIVER	15	702.2	115.3	31	70.4	8	56.4	829.0
TAMBO RIVER LOWER	36	2786.2	451.2	18	58	3	8.8	2853.0
TAMBO RIVER TRIBUTARIES	19	259.65	74	21	68.3	10	28.1	356.1
THOMSON COWWARR CHANNEL	0	0	0	0	0	0	0.0	0.0
THOMSON MACALISTER	76	4369	732.18	15	37.4	10	67.7	4474.1
THOMSON RIVER	25	3041.4	409.3	8	17.6	1	4.4	3063.4
WERRIBEE RIVER	22	675.7	75.7	16	35.2	5	195.4	906.3
WESTERN PORT BAY TRIB	7	1379.7	160	0	0	2	3.2	1382.9
YARRA RIVER	1	7.4	1.2	1	2.2	0	0.0	9.6
TOTAL	1925	97099.3	16696.6	1044.0	2843.4	684.0	4183.0	104125.7

TABLE 5: GROUNDWATER EXTRACTIONS AS AT 30 JUNE 2002

Groundwater Management Areas	IRRIGATION			OTHER		TOTAL
	Licences	Authorised Volume	Authorised Area	Licences	Authorised Volume	Authorised Volume
BUNGAREE	86	4,935.90	1466.6	7	328.50	5264.40
COLONGULAC	20	3,125.40	509.2	19	217.49	3342.89
CONDAH	35	6,703.70	1143	4	147.40	6851.10
CORINELLA	2	73.00	13	12	395.64	468.64
CUT PAW PAW	2	169.00	28	1	342.00	511.00
DENISON	66	12,755.80	2037.7	60	755.00	13510.80
DEUTGAM	152	5,090.00	1632.6	4	539.50	5629.50
FRANKSTON	23	872.20	265.4	6	247.10	1119.30
GERANGAMETE	0	0.00	0	1	8000.00	8000.00
GIFFARD 1	14	6,978.30	1235	2	52.00	7030.30
GIFFARD 2	0	0.00	0	1	4.00	4.00
GLENORMISTON	11	2,292.10	366.4	24	106.30	2398.40
HEYWOOD	59	5,709.90	1138.4	34	255.00	5964.90
JAN JUC	0	0.00	0	1	4000.00	4000.00
KOO WEE RUP DALMORE 1	53	995.50	898.3	13	141.60	1137.10
KOO WEE RUP DALMORE 2A	37	791.16	378.7	8	47.00	838.16
KOO WEE RUP DALMORE 2B	71	3,050.00	1844.7	20	123.20	3173.20
KOO WEE RUP DALMORE 3	21	1,343.70	545.8	9	32.60	1376.30
KOO WEE RUP DALMORE 4	28	1,677.10	654.3	19	110.30	1787.40
KOO WEE RUP DALMORE 5	10	491.70	186.5	11	103.60	595.30
KOO WEE RUP DALMORE 6	14	447.60	170.8	2	118.00	565.60
LAKE MUNDI	50	24,809.90	4175.5	2	65.00	24874.90
LANCEFIELD	12	1,037.20	238.77	1	208.00	1245.20
LANG LANG	19	1,935.60	466.8	54	2100.40	4036.00
LEONGATHA	10	946.10	212.3	20	526.40	1472.50
MERRIMU	9	411.50	134.2	0	0.00	411.50
MOE	18	2,165.60	372.35	55	404.47	2570.07
MOORABBIN	27	1,860.90	464.3	2	162.50	2023.40
NEPEAN 1	6	262.00	57.2	3	17.00	279.00
NEPEAN 2	55	5,318.70	1273.5	3	22.00	5340.70
NEWLINGROOK	1	134.00	20	2	1809.00	1943.00
NON GMA	596	46,053.36	10135.2	544	12756.44	58809.80
NULLAWARRE	106	21,023.41	3581.54	106	787.30	21810.71
ORBOST	2	1,200.00	202	0	0.00	1200.00
PAARATTE	0	0.00	0	2	1009.00	1009.00
PORTLAND	3	230.10	64.1	4	1415.50	1645.60
ROSEDALE 1	35	11,505.52	2094.5	5	189.40	11694.92
ROSEDALE 2	18	6,569.90	1189.5	6	1675.72	8245.62
SALE	91	17,098.60	5091.3	12	3747.20	20845.80
SEACOMBE	36	11,838.70	2055.6	6	2723.20	14561.90
TARWIN	1	2.00	0.3	1	38.00	40.00
WA-DE-LOCK 1	59	11,334.71	1959.5	58	427.10	11761.81
WA-DE-LOCK 2	69	12,496.19	2110.8	44	264.24	12760.43
WA-DE-LOCK 3	4	779.71	148.3	1	160.00	939.71
WANDIN YALLOCK	167	2,806.90	865.42	1	9.00	2815.90
WARRION	99	13,934.60	2352.3	27	340.10	14274.70
WY YUNG 1	6	420.80	95	0	0.00	420.80
WY YUNG 2	46	5,396.30	1078.9	0	0.00	5396.30
WY YUNG 3	12	1,093.30	189.4	0	0.00	1093.30
YANGERY	111	11,383.70	2370.2	52	3096.02	14479.72
AWAITING GMA ASSESSMENT	3	208.20	59.5	4	49222.00	49430.20
TOTAL	2375	271759.56	57572.68	1273	99241.22	371,000.8

FINANCIAL REPORT & NOTES

GIPPSLAND & SOUTHERN RURAL WATER AUTHORITY STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2002

	NOTES	2001-2002 \$'000s	2000-2001 \$'000s
Revenue from Ordinary Activities			
<i>Operating Revenue</i>			
Water Rates & Charges	2	8,812	9,724
Storage Operator Charges	3	4,285	3,422
- Correction of Fundamental Error	3.1	(184)	—
Government Grants for Services	1.3, 4	957	2,683
Other Revenue	6	236	207
External Services Contracts		160	109
Interest on Overdue Accounts		20	77
<i>Non-Operating Revenue</i>			
Interest on Investments		477	649
Proceeds from Sale of Fixed Assets	5	271	335
Total Revenue from Ordinary Activities		15,034	17,206
Expenses from Ordinary Activities			
Operations		5,412	4,750
Depreciation of Fixed Assets	1.5, 12	4,637	5,283
Administration		3,040	3,332
Maintenance	7	6,845	2,494
Written Down Value of Disposed Assets	5	636	819
Total Expenses from Ordinary Activities		20,570	16,678
Profit (Loss) Attributable to the Authority			
Before Income Tax		(5,536)	528
Income Tax Expense	16	—	—
Profit (Loss) Attributable to the Authority		(5,536)	528
After Income Tax		(5,536)	528
Increase in Asset Revaluation Reserve	15(c)	2,475	2,754
Amounts Recognised Directly in Equity		2,475	2,754
Total Changes in Equity Other than those			
resulting from transactions with owners as owners		(3,061)	3,282

The accompanying notes form part of these financial statements.

GIPPSLAND & SOUTHERN RURAL WATER AUTHORITY

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2002

	NOTES	2001-2002 \$'000s	2000-2001 \$'000s
Current Assets			
Cash Assets	1.12, 23	8,904	6,811
Receivables	9	2,344	2,659
Other Financial Assets	1.6, 10	—	5,000
Inventories	1.7	117	144
Other		382	147
Total Current Assets		11,747	14,761
Non-Current Assets			
Other Financial Assets	1.6, 10	1,208	1,208
Property, Plant & Equipment	1.4, 11	427,118	425,653
Total Non-Current Assets		428,326	426,861
Total Assets		440,073	441,622
Current Liabilities			
Payables	13	3,042	1,417
Advances for capital and other works		171	118
Provision for employee entitlements	14	587	570
Total Current Liabilities		3,800	2,105
Non-Current Liabilities			
Provision for employee entitlements	14	1,097	862
Total Non-Current Liabilities		1,097	862
Total Liabilities		4,897	2,967
Net Assets		435,176	438,655
Equity			
Contributed capital	15(a)	366,860	363,157
Asset revaluation reserve	15(c)	74,270	71,795
Retained profits (Accumulated losses)	15(b)	(5,954)	3,703
Total Equity		435,176	438,655

The accompanying notes form part of these financial statements.

GIPPSLAND & SOUTHERN RURAL WATER AUTHORITY
STATEMENT OF CASH FLOWS

FORTHE YEAR ENDED 30 JUNE 2002

	NOTES	2001-2002 Inflow/(Outflow) \$'000s	2000-2001 Inflow/(Outflow) \$'000s
Cash Flows from Operating Activities (incl GST)			
Receipts from customers		14,338	13,623
Receipts from Government		1,158	2,293
Payments to suppliers and employees	7	(15,267)	(11,208)
Interest and bill discount received		476	655
Net Cash provided by Operating Activities	24	705	5,363
Cash Flows from Investing Activities			
Payment for property, plant and equipment		(3,883)	(3,674)
Proceeds from redemption of investment - term deposit		5,000	1,501
Proceeds from sale of property, plant and equipment		271	335
Net Cash provided by/(used in) Investing Activities		1,388	(1,838)
Cash Flows from Financing Activities			
Dividend Payment to Government		—	(380)
Net Cash used in Financing Activities		—	(380)
Net Increase in Cash Held		2,093	3,145
Cash Held at the Beginning of the Year		6,811	3,666
Cash Held at the End of the Year	23	8,904	6,811

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1 Statement of significant accounting policies

1.1 Establishment of the Authority

Gippsland and Southern Rural Water Authority (SRW) was established on 1 July 1995, by a Ministerial Order under section 98 of the Water Act 1989, dated 30 June 1995. The Authority is a not for profit entity owned by the State Government of Victoria.

1.2 Accounting basis

The Financial Statements are a general purpose financial report that has been prepared in accordance with applicable Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), and provisions of the Financial Management Act 1994.

The Financial Statements have been prepared on an accrual basis and in accordance with historical cost convention, except for the valuation of infrastructure assets, which are recorded at current written down replacement value. The accounting policies adopted in preparing the Financial Statements are consistent with those of the previous year, except where separately disclosed [see Notes 1.4 (d), 1.5, 7, 15(a) and 16]

1.3 Government Grants

Programs such as state water assessment, groundwater investigations, salinity investigations, establishment of groundwater management areas, and water resource management, are performed under agreements with the Victorian Government.

The reimbursement of the cost of these services is included as "Government Grants for Services".

The cost of the provision of these services is included in the "Operating Expenses".

1.4 Property, Plant & Equipment

Fixed assets of the Authority are recorded in the books of account as follows:

- Fixed assets, other than infrastructure assets, which were acquired prior to 1 July 1994, are shown at estimated written down historical cost; those acquired since 1 July 1994 are shown at cost.
- Infrastructure assets acquired prior to 30 June 1999 were revalued during 1999/2000 and are shown at estimated current written down replacement value. Those acquired after 1 July 1999 are shown at cost.
- In the case of assets constructed by the Authority, on-site overheads are included in the cost of the assets.
- Individual items of plant costing less than \$500 are expensed in the year of purchase. In prior years, this limit was set at \$1000.
- The Authority has reviewed the carrying amount of its non-current assets in accordance with the provisions of Australian Accounting Standard AAS10 "Recoverable Amount of Non-Current Assets".
- In accordance with the Authority's revaluation policy, a revaluation of infrastructure assets as at 1 July 1999 was undertaken during 1999/2000.

Headworks infrastructure assets were revalued by the Snowy Mountains Engineering Corporation (Mr T Reid B Eng (Civil), Dip Civil Eng, FIEA, MAGS and Mr Colin Rudd B Eng (Civil), Grad Cert Water Eng, Grad Dip Mgmt, MIEA).

Irrigation distribution infrastructure assets were revalued by SRW officers (Mr Paul Byrnes B Eng (Ag) (Hons), Grad Cert Water Eng, Grad Dip GIS and Remote Sensing and Ms Lucy Hluszko B Eng (Civil & Computing)).

- A revaluation of buildings and associated land held or otherwise controlled by the Authority as at 1 July 2001 was undertaken during 2001/02 by Water Industry Business Services (Mr Luke Reddan AAPI, Certified Practising Valuer).
- Land not associated with buildings, and therefore not subject to independent valuation, was assessed by the Authority as being recorded at "Fair Value" on the basis of the recoverable amount test.
- In accordance with the revised accounting standard AASB 1041 and Bulletin 41 issued by the Department of Treasury and Finance, the Authority has applied the transitional provisions relating to asset values. A formal plan has been developed to ensure that all land, buildings and infrastructure assets will be revalued progressively to fair value by no later than 30 June 2005.

1.5 Depreciation

Depreciation, using the straight line method (except in the case of Motor Vehicles) is provided on depreciable assets and charged against revenue on the basis of allocating the cost of the assets over their estimated useful life.

Major classes of assets and their values are included in note 11.

Depreciation rates depend on life expectancy. Approximate equivalent rates are:

Item	Rate
Storages	0-1%
Channels	1-2%
Pipelines	1-2%
Buildings	2.5%
Plant and equipment	10%
Office furniture and equipment	5% to 33.3%
Motor Vehicles *	22.5% Reducing Balance

* In prior years motor vehicles were depreciated using the straight line method, at an approximate equivalent percentage rate of 12.5%.

The effect of this change has been to increase the depreciation on motor vehicles by \$142k, and consequently to increase the Net Loss Attributable to the Authority by that same amount.

1.6 Investments

Authority funds are invested in accordance with Treasury and Investment powers granted to the Authority under the Borrowing and Investment Powers Act 1987. All investments with a maturity date within 12 months of balance date are classified as current assets, unless there exists a probable intention to reinvest the full amount of the investment beyond that period. All other investments are classified as non-current.

1.7 Inventories

Inventories consist of materials and supplies for asset construction, system operation and general maintenance and are valued at the lower of cost or net realisable value.

1.8 Employee entitlements

Employee entitlements consist of provisions for long service leave and annual leave.

Long service leave provision is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash flows.

The current liability for long service leave represents the estimated amount of leave to be taken in the next twelve months, with the remainder of the provisions being considered as non-current. A provision for sick leave was not necessary as it is non-vesting and not likely that sick leave in future periods would exceed entitlements expected to accrue in those periods.

1.9 Insurance

The Authority is covered by policies obtained through a number of underwriters for both property and legal liabilities. The Authority self insures for any amounts below policy deductible limits.

No provision is made for potential claims. They are expensed as they occur. Any unsettled claims have been disclosed as contingent liabilities in the notes to the financial statements.

1.10 Operating Leases

Where the Authority has a lease, but does not assume, substantially, all the risks and benefits associated with the ownership of the asset, the lease payments are expensed in the year they are incurred.

1.11 Superannuation

The Authority contributes in respect of its employees to a number of superannuation schemes administered by the Government Superannuation Office, Local Authorities Super Pty Ltd and other authorised Superannuation Funds. The amounts of these contributions are determined by each scheme's actuary in accordance with statutory requirements or in accordance with Superannuation Guarantee Legislation.

The Authority's statutory contributions to these schemes are recorded as a superannuation expense. (Note 20)

1.12 Cash at Bank and on Hand

Cash at bank and on hand includes petty cash on hand and SRW bank account balance at year end.

1.13 Bad and Doubtful Debts

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

1.14 Revenue

Revenue is brought into account when services have been provided or when a rate is levied or determined. Charges for water delivered are either charged progressively during the year or accrued at 30 June based on actual meter readings.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

The value of goods and services provided free of charge would be recognised as revenue when the Authority gained control of them. No goods or services were provided free during 2001-2002.

Government grants for service are recognised as revenue at the earlier of the grant being received or invoiced.

In Accounting for the sale of fixed assets, gross proceeds from the sales of fixed assets are included as non-operating revenue and written down value of the assets sold is disclosed as an operating expense. Details of the gains and losses on disposal of fixed assets are shown in note 5.

All revenue is stated net of the amount of goods and services tax (GST).

1.15 Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

	2001-2002 \$'000's	2000-2001 \$'000's
2 Water Rates & Charges		
Rates & Charges - Irrigation, Diversions & Groundwater	7,671	7,624
Sales - Irrigation & Diversions	690	1,618
Other Charges - Bores, Drilling & Grazing Licences	451	482
	<u>8,812</u>	<u>9,724</u>
3 Storage Operator Charges		
Total charges	5,410	4,778
Charges to retail business	(1,309)	(1,356)
Charges to other organisations	4,101	3,422
3.1 Fundamental Error in Storage Operator Charges		
Storage Operator Charges for 2000/01 were overstated by \$184k, representing the payment for unallocated water in Blue Rock Lake. This payment is offset against the dividend payment to government, and at the time of the offset an equivalent accrual amount was not reversed.		
This error had the effect of overstating Profit Attributable to the Authority and Retained Profits for the year ended 30th June 2001 by \$184k. Restated financial information for 2000/01 and 2001/02 is presented below as if the error had not been made.		
Revenue from Ordinary Activities		
<i>Operating Revenue</i>		
Water Rates & Charges	8,812	9,724
Storage Operator Charges	4,285	3,238
Government Grants for Services	957	2,683
Other Revenue	236	207
External Services Contracts	160	109
Interest on Overdue Accounts	20	77
<i>Non-Operating Revenue</i>		
Interest on Investments	477	649
Proceeds from Sale of Fixed Assets	271	335
Total Revenue from Ordinary Activities	<u>15,218</u>	<u>17,022</u>
Expenses from Ordinary Activities		
Operations	5,412	4,750
Depreciation of Fixed Assets	4,637	5,283
Administration	3,040	3,332
Maintenance	6,845	2,494
Written Down Value of Disposed Assets	636	819
Total Expenses from Ordinary Activities	<u>20,570</u>	<u>16,678</u>
Profit (Loss) Attributable to the Authority Before Income Tax	<u>(5,352)</u>	<u>344</u>

3.1 Fundamental Error in Storage Operator Charges ... continued

	2001-2002 \$'000's	2000-2001 \$'000's
Restatement of Retained Profits		
Previously Reported Retained Profits (Accumulated Losses) at the End of the Previous Reporting Period	3,703	(3,783)
Correction of Fundamental Error	(184)	—
Restated Retained Profits (Accumulated Losses) at the Beginning of the Reporting Period	3,519	(3,783)
Transfer to Contributed Capital	(3,703)	—
Net Profit Attributable to the Authority	(5,352)	344
Dividend Paid to Government	(418)	(380)
Transfer from Contributed Capital	—	7,339
Restated Retained Profits (Accumulated Losses) at the Reporting Date	(5,954)	3,519
4 Government Grants		
State Government - Salinity Projects	160	189
State Government - People Management	—	3
State Government - Tree Planting	—	3
State Government - Youth Employment Scheme	56	28
State Government - Establishment of Groundwater Management Areas	(9)	1,666
State Government - Water for Growth Initiative	568	681
State Government - Water Savings Plan for Macalister Irrigation District	—	100
State Government - Implementation of Farm Dam legislation	182	—
State Government - Recreational Water Safety Initiative	—	13
	<u>957</u>	<u>2,683</u>
5 Profit / (Loss) from Sale of Fixed Assets		
Proceeds from Sale of Fixed Assets	271	335
Written Down Value of Disposed Assets	(636)	(819)
Profit / (Loss) from Sale of Fixed Assets	<u>(365)</u>	<u>(484)</u>
6 Other Revenue		
Royalties	144	108
Other	92	99
	<u>236</u>	<u>207</u>
7 Accounting Policy Change - Capitalisation of Major Works		
During the 2001/02 financial year, the Authority changed its policy with regard to recognition of assets, and consequently with regard to capitalisation of major works. The Authority now recognises assets at a higher level of unitisation than in the past, having greater regard for the functional and physical independence of assets. In accordance with clauses 5.4 and 5.5 of AAS 4, assets are only recognised individually where they retain a separate identity and are capable of independent use. Previously, replacement of what are integral components of assets was capitalised, even though neither the functionality, capability or remaining life of the asset was enhanced or otherwise altered.		
The impact of this change on the financial accounts of the Authority has been to recognise as a maintenance expense the following amounts, which would previously have been capitalised:		
Amount of current expenditure recognised as maintenance which would have previously been capitalised	1,983	
Amount from work in progress carried forward from 2000/01 recognised as maintenance which would have previously been capitalised.	973	
Total amount by which the Profit/(Loss) of the Authority for 2001/02 is impacted by the change in accounting policy.	<u>2,956</u>	
8 Audit Fees		
Financial Statements Audit	24	21
	<u>24</u>	<u>21</u>
9 Receivables		
Water consumers and other external clients.	2,374	2,689
Less Provision for Doubtful Debts (refer note 1.13)	(30)	(30)
	<u>2,344</u>	<u>2,659</u>
Most debts of the Authority are secured against property. For this reason the Authority has only a \$30,000 provision for doubtful debts for general business debtors.		
9.1 Bad & Doubtful Debts		
Bad Debts Expense	—	—
No amounts have been written off as unrecoverable during the reporting period.		
10 Other Financial Assets		
<i>Current</i>		
Interest bearing deposit - current	—	5,000
	—	5,000
<i>Non Current</i>		
*Interest bearing deposit - non-current	1,208	1,208
Total	1,208	6,208

* This investment has been established to offset a bank guarantee to Melbourne Water Corporation, for water supplied from the Thomson Reservoir.

The guarantee is exercisable only if SRW are unable to redeem the water used from future water allocations (refer note 26).

	2001-2002 \$'000's	2000-2001 \$'000's
11 Property, Plant & Equipment — Refer notes: 1.4, 1.5		
Land		
At Cost	—	5,466
At Fair Value *	6,677	—
Infrastructure Assets		
At Cost	5,297	4,473
At Valuation **	414,825	415,170
Accumulated Depreciation	(8,804)	(4,891)
	<u>411,318</u>	<u>414,752</u>
Buildings		
At Cost	—	1,197
At Valuation *	2,270	—
Accumulated Depreciation	(81)	(192)
	<u>2,189</u>	<u>1,005</u>
Furniture, Fittings and Computer Equipment		
At Cost	2,229	2,193
Accumulated Depreciation	(1,616)	(1,445)
	<u>613</u>	<u>748</u>
Plant and Machinery		
At Cost	830	652
Accumulated Depreciation	(375)	(351)
	<u>455</u>	<u>301</u>
Motor Vehicles		
At Cost	2,052	1,508
Accumulated Depreciation	(505)	(289)
	<u>1,547</u>	<u>1,219</u>
Total Property, Plant & Equipment	<u>422,799</u>	<u>423,491</u>
Capital Works In Progress		
Infrastructure Assets	3,797	2,052
Buildings & Depots	—	6
Furniture & Fittings	155	3
Plant, Machinery & Equipment	15	7
Computer Equipment	352	94
	<u>4,319</u>	<u>2,162</u>
	<u>427,118</u>	<u>425,653</u>

* A revaluation and fair value assesment of Land and Buildings has been undertaken as at 1 July 2001. See notes 1.4(g) and 1.4(h)

** A revaluation of infrastructure assets has been undertaken as at 30 June 1999. See note 1.4(f)

11.1 Movements in Fixed Assets

	Land	Infrastructure Assets	Furniture, Fittings & Computer Equip	Plant & Machinery	Motor Vehicles	Buildings	WIP	Total
Balance at Beginning	5,466	414,752	748	301	1,219	1,005	2,162	425,653
Additions		831	126	216	933		6,710	8,816
Disposals		(348)	(33)		(255)			(636)
Transfers							(4,553)	(4,553)
Revaluation Increments	1,211	3				1,261		2,475
Depreciation Expense		(3,920)	(228)	(62)	(350)	(77)		(4,637)
Carrying Amount at the end of the Year	<u>6,677</u>	<u>411,318</u>	<u>613</u>	<u>455</u>	<u>1,547</u>	<u>2,189</u>	<u>4,319</u>	<u>427,118</u>

	2001-2002 \$'000's	2000-2001 \$'000's
12 Depreciation		
Infrastructure Assets	3,920	4,891
Buildings	77	31
Furniture, Fittings and Computer Equipment	228	164
Plant and Machinery	62	31
Motor Vehicles * (*See Note 1.5)	350	166
	<u>4,637</u>	<u>5,283</u>
13 Payables		
Trade Creditors & Accrued Expenses	2,913	1,277
Payroll Related Accruals	129	140
	<u>3,042</u>	<u>1,417</u>
14 Provision for employee entitlements		
Current		
Long Service Leave	62	95
Annual Leave	525	475
	<u>587</u>	<u>570</u>
Non-current	1,097	862
Total	<u>1,684</u>	<u>1,432</u>
Number of Employees at year end	117	110

	2001-2002 \$'000's	2000-2001 \$'000's		
15 Equity				
15(a) Contributed Capital				
Opening Balance	363,157	370,496		
Transfer from Retained Profits *	3,703	—		
Revised Opening Balance	366,860	370,496		
Transfer to Retained Profits **	—	(7,339)		
Closing Balance	366,860	363,157		
<p>* As at 1 July 2001, the entity transferred all its retained profits of \$3,703k to Contributed Capital. This accounting treatment is to comply with Urgent Issues Group Abstract 38 <i>Contributions by Owners Made to Wholly-Owned Public Sector Entities</i> and Accounting and Financial Reporting Bulletin No. 39 <i>Accounting for Contributed Capital</i> and No. 40 <i>Establishment of Opening Balances and Formal Designation for Contributed Capital</i>.</p> <p>** On 1st July 1999 the Woody Yaloak Diversion Scheme was transferred to the Corangamite Catchment Management Authority in accordance with a Ministerial Order dated 19 August 1999. This transfer was processed through the Statement of Financial Performance as Abnormal Expenditure at 30 June 2000. This amount has now been transferred to Retained Profits as at 30 June 2001.</p>				
15(b) Retained Profits (Accumulated Losses)				
Opening Balance	3,703	(3,783)		
Transfer to Contributed Capital - see note 15(a)	(3,703)	—		
	—	(3,783)		
Net Profit Attributable to the Authority	(5,536)	528		
Dividends Paid to Government	(418)	(380)		
Transfer from Contributed Capital - see note 15(a)	—	7,339		
Retained Profits (Accumulated Losses) at the end of the financial year	(5,954)	3,703		
15(c) Asset Revaluation Reserve				
Opening Balance	71,795	69,041		
Revaluation increment of Land & Buildings	2,475	—		
Adjustment to Reserve	—	2,754		
Closing Balance	74,270	71,795		
The asset revaluation reserve records revaluations of non-current assets.				
16 Tax Equivalence Regime				
On 1 July 2001, the Authority became subject to the State Tax Equivalence Regime, and commenced applying tax effect accounting in accordance with AAS 3. The tax effects of adjustments are shown in the following reconciliation.				
Result from ordinary activities before income tax	(5,536)			
Prima facie income tax benefit thereon at 30%	(1,661)			
Permanent Difference: Dividend Payment to Government	(125)			
	(1,786)			
Timing Differences:				
Depreciation	(7,527)			
Increase in employee entitlement	75			
	(9,238)			
Less: Benefits of tax losses not brought to account in the absence of virtual certainty	9,238			
Income tax expense	—			
The future income tax benefit of \$9238k relating to carry forward income tax losses, \$514k relating to provisions, and the provision for deferred income tax of \$7527k relating to depreciation, have not been brought to account because realisation of those benefits and provisions cannot be assured beyond reasonable doubt. Realisation of those benefits and provisions is contingent upon the future profitability of the entity's operations, continued compliance with the conditions of deductibility imposed by the law and the taxation law itself not changing in a manner which would adversely affect the entity in realising those benefits.				
17 Lease Commitments				
Operating Lease Commitments — Being for leases of motor vehicles payable:				
- not later than 1 year	91	122		
- later than 1 year but not later than 5 years	—	49		
- later than 5 years	—	—		
	91	171		
The motor vehicle leases are non-cancellable leases with two year term, with rent payable monthly in advance.				
18 Capital commitments				
Capital expenditure contracts outstanding				
- not later than 1 year	5,541	1,468		
- later than 1 year but not later than 5 years	—	—		
- later than 5 years	—	—		
This represents commitments outstanding on contracts for Capital Works.				
All outstanding works will be completed during 2001-2002.				
There is no actual liability for this amount at 30 June 2002.				
19 Transactions with other Victorian Government Controlled Entities				
During the 2001-2002 financial year transactions were undertaken with other Victorian Government controlled entities. These transactions are summarised as follows:				
	2001-2002 Intra	2001-2002 Inter	2000-2001 Intra	2000-2001 Inter
Assets	152	38	745	26
Liabilities	91	224	13	3
Revenues	2,813	417	5,342	371
Expenses	397	550	186	734
<p>'Intra' Transactions are between entities within the Natural Resources and Environment portfolio.</p> <p>'Inter' Transactions are with entities outside the portfolio and controlled by the Victorian Government.</p>				

20 Superannuation

Employees of the Authority contribute to a number of superannuation funds. Details are as follows:

(a) State Superannuation Fund - New Scheme (Defined Benefit Scheme)	Employer Contribution	115	121
	Contribution Rate	9.5% Various	9.3% Various
(b) State Superannuation Fund - Revised Scheme (Defined Benefit Scheme)	Employer Contribution	92	85
	Contribution Rate	15.50%	14.00%
(c) SSF - State Employees Retirement Benefits Fund (Defined Benefit Scheme)	Employer Contribution	22	21
	Contribution Rate	12.50%	12.10%

The Victorian Government holds the responsibility for any unfunded liability for State Superannuation Fund Schemes and is therefore responsible for reporting that liability.

(d) Local Authorities Superannuation Board (LASPLAN) (Accumulation Scheme)	Employer Contribution	249	210
	Contribution Rate	8.00%	7.00%
(e) Local Authorities Superannuation Board (LASB) (Accumulation Scheme)	Employer Contribution	45	41
	Contribution Rate	9.25%	9.25%
(f) Other Superannuation Schemes (Accumulation Schemes)	Employer Contribution	237	206
	Contribution Rate	8.00%	8.00%

No loans have been provided to the Authority from any of the above schemes.

There are no contributions outstanding as at 30 June 2002.

Unfunded Superannuation Liabilities

Unfunded Liabilities are defined as the difference between the present value of members' accrued benefits and the net market value of a superannuation scheme's assets at the reporting date. The Authority is responsible for any unfunded liabilities arising from 1 July 1992 on defined benefits superannuation schemes which it sponsors in respect of its employees.

* Local Authorities Superannuation Schemes

As at 30 June 1999, the Authority had discharged its liability in respect of this scheme and has been informed that, at 30 June 2001, the scheme remains fully funded.

* State Superannuation Fund

The Authority has no unfunded liability in respect of its employees who are members of schemes in this fund. This liability has been assumed by the State Government and is disclosed in its financial statements.

21 Financial Instruments

21(a) Terms, Conditions and Accounting Policy

The Authority's accounting policy including the terms and conditions of each class of financial asset, liability and equity instruments, both recognised and unrecognised as the balance date, is as follows:

Recognised Financial Instruments	Statement of Financial Position Notes	Accounting Policies	Terms and Conditions
<i>Financial Assets</i>			
Cash at bank and on hand	23	Cash is stated at its nominal amount. Surplus Authority funds are held in the bank account.	The Authority does not have an overdraft facility but has access to TCV funds. The Bank accounts attracted an average 4.12% interest rate for the year.
Term Deposits	10	Term deposit is stated at its nominal amount. Interest revenue is recognised in the operating statement when it is earned.	The Authority has one term deposit for \$1.208 with a fixed interest term for a 12 month maturity, current interest rate 4.33%.
Debtors	9	Debtors are stated at their nominal amounts due less any provision for doubtful debts.	For rates and charges debtors outstanding as at 30 June 2002, payment is overdue. Normal terms are 30 days from date of invoice. Interest is charged on overdue accounts at 11.5%.
<i>Financial Liabilities</i>			
Creditors and Accruals	13	Creditors and accruals are recognised for future amounts to be paid in respect of goods and services received, whether or not billed to the Authority.	Terms for the payment of creditors are 30 days after the end of the month in which the goods and services are received or services rendered or within 30 days from the receipt of invoice, whichever is the later.

21(b) Interest Rate Risk

The Authority's exposure to interest rate risk and the effective interest rates of financial assets and liabilities, both recognised and unrecognised at the balance date, are as follows:

Recognised Financial Instruments	Floating Interest Rate		Fixed Interest rate (within one year)		Non-Interest Bearing		Total Carrying amount as per the Balance Sheet		Weighted average effective interest rate	
	2001-2002	2000-2001	2001-2002	2000-2001	2001-2002	2000-2001	2001-2002	2000-2001	2001-2002	2000-2001
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial Assets</i>										
Cash	8,904	6,811					8,904	6,811	4.12%	5.43%
Term Deposit-Investment			1,208	6,208			1,208	6,208	5.43%	6.41%
Debtors					2,344	2,659	2,344	2,659		
Total Financial Assets	8,904	6,811	1,208	6,208	2,344	2,659	12,456	15,678		
<i>Financial Liabilities</i>										
Creditors and Accruals					3,042	1,417	3,042	1,417		
Advances for Capital & Other Works					171	118	171	118		
Total Financial Liabilities	—	—	—	—	3,213	1,535	3,213	1,535		

21(c) Net Fair Values

The aggregate net fair values of financial assets and liabilities, both recognised and unrecognised at the balance date, are as follows:

Recognised Financial Instruments	Total Carrying amount per Statement of Financial Position		Aggregate fair Value	
	2001-2002 \$'000	2000-2001 \$'000	2001-2002 \$'000	2000-2001 \$'000
<i>Financial Assets</i>				
Cash	8,904	6,811	8,904	6,811
Term Deposit- Investment	1,208	6,208	1,208	7,708
Debtors	2,344	2,659	2,344	2,659
Total Financial Assets	12,456	15,678	12,456	17,178
<i>Financial Liabilities</i>				
Creditors and Accruals	3,042	1,417	3,042	1,417
Advances for Capital & Other Works	171	118	171	118
Total Financial liabilities	3,213	1,535	3,213	1,535

Carrying amounts reflect fair value for all recognised financial instruments identified.

21(d) Credit risk exposure

The Authority's maximum exposure to credit risk at balance date for each class of recognised financial assets is the carrying amount of those assets as disclosed in the Statement of Financial Position.

21(e) Concentration of credit risk

The Authority's exposure to credit risk is low, as most of the revenue transactions represent a charge on the property or are under a Bulk Entitlements Order. Credit risk is managed in the following ways: • Payment is 30 days or instalments for some customers. • Overdue payments are referred to debt collector approximately 6 weeks after becoming over due.

22 Retail and Wholesale Operations

	2001-2002			2000-2001		
	Wholesale Operations \$'000's	Retail Operations \$'000's	Eliminations \$'000's	Total Authority \$'000's	Wholesale Operations \$'000's	Retail Operations \$'000's
Storage Operator Charges	5,393	17	(1,309) *	4,101	4,750	28
Retail Usage Charges	—	8,812	—	8,812	—	9,724
Other Revenue	223	1,909	(11) **	2,121	67	4,005
TOTAL REVENUE	5,616	10,738	(1,320)	15,034	4,817	13,757
Operating & Maintenance Expenses	4,041	8,863	(11) **	12,893	1,691	6,384
Depreciation	1,489	3,148	—	4,637	1,649	3,635
Administration, Finance Other Expenses	627	2,413	—	3,040	706	2,625
Internal Storage Operator Costs*	—	1,309	(1,309) *	—	—	1,356
Other Bulk Supply Charges	—	—	—	—	—	—
TOTAL EXPENSES	6,157	15,733	(1,320)	20,570	4,046	14,000
Total Profit/(Loss) for the year	(541)	(4,995)	(0)	(5,536)	771	(243)
Investments	—	1,208	—	1,208	—	5,000
Other Assets	6,384	5,363	—	11,747	7,466	2,296
Fixed Assets	290,876	136,242	—	427,118	289,799	135,854
Total Assets	297,260	142,813	—	440,073	297,265	143,150
<i>Cash Flow information:</i>						
Cash Used in Investing Activities	(2,580)	3,968	—	1,388	(753)	(1,085)
Cash From Finance Activities	—	—	—	—	(380)	—

Wholesale operations account for the harvesting and storage of water on behalf of external and internal customers who hold bulk water entitlements in that storage.

* The internal Storage Operator Charges of \$1309 is included in the revenue of the Wholesale Business and the expense of the Retail Business above and are eliminated in the Operating Statement.

** The internal Wellington Salinity Charge of \$11 is included in Other Revenue of the Retail Business and the expense of the Wholesale Business above and are eliminated in the Operating Statement.

Transfer pricing to internal customers is based on full cost recovery with zero rate of return.

23 Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and at bank, and investments in money market instruments. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related item in the Statement of Financial Position as follows:

	2001-2002 \$'000's	2000-2001 \$'000's
Cash on hand and at bank	8,904	6,811

24 Reconciliation of Net Cash provided by Operating Activities to Profit from Ordinary Activities for the Year

	2001-2002 \$'000's	2000-2001 \$'000's
Profit / (loss) from Ordinary Activities	(5,536)	528
Depreciation	4,637	5,283
Increase/(Decrease) in provision for employee entitlement	252	(41)
Change in operating assets and liabilities:		
Decrease/(Increase) in inventories	27	35
Decrease / (Increase) in trade receivable	315	(265)
Decrease / (Increase) other assets	(235)	(84)
Increase / (Decrease) advances for capital	53	50
Increase/(Decrease) in trade creditors	827	(627)
Loss / (Gain) on sale of fixed assets	365	484
Net Cash Provided by Operating Activities	705	5,363

25 Responsible Persons Disclosure

The names of the Responsible Persons of Gippsland and Southern Rural Water Authority during 2001-2002 are:

Minister for Environment and Conservation - Hon. Sherryl Garbutt MP

Members of Authority Board:

Mr A Pappin (Chairperson 01/07/01-31/01/02)

Mr R Skinner (Chairperson 01/02/02-30/06/02)

Mrs J McMillan (Deputy Chairperson)

Ms C Batagol

Mr G Crick

Ms J Greig

Dr M Kent

Prof J Lovering

Mr J Pye

The Chief Executive is Dr Martin Kent (Accountable Officer).

Remuneration received, or due and receivable by Responsible Persons from the Authority, amounted to \$253,056 (2000-2001 \$177,889).

Number of Responsible Persons from the Authority are shown below in their relevant remuneration bands:

	2001-2002	2000-2001
\$0 - \$9,999	—	—
\$10,000-\$19,999	8	7
\$20,000-\$29,999	—	1
\$30,000-\$39,999	—	1
\$130,000-\$139,999	1	—

There were no retirement benefits paid in conjunction with the retirement of Responsible Persons, nor were there any transactions between the Authority and any Responsible Person other than those which occurred within the normal arms length transaction between the Authority and its customers.

The number of Executive Officers whose total remuneration exceeds \$100,000 during 2001-2002 are shown below in their relevant income bands:

	2001-2002	2000-2001
\$100,000-\$109,999	—	—
\$120,000-\$129,999	1	1
\$130,000-\$139,999	—	1

The total remuneration for the year of the above Executive Officers amounted to \$129,812 (2000-2001 \$253,622).

26 Contingent Liabilities

The Authority has a contingent liability for water obtained from Melbourne Water Corporation from the Thomson Reservoir in accordance with an Agreement signed on 6 June 2000.

The Bank Guarantee may be exercised in accordance with clause 13 of the Agreement if SRW is unable to repay water volumes owed by it as detailed in Schedule 1 of the Agreement, which provides for repayment over a nominal five year period.

The total value of the Bank Guarantee is \$1,207,500.

SRW has established an interest bearing deposit (see note10) as security against the Bank Guarantee, which remains in place until the above obligations have been met.

STATUTORY CERTIFICATE



STATUTORY CERTIFICATE

We certify that the financial statements of the Gippsland and Southern Rural Water Authority for the year ending 30 June 2002 have been prepared in accordance with the requirements of the *Financial Management Act 1994* and Australian Accounting Standards.

In our opinion the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and Notes to the financial statements present fairly the financial transactions during 2001/2 and the position of the Gippsland and Southern Rural Water Authority as at 30 June 2002.

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

A handwritten signature in black ink, appearing to read "Geoff Crick", written over a horizontal dotted line.

Geoff Crick
Chairperson
Audit Committee

A handwritten signature in black ink, appearing to read "Dr Martin Kent", written over a horizontal dotted line.

(Dr) Martin Kent
Chief Executive

Dated at Maffra 27 September 2002

AUDITOR - GENERAL'S REPORT



AUDITOR GENERAL
VICTORIA

AUDITOR-GENERAL'S REPORT

To the Members of the Parliament of Victoria, responsible Ministers and the Members of the Board of Gippsland and Southern Rural Water Authority

Audit Scope

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

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

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

Audit Opinion

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

MELBOURNE
30 September 2002


J.W. CAMERON
Auditor-General

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

150
Years of Auditing in the Public Interest

COMPLIANCE INDEX

This Annual Report is prepared in accordance with the Financial Management Act and the Directions of the Minister for Finance. This index has been prepared to facilitate easy identification of compliance with statutory disclosure and other requirements.

Clause	Disclosure	Page
REPORT OF OPERATIONS		
<i>Charter & purpose</i>		
9.1.3 (i) a	Manner of establishment and relevant Minister	28
9.1.3 (i) b	Objectives, functions, powers and duties	28
9.1.3 (i) c	Services provided and persons or sections of the community served	7-8
<i>Management & structure</i>		
9.1.3 (i) (d) (i)	Names of governing board members, audit committee and chief executive officer	9
9.1.3 (i) (d) (ii)	Names of senior office holders and brief description of each office	7-8
9.1.3 (i) (d) (iii)	Chart setting our organisational structure	7
9.1.3 (i) (e)	Workforce data and application of merit and equity principles	25
9.1.3 (i) (f)	Application of FOI Act 1982	26
<i>Financial & other information</i>		
9.1.3 (ii) (a)	Summary of financial results with previous four year comparatives	14
9.1.3 (ii) (b)	Summary of significant changes in financial position	36
9.1.3 (ii) (c)	Operational and budgetary objectives for the year and performance against those objectives	12
9.1.3 (ii) (d)	Major changes or factors affecting achievement of objectives	12
9.1.3 (ii) (e)	Events subsequent to balance date	N/A
9.1.3 (ii) (g)	Consultancies < \$100,000 - number and total cost of consultancy engagements	28
9.1.3 (ii) (h)	Extent of compliance with Building Act 1993	26
9.1.3 (ii) (i)	Statement that information listed in 9.1.3 (iv) is available on request	28
9.1.3 (ii) (k)	Statement on implementation and compliance with National Competition Policy	28
9.8.2 (i)	Statement of Occupational Health & Safety matters	26
9.8.2 (ii)	OHS performance measures	26
FINANCIAL STATEMENTS		
<i>Preparation</i>		
9.2.2 (ii) (a)	Statement of preparation on an accrual basis	38
9.2.2 (ii) (b)	Statement of compliance with Australian Accounting Standards and associated pronouncements	38
9.2.2 (ii) (c)	Statement of compliance with accounting policies issued by the Minister for Finance	38
<i>Statement of Financial Operations</i>		
9.2.2 (i) (a)	A statement of financial operations for the year	35
9.2.3 (ii) (a)	Operating revenue by class	35
9.2.3 (ii) (b)	Investment income by class	35
9.2.3 (ii) (c)	Other material revenue by class including sale of non-goods assets and contributions to assets ...	35
9.2.3 (ii) (d)	Material revenues arising from exchanges of goods and services	35
9.2.3 (ii) (e)	Depreciation, amortisation or diminution in value	35
9.2.3 (ii) (f)	Bad or doubtful debts	40
9.2.3 (ii) (g)	Financing costs	N/A
9.2.3 (ii) (h)	Net increment or decrement on the revaluation of each category of assets	40
9.2.3 (ii) (i)	Auditor General's fees	40
<i>Statement of Financial Position</i>		
9.2.2 (i) (b)	A statement of financial position for the year	36
ASSETS		
9.2.3 (iii) (a) (i)	Cash at bank or in hand	44
9.2.3 (iii) (a) (ii)	Inventories by class	36
9.2.3 (iii) (a) (iii)	Receivables, including trade debtors, loans and other debtors	40
9.2.3 (iii) (a) (iv)	Other assets, including prepayments	40/41
9.2.3 (iii) (a) (v)	Investments by class	43
9.2.3 (iii) (a) (vi)	Property, plant and equipment	41
9.2.3 (iii) (a) (vii)	Intangible assets	N/A
LIABILITIES		
9.2.3 (iii) (b) (iii)	Trade and other creditors	41
9.2.3 (iii) (b) (v)	Provisions, including employee entitlements	41
EQUITY		
9.2.3 (iii) (c) (i)	Authorised capital	42
9.2.3 (iii) (c) (ii)	Issued capital	N/A
9.2.3 (iii) (d)	Reserves, and transfers to and from reserves (shown separately)	42
<i>Statement of Cash Flows</i>		
9.2.2 (i) (c)	Statement of cash flows for the year	37
<i>Notes to the Financial Statements</i>		
9.2.3 (iv) (b)	Contingent liabilities	45
9.2.3 (iv) (c)	Commitments for expenditure	42
9.2.3 (iv) (d)	Government grants received or receivable and source	40
9.2.3 (iv) (e)	Employee superannuation funds	43
9.4.2	Transactions with responsible persons and their related parties	45
9.7.2	Motor vehicle lease commitments	42

