Annual Report 2023/2024

GWMWater

Acknowledgement of Country

GWMWater recognises the waters and surrounding country - on which we live, work and rely - as living and essential to the culture and identity of Traditional Owners. We accept their wisdom and knowledge as vital to the continuous care of Country.

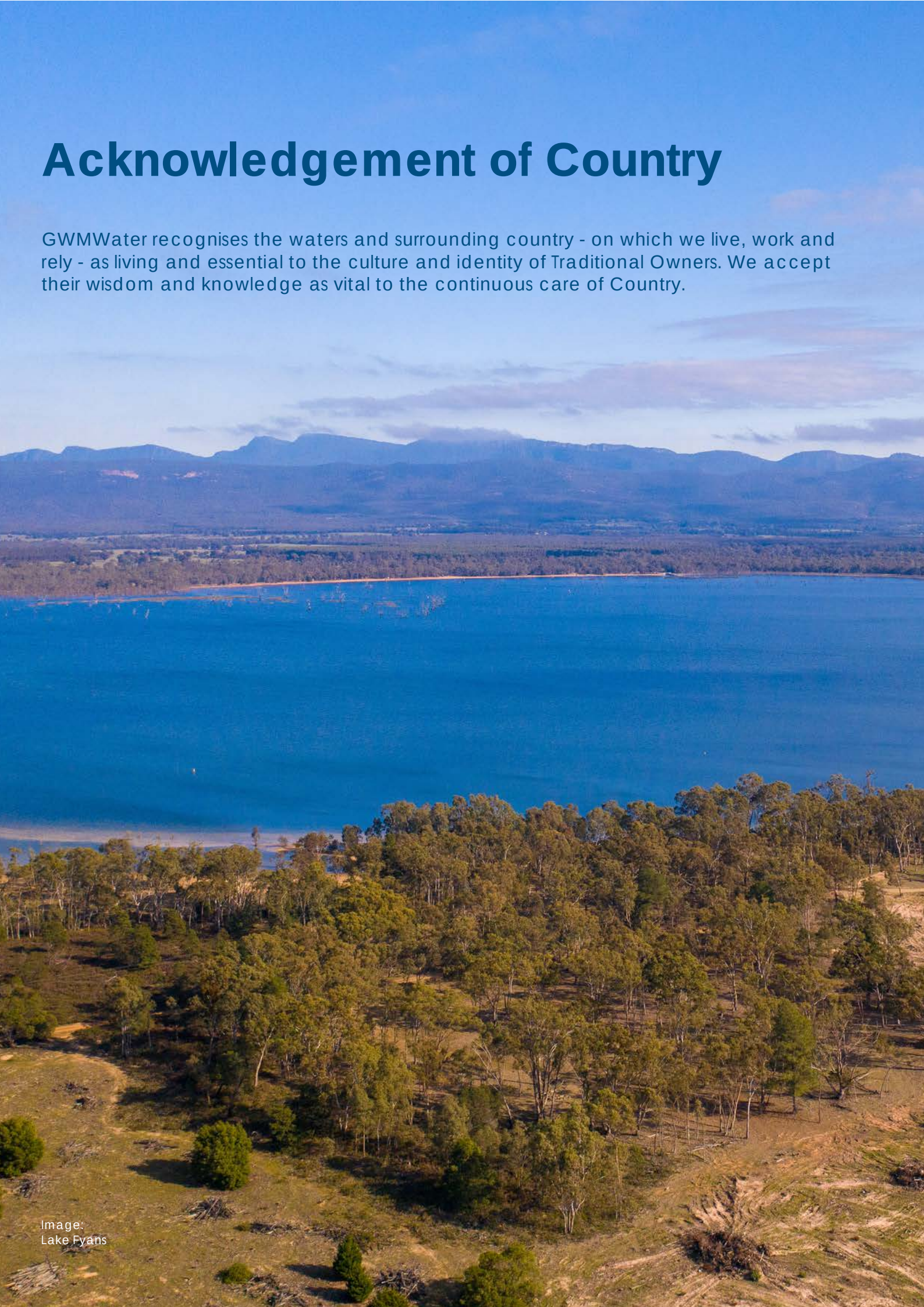


Image:
Lake Fyans

Contents

Our Vision, Mission and Organisational Values	2
Responsible Body's Declaration	3
Message from the Chairman and Managing Director	4
About GWMWater	7
Understanding Our Business	8
Our Board	11
- Standing Committees of the Board	15
Organisational Structure	19
How We Operate	20
Our Employees	23
Occupational Health and Safety	26
Water Consumption	27
Bulk and Environmental Entitlements	32
Recreation Water	37
Economic Sustainability	39
Social Sustainability	44
- Major Non-Residential Water Users	45
Environmental Sustainability	46
- Water Resource Strategy	46
- Water Resource Licensing and Compliance	47
- Water Conservation	51
- Sustainable and Resilient Water Service Systems	51
Management Strategies	54
- Climate Change	55
- Carbon Intensity	63
- Office Based Environmental Data	64
- Social Procurement	67
Asset Management Accountability Framework	68
Financial Management Compliance Attestation	71
- Financial Management Compliance Attestation Statement	71
Performance Statements	72
- Financial Performance Indicators	72
- Water and Sewerage Network Reliability Indicators	74
- Water Service Indicators - Rural Water Supply Deliveries	75
- Water Reuse Indicators	75
- Customer Responsiveness Indicators	76
Performance Reporting	77
- Certification of Performance Report for 2023/24	77
- Independent Auditor's Report	78
Financial Reporting	80
- Financial Statements	81
- Consolidated Comprehensive Operating Statement	81
- Consolidated Balance Sheet	82
- Consolidated Cash Flow Statement	83
- Consolidated Statement of Changes in Equity	84
- Notes to the Financial Statements	85
- Financial Statutory Certificate for 2023/24	145
- Independent Auditor's Report	146
Appendix - Disclosure Index	148
Operational Area Map	Inside back cover

Our Vision, Mission and Organisational Values

Our Vision

Healthy environment, thriving community.

Our Mission

Through partnerships with our stakeholders, we will provide affordable services using our precious resources to ensure a productive and liveable region.

Our Organisational Values

Customer
We will promote a culture that respects the views of our customers and our people with a ‘can do’ approach.

Organisation
We will work as a team to deliver agreed organisational priorities whilst respecting the views of stakeholders.

Accountable
We will be accountable for the actions we take and responsible for those we influence.

Transparent
We will be able to promote the merit of our decision making.

Efficient
We will ensure that the performance of our people, assets and resources are optimised in the provision of services.

Disciplined
We will ensure that our policies and processes support a consistent attainment of quality and safety in all aspects of our operation.

Responsible Body's Declaration

In accordance with the *Financial Management Act 1994*, we are pleased to present Grampians Wimmera Mallee Water's Annual Report for the year ending 30 June 2024.

Caroline Welsh
Chair

Mark Williams
Managing Director

Dated this day 18 September 2024.

Message from the Chair and Managing Director

We transitioned to 2023/24 with a commitment to continue to deliver value to the communities of Northwest Victoria that we service. The value proposition that was reflected in the 2023-2028 Water Price Submission included:

a) A 7.5 percent real reduction in water and wastewater prices in year one with prices to be held constant in real terms in years 2 through 5.
b) An uplift in the minimum service level for urban customers to 20 litres per minute.
c) A commitment to upgrade water pressure, where possible, in industrial and commercial areas to meet fire service standards with an associated pricing structure.
d) Extending the reach of drinking water to Berriwillock and Culgoa.
e) A commitment to improve the quality of raw water supplied from the Murray River and Waranga Channel.

The value we deliver is based on continuing to extend and leverage the investments we have made to improve the efficiency of GWMWater. These include:

a) The extension of the application of Supervisory Control and Data Acquisition (SCADA) to support our operating model.
b) The refinement of works management combined with resource tracking to efficiently deploy resources in the field.
c) The application of digital metering to reduce meter reading costs and improve information supplied to customers about water consumption.
d) The extended application of ecommerce.
e) Realising the value of growth water inherent in the delivery of water savings from the Wimmera Mallee Pipeline.
f) Delivery of the Clean Energy Strategy.

The Clean Energy Strategy has its origins in GWMWater's obligation to become carbon neutral by 2030 and have all energy supplied from renewable sources by June 2025. We do not see this as an obligation but as an opportunity given our geographic location north of the Great Dividing Range. We are well advanced in meeting our obligation to have all energy supplied by renewable sources from July 2025 and this will be fulfilled when we complete the build of the 6.2 MW Nhill Solar Farm with a 2.75 MW (6 MWh) battery that we committed to build in partnership with VIBE Energy in March 2024. This will supplement the 2.4 MW of behind-the-meter ground and rooftop solar generation that is installed across 58 operational facilities.

The Clean Energy Strategy also articulated a desire to leverage our natural advantage in renewable energy to benefit our community by exploring how GWMWater may have a customer facing role in the provision of community energy schemes. During the year, we successfully secured $70,000 from the Department of Environment Energy and Climate Action, supplemented by $85,000 from the Minister for Water when we were runner-up in the Water Minister's Climate Innovation Challenge. These funds are being applied to explore the potential role that GWMWater could play in a community energy scheme.

The economics of renewable energy is such that any sites requiring energy that do not have readily access to the grid will have a standalone supply. This is how the energy requirement for the Elmhurst water treatment plant is to be supplied. The Elmhurst Water Treatment Plant was completed this year and as we transition to the new financial year we await its approval as a drinking water supply by the Minister for Health. The contract to build the pipeline to supply treated water from Nhill to Kaniva has been awarded. Other water quality projects that are well advanced in their planning include the pipelines that will supply Moyston, Berriwillock and Culgoa.

The Horsham SmartFarm Project is ostensibly complete with only the brine disposal facility at Vectis to be completed. GWMWater and Agriculture Victoria matched the $4.97 million from the National Water Grid Authority to build a treatment facility that improves the quality of recycled water from the Horsham Wastewater Treatment Plant. The improved recycled water will be used to boost research activities for cereal crops, while a desalination plant being built by Agriculture Victoria as part of the project will be used for pulse crop research. The SmartFarm Project received a further $0.65 million from the Victorian government for Integrated Water Cycle Management initiatives in Horsham to water community green spaces.

The East Grampians Rural Water Supply Project entered the construction phase with the award of contract for the Lake Fyans Pump Station in November 2023.

Tenders opened for pipelines and associated pumps and tanks in the network in January and tenders received in April 2024. A preferred contractor was approved in June 2024 and the contract awarded in July 2024 with a lens of ensuring we maximise the extent of the network to be built within the funding envelope. All environmental approvals have been secured and we are close to finalising the two outstanding cultural heritage management plans for the project. GWMWater is preserving the project intent and are exploring ways the additional funding can be secured with stakeholders.

We continue to work with the Victorian Environmental Water Holder (VEWH) and catchment management water authorities to explore ways that multiple benefits can be achieved in the operation of the Wimmera-Glenelg Bulk Entitlement Order. We have supported the proposals by the Wimmera Catchment Management Authority (Wimmera CMA) to establish infrastructure that will divert environmental water into 'The Ranch' at Dimboola to meet cultural watering objectives. This year we committed to deliver projects on behalf of the VEWH and the Wimmera CMA that will provide targeted water deliveries to deeper pools of the Wimmera River beyond the Dimboola Weir. This will establish drought refuges in a section of the river that is less likely to receive natural water flow in drier periods. We continue to work with the community to deliver community water projects that enhance the liveability of the region. We are well advanced with the construction of a new bore to supply supplementary water to the Nhill Lake and continue to work with Gannawarra Shire Council to complete the Quambatook Weir Pool.

We value our relationship with the community, and this is underpinned by a comprehensive Customer and Community Engagement Strategy. This was acknowledged in the 2023-2028 Water Price Review when the Essential Services Commission agreed with our self-assessed rating of leading for engagement under PREMO. This model of engagement was further recognised this year when we were finalist for the Australian Water Association National Customer Experience Award for our hybrid engagement model that was used during broader consultations and by our Community Panel to deliberate on our 2023-2028 Water Price Submission.

During the year, our resilience and the community's resilience was tested by several natural weather events. A catastrophic weather forecast on 13 February 2024 translated into a weather event that impacted our operations in many ways. Extreme winds brought down power lines in the north central region around Donald that created a loss of power supply and communications that was not restored for approximately 48 hours. Later that day a fire started by lightning in the Grampians shifted with a change in wind direction that pushed the fire through Pomonal destroying 43 properties. On 22 February 2024 on another catastrophic forecast day, a fire broke out at the base of Mt Cole and the prevailing northwest wind directed the fire through the Buangor catchment toward Beaufort. A late wind shift directed the fire back through the Mt Cole Forest toward Elmhurst. The fire prevailed for almost two weeks and burnt out much of the forest that is also the catchment for our Mt Cole storage that services Ararat. We continue to work with the communities in the fire recovery effort providing rebates to customers in Pomonal and supporting the efforts of BlazeAid at their Buangor base in mopping-up the Mt Cole fire.

When planning for the Wimmera Mallee Pipeline Project, the funding model assumed GWMWater would potentially be carrying debt levels that would maintain a credit rating of BBB- for the foreseeable future. The success of the growth water sales program, support for the buyout of the Wimmera irrigation system and ongoing improvements in business efficiency, has allowed GWMWater to improve its financial performance and financial sustainability. At the end of the 2023/24 financial year, we carry forward an A- credit rating.

Our people are our greatest asset, and they are also an integral part of the community in our region. The commitment of our staff to service our community is significant and goes well beyond providing a water and wastewater service. The results of our own Customer Surveys suggest a significant level of customer loyalty with a Net Promoter Score of 24 percent. Our People Matter Survey results indicate a high level of employee satisfaction, and this result has improved over time.

We thank outgoing Chair Peter Vogel OAM for his contribution to the water sector in the region over

a 28 and a half-year period. Peter served as either Deputy Chair or Chair in his time on the Board and played a pivotal role in the delivery of the Wimmera Mallee Pipeline as Chair of the Project Steering Committee. We acknowledge the contribution of the GWMWater Board to continue to challenge us to ensure we are delivering value to the communities of the Grampians, Wimmera and Mallee region. The diversity and skills of the Board provides a solid knowledge base to oversee the development and delivery of a well-articulated strategy that is mindful of the risks as well as the opportunities.

The Victorian Government is our sole shareholder, and we thank the Andrews/Allen government for its support of the water sector in our region. The importance of water from a liveability perspective has been embraced and this is reflected in the policy framework of Water for Victoria. The value of reticulated rural water supplies has been acknowledged and evidenced in the funding support provided to the Southwest Loddon Pipeline and the East Grampians Rural Pipeline project. This support also extends to the Commonwealth government who have also contributed to these projects. This funding by the Andrews/Allen government has been complemented by significant funds that have been provided to support improved recreation amenity at our headworks and/or recreational water bodies that were an integral part of the Wimmera Mallee Pipeline Project.

Caroline Welsh
Chair

Mark Williams
Managing Director

About GWMWater

Who We Are

Grampians Wimmera Mallee Water Corporation (trading as GWMWater) is a government owned Statutory Corporation established on 1 July 2004 under the *Water Act 1989*. The responsible Minister for the period from 1 July 2023 to 30 June 2024 was the Hon Harriet Shing MP, Minister for Water.

GWMWater has one of the largest geographic footprints of all Victorian water businesses, covering some 62,000 square kilometres or 25 percent of Victoria. The operational area is similar in size to Tasmania and includes 13 municipalities; seven with full coverage and a further six in part. We provide services to approximately 72,000 people living either on farms or in one of 71 urban centres across Western Victoria.

What We Do

GWMWater is a vertically integrated water business directly involved in all aspects of the water cycle.

We operate water and wastewater treatment plants in many of our 71 towns and we aim to recycle 100 percent of the wastewater we produce. We use desalination technology, operate pipelines, major storages, dams, weirs and pump stations to service our customers.

We have responsibility for performing the Storage Manager functions in respect to the Wimmera and Glenelg Rivers bulk entitlement orders.

GWMWater is Resource Manager for groundwater and surface water licensing and the Storage Manager in respect of the Safe *Drinking Water Act 2003*.

Our large operational area presents major challenges in the provision of water and wastewater services. We harvest water in the Grampians, extract water from groundwater bores and pump water from the River Murray. From these points we store, treat, transfer and distribute water.

To deliver these services we manage a significant number of assets including bulk water supply reservoirs, hundreds of smaller storages, tanks, water towers and approximately 16,000 km of pipes.

Water Services

Our water services are used in and around homes, in businesses, on farms, for environmental purposes and for schools, recreational and community benefit.

Sewer Services

In sewered urban areas, we collect wastewater which is transferred, treated and reused.

Our wastewater services operate mainly in our larger towns and involve extensive recycling for watering sporting fields, parks and gardens, vineyards and agricultural use.

Understanding Our Business

Strategic Directions

We operate within a dynamic region in an environment that is very much weather dependent. Our Strategic Directions identify six key themes which are linked by the Corporation's vision of:

'Healthy environment, thriving community'

Strategic Themes

The below themes are integrated throughout our corporate and business planning so all actions contribute to the achievement of our vision.

Government Policy Framework

Our operational framework is strongly influenced by the economic, social and environmental policies of government.

In October 2016, the Minister for Water released 'Water for Victoria' and this substantially reset the policy context for water management in the state. From a water supply perspective, this complements the water policy framework of the Murray Darling Basin Plan and the Western Region Sustainable Water Strategy (Western Region SWS). GWMWater's Strategic Directions supports the Victorian Government's strategic plan for management of water resources as reflected in Water for Victoria.

Our Sustainability Framework

For GWMWater, sustainability means being able to continuously provide water and wastewater services which support customers, various stakeholders and the region as a whole in balancing social, environmental and economic outcomes.

We continue to drive sustainable resource management from our strategic planning through to our operational practice. Sustainability is also synonymous with the liveability of our region, which is a key focus of our current Strategic Directions and Vision statement.

We welcome the initiatives of the Minister for Water to have climate change formally recognised and will continue to develop initiatives that better respond and adapt to climate variability from a water resource and carbon efficiency perspective.

Sustainable Development Goals Strategic Context

Themes	2023 Water Price Review Outcomes	Letter of Expectations	Sustainable Development Goals
Thriving Community	5. Healthy and Liveable Region	AC1 Supporting Aboriginal self-determination AC2 Partnerships with Traditional Owners AC3 Aboriginal Inclusion Plan/Reconciliation Action Plan Rec1 Recreational values L1 Integrated Water Management L2 Water efficiency (urban) CE1 Apply an effective zero-tolerance approach to unauthorised take CE2 Demonstration of continuous improvement toward implementation of compliance and enforcement strategies, frameworks, and reporting. CE3 Customer requirements, compliance and enforcement communications BE1 Demonstrate bulk entitlements are compliant with individual reporting priorities	
Delivering Value with Our Customers	1. Safe Drinking Water 2. Clean, Non-Drinking Water – Urban 3. Clean, Non-Drinking Water – Rural Pipeline 4. Reliable and Affordable Services	C1 Customer Satisfaction C2 Customer and community engagement	
Maximising the Productivity of Our Assets	4. Reliable and Affordable Services	C1 Customer Satisfaction	

Working for Our Environment	5. Healthy and Liveable Region	CC1 Emission reductions CC2 Increasing renewable electricity use CC3 Adaptation to climate change and variability L2 Water efficiency (urban) L3 Circular economy outcomes L4 Environmental Statutory Obligations L5 Sustainable Water Use	
Empowering Our People		G1 Diversity and inclusion G2 Health and Safety	
Ensuring Our Financial Sustainability	4. Reliable and Affordable Services	PF1 Audited statement of performance	

Our Board

GWMWater is established as a government business enterprise with its powers and authority defined by the *Water Act 1989*. Through the Governance Policy the Board has identified matters that it has reserved for itself. The Board establishes the vision, broad strategic direction and culture for the corporation and sets its goals. These goals relate to operational sustainability, financial performance, organisational performance, range and quality of service, compliance and risk management.

Key responsibilities of the Board include:

a) Setting broad strategy, objectives and performance targets for the Corporation.

b) Risk management oversight for all key business and operational risks including public health and safety, occupational health and safety and being informed and aware of residual risk levels.

c) Defining risk appetite to empower management to make more effective risk-based decisions and operate within acceptable and agreed levels of risk.

d) Monitoring GWMWater performance in meeting its compliance obligations.

e) Reviewing GWMWater's progress in achieving its strategic goals and aspirations.

f) Reviewing the internal financial and operational controls for the Corporation to ensure that they are effective and current (including non-compliance, anti-fraud, anti-corruption and critical incident reporting systems).

g) Overseeing the preparation and approval of strategy plans, annual reports, key policies and procedures.

Caroline Welsh, Chair

Caroline has 30 years' experience working in agriculture communication, industry development and climate variability and in 1998 Caroline received a Churchill Fellowship to study fresh stone fruit exports. Caroline is a partner in the family grain farm in Berriwillock. She is a former Chair and long-term Director of the Birchip Cropping Group. Caroline has previously held positions on the Victorian Agriculture Climate Change Council and the inaugural national Future Drought Fund Consultative Committee. Caroline holds a Master of Agribusiness (Marketing), a Graduate Diploma of Rural Resource Management and a Bachelor of Agriculture Science. Caroline is a graduate of the Australian Institute of Company Directors.

Caroline has been a non-Executive Director of GWMWater since 2015 and Board Chair since October 2023.

Andrew Nicolaou, Deputy Chair

Andrew is a recognised leader in Financial and Risk Management Reform, Governance and Performance in the Public Sector, with significant experience in large government business enterprises including the water sector, rural sector and relevant departments. Andrew has significant experience with government and private sector boards, and audit and risk committees. He has a strong knowledge of financial management, risk and regulatory frameworks. Andrew holds a Bachelor of Economics and is a member of the Australian Institute of Company Directors and a Fellow of the Institute of Chartered Accountants. He is the Chair of audit committees at Department of Transport, Parliament of Victoria and Fire Rescue Victoria, is a Director and member of the Audit Committee of the Victorian Funds Management Corporation and a member of the Audit Committee of the Department of Education.

Andrew is Deputy Chairperson of GWMWater. He is also Chair of the GWMWater Audit, Governance and Risk Committee.

David Jochinke

Born and bred in the Wimmera, David is a third-generation broad acre farmer at Murra Warra. A strong advocate for rural communities and the farming industry, he has held numerous significant high-profile leadership roles representing the Wimmera and Victoria. He is currently President of the National Farmers Federation and Chair of Grampians Tourism. David holds a Diploma of Applied Science, is a Nuffield Scholar, Australian Rural Leadership Fellow and a member of the Australian Institute of Company Directors.

David is Chair of the GWMWater Environment and Works Committee.

Elisa de Wit

Elisa is a partner in the Melbourne office of international legal practice Norton Rose Fulbright. She leads the Melbourne environment practice and is national head of the firm's climate change and sustainability practice. Elisa has over 30 years of legal experience and has practised in three Australian jurisdictions and the United Kingdom. Elisa holds a Bachelor of Laws (Hons), Bachelor of Arts, a Masters of Environmental Law and a Graduate Diploma of Legal Practice. She is the former Chair of the Carbon Market Institute, a current Director of Beyond Zero Emissions and a Graduate of the Australian Institute of Company Directors.

Elisa is Chair of the GWMWater Carbon, Climate and Resources Committee.

Judith Holt

Jude and her husband are sheep and grain farmers in Wedderburn. She has held senior management roles in local government and the water sector for 30 years, and is a Board Director at CVGT Australia Limited, Independent Chair of the Environmental Review Committee at Fosterville Gold Mine, and Independent Chair of the Finance Committee at Marist College Bendigo. Jude is a Fellow of the Governance Institute of Australia, has a Graduate Diploma in Applied Corporate Governance, Graduate Certificate in Risk Management, a Bachelor of Business (Accounting), and is a Graduate of the Australian Institute of Company Directors.

Michelle Jackson

Michelle is retired and lives in Loddon Shire. She has worked in the public sector, local government and the trade union movement. Prior to her retirement Michelle worked for the Australian Services Union (ASU) in senior leadership roles. Michelle was a member of the executive of the ASU and a member of the Finance Committee and Risk Management Committee. Michelle is currently a member of the Bendigo Trades Hall Executive. She has skills in governance, financial management, risk management, strategic planning and industrial relations.

Paul Hardy

Paul has over two decades of board experience with expertise in the engineering, healthcare, sport, education and not-for-profit sectors. At board level he is passionate about driving growth and performance, having led one of the world's precedent engineering, project delivery, advisory and technical services companies and advising startup companies in the pharmaceutical, health, technology, AI and social investments sectors.

He is a partner of PAN Group, investor and developer at start-ups, and is a director on the boards of Pitt and Sherry, Citywide, Collingwood Football Club Foundation, VicTrack and the Council of La Trobe University. Previously he was the Chief Executive Officer of Aurecon, a global engineering company with 80 offices in 22 countries.

Paul holds a Master of Engineering Science and is a graduate of the Australian Institute of Company Directors. He has also been recognised by Engineers Australia as one of Australia's 100 most influential engineers.

Rodney Jackson

Rod is a proud Palawa and Cherbourg man, with a breadth of senior leadership experience and knowledge that bridges Government and Aboriginal Businesses.

Past roles include General Manager Operations TTLine's MVSpirit of Tasmania, Port of Portland Chief Executive Officer and Chief Executive of four Aboriginal Organisations being Gunditjmara, Victorian Aboriginal Health Service (VAHS), Wathaurong and Ngwala Willumbong. Rod was a previous member of the Aboriginal Economic Development Board, National Aboriginal Community Controlled Health Organisation (NACCHO), Victorian Aboriginal Community Controlled Health Organisation Inc (VACCHO), Respect Victoria, Foodbank Victoria, President Portland Football Netball Club, YMCA, Mayors Trust Fund and Rail Projects Victoria. Rod's currently a Board Director of Federation Enterprises, whose strategic objective is to focus on opportunities for Traditional Owners which includes 51 percent ownership of Barpa Constructions. As well as a member of Australian Institute of Company Directors (AICD), Advisor and Consultant on Registered Aboriginal Parties (RAP) and holds Board roles

with Federation Enterprises, AFL SportsReady, Yuma Yirramboi and Court Services Victoria.

Rod is a Reconciliation Adviser to the Victorian Responsible Gambling Foundation (VRGF), Tract, Greater Western Water and a short-term contract with Consumer Action Law Centre and an Advisory Panel Member of the National Indigenous Knowledge's Education Research Innovation Institute at Deakin University and Stolen Generations Reparation Committee. Rod is a Board Director of the Indigenous Trajectory of the Emotional Wellbeing Institute - Geneva.

Rod is an Elder Respected Person on the County and Magistrates Courts, and volunteers with the Independent Visitor Program.

Mark Williams, Managing Director

Mark has been with GWMWater and the former Grampians Water since 1996. Mark was Chief Financial Officer until November 2011 when appointed to the position of Managing Director. In this time Mark has been responsible for overseeing the commercial implementation of water reforms in the region that include the delivery of water quality upgrades, investments that have improved water security and the introduction of independent service and price regulation by the Essential Services Commission.

Mark brings a wealth of experience to the role beyond his water industry experience which includes roles in the power industry, health and public service where he started his career in 1985. Mark served on the Wimmera Health Care Group Board from 2001 to 2016 and held the office of President in the period 2011 to 2016. Mark was a member of the Wimmera Southern Mallee Regional Partnership during the period 2016-2021 and played an integral role in securing the funding for the AgTIDE Project to advance the role of digital technology in agriculture for the region.

Mark is also a Director of the Board of the Horsham Golf Club in the capacity of Treasurer. Mark joined the Golf Club Board in 2017 and has assisted with the return of the club to a sustainable financial position. Mark has also committed to serve as a Director on the reconstituted Wimmera Southern Mallee Development (formerly Wimmera Development Association).

Board and Committee Attendance 1 July 2023 – 30 June 2024

Director	Number of Board meetings attended	Number of Audit Governance and Risk Committees attended	Number of Environment and Works Committees attended	Number of Water Resources Committees attended^	Number of Climate, Energy and Carbon Committees attended^	Number of Carbon, Climate and Resources Committees attended	Number of People and Culture Committees attended+
Peter Vogel#	3	2*	1	1	1	-	1
Caroline Welsh	13*	3	3	-	1	3	3
David Jochinke	10*	2*	3	1	1	3	-
Andrew Nicolaou	12*	5*	1	-	-	-	2
Elisa de Wit	13*	1*	2	1	1	3	-
Jennifer Comerford#	3	1*	1	1	-	-	-
Jude Holt	12*	5*	1	-	-	-	3
Michelle Jackson	9*	3	-	-	-	2	1
Paul Hardy	10*	1	3	-	-	2	1
Rod Jackson	10*	3	3	-	-	-	-
Mark Williams, Managing Director	13*	2*	4	1	1	3	3
Ross Davies, Independent#	NA	NA	NA	1	NA	NA	NA
Total number of meetings	13*	5*	**4**	**1**	**1**	**3**	**3**

Notes to this table:

* Includes Special Board and Committee Meetings attended as part of overall total
2 x Special Board Meetings
1 x Special Audit, Governance and Risk Committee Meeting

\# Outgoing Members 1 July 2023 to 30 September 2023

^ Water Resources Committee and Climate, Energy and Carbon Committee amalgamated to form the Carbon, Climate and Resources Committee effective 1 October 2023

\+ Previously known as Remuneration Committee prior to December 2023

Standing Committees of the Board

Audit, Governance and Risk Committee

1 July 2023 – 30 September 2023
- Andrew Nicolaou (Chair)
- Jude Holt
- David Jochinke
- Peter Vogel (Ex-Officio)

1 October 2023 – 30 June 2024
- Andrew Nicolaou (Chair)
- Jude Holt
- Michelle Jackson
- Rod Jackson
- Caroline Welsh (Ex-Officio)

All members of the Audit, Governance and Risk (AGR) Committee are independent in character and judgement. There are no relationships or circumstances which could affect, or appear to affect, the member's judgement.

The AGR Committee has overarching responsibility for overseeing the development and implementation of the risk policy as well as the audit and assurance program of GWMWater.

The AGR Committee has specific oversight of the policy framework for the preparation of the annual financial statements as well as specific responsibility for the financial risks of GWMWater.

The AGR Committee is ideally chaired by a suitably qualified professional that is a member of an appropriately recognised professional accounting body. If this skill is not held within the skillset of the Board, the Board shall seek to appoint a suitably qualified person for the purpose of acquiring this skill to support its role in overseeing financial and commercial risks of GWMWater.

The AGR Committee has responsibility for overseeing the Occupational Health and Safety (OHS) Program to facilitate OHS programs and activities that are being discharged in accordance with the Board's stated objective of Zero Harm.

The AGR Committee also has specific oversight of the ICT and cyber security risks of GWMWater.

The Committee Chair and members are appointed annually by the Board, and are subject to the Committee's Terms of Reference.

Meetings are held quarterly and at any other time as considered appropriate by the Chair. In 2023/24, the Committee met on five occasions, inclusive of one special meeting. Attendance of committee members is detailed in the Board and Committee Attendance table, together with attendance of members of other board committees.

Environment and Works Committee

1 July 2023 – 30 September 2023
- Jennifer Comerford (Chair)
- Andrew Nicolaou
- Jude Holt
- Peter Vogel (Ex-Officio)

1 October 2023 to 30 June 2024
- David Jochinke (Chair)
- Elisa de Wit
- Paul Hardy
- Rod Jackson
- Caroline Welsh (Ex-Officio)

The Environment and Works (EW) Committee has overarching responsibility for the technical risks of GWMWater associated with the provision of water and wastewater services.

The EW Committee will have specific oversight of compliance activities and associated risk related to the interface with technical regulators of the:

a) Environment Protection Authority – Environment Protection Act and compliance with operating licences.

b) Department of Health - Drinking Water Regulations of the Safe Drinking Water Act.

c) Department of Energy, Environment and Climate Action – ANCOLD compliance.

d) Essential Service Commission – Compliance with Customer Codes.

The EW Committee will have specific oversight of the capital works program and the design and implementation of the maintenance programs that are integral to the mitigation of these risks.

The Committee Chair and members are appointed annually by the Board, and are subject to the Committee's Terms of Reference.

Meetings are held quarterly and at any other time as considered appropriate by the Chair. In 2023/24, the committee met on four occasions. Attendance of committee members is detailed in the Board and Committee Attendance table, together with attendance of members of other board committees.

People and Culture Committee

1 July 2023 – 30 September 2023
- Peter Vogel (Chair)
- Caroline Welsh
- Jude Holt

1 October 2023 – 30 June 2024
- Caroline Welsh (Chair)
- Andrew Nicolaou
- Jude Holt

The People and Culture (PC) Committee has evolved from the Remuneration Committee to recognise the Board's role in its oversight of compliance with Victorian government remuneration policy and organisational culture.

The PC Committee is responsible for the Managing Director Position Description and appointment of the Managing Director. The performance framework for the Managing Director and negotiations relevant to the remuneration of the Managing Director with DEECA and the Victorian Independent Remuneration Tribunal / Victorian Public Sector Commissioner to ensure it is consistent with the Victorian government Public Entity Executive Remuneration (PEER) Policy are also the domain of the PC Committee.

Where considered appropriate, the People and Culture Committee may be represented in the recruitment of roles in the Executive team. The PC Committee will be provided reports on the performance of the Executive team as well as ensuring that their remuneration complies with the Victorian government PEER Policy.

The PC Committee will have specific oversight of plans and performance against these plans of gender equity, diversity and inclusion. It will also receive reports from the Managing Director and Executive specific to the culture of the organisation as well as programs that are aimed at enhancing the culture of GWMWater. More specifically it will receive reports of performance in the annual Victorian Public Sector People Matter Survey.

The Committee Chair is GWMWater's Board of Directors Chair. Members are appointed annually by the Board, and are subject to the Committee's Terms of Reference.

Meetings are held at least twice a year and at any other time as considered appropriate by the Chair, or on request of a committee member or the internal or external auditor. In 2023/24, the committee met on three occasions. Attendance of committee members is detailed in the Board and Committee Attendance table, together with attendance of members of other board committees.

+Previously known as Remuneration Committee prior to December 2023

Carbon, Climate and Resources Committee

Water Resources Committee^
1 July 2023 – 30 September 2023
- David Jochinke (Chair)
- Elisa de Wit
- Jennifer Comerford
- Peter Vogel (Ex-Officio)
- Ross Davies (External Member)

Climate, Energy and Carbon Committee
1 October 2023 – 30 June 2024
- Elisa de Wit (Chair)
- David Jochinke
- Michelle Jackson
- Paul Hardy
- Caroline Welsh (Ex-Officio)

Climate, Energy and Carbon Committee^
1 July 2023 – 30 September 2023
- Elisa de Wit (Chair)
- Caroline Welsh
- David Jochinke
- Peter Vogel (Ex-Officio)

The Carbon, Climate and Resources (CCR) Committee has specific oversight of GWMWater activities understanding the risks of climate change and the implementation of initiatives that will mitigate these risks. It also acknowledges the potential impact on water resource and gives the CCR Committee specific responsibility mitigating risk associated with water resource availability including compliance with the Wimmera Glenelg Bulk Entitlement Order.

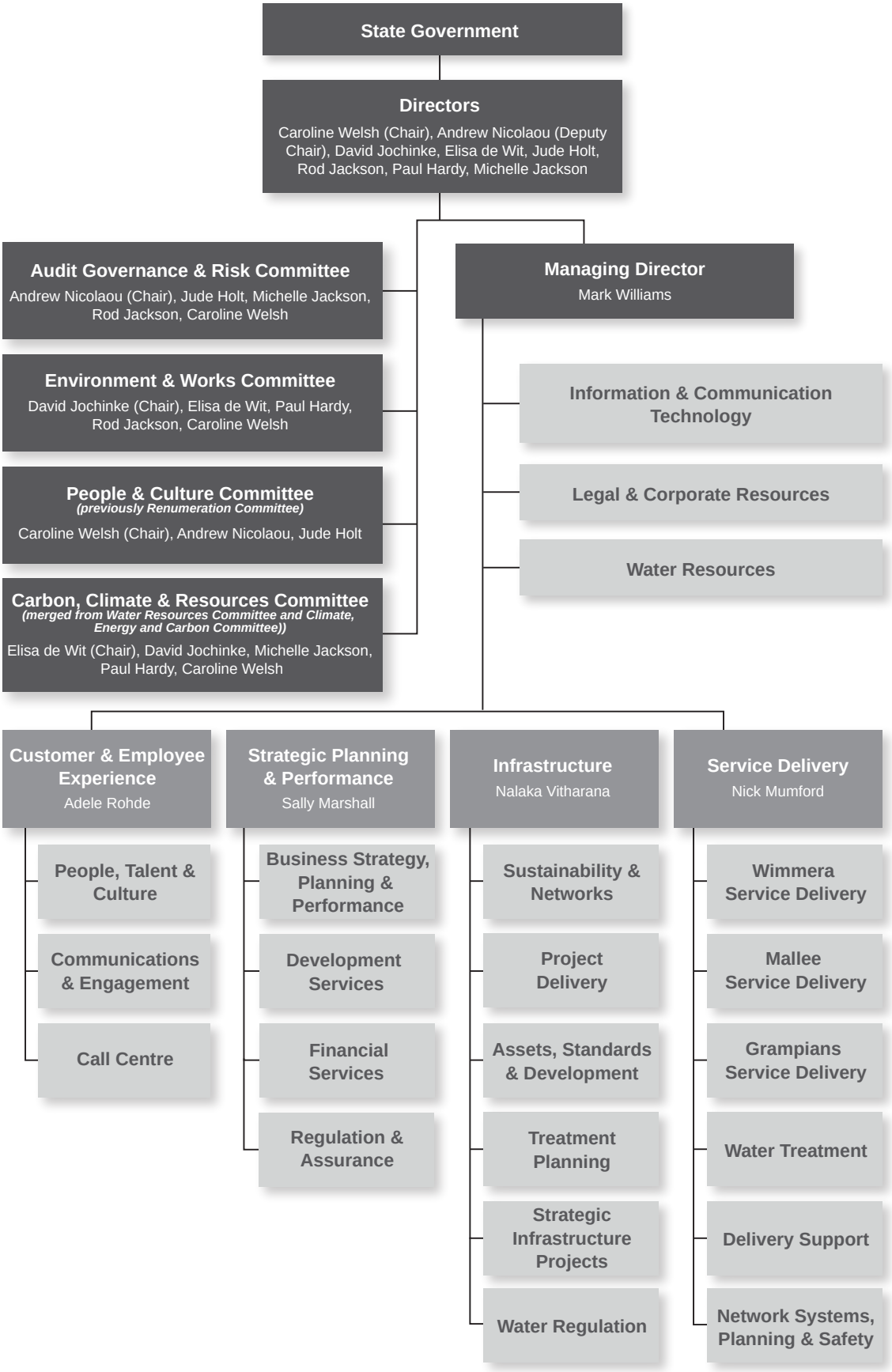
Climate challenges are a key driver for water businesses to become carbon neutral and GWMWater see this as being met through direct investment in renewable energy. The linkage of the carbon and energy program to climate is such that the oversight of the risks and opportunities best fits within the remit of CCR Committee.

The Committee Chair and Members are appointed annually by the Board, and are subject to the Committee's Terms of Reference.

Meetings are held quarterly and at any other time as considered appropriate by the Chair. In 2023/24, prior to the amalgamation of the former Committees, the Water Resources Committee and the Climate, Energy and Carbon Committee both met on one occasion. The newly formed CCR Committee has met on three occasions. Attendance of committee members is detailed in the Board and Committee Attendance table, together with attendance of members of other board committees.

^Water Resources Committee and Climate, Energy and Carbon Committee amalgamated to form the Carbon, Climate and Resources Committee effective 1 October 2023

Organisational Structure



How We Operate

Freedom of Information

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

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

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

Processing time for requests received can be up to 30 days. However, when external consultation is required the processing time automatically reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant and this may occur any number of times.

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

Making a request

When making a Freedom of Information (FOI) request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought. An application fee of $32.70 applies. Access charges may also be payable if the document pool is large and the search for material time consuming.

Requests for documents in the possession of GWMWater should be addressed via email to: foi@gwmwater.org.au or via post to:

GWMWater
Att: Freedom of Information Officer
PO Box 481
Horsham Victoria 3402

Freedom of Information statistics/timeliness

During 2023/24, GWMWater received one FOI application which was satisfied in full. The request was made by a legal firm. The request was not subject to a complaint/internal review by OVIC nor progressing to VCAT.

The request was completed within the statutory time-period.

Further information

Further information regarding the operation and scope of FOI can be obtained from the Act; regulations made under the Act; and ovic.vic.gov.au/freedom-of-information.

Statement of Availability of Other Information

Additional information available on request

In compliance with the requirements of the Standing Directions under the *Financial Management Act 1994,* details in respect of the items listed below have been retained by GWMWater and are available on request, either partially or fully, subject to the provisions of the *Freedom of Information Act 1982*:

a) Details of publications produced by GWMWater about itself, and how these can be obtained.

b) Details of any major external reviews carried out on GWMWater.

c) Details of major research and development activities undertaken by GWMWater.

d) Details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit.

e) Details of major promotional, public relations and marketing activities undertaken by GWMWater to develop community awareness of the entity and its services.

f) A general statement on industrial relations within GWMWater and details of time lost through industrial accidents and disputes.

g) Details of changes in process, fees charges, rates and levies charged. A statement that declarations of pecuniary interests have been duly completed by all relevant officers.

h) Details of all consultancies and contractors including:
   - Consultants/contractors engaged services provided; and
   - Expenditure committed to for each engagement.

The information is available on request from:

foi@gwmwater.org.au or via post:

GWMWater
Att: Freedom of Information Officer
PO Box 481
Horsham Victoria 3402

Additional information included in Annual Report

Details in respect of the following items have been included in this annual report, on the pages indicated below:

a) Assessment and measures undertaken to improve the Occupational Health and Safety of employees (page 26).

b) A list of GWMWater's major committees, the purpose of each committee, and the extent to which the purposes have been achieved (pages 15 to 18).

Information that is not applicable to GWMWater

The following information is not relevant to GWMWater for the reason set out below:

- A declaration of shares in GWMWater held by senior officers. No shares have ever been issued in GWMWater as the Victorian Government is the shareholder.

Compliance with the *Public Interest Disclosure Act 2012*

The *Public Interest Disclosure Act 2012* (PID Act) enables people to make disclosures about corrupt or improper conduct by a public officer or a public body. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

GWMWater is a public body for the purposes of the Act.

What is a public interest disclosure?

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

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

'Detrimental action' is action taken against a person in reprisal for making a public interest disclosure.

	2022/23	2023/24
The number of disclosures made by an individual to the Independent Broad-Based Anti-Corruption Commission		
Assessable disclosures	0	0

How do I make a public interest disclosure?

You can make a public interest disclosure about GWMWater or its Board Directors, officers or employees by contacting the Independent Broad-based Anti-corruption Commission (IBAC) on the contact details provided below.

GWMWater is not able to receive public interest disclosures.

GWMWater has established procedures for the protection of persons from detrimental action in reprisal for making a public interest disclosure about GWMWater, its Board Directors, officers or employees. You can access GWMWater's procedures on our website at: www.gwmwater.org.au/contact-us/make-a-complaint

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

Address: Level 1, North Tower, 459 Collins Street, Melbourne Victoria 3000

Mail: GPO Box 24234, Melbourne Victoria 3001

Website: ibac.vic.gov.au

Phone: 1300 735 135

Email: A secure email disclosure process is available on IBAC's website.

Competitive Neutrality Policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

GWMWater continues to comply with the legislative requirements and principles of the Competitive Neutrality Policy.

Compliance with the ***Building Act 1993***

Buildings owned or controlled by GWMWater comply with building and maintenance provisions of the *Building Act 1993*, the Building Regulations 2018 and the National Construction Code.

GWMWater requires that appropriately qualified consultants and contractors are engaged for all works on land controlled by GWMWater and that their work and services comply with current building standards. All such consultants and contractors are required to have appropriate mechanisms in place to ensure compliance with the building and maintenance provisions of the *Building Act 1993*, the Building Regulations 2018 and the National Construction Code.

In relation to existing buildings, GWMWater conducts mandatory testing of emergency and exit lighting, lift equipment, routine inspection and maintenance of mechanical services, and annual fire service audits. These inspections then inform the works program which is delivered annual through existing maintenance contracts.

In 2023/24:

Number of major building projects undertaken by GWMWater (greater than $50,000)	3
Number of building permits, occupancy permits or certificate of final inspection issued in relation to buildings owned by the entity	0
Number of emergency orders and building orders issued in relation to buildings	0
Number of buildings that have been brought into conformity with building standards during the reporting period	0

Our Employees

Employment and Conduct Principles

GWMWater is committed to applying merit and equity principles when appointing staff. The selection process ensures that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination.

Diversity in the Workforce

GWMWater is committed to a fair, accessible, flexible and inclusive workplace. We continue to implement objectives in our Diversity and Inclusion (D&I) Strategy and Gender Equality Action Plan (GEAP) to ensure we value and respect the diversity of our employees and that of the communities in which we operate.

Target	Target	Current %
Gender balance in senior leadership positions	50%	39%
Percentage of employees who identify as a person with a disability	10%	4%
Percentage of employees who speak a language other than English	20%	9%
Percentage of employees who identify as Aboriginal and/or Torres Strait Islander	2.5%	2%
Percentage of employees who identify as having caring responsibilities (for children, elderly family, or a person with a disability)	35%	56%
Percentage of employees who identify as belonging to the LGBTIQ+ (Lesbian, Gay, Bisexual, Transgender and Intersex) communities	7%	6%

It should be noted that:

a) Flexible work arrangements are available to all employees unless there is a specific operational constraint.

b) Approximately 46 percent of employees work flexibly (through informal and formal flexible working arrangements).

c) In line with our commitments under the *Gender Equity Act 2020*, we are working towards creating safe and confidential avenues for employees to voluntarily disclose additional gender and intersectionality data over the coming years.

Current figures have been sourced from the People Matter Survey 2024 and current workforce data.

Our Diversity and Inclusion Strategy will ensure:

a) We value and respect the diversity of our employees and that of the communities in which we operate.

b) We strive for a workplace that is fair, accessible, flexible, inclusive and in which unlawful discrimination, bullying, harassment or victimisation are not tolerated.

Our objectives are to:

a) Be an employer of choice for people from diverse backgrounds and improve our ability to attract, develop and retain staff from these groups.

b) Make diversity and inclusion a central part of how our organisation and employees work.

c) Support and empower our employees to be able to do their best and bring their whole selves to the workplace.

Diversity in this report refers to all the characteristics that make individuals different from each other. It includes characteristics such as age, caring responsibilities, cultural diversity, disability, gender, indigeneity, sexual orientation and religion.

Diversity is about our commitment to equality, inclusion and treating all individuals – our employees, customers and the communities in which we operate – with fairness and respect.

The GWMWater Board consisted of four women which equated to 44 percent. Women are employed in 39 percent of senior management positions which includes Executive and Divisional Manager roles.

GWMWater provides diversity, inclusion and cross-cultural training opportunities for staff. GWMWater has developed a Gender Equality Action Plan, which has been approved by the Commissioner for Gender Equality. A progress report in relation to the plan was submitted to the Commission for Gender Equality in the Public Sector in February 2024 as required under the *Gender Equality Act 2020*.

Compliance with the *Disability Act 2006*

The *Disability Act 2006* reaffirms and strengthens the rights of people with a disability and recognises that this requires support across the government sector and within the community.

The Inclusive Victoria: State Disability Plan 2022–2026 is Victoria's plan for making things fairer for people with disability. The plan is a key instrument for the Victorian Government to be accountable for making all aspects of the community inclusive and accessible for everyone.

GWMWater has incorporated Disability Action Plan goals to increase participation, accessibility and inclusivity into its Diversity and Inclusion Strategy. The strategy has a target of 10 percent disability representation with GWMWater currently sitting at four percent.

A Recruitment and Retention Strategy developed during 2023-24 includes actions to review recruitment and onboarding processes to facilitate best-practice accessibility and implementation of reasonable adjustments.

Furthermore, GWMWater has placed significant focus on improving the communication of psychological safety of its employees and progress towards this was noted in our 2024 People Matter Survey results.

Reducing barriers to accessing goods, services and facilities

GWMWater buildings meet current Australian Building Standards relating to physical barriers. Policies relating to discrimination, Equal Employment Opportunity (EEO) and Reasonable Adjustments have been developed and implemented.

Reducing barriers to persons with a disability obtaining and maintaining employment

Policies relating to discrimination, Equal Employment Opportunity (EEO) and Reasonable Adjustments have been developed and implemented. GWMWater has representation on both VicWater's Diversity and Inclusion Practitioners Network and Executive Steering Committee.

Promoting inclusion and participation in the community of people with a disability

GWMWater has an alliance with the Community of Respect and Equality (CoRE).

Achieving tangible changes in attitudes and practices that discriminate against people with a disability

Discrimination policies and EEO guidelines are regularly presented to staff, and a training module is completed by staff through e-Learning.

Workforce Data 2023/24

Ongoing Employees (Excludes Casual and Fixed Term)					Fixed Term and Casual Employees
	Employee (headcount)	Full Time (headcount)	Part Time (headcount)	FTE	FTE
June 2024	201	167	34	189	15
June 2023	189	160	29	178	17

	JUNE 2024		Fixed Term and Casual Employees	JUNE 2023		Fixed Term and Casual Employees
	Employee (headcount) Excludes Casual & Fixed Term	FTE Excludes Casual & Fixed Term	FTE	Employee (headcount) Excludes Casual & Fixed Term	FTE Excludes Casual & Fixed Term	FTE
Gender						
Man (M)	136	134	9	131	130	9
Woman (W)	65	55	6	58	48	8
Self-described (S)	0	0	0	0	0	0
Age						
Under 25	6	6	2	8	7	2
25-34	56	52	6	56	53	6
35-44	55	51	3	42	39	6
45-54	43	40	3	43	40	2
55-64	36	35	2	36	35	2
Over 64	5	5	0	4	4	0
Classification						
BTWA	52	50	4	46	44	6
BTWB	58	54	3	59	56	2
BTWC	25	22	0	24	21	0
BTWD	12	12	0	11	11	0
PROFB	9	9	1	10	10	1
PROFC	9	8	0	6	5	1
PROFD	11	9	0	11	9	0
SENIOR OFFICER	25	24	3	22	21	2
EXECUTIVES						
PEERS	0	0	5	0	0	6
Total Employees	**201**	**189**	**15**	**189**	**178**	**17**

Notes to this table:

1. Due to rounding some totals may not correspond with the sum of the separate figures.
2. All figures reflect employment levels during the last full pay period in June of each year.
3. 'FTE' means full-time staff equivalent.
4. Employees have been correctly classified in workforce data collections.
5. Due to rounding some totals may not correspond with the sum of the separate figures.
6. Of the twenty-five Senior Officers, three Senior Officer Employees work part-time, with a total FTE of 2.30.
7. There are currently no employees who identify as self-described within our payroll system. However, through the People Matter Survey 2024, we understand that approximately 1% of our workforce identify as non-binary, trans or gender diverse.
8. Banded, fixed term, casual employees and Senior Officers remuneration is covered by GWMWater's Enterprise Agreement 2023.
9. Of the five executives, four are classified as Senior Executive Services 1 (PESES-1) and one is classified as Senior Executive Services 2 (PESES-2)

Occupational Health and Safety

GWMWater has an ongoing commitment to provide a safe workplace and has policies, aspirations and measures for achieving Zero Harm. This is supported by maintaining a certified Occupational Health and Safety Management System to meet the requirements of ISO 45001: 2018.

In 2023/24 the number of incidents has remained similar to the prior year, confirming a robust reporting culture. Average claim costs have increased due to a higher cost for standard claims being shared by a lower number of claims. The number of days lost has reduced by half. In 2023/24 hazard reports and actions increased by over 300 percent due to the increased focus GWMWater has placed on improving the hazard reporting systems and support for staff to report and complete actions.

GWMWater launched a new OHS Strategy in 2024 which continues our aspiration for Zero Harm along with the key focus areas of Safety Leadership, Wellbeing, Technology and Risk Management. To accompany the OHS Strategy a set of Safety Rules were also launched to provide staff with basic guidance on staying safe at work in key risk areas.

The delivery of occupational health and safety training was another highlight. There were 90 training sessions delivered addressing compliance, competency and licences on a wide range of subjects completed in the past 12 months. This ensures staff are trained to safely perform their duties as identified via the training needs analysis for each staff position.

In 2023/24 there were 348 audits (OHS policy and procedure reviews) and 106 OHS Inspections completed for the year. This action supports the ongoing continuous improvement of the OHS management system.

Occupational Health and Safety Performance Indicators

Measure	KPI	2019/20	2020/21	2021/22	2022/23	2023/24
Incidents	Number of incidents	87	73	60	97	101
	Rate per 100 FTE	50.29	43.40	36.7	54.6	55.5
Claims	Number of lost time claims	1	4	5	3	2
	Rate per 100 FTE	0.58	2.38	3.06	1.69	1.09
Claim Costs	Average cost per standard claim	$20,946	$307,788	$42,529	$16,546	$57,292
First Aid Treatment Injuries	Number of first aid treatment injuries	4	5	7	9	13
Medical Treatment Injuries	Number of medical treatment injuries	1	0	1	1	0
Lost Time Injuries	Number of lost time injuries	0	3	4	7	4
Hazards	Number of hazard reports completed	165	183	174	74	278
	Rate per 100 FTE	95.37	108.79	106.45	41.69	152.75
TRIFR	Total Recordable Injury Frequency Rate	3.69	14.85	22.98	31.57	14.02

TRIFR: Safety performance determined by how many events (Medical and Lost Time injuries) have occurred for the hours worked.

Water Consumption

Water Consumption Report 1 July 2023 to 30 June 2024

	Industrial and Concessional		Non-Residential and Municipal		Residential		Total		Average Annual Consumption*
	ML	No	ML	No	ML	No	ML	No	ML
Antwerp	6.1	1	0.1	2	2.6	9	8.8	12	4.3
Apsley	0.2	6	2.7	19	12.9	98	15.8	123	21.5
Ararat	210.9	41	316.5	437	666.6	3,932	1,193.9	4,412	1,121.6
Berriwillock	0.3	8	1.9	11	15.4	71	17.7	90	20.1
Beulah	2.8	11	3.6	30	30.3	136	36.7	177	42.1
Birchip	1.8	13	18.8	79	98.7	374	119.3	466	117.8
Brim	2.3	6	0.2	5	8.9	47	11.3	58	10.8
Buangor	0.7	3	0.3	2	10.9	38	11.8	43	9.2
Charlton	7.9	16	46.5	121	121.7	573	176.1	710	213.0
Chillingollah	-	0	0.0	1	0.8	5	0.8	6	0.9
Chinkapook	0.0	1	0.0	2	2.6	14	2.6	17	2.7
Cowangie	0.0	2	1.5	2	1.2	9	2.7	13	3.1
Culgoa	0.1	2	3.6	17	10.4	59	14.0	78	16.5
Dimboola	4.3	22	44.5	96	157.3	777	206.1	895	227.3
Donald	3.7	13	80.3	171	152.0	718	236.0	902	213.3
Dooen	-	0	0.2	3	3.2	16	3.5	19	3.7
Edenhope	2.9	16	20.0	83	70.8	450	93.7	549	93.0
Elmhurst	0.1	7	0.9	14	14.6	104	15.6	125	14.1
Glenorchy	0.2	2	0.0	3	7.8	59	8.0	64	8.1
Goroke	4.8	10	1.1	32	19.6	141	25.5	183	31.6
Great Western	11.3	6	7.9	18	26.7	130	45.9	154	55.1
Halls Gap	5.5	7	94.4	94	52.7	549	152.6	650	150.7
Harrow	5.8	8	3.3	17	27.8	71	37.0	96	27.4
Hopetoun	13.9	18	13.8	66	84.8	310	112.5	394	114.5
Horsham	18.9	58	384.2	1,026	1,810.9	8,256	2,214.1	9,340	2,310.9
Jeparit	1.0	12	8.8	41	34.9	251	44.6	304	47.4
Jung	0.0	1	0.0	2	8.4	40	8.4	43	9.3
Kaniva	2.8	16	32.6	105	117.3	414	152.7	535	146.2
Kiata	-	0	0.4	3	1.8	19	2.3	22	3.3
Lake Bolac	8.9	13	11.3	33	37.7	135	58.0	181	55.2
Lalbert	0.4	3	1.6	12	6.2	42	8.2	57	12.9
Lascelles	-	0	4.0	7	4.5	24	8.5	31	7.3
Lillimur	-	0	0.0	1	4.2	18	4.3	19	5.5
Manangatang	1.7	8	20.5	28	26.1	132	48.2	168	59.6
Marnoo	0.1	5	2.3	15	12.1	51	14.5	71	13.6
Minyip	2.4	13	13.9	33	42.6	240	59.0	286	56.0
Miram	-	0	-	1	0.8	7	0.8	8	0.9
Moyston	0.7	2	1.7	7	27.5	89	30.0	98	26.5

	Industrial and Concessional		Non-Residential and Municipal		Residential		Total		Average Annual Consumption*
	ML	No	ML	No	ML	No	ML	No	ML
Murrayville	2.8	6	45.0	33	49.0	158	96.8	197	104.3
Murtoa	1.3	17	21.4	60	83.4	415	106.1	492	105.0
Nandaly	0.8	7	1.5	5	2.9	21	5.2	33	4.8
Natimuk	11.6	14	11.2	28	45.7	234	68.5	276	71.4
Nhill	107.6	25	82.9	153	234.9	990	425.3	1,168	463.9
Nullawil	4.4	3	5.2	16	5.5	31	15.1	50	12.8
Ouyen	16.8	10	66.9	109	185.3	576	269.0	695	286.9
Patchewollock	0.2	4	0.7	12	8.7	38	9.6	54	10.4
Pimpinio	0.2	2	0.4	3	6.4	33	7.0	38	8.0
Pomonal	2.0	2	2.3	8	31.7	129	36.1	139	33.3
Quambatook	7.9	12	10.5	23	19.9	132	38.4	167	46.9
Rainbow	1.6	20	21.7	52	71.5	308	94.8	380	93.1
Rupanyup	2.3	9	11.0	43	39.1	197	52.5	249	49.9
Sea Lake	4.4	9	23.2	71	91.5	356	119.1	436	133.3
Serviceton	0.6	2	0.1	2	2.8	26	3.4	30	4.0
Speed	0.0	3	0.7	7	6.2	29	6.9	39	7.0
St Arnaud	2.7	26	112.8	205	227.1	1,220	342.7	1,451	347.7
Stawell	367.9	35	171.2	377	568.7	3,009	1,107.8	3,421	1,119.1
Streatham	0.0	4	0.2	5	2.4	41	2.6	50	4.6
Tarranyurk	-	0	1.4	4	1.0	4	2.4	8	2.5
Tempy	0.2	5	2.1	6	7.3	19	9.6	30	8.5
Ultima	0.7	6	6.3	13	28.7	88	35.6	107	33.1
Underbool	1.4	7	17.5	19	31.6	108	50.5	134	61.4
Waitchie	-	0	0.0	3	0.0	3	0.0	6	0.0
Walpeup	1.1	4	7.8	14	17.5	58	26.5	76	26.1
Warracknabeal	9.0	24	66.8	180	284.7	1,255	360.5	1,459	353.5
Watchem	0.0	3	16.5	11	11.3	73	27.8	87	17.9
Westmere	-	0	3.5	7	0.6	10	4.1	17	5.2
Wickliffe	0.0	1	4.2	9	9.4	35	13.6	45	15.0
Willaura	1.4	12	63.5	50	62.1	201	126.9	263	116.1
Woomelang	4.9	12	2.7	24	24.1	112	31.7	148	32.3
Wycheproof	2.0	14	77.9	68	91.4	355	171.3	437	129.2
Yaapeet	-	0	0.0	5	7.7	29	7.8	34	8.8
Total	**878.4**	**648**	**2,002.5**	**4,264**	**5,995.7**	**28,701**	**8,876.6**	**33,615**	**8,993.0**

Notes to this table:

1. Due to rounding some totals may not correspond with the sum of the separate figures.
2. *Average calculated between years 1 July 2019 and 30 June 2024.
3. ML = Megalitre (1,000,000 litres)
   0.0 = minimal usage less than 0.05 ML (50,000 litres)
   - = nil usage or customers during the year.

Total urban bills for 2023/24 compared with 2022/23

Urban Bills	2022/23	2023/24
Residential bill – owner-occupier ($ real 2023-24)[1] The actual bill for an owner-occupier with typical (average) water use in real 2023-24 dollars	$1,502.17	$1,396.37
Percentage change from prior year		-7.0%
Residential bill – tenant ($ real 2023-24) The actual bill for a tenant with typical (average) water use in real 2023-24 dollars	$451.34	$419.57
Percentage change from prior year		-7.0%
Typical (average) water use (kL) assumed in owner-occupier and tenant bill calculations	240	240
Non-residential bill – business ($ real 2023-24)[2] The annual bill for a business using 3 ML per annum in real 2023-24 dollars	$9,054.21	$8,408.11
Percentage change from prior year		-7.1%

Notes to this table:
1. Based on a potable town with sewerage service.
2. Based on a 50mm meter connection in a potable town with sewerage service.

Total rural bills for 2023/24 compared with 2022/23

Rural Bills	Area/District /Region	2022/23	2023/24
Typical average total rural bill domestic and stock pipeline supply ($ real 2023-24) (1,430 kL domestic and stock customer)	Rural pipeline all areas	$2,504.68	$2,328.23
Percentage change from prior year			-7.0%
Water use (kL) assumed in domestic and stock pipeline bill calculations		1001	1001
Total rural bill groundwater supply ($ real 2023-24) (200 ML customer)	All areas	$1,589.40	$1,476.24
Percentage change from prior year			-7.1%
$199.20 Total rural bill unregulated diversions ($ real 2023-24) (20 ML customer)	All areas	$214.69	$199.20
Percentage change from prior year			-7.2%

Reporting water consumption for residential and non-residential connections

Water Consumption Report - 2023/24			
Residential Connections	(1) Number of residential connections		28,701
	(2) Potable water volume consumed by residential connections		5,515.6 ML
	Per capital daily residential potable water consumption		255L
	(3) Recycled water volume used by residential connections		NA
	(4) Treatment stormwater volume used by residential connections		NA
Non-Residential Connections	(5) Number of non-residential connections		4,914
	(6) Potable water volume consumed by non-residential connections		2,693.6 ML
	(7) Recycled water volume (end use) used by non-residential connections. It is mandatory to provide the split below (per ESC performance indicators)	Commercial purposes	518.5 ML
		Industrial purposes	0 kL
		Agricultural purposes	2,431 ML
		Municipal purposes	79.5 ML
		Optional: Beneficial Allocation	
		Optional: Within Process	
		Total	3,029 ML
	(8) Treatment stormwater volume (end use) or harvested stormwater fro beneficial use by used by non-residential connections. It is optional to provide the split below (per ESC performance indicators).	Commercial purposes	NA
		Industrial purposes	NA
		Agricultural purposes	NA
		Municipal purposes	NA
		Beneficial Allocation	NA
		Within Process	NA
		Total	NA
	(9) Total number of connections		33,615
	(10) Total potable water consumed		8,209.2 ML
	(11) Total recycled water and stormwater volume		3040 ML
	(12) Total volume of water used by connections (excluding recycled)		8,876.6 ML
	Average annual water consumption		8,993 ML
Non-revenue water	(13) Leakage		1,691.2 ML
	(14) Firefighting		53.3 ML
	(15) Other		231.2 ML
	(16) Total non-revenue water		1,957.7 ML
	Total volume of water from all sources (excluding rural connections)		13,892.3 ML

Non-revenue water

GWMWater's estimated total unaccounted for water in 2023/24 was 1,957.7 ML (18 percent) for the urban system. Unaccounted for water comprises leakages from pipes, mains flushing, fire-fighting, unmetered connections, metering errors and illegal connections.

Weekly household drinking water consumption 2023/24

We provided drinking water to a population of about 59,149. The total consumption of water was 5,516 ML across this population of our region which averages out to 255 litres per person, per day.

Total residential bill 2023/24

The total residential bill for a drinking water customer based on average consumption of 207 kL in a town with sewerage services was $1,339 or based on a consumption of 200 kL was $1,326.

Supply and distribution

Inflows into the Grampians reservoir system totalled 52,753 ML for the 2023/24 water year, equivalent to approximately 26.4 percent of the historic average.

The volume stored in the Grampians reservoir system peaked in September at 428,712 ML (76.5 percent) and decreased over the year as water was released to meet entitlement holder demands and lost to evaporation. The volume in storage reached a low of 307,656 ML (54.9 percent) by the end of June 2024.

Towns serviced by groundwater and local surface water supply were routinely monitored, with good water availability throughout the year.

Both Murray and Goulburn systems reached 100 percent seasonal determination (for high reliability water shares) during the 2023/24 water year. This allocation was sufficient to comfortably meet Permanent Water Saving Rules level of demand for GWMWater supplied towns and pipeline users serviced from the River Murray and provide a carryover reserve for the 2024/25 water year.

GWMWater's urban customers were required to observe Permanent Water Saving Rules during the 2023/24 water year, with no water restrictions implemented in any town serviced by GWMWater.

Bulk and Environmental Entitlements

Bulk Entitlements and Environmental Entitlements grant entitlement holders the right to use and supply water. GWMWater holds bulk entitlements in the Wimmera-Glenelg, Murray, Goulburn, East Grampians and Pyrenees which are used to supply towns, and rural and commercial customers.

GWMWater is also the Storage Manager for the Wimmera-Glenelg and East Grampians headworks systems. As the Storage Manager, GWMWater is responsible for the management of the water resource on behalf of entitlement holders, making seasonal allocations where applicable and delivering water to entitlement holders. The governance and independence of GWMWater's Storage Manager activities are enhanced through the Climate Carbon and Resources Committee, which is a sub-committee of the Board.

Reporting for the Bulk Entitlement (Wimmera and Glenelg Rivers – GWMWater) Order 2010

The matters below relate to GWMWater's reporting requirements in accordance with Section 18.1 of this Bulk Entitlement (BE):

BE Clause	Item		Report	Notes
	Offtake Points	**Supply to**		
	Dad and Dave Weir	Mt Zero Channel	3,035 ML	
	Brimpaen Storages	Wimmera Mallee Pipeline Supply System 6	547 ML	
	Taylors Lake Outlet	Wimmera Mallee Pipeline Supply Systems 1, 2, 3, 4, 6 and 7 Supply By Agreement customers	1,491 ML	1
	Licenced Diversion Offtakes	Domestic & stock diverters from Rocklands - Toolondo Channel	0 ML	2
	Rocklands Offtake	Supply By Agreement customers direct from Headworks	0 ML	
	Rocklands Offtake	Glenelg River compensation flow	0 ML	
	Lake Fyans Outlet	Urban systems and Supply By Agreement customers	1,772 ML	
18.1 (b)	Lake Bellfield	Urban systems & Wimmera Mallee Pipeline Supply Systems 1, 2, 3, 4, 6 and 7	9,905 ML	
	Lake Lonsdale Outlet	Commonwealth Environmental Water Holder	1,291 ML	4
	Stawell Diversion Weir	Stawell urban system	764 ML	
	Mt Cole Reservoir	Ararat urban system and Supply By Agreement customers	367 ML	
	Langi Ghiran Reservoir	Urban systems and Supply By Agreement customers	0 ML	3
	Panrock Reservoir	Urban systems and Supply By Agreement customers	0 ML	3
	Green Lake Inlet Channel	Green Lake (Horsham)	0 ML	4
	Total Offtake		**19,172 ML**	**5**

BE Clause	Item		Report		Notes
	Offtake Points	**Supply to**			
18.1 (c)	**Water supplied to primary entitlements (Schedule 2, Table 1)**				
	GWMWater	Pipeline and balancing storage losses		1,011 ML	
		Commonwealth Environmental Water Holder		2,762 ML	
		Glenelg River compensation flow		0 ML	
		Recreation		2,003 ML	
		Wimmera Mallee Pipeline product		13,935 ML	
	Coliban Water	Wimmera Mallee Pipeline product		170 ML	
	Victorian Environmental Water Holder	Wetlands		269 ML	
		Wimmera Mallee Pipeline product		13,931 ML	
	Wannon Water	Wimmera Mallee Pipeline product		64ML	
	Total Supplied to Primary Entitlements			**27,566 ML**	
18.1 (d)	**Final water allocation to GWMWater**				
	Pipeline and balancing storage losses		100 %	(2,960 ML)	
	Commonwealth Environmental Water Holder		0 %	(28,000 ML)	
	Glenelg River compensation flow		49 %	(3,300 ML)	
	Recreation		46 %	(3,090 ML)	
	Wimmera Mallee Pipeline product		87 %	(44,720 ML)	
18.1 (e)	Metering Program			Pending	6
18.1 (f)	Transfers of an entitlement or part of this BE			None	
18.1 (g)	BE, licence or water right, entitlement or assignment transferred to GWMWater supply systems			None	
18.1 (h)	Amendments to this Order			None	
18.1 (i)	New BE granted to GWMWater under this Order			None	
18.1 (j)	BE compliance failures			None	
18.1 (k)	BE compliance difficulties and actions			None	

Notes to this table:

1. Volume supplied from Commonwealth Environmental Water Holdings and by agreement from Horsham Weir Pool.
2. No regulated diversion licences are held.
3. Storage was not used for urban water supply purposes during 2023/24.
4. GWMWater received agreement from the Minister for Water to supply Green Lake Horsham, and supply the Commonwealth Environmental Water Holder from Lake Lonsdale, under Clause 11.1 (b).
5. The sum of component line items does not equal to the total volume due to rounding of the respective components.
6. A metering program for this bulk entitlement was submitted to the Minister for Water in October 2011. Required amendments to the metering program are now being progressed, following the approval of revised Guidelines for Bulk Entitlement Metering Programs by the Minister for Water, in November 2021. A revised bulk entitlement metering programs was submitted in September 2023.

Reporting for the Bulk Entitlement (Willaura, Elmhurst and Buangor Systems - GWMWater) Order 2012

The matters below relate to GWMWater's reporting requirements in accordance with Section 11.1 of this Bulk Entitlement (BE):

BE Clause	Item	Report	Notes
11.1 (b)	Annual amount of water taken	230 ML	
11.1 (c)	Metering program approved under sub-clause 10.4	Pending	1
11.1 (d)	Any temporary or permanent transfer of this BE	None	
11.1 (e)	Any BE, licence or water right in respect of the waterway transferred to GWMWater	None	
11.1 (f)	Any amendment to this BE	None	
11.1 (g)	New BE granted to GWMWater with respect to the waterway	None	
11.1 (h)	BE compliance failures	None	
11.1 (i)	BE compliance difficulties and actions	None	

Note to this table:

1. A metering program for this bulk entitlement was submitted to the Minister for Water in September 2013. Required amendments to the metering program are now being progressed, following the approval of revised Guidelines for Bulk Entitlement Metering Programs by the Minister for Water, in November 2021. A revised bulk entitlement metering programs was submitted in September 2023.

Reporting for the Bulk Entitlement (River Murray – Grampians Wimmera Mallee Water) Order 1999

The matters below relate to GWMWater's reporting requirements in accordance with Section 21.1 of this Bulk Entitlement (BE):

BE Clause	Item		Report	Notes
21.1 (b)	**Offtake Points**	**Supply to**		
	Nyah Pump Station	Northern Mallee Pipeline (Nyah and Eureka system)	447 ML	
	Piangil Pump Station	Northern Mallee Pipeline (Piangil and Manangatang system)	400 ML	
	Swan Hill Pump Station	Wimmera Mallee Pipeline (Supply System 5 - Swan Hill and Sea Lake)	1,268 ML	
	Liparoo Pump Station	Northern Mallee Pipeline (Ouyen system)	2,151 ML	
	Annuello Pump Station	Private pipeline scheme	96 ML	
	Hayesdale Pump Station	Private pipeline scheme	58 ML	
	Koolonong Pump Station	Private pipeline scheme	85 ML	
	Total Offtake		**4,504 ML**	**1**
21.1 (c)	Any new offtake points		None	
21.1 (d)	Amount of water returned under sub-clause 16.2		None	
21.1 (e)	**Annual amount supplied to primary entitlement holders**			
	GWMWater	Urban supply systems	752 ML	
		Rural properties	1,550 ML	
		Supply By Agreement customer	0 ML	
		Community requirements	708 ML	
		Pipeline operating requirements (excludes private pipeline schemes)	1,256 ML	
		Private pipeline schemes	239 ML	
	Total Supplied to Primary Entitlements		**4,504 ML**	
21.1 (f)	Metering program approved under sub-clause 20.2		Pending	2
21.1 (g)	Any temporary or permanent transfer of this BE		None	
21.1 (h)	Transfer of BE or assignment of water allocation under the Act		None	
21.1 (i)	Amendments to this BE		None	
21.1 (j)	New BE granted to GWMWater with respect to the River Murray		None	
21.1 (k)	BE compliance failures		None	
21.1 (l)	BE compliance difficulties and actions		None	

Notes to this table:

1. The sum of component line items does not equal to the total volume due to rounding of the respective components.
2. A metering program for this bulk entitlement was submitted to the Minister for Water in November 2011. Required amendments to the metering program are now being progressed, following the approval of revised Guidelines for Bulk Entitlement Metering Programs by the Minister for Water, in November 2021. A revised bulk entitlement metering programs was submitted in September 2023.

Reporting for the Bulk Entitlement (Quambatook – Grampians Wimmera Mallee Water) Order 2006

The matters below relate to GWMWater's reporting requirements in accordance with Section 12.1 of this Bulk Entitlement (BE):

BE Clause	Item	Report	Notes
12.1 (b)	Annual amount of water taken	85 ML	
12.1 (c)	Metering program approved under sub-clause 11.2	Pending	1
12.1 (d)	Any temporary or permanent transfer of this BE	No	
12.1 (e)	Any period of restriction imposed on this entitlement	None	
12.1 (f)	Any amendment to this BE	None	
12.1 (g)	New BE granted to GWMWater with respect to this entitlement	None	
12.1 (h)	BE compliance failures	None	
12.1 (i)	BE compliance difficulties and actions	None	

Note to this table:

1. A metering program for this bulk entitlement was submitted to the Minister for Water in November 2011. Required amendments to the metering program are now being progressed, following the approval of revised Guidelines for Bulk Entitlement Metering Programs by the Minister for Water, in November 2021. A revised bulk entitlement metering programs was submitted in September 2023.

Recreation Water

During the past year, recreation water pricing volumetric discounts were applied to recreational, sporting clubs and schools with more than 426 organisations benefiting from the discounts.

The availability of affordable water for our recreational lakes and weirs provides significant benefits to the liveability of the region; from health and wellbeing, to local businesses and the environment.

A eight year longitudinal study prepared by Street Ryan and Associates quantifies these benefits between 2016/17 to 2023/24. The study was a joint initiative of Wimmera Development Association, GWMWater, the Wimmera Catchment Management Authority and Local Councils across GWMWater's region.

The study's most recent report titled 'Wimmera Souther Mallee Value of Recreational and Environmental Water: Trends 2016/17 to 2023/24' notes the significant socio-economic contribution to the region.

The economic contribution peaked at $33.68 million (in 2018-19) during the assessment years and dropped to $24.89 million in the depth of the COVID pandemic, rebounding to $29.73 million in 2022-23. Health benefits have been valued between $2.5 and $4.2 million per annum for all residents of regional Victoria.

Recreational facilities and sporting clubs make an extremely important contribution to the social fabric of the region's towns, provide a critical outlet for physical and mental relaxation, enhance the amenity of towns and rural areas, and improve the health of residents and visitors to the region.

Recreation water discounts are made possible through a recreation contribution charge of $19.76 per customer; $9.88 for concession card holders. The contribution is collected from customer accounts through the service availability charge for urban customers and primary meter charge for rural customers. The following table provides a summary of the value of contributions collected and discounts provided in 2023/24:

	Note	Number / Volume Delivered	2023/24 $
Revenue			
Rural Recreation Contributions		4,745	84,768
Urban Recreation Contributions		28,701	492,114
Recreation Lake Water Revenue	1		68,673
Public Recreation Facilities - Capital grant funding			446,275
Total Revenue			**1,091,830**
Expenditure			
Recreational and Sporting Club			
Rural Volumetric Discounts (90 entities)		157.9 ML	89,119
Urban Volumetric Discounts (240 entities)		280.1 ML	180,203
Schools Volumetric Discounts (96 entities)		237.6 ML	141,109
Distribution Costs			230,411
Public Recreation Facilities			-211,340
Recreation Water Planning and Administration			63,866
Total Expenditure			493,368
Net Result for the Year			**598,461**

Note to this table:

1. Includes revenue from supply to Nhill Lake from a groundwater bore.

Statement of Obligations

On 20 December 2015, the then Minister for Environment, Climate Change and Water revised the Statement of Obligations (SoO). The main objective of the review was to reintegrate planning for climate change adaptation as an integral part of the water business planning framework.

The obligations specific to emissions reductions were outlined in a separate instrument on 14 March 2018.

The GWMWater Board supports the amendments to the SoO with climate variability presenting some significant challenges to water resource management in our region. GWMWater is committed to taking a lead role in ensuring a sustainable environment for our region by investing in renewable energy to reduce our carbon footprint. In time, GWMWater will not only be self-sufficient, but expects to become a net generator of energy.

Dam Safety

GWMWater has implemented a comprehensive program of assessment, inspection, monitoring, maintenance and upgrade works across its portfolio of 170 dams and storages. This program ensured that there were no dam safety incidents or emergencies.

We are a member of Australian National Committee On Large Dams (ANCOLD) and the Victorian Dams Working Group and provide an annual report on dam safety to the state dam safety regulator, the Department of Department of Energy, Environment and Climate Action which includes Dam Safety Emergency Plans and available flood inundation mapping for use in coordinated emergency responses.

Our dam safety management program during 2023/24 included:

a) Completion of a periodic detailed risk assessment of Taylors Lake dam. The assessment was undertaken by a specialist consultant and reconfirmed a satisfactory risk position approximately one and a half orders of magnitude below the limit of tolerability.

b) Replacement of outlet valves at Lake Fyans to improve operability.

c) Review of internal Operation and Maintenance Manuals and Dam Safety Emergency Plans.

We have continued our program of ongoing visual inspection reporting, monitoring of embankments and safety inspections by specialist consultants at major dams. We have continued to make releases as necessary to manage Lake Lonsdale to the maximum operating level. We have also continued to operate Taylors Lake, and a further four minor storages, at lower levels to provide greater flood reserve or reduce seepage losses.

Economic Sustainability

Financial Summary 2019/20 to 2023/24 ($ Million)

	2019/20	2020/21	2021/22	2022/23	2023/24
Operating revenue	63.84	64.27	65.05	64.78	67.77
Contribution revenue	6.96	1.83	2.97	4.35	3.62
Other revenue	1.67	1.32	1.43	1.96	2.37
Total Revenue	**72.47**	**67.42**	**69.45**	**71.09**	**73.76**
Operating expenditure	35.47	32.98	35.02	37.99	41.52
Decommissioning Expenditure	0.26	0.54	0.17	0.18	0.11
Environmental Levy	2.26	2.60	2.60	2.60	2.60
Depreciation	35.90	35.33	39.84	41.16	45.48
Loss on disposal of assets	0.56	0.11	1.19	0.56	0.53
Net fair loss/(gain) on revaluation of investment properties	(0.00)	(0.08)	(0.19)	(0.10)	-
Borrowing costs	7.44	6.76	6.06	6.00	7.06
Grants and other transfers	1.60	0.99	2.50	1.94	-
Total Expenditure	**83.49**	**79.23**	**87.19**	**90.33**	**97.30**
Net result before tax	**(11.02)**	**(11.81)**	**(17.74)**	**(19.24)**	**(23.54)**
Current assets	38.60	34.49	23.42	38.94	29.52
Non-current assets	2,043.19	2,090.73	2,083.19	2,309.03	2,303.11
Total Assets	**2,081.79**	**2,125.22**	**2,106.61**	**2,347.97**	**2,332.63**
Current liabilities	26.11	27.57	28.91	30.62	36.07
Non-current liabilities	310.19	313.17	297.70	381.96	371.74
Total Liabilities	**336.30**	**340.74**	**326.61**	**412.58**	**407.81**
Net Cash From Operations	27.03	24.15	20.15	21.82	17.24
Payments for property, plant and equipment (including infrastructure)	34.34	23.13	24.26	25.57	39.63

Performance indicator	2019/20	2020/21	2021/22	2022/23	2023/24
Cash Interest Cover Cash flow from operations before net interest and tax payments ÷ net interest payments (times)	4.6	4.5	4.4	5.0	3.8
Gearing Ratio Total debt (including finance leases) ÷ total assets	6.5%	6.9%	5.4%	5.5%	5.8%
Internal Financing Ratio Net operating cash flow ÷ capital expenditure	80%	108.4%	82.7%	78.5%	43.5%
Current Ratio Current assets ÷ current liabilities (excluding long-term employee provisions and revenue in advance)	2.1	1.7	1.1	1.6	1.0
Return on Assets Earnings before net interest and tax ÷ average total assets	(0.2%)	(0.2%)	(0.6%)	(0.6%)	(0.7%)
EBITDA Margin Earnings before interest, tax, depreciation and amortisation ÷ total revenue	44.3%	44.7%	40.4%	38.4%	38.1%

GWMWater recorded a net operating loss before tax of $23.54 million. This result is strongly influenced by depreciation that in 2023/24 was $45.48 million influenced by revaluation increments over time.

Revenue in 2023/24 was favourable compared to last year mainly due to higher volumetric consumption for both urban and rural customers, offset in part by reductions in customer prices achieved in the first year of the 2023 Water Price Review regulatory period. Customer contributions revenue increased, attributed to new housing developments and sewer main extensions.

Operating expenditure was $3.5 million greater in 2023/24, reflecting increases in: employee benefits costs due to reduced vacancies and new Enterprise Agreement; information technology costs reflecting the move onto Technology One's Software as-a-Service (SaaS) cloud-based application under a SaaS arrangement; inflation and increase in variable costs due to increased delivery volumes.

The increase in operating and depreciation expenses had a significant impact on the operating results in 2023/24.

The cash interest cover result of 3.8 times is more representative of the strength of our financial performance and financial position.

Net cash flow from operations is close to the target this year with a result of $17.24 million in 2023/24. The result is unfavourable to last year mainly due to higher cash payment to suppliers, inflation and finalisation of a new Enterprise Agreement during 2023/24 inclusive of a once off lump sum cash payment.

Subsequent Events

Since 30 June 2024, GWMWater has determined that there are no adjusting subsequent events. Accordingly, the financial position and results of operation as of and for the year ended 30 June 2024 have not been adjusted to reflect any impacts to subsequent events.

Local Jobs First – Victorian Industry Participation Policy

The *Local Jobs First Act 2003*, introduced in August 2018, brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

GWMWater is required to apply the Local Job First Policy in all regional projects valued at $1 million or more. MPSG applies to all construction projects valued at $20 million or more. Projects of value greater than $50 million are classified as Strategic Projects and they are subject to minimum local content requirements.

Projects Commenced – Local Jobs First Standard

The following nine Local Jobs First Standard projects, with combined expected value $37.5 million, commenced or were in progress during 2023/24:

- TechnologyOne eServices CiA Live SaaS Flip + IntraMaps.
- Construction of Green Hill Trunk Sewer.
- Donald Wastewater Treatment Plant Upgrade – Mechanical Supply.
- Construction of Lake Fyans Pump Station.
- Construction of Goroke Sewer Reticulation - Stages 2 and 3.
- Nhill Renewable Energy Facility.
- Kaniva Drinking Water Supply Project.
- Sewer Main Renewals 2023-25.
- Donald Wastewater Treatment Plant Upgrade.

The MPSG did not apply to these projects. The outcomes expected from the implementation of the Local Jobs First Policy to these projects where information was provided, were as follows:

a) An average of 90 percent of local content commitment was made.
b) A total of 49 jobs (annualised employee equivalent (AEE)) were committed, including the creation of 6 new jobs and retention of 43 existing jobs AEE.
c) A total of six apprentice, trainee or cadet positions are committed to being created.

Projects Completed – Local Jobs First Standard

During 2023/24, GWMWater completed 12 Local Jobs First Standard Projects with a combined value of $25 million:

- Stage 3 of Behind-the-Meter Solar.
- Sewer Main Renewals 2022/23.
- Sewer Pump Station Refurbishments 2022/23.
- Lake Fyans Embankment Rehabilitation.
- Elmhurst Water Treatment Plant.
- Kaniva Water Facility Site.
- Dimboola Water Treatment Plant Upgrade.
- Horsham SmartWater Integrating Water Management (IWM) Pipeline.
- Horsham Wastewater Treatment Dissolved Air Flotation (DAF) Plant.
- Construction of Green Hill Trunk Sewer.
- Donald Wastewater Treatment Plant Upgrade – Mechanical Supply.

The outcomes achieved from the implementation of the Local Jobs First Policy to these projects where information was provided, were as follows:

a) An average of 89 percent local content.
b) A total of 71 jobs AEE were supported, including the creation of 16 new jobs and retention of 55 existing jobs AEE.
c) A total of 11 apprentice, trainee or cadet positions were created.

Projects Commenced - Local Jobs First Strategic Projects

One Local Jobs First Strategic Project, the East Grampians Rural Pipeline project (expected value $85.2 million) was in progress during 2023/24. This project is in regional Victoria with a local content requirement of 89 percent. The MPSG also applies to this project. The outcomes expected from the implementation of the Local Jobs First Policy to this project are as follows:

a) An average of 95 percent of local content commitment was made.
b) A total of 95 jobs (AEE) were committed, including the creation of 44 new jobs and retention of 51 existing jobs AEE.
c) A total of 12 apprentice, trainee or cadet positions are committed to being created or retained.

Projects Completed - Local Jobs First Strategic Projects

During 2023/24, GWMWater did not complete any Local Jobs First Strategic Projects.

Reporting Requirements - All projects

During 2023/24, eight contractors were appointed with a Local Industry Development Plan and were not required to prepare an MPSG Plan.

Reporting Requirements – Grants

No grants were provided during 2023/24.

Consultancies and Major Contracts

In 2023/24, there were 37 consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2023/24 in relation to these consultancies was $1,410,820 (excluding GST). Details of individual consultancies can be viewed on GWMWater's website at gwmwater.org.au

In 2023/24, GWMWater engaged 21 consultancies where the total fees payable to the consultants were less than $10,000, with a total expenditure of $106,719 (excluding GST).

GWMWater entered into one major contract for the design and construction of the Nhill Renewable Energy Facility to the value of $12.46 million (excluding GST) during 2023/24. A 'major contract' is a contract entered into during the reporting period valued at $10 million or more.

No changes were made to sourcing operating or maintenance services during the reporting period. The balancing of geographical constraints, regional economic context, and service expectations remains a key consideration in GWMWater's sourcing decisions.

Reviews and Studies Expenditure

No Reviews and Studies Expenditure was undertaken during 2023/24.

Government Advertising Expenditure

GWMWater's expenditure in the 2023/24 reporting period on government campaign expenditure did not exceed $100,000.

ICT Expenditure

For the 2023/24 reporting period GWMWater had a total ICT expenditure of $6,679,181 with the details shown below.

All operational ICT expenditure	ICT expenditure relating to projects to create or enhance ICT capabilities		
Business As Usual (BAU) ICT Expenditure	**Non-Business As Usual (Non-BAU) ICT Expenditure (Total - Operational and Capital Expenditure)**	**(Non-BAU) Operational Expenditure**	**(Non-BAU) Capital Expenditure**
$ 6,679,181	$-	$-	$-

Notes to this table:

- ICT expenditure refers to GWMWater's costs in providing business enabling ICT services within the current reporting period. It comprises Business as Usual (BAU) ICT expenditure and Non-Business as Usual (Non-BAU) ICT expenditure.
- Non-BAU expenditure relates to extending or enhancing GWMWater's current ICT capabilities.
- BAU ICT Expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

Social Sustainability

Urban Water Restriction Levels/ Permanent Water Saving Rules

Under the Water Restrictions By-Law No.107 there were no water restrictions in place at 30 June 2024 or at any time during the year in any of the towns GWMWater services. State-wide Permanent Water Saving Rules applied in all 71 urban towns.

Rural Pipeline Water Restriction Levels

There were no rural pipeline customers subjected to water restrictions under the Water Restrictions By-Law No.107 as at 30 June 2024 or at any point in time over the year. Rural pipeline customers are encouraged to comply with the state-wide Permanent Water Saving Rules.

Exemptions

The Water Reference and Assessment Panel (WRAP) were not required to grant any exemption for purposes which were not permitted under the Permanent Water Savings Rules.

Enforcing Water Restrictions and Investigations of Breaches of the *Water Act 1989*

GWMWater investigation's staff made 45 property visits. These required numerous follow-up telephone calls to investigate reports submitted by the public and GWMWater staff in relation to possible breaches of the *Water Act 1989* (the Act) or GWMWater by-laws. Twenty-seven letters to customers for Permanent Water Saving Rules (PWSR) breaches were issued. A request for a PWSR exemption was also processed.

There were nine investigations into possible breaches or non-compliance issues under the Act. GWMWater is working with Victoria Police investigating damage to GWMWater infrastructure which occurred during 2023/24.

There were 19 claims for compensation received by GWMWater. Thirteen were approved, four declined and two are pending.

Major non-residential water users

Under Section 122ZJ of the *Water Act 1989*, GWMWater must include information on any non-residential customer who consumes greater than 100 megalitres (ML) from an urban water supply system.

GWMWater's non-residential customers in the 2023/24 reporting period did not exceed water consumption over 100 ML.

Community Service Obligations

Community Service Obligations	Previous AR Year ($)	2023/24 ($)	2023/24 (No. of customers)
Provision of Water and Sewerage Concessions	$2,638,272	$2,622,294	8,640
Rates paid to not-for-profit organisations under the water and sewerage rebate scheme	$391,162	$389,196	1,513
Utility relief grant scheme payments	$133,655	$106,830	285
Water concession on life support machines	$142	$0	0
Hardship relief grant scheme (Sewerage and water connection scheme)	$0	$0	0

Environmental Sustainability

Water Resource Strategy

Sustainable Water Strategy

The Western Region Sustainable Water Strategy (Western Region SWS) was released by the Victorian Government in November 2011 to provide a framework for protecting the needs of water users, rivers and aquifers. GWMWater has worked closely with other agencies in implementing key policy directions from the strategy.

The Department of Energy, Environment and Climate Action (DEECA) has led ongoing implementation and periodic review of the Western Region SWS. This has included a stocktake of actions and achievements of the Western Region SWS in 2022, to build understanding of strategy progress and inform future reviews. This stocktake provides an update to the action assessment undertaken through the Western Region SWS five-yearly assessment report in 2018 and the Western Region SWS progress report in 2019. The stocktake also seeks to identify how actions and policies have been delivered, highlight the achievements and legacy of the strategy, and recognise lessons for the future. It provides an overview of changes in the Western Region since 2011 to contextualise the status of actions and achievements.

Urban and Rural Water Strategy

GWMWater's Urban and Rural Water Strategy 2022-2027 was submitted to the Minister for Water in July 2022. The Strategy assessed long-term water security for urban and rural users under a range of water supply and future climate scenarios. Observations that the Grampians catchments have experienced a greater decline in rainfall and runoff compared with other catchments in Victoria were a key consideration when developing the Strategy. A significant 60 percent reduction in the average annual inflow to the Grampians reservoirs has persisted over the period 1997-2022.

While the future impacts of climate change continue to pose a risk to water supplies, it is evident our fully pipelined systems have significantly improved water security for our region. However, in order to secure our water systems to meet current and future projected demands a key recommendation of GWMWater's Urban and Rural Water Strategy is to confirm, evaluate and prioritise a range of infrastructure project options to augment the security of water supplies across GWMWater's bulk systems. This project commenced in May 2024 with a focus on identifying new water resource options.

Our Drought Preparedness Plan focusses on contingencies and strategies to manage future short-term water security and water quality issues for each of GWMWater's supply areas. This Plan forms a supplementary document to the Urban and Rural Water Strategy, and was updated alongside the development of our 2022-2027 Urban and Rural Water Strategy.

Water Recycling

A total of 3,073.4 ML (98%) of recycled water was reused during 2023/24. Reuse was higher than last year due to high demand from customers due to low rainfall in the year 2023/24.

Biodiversity

GWMWater continues to consider environmental matters including biodiversity in our ongoing operational and capital works projects. We aim to minimise impacts from our projects and achieve no net loss of native vegetation and habitat. All project footprints are assessed for potential impacts and we follow the avoid, minimise, offset hierarchy. We implement accepted practice to seek approvals for unavoidable impacts. Where unintended impacts occur we work with regulators and wildlife groups to determine appropriate mitigations.

To aid in meeting our obligations under state and commonwealth regulations, we maintain three parcels of land purely for their native vegetation and habitat values. These sites provide native vegetation credits which may be used to offset impacts associated with projects.

As part of our response to climate change and the need to offset some unavoidable carbon emissions, GWMWater is considering the creation of carbon plantations. These sites will be primarily geared towards self-generated Australian

Carbon Credit Units (ACCU) using biodiverse revegetation. These sites will create excellent outcomes for biodiversity as well as help meet our carbon emission reduction targets.

Water Resource Licensing and Compliance

Groundwater and unregulated surface water

Under section 306 of the *Water Act 1989* (the Act) the Minister for Water delegated GWMWater the authority to exercise certain powers and duties under the Act in relation to licensing the take and use of surface water and groundwater water resources across GWMWater's jurisdictional area. These duties include the monitoring of compliance with licence conditions and authorisations to take water, and where necessary, undertaking enforcement activities. All compliance and enforcement activities are undertaken in accordance with the requirements of the Act, GWMWater's Compliance and Enforcement Strategy and related policies and procedures.

GWMWater undertakes a range of activities to monitor and promote compliance, including review of both local and remote meter readings, onsite inspections, issuing of water usage information statements, and communication with licence holders and water users.

Compliance exceptions and enforcement activities are reported to the Carbon, Climate and Resource Committee of the GWMWater Board, and summary reporting occurs directly to the Board.

Compliance priorities for the 2023/24 year included:

a) Meter reading, site inspection and water use data validation activities.

b) Continuing to educate water users regarding their obligations, and reinforcing 'zero tolerance' messaging through communication material and direct interaction with water users.

c) Detection and follow-up of instances of alleged unauthorised take and other non-compliances.

d) Progressing planned metering upgrades, including installation of telemetry, consistent with GWMWater's Non-Urban Metering Action Plan.

e) Continued participation in the Department of Energy, Environment and Climate Action Compliance and Enforcement Community of Practice, Water Compliance Communications Working Group, and Authorised Water Officer Network.

Total Breaches (Rural)

	2020/21	2021/22	2022/23	2023/24	Notes
Potential breaches detected or reported - Total	9	12	7	14	

Compliance Action (Rural)

	2020/21	2021/22	2022/23	2023/24	Notes
Dismissed following investigation (insufficient evidence)	0	1	0	0	
No further action required	2	2	1	0	
Verbal warning	2	4	3	0	
Advisory letter	0	0	1	0	
Formal warning	2	1	1	11	1
Penalty Infringement Notices issued	N/A	0	0	0	
s. 151 Notice of Contravention	0	0	0	0	
s. 133 Notice of Entry	0	0	0	0	
s. 141 Lockdown	0	0	0	0	
Prosecution commenced	1	0	0	0	2
Finalised prosecution	0	1	0	0	2

Notes to this table:

1. 2023/24 figure excludes one formal warning which was subsequently withdrawn following further review of the matter.
2. Matter relates to wrongful taking of water from a GWMWater transfer pipeline, however is included in this report for completeness.

Other compliance and enforcement related activities undertaken during the year included:

a) Desktop audit of water use volume per licence at mid-season and end of season.

b) Desktop review of telemetered meters reporting ‘zero’ water use, and risk-based prioritisation for on-ground inspection.

c) Validation of telemetry data for a large proportion of meters against on-site meter readings.

d) Site inspections to identify any non-compliances with infrastructure works or metering installation.

e) Issue of notification letter to licence holders with water use exceeding 80 percent of available volume at the time of mid-season water use audit.

f) Direct contact with licence holders to promote forward planning of water use requirements and proactive water management.

Compliance Monitoring Statistics

	2023/24	Notes
Number of meter readings manually reviewed (remote and local)	637	
Percent of meters read on-site at least once	64%	1
Number of site visits / site inspections (incl. meter inspection)	347	
Number of water usage information statements issued	352	2

Notes to this table:

1. Number includes on-site meter reading of both telemetered and non-telemetered meters as a percentage of all 325 meters (excluding urban bore meters).
2. Licence holders are generally issued with two water usage information statements per water year. Licence holders with multiple meters receive this information on a single statement.

Unauthorised Take Performance

Unauthorised take typically occurs when water users draw beyond what they have in their account – even if they have the intention of squaring it up later. Within GWMWater's jurisdiction, unauthorised take performance is reported in respect to groundwater and surface water licence holders only.

Unauthorised take performance is reported against state-wide key performance indicators (KPIs) being:

a) No more than one percent of volume of total water take is taken without authorisation at any time.

b) No more than three percent of accounts (ABAs) are to be in negative at any time

No unauthorised take was observed during 2023/24.This is attributed to both decreased water use requirements due to climatic factors, and a good level of awareness by licence holders in relation to their obligations.

To further enhance compliance monitoring, GWMWater is progressing the installation of telemetry for non-telemetered groundwater and surface water diversion meters, consistent with its Non-Urban Metering Action Plan.

Reporting an unauthorised take

	Volume			ABAs (or licences)			
Year	Volume of water taken under corporation	Volume (ML) of Unauthorised Take	Volume %	Number of ABAs	Number of negative ABAs	% of negative ABAs	% of negative ABAs (Excl <1 ML)
2020/21	31,903	225	0.7%		2	0.4%	0.4%
2021/22	30,853	15	0.05%	325	2	0.6%	0.6%
2022/23	18,619	0	0%	326	0	0%	0%
2023/24	26,004	639.5	0.02%	340	0	0%	0%

Note to this table:
1. Number of ABAs for 2023/24 include groundwater licences held by GWMWater.

Reporting on compliance actions

Compliance actions – Rural water corporations				
Category	2020/21	2021/22	2022/23	2023/24
Total no. of breaches	0	1	0	14
No further action required	2	2	1	0
Dismissed (insufficient evidence)	2	4	3	0
Advisory Letter	0	0	1	0
Formal Warning	2	1	1	11
Penalty Infringement Notices	N/A	0	0	0
Notice of Contravention	0	0	0	0
Notice of Entry	0	0	0	0
Lockdown	0	0	0	0
Prosecutions commenced	1	0	0	0
Prosecutions finalised	0	1	0	0

Water Conservation

Community Rebate Program

The Community Rebate Program is a joint initiative of GWMWater and the Victorian Government.

The program aims at reducing water bills through a free water audit and the repair or replacement of inefficient water fittings for eligible hardship customers. There were two GWMWater customers approved to receive rebates during 2023/24.

Name of program	No. of customers
Community Rebate Program	2
Community Housing Retrofit Program	NA

Water Tariff Reduction

A 15 percent tariff reduction is available to not-for-profit organisations that conserve water by watering at night via dedicated timed sprinkler systems. There are currently 23 organisations benefiting from this initiative.

Sustainable and Resilient Water Services Systems

GWMWater is committed to working collaboratively to deliver the objectives of the Victorian Water Efficiency Strategy.

We are members of The Water Conservancy and leverage Smart Water Advice content to inform and educate our customers about water conservation.

We also work to ensure Permanent Water Saving Rules remain front-of-mind and incorporate Target Your Water Use messaging when appropriate in all of our customer touchpoints.

Our rural pipeline network across the Wimmera, Mallee and South West Loddon regions continues to provide security for customers and long-term sustainability through a reduction in seepage and evaporation.

Customer and community engagement

GWMWater takes pride in maintaining good relationships with the community and in our record as a good corporate citizen. We are committed to continuing to develop and implement policies and activities that will build and foster these close relationships, as reflected in our Vision, Mission and Values statements.

In November 2019, GWMWater adopted a Communications and Engagement Strategy 2019-2024. The strategy provides direction for how we can further develop our approach to customer and stakeholder engagement to support the organisation to achieve its vision. It is founded on the recognition that GWMWater's communications and engagement is at an important point in time, when it must balance the needs of its customers and stakeholders, who more than ever, have varied expectations in the way they prefer to be engaged and provided information. The strategy is available on our website.

We take a structured and planned approach to community engagement using the IAP2 Model of Engagement.

GWMWater has continued to provide Customer and Stakeholder Workshops in an in-person/online hybrid format during 2023/24 to meet changing customer engagement expectations. The workshops attracted attendees from councils, government departments and agencies, businesses, agricultural enterprises, community and recreational groups and members of the public (urban and rural) from across the region.

Customer satisfaction survey

GWMWater conducts a biennial Customer Survey which most recently ran across May-June in 2023. The survey monitors customers' overall satisfaction and perceptions of GWMWater's services, and the value for money it provides. The next Customer Survey will be conducted in May 2025.

Customer survey results are used to identify opportunities for improvement which are then tested with customers as part of a broader engagement program. GWMWater has incorporated several initiatives in its Price Submission for the 2023-2028 period which reflect opportunities to improve customer sentiment. These initiatives include renewals programs, capital projects to improve water quality for both rural and urban customers and water pressure improvements across the network.

Rural customer survey

GWMWater participated in a Department of Energy, Environment and Climate Action led working group to establish an agreed and consistent approach to evaluating and reporting customer trust and satisfaction across Victorian Rural Water Corporations. We ran a trial survey in March 2020, incorporating four mandatory questions to further inform and refined the survey approach ahead of the formal pilot which occurred in May and June 2021 in conjunction with the GWMWater biennial Customer Survey. GWMWater continues to survey rural customers, including the four indicator questions, in its biennial survey.

Customer and stakeholder committees

GWMWater facilitates a range of committees which meet regularly to provide advice and feedback on specific issues or developments. Our customer and stakeholder committees include:

a) East Grampians Rural Water Supply Project Steering Group.

b) Storage Manager Reference Group.

c) Lake Fyans Committee of Management.

d) Regional Recreation Water Users Group.

e) Wimmera-Glenelg Bulk and Environmental Entitlement Storage Manager Reference Group.

f) Dunmunkle Creek Asset Decommissioning Project Steering Committee (in recess).

g) Irrigation Diverters Committee (in recess).

h) Wimmera-Glenelg Headworks Operations Review Project Steering Committee (in recess).

i) West Grampians Rural Water Supply Project Steering Committee (in recess).

j) Wimmera Glenelg Bulk Entitlement Executive and Council Forum (in recess)

Our Customer Relations and Stakeholder Committees or Working Groups policies appear on our website.

Community events and sponsorship

GWMWater continues to support local communities and the region through in-kind support and merchandise, sponsorship, and the use of drinking water trailers and portable drinking water stations for events. Over the course of the year, GWMWater sponsored 33 teams, groups or community events across our operational area and science excellence awards for 15 secondary colleges.

In 2023/24 GWMWater:

- Exhibited at the Western Victorian Careers Expo in June 2024 with an interactive stand and engaged with more than 150 students and job-seekers. GWMWater also had a staff member deliver a seminar to event attendees on the topic ‘Local People, Local Jobs’.
- Attended the Mallee Machinery Field Days and Wimmera Machinery Field Days.
- Provided 33 temporary water units (trailers and fountains) to 26 community events across the GWMWater region.

Victorian Water Efficiency Strategy

GWMWater undertakes a wide variety of operational and promotional activities in line with Victorian water efficiency strategies. Along with the promotion of Permanent Water Saving Rules, GWMWater supported the following program:

Integrated Water Management

GWMWater actively contributes to Integrated Water Management forums established by the Department of Energy, Environment and Climate Action. The Wimmera model leverages existing relationships and strong, strategic alignments with local government and the Wimmera Catchment Management Authority.

GWMWater completed delivery of a project to connect a recycled water supply to recreation areas and green spaces in the west and north of Horsham. The project integrates the supply with available stormwater to further realise the potential of integrating water management to contribute to community climate resilience and liveability.

‘Choose Tap’ Program

GWMWater provides reusable water bottles, temporary water stations and drinking water trailers to schools, sports teams and community events to promote health, hydration and encourage the consumption of tap water.

GWMWater actively promotes the Choose Tap Program through a range of customer touchpoints including our website, social media platforms and through our quarterly customer newsletter ‘Tapping In’.

‘Target Your Water Use’

The ‘Target Your Water Use’ program focuses on taking a longer-term view of our water use habits, while providing our customers with easy access to the information they need to make informed decisions about the amount of water they use. Giveaways, including trigger nozzles, shower timers, plugs and buckets, are provided at events sponsored or attended by GWMWater.

Digital meters continue to support identification of water leaks beyond customer’s water meters with information being available for customer access via our Customer Portal. Our Customer Service team are exploring more opportunities to proactively notify and engage customers about suspected leaks or high-water use.

We leverage Smart Water Advice content to inform and educate our customers and schools about water conservation.

GWMWater Customer Portal

The Customer Portal allows residential, commercial and rural customers to see all of their water accounts under one login, monitor water use, set alerts for high usage, identify leaks and track spending or, where allocations apply, the volume used year to date.

On various devices, they can view their historical water use and any water use patterns, reduce unnecessary water use/expense, and set up automatic SMS message alerts to notify them of high usage or potential leaks.

Potential leaks are identified if water is continuously running over a 48-hour period. Typically, customers don’t use water all day every day, the Customer Portal expects the flow to stop going through the meter at some point during each 48-hour period. If it doesn’t, and the flow is continuous, an alert may be triggered.

The customer sets their own threshold for what they consider high usage to trigger an email or text message alert. GWMWater encourages customers to look at their average daily and weekly consumption to determine their threshold, which can be set in either volume (litres or kilolitres) or cost ($).

The thresholds can be amended at any time if they are triggering notifications too often or not enough.

Education and school visitation programs

GWMWater runs or supports a wide variety of educational activities in support of the Victorian Water Efficiency Strategy, including:

a) National Water Week poster competition.

b) GWMWater student high achiever awards.

c) GWMWater school education program, including visits by GWMWater’s mascot ‘Phil the Bucket’ and tours of GWMWater facilities.

d) Teacher resources and fun educational activities for children on GWMWater’s website.

e) Support for the Schools Water Efficiency Program.

Management Strategies

Corporate Management System

GWMWater is certified to the standards ISO 9001 for Quality, ISO 14001 for Environment and ISO 45001 for Occupational Health and Safety. Operational sites continue to be periodically audited with opportunities for improvement identified and actioned as required.

Regional Catchment Strategies

GWMWater is a partner with other agencies in the delivery of regional catchment strategies across the Wimmera, Glenelg-Hopkins, Mallee and North Central catchment areas. This includes managing potential impacts of capital works and operational activities on biodiversity and cultural heritage values as well as the management of invasive plants and animals on GWMWater land.

The Victorian Waterway Management Strategy is delivered through regional planning processes led by catchment management authorities.

Wimmera Catchment Management Authority has identified four drought refuge pools in the lower Wimmera River to protect biodiversity in dry conditions. GWMWater is currently working towards connecting these pools to the Wimmera Mallee Pipeline so fresh water can be supplied when needed. This project will create a positive outcome for the environment.

GWMWater is a key partner in the development and implementation of regional waterway management strategies, which outline waterway management objectives over an eight-year timeframe. GWMWater directly contributes to waterway improvement actions through the delivery of targeted water releases to streams and wetlands.

GWMWater seeks to meet the General Environmental Duty (GED) and makes provision for any improvement in its capital works program and allocation of reclaimed water for beneficial reuse.

GWMWater manages its wastewater treatment facilities to avoid adverse environmental impacts, including impacts on groundwater. GWMWater is also a partner in regional programs for surface and groundwater resource monitoring.

GWMWater is undertaking an Environmental Risk Assessment (ERA) for the Wimmera River downstream of the Horsham Scour Valve (discharge point for recycled water from the Horsham Wastewater Treatment Plant). The ERA will assess the environmental risk and the potential beneficial uses of recycled water in the Wimmera River which has been identified by the Murray Darling Basin Authority as a flow-stressed river system.

Environmental Watering

GWMWater engages with the Commonwealth Environmental Water Office, catchment management authorities and the Victorian Environmental Water Holder (VEWH) to deliver environmental water in accordance with bulk and environmental entitlements and the relevant environmental watering plans. Seasonal Watering Plans are the overarching planning documents developed by the VEWH which set priorities for the use of water for the environment across Victoria each year. Seasonal Watering Plans are prepared using Seasonal Watering Proposals submitted by waterway managers, such as catchment management authorities. Seasonal Watering Proposals include priority watering actions to primarily maintain and enhance environmental values, but also consider aspects such as environmental, cultural and social outcomes from the use of water for the environment.

In the Wimmera catchment, environmental water releases were made between October 2023 and June 2024. Releases were made to the Glenelg River between August 2023 and June 2024. During the 2023/24 water year, a total of 11,793 ML (including passing flows) was released from reservoirs to waterways in the Wimmera catchment, including the MacKenzie River, Burnt Creek, Mt William Creek and from Lake Lonsdale and Taylors Lake. Some 21,692 ML (including passing flows) was released to the Glenelg River to provide benefits below Rocklands Reservoir.

A volume of 269 ML was distributed to multiple wetlands connected to the Wimmera Mallee Pipeline. distributed to multiple wetlands connected to the Wimmera Mallee Pipeline.

	VEWH Authorised Volume (ML)	VEWH Volume Delivered (ML)	CEWO Volume Delivered (ML)
Summary - Regulated Releases			
Lake Lonsdale		646	1,291
Taylors Lake		735	1,471
MacKenzie River and Burnt Creek		5,056	0
Upper Mt William Creek		160	0
Total Wimmera Catchment	24,000	5,305	2,762
Total Glenelg Catchment	20,500	7,334	0
Wimmera Mallee Pipeline Supplied Wetlands	319	269	N/A
Summary - Passing Flow Obligations	**Volume Passed (ML)**		
Wimmera Catchment - Lake Lonsdale			3,725
Wimmera Catchment - Huddlestons Weir			4,775
Glenelg Catchment - Rocklands Reservoir			14,358
Glenelg River Compensation Flow			0

Notes to this table:
VEWH - Victorian Environmental Water Holder
CEWO - Commonwealth Environmental Water Office

Water for Aboriginal cultural, spiritual and economic values

GWMWater has embraced the concept of cultural water. We are supportive of projects to deliver water to enhance sites of cultural significance and have a beneficial impact for Traditional Owners and the broader community. GWMWater continues to build collaborative relationships with registered Aboriginal parties and Traditional Owners. The 'Water is Life' framework will enable further progress to be made toward self-determination for traditional owners for water management. GWMWater is uniquely placed to support opportunities through the expansion of the water grid in Western Victoria.

Climate change

GWMWater is working hard to minimise our greenhouse emissions. We have completed our Stage 3 Behind-The-Meter Solar installations and now have 2.3 MW of solar panels across 59 sites in the GWMWater service area. System sizes range from 10 kW to 250 kW with further expansion planned. More than 11 percent of our electricity consumption is sourced from onsite renewable solar energy. Future opportunities include significant large-scale renewable developments with capacity from 2 MW solar to 350 MW incorporating solar / wind and battery.

GWMWater has entered into a partnership with Vibe Energy to develop a 4.95 MW solar and battery facility at Nhill. This site will make a major contribution to GWMWater's efforts to eliminate our scope 2 emissions through active participation in the energy market.

GWMWater has agreed to ambitious carbon targets over the next decade. These include:

- Reducing scope 2 emissions by 100 percent from the 2015/16 baseline by 2025/26.
- Reducing scope 1 emissions by 10 percent from the 2015/16 baseline by 2029/30.
- Reaching Net Zero by 2035/36.

Scope 3 emissions remain an area of interest within the water industry and GWMWater will take its lead from proposed industry guidance once available. GWMWater is currently compiling a stock take of possible scope

3 emissions sources. This will be used to assess materiality and to consider data sources for determining scope 3 emissions.

Progress towards emissions pledge

GWMWater is performing well against our 2024/25 pledge target. We are currently 20 percent under our 2023/24 projection and 34 percent below our baseline. GWMWater will confirm targets for 2030 on our path to net zero emissions by 2035.

GWMWater's supply system covers a vast area and pumping is often required to move water to customers and entitlement holders. Therefore demand for water is the key driver of our electricity consumption and emissions.

Greenhouse gas emissions

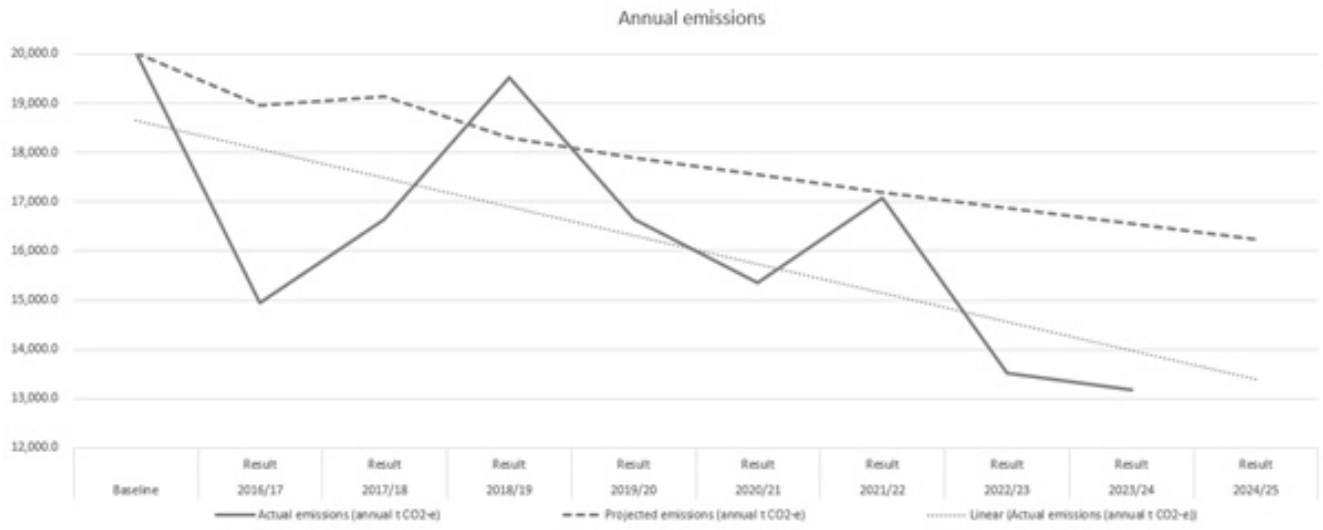
Source of Emissions	2021/22 t CO_2e	2022/23 t CO_2e	2023/24 t CO_2e
Scope 1 Emissions			
Wastewater emissions[1]	2,705.4	2,739.3	2,331.4
Vehicle fleet	741.3	815.0	800.7
Stationary fuels[2]	48.0	75.5	78.3
Scope 2 Emissions			
Water treatment and supply	11,463.0	8,314.7	8,835.6
Wastewater treatment	2,168.8	1,806.8	1,564.8
Other (offices and depots)	458.4	364.8	357.6
Solar energy exported to grid	(520.0)	(606.7)	(804.3)
Total scope 1 & 2 emissions[3]	**17,064.9**	**13,509.4**	**13,164.1**
Scope 3 Emissions			
Air travel	4.7	8.8	6.1
Waste management[4]	-	-	38.7
VER Certificates Retired[5]	**(1,161)**	**(1,245)**	**(863)**
Total emissions	**15,908.6**	**12,273.2**	**12,345.9**

Notes to this table:

1. Wastewater emissions are calculated according to the requirements of the National Greenhouse and Energy Reporting System (NGERS) Measurement Technical Guideline 2011.
2. Stationary fuels includes liquid fuels and natural gas.
3. GWMWater's carbon reduction pledge is based on scope 1 and 2 emissions. This total is used for comparison to the pledge on page 57.
4. Emissions from waste calculated for the first time in 2023/24.
5. VER certificates for fully expended during the 2023/24 financial year.

The table below compares our actual results to our projected pledge targets to reduce carbon emissions. We are well on track to meet our 2024/25 target. We are expecting to continue this trend in the future as a significant amount of renewable energy comes online. We are also working on initiatives to specifically address our scope 1 emissions.

Year	Annual Emissions			
	Projected Tonnes CO2e	Actual Tonnes CO2e	Variance to Projection	Variance to Baseline
Baseline	20,017.0			
2016/17	18,953.0	14,945.4	(21.1)%	(25.3)%
2017/18	19,137.0	16,635.3	(13.1)%	(16.9)%
2018/19	18,302.0	19,524.8	6.7%	(2.5)%
2019/20	17,881.0	16,634.7	(7.0)%	(16.9)%
2020/21	17,549.0	15,361.0	(12.5)%	(23.3)%
2021/22	17,183.0	17,064.9	(0.7)%	(14.7)%
2022/23	16,861.0	13,509.4	(19.9%)	(32.5%)
2023/24	16,558.0	13,164.1	(20.5%)	(34.2%)
2024/25	16,244.0			



Energy Consumption

GWMWater's energy consumption has increased from the previous year particularly in the area of water treatment and supply. The 2022/23 year was wetter than average which tends to reduce water demand and therefore energy consumption, but may also increase wastewater treatment with storm induced increases in inflow to wastewater networks and treatment plants. A milder year such as 2023/24 will result in consumption of relatively more energy to provide our services, other the wastewater services which may reduce.

Total electricity consumption (MWh)

Indicator	2021/22	2022/23	2023/24
Directly purchased electricity (MWh)			
Water Treatment	11,940.6	9,781.9	11,184.2
Sewage Treatment	2,259.2	2,125.6	1,980.8
Offices and Depots	479.1	429.1	452.6
Total	**14,678.9**	**12,336.6**	**13,617.6**
Directly purchased electricity (MWh)			
Water Treatment - BOOT sites[1]	694.1	686.1	743.2
Total	**694.1**	**686.1**	**743.2**
Onsite generated electricity (MWh)			
Solar consumed behind-the-meter	1,438.3	1,475.6	1,825.4
Total electricity consumption (MWh)	**16,811.3**	**14,498.3**	**16,186.2**
On-site installed generation capacity (MW)			
Solar PV (number of sites)		59 sites	59 sites
Solar PV (capacity installed)		2.302 MW	2.302 MW
Solar exported to grid	541.7	713.4	1,018.0
Total solar generated (consumed and exported to grid)	**1,980.0**	**2,189.0**	**2,843.4**
Diesel backup generators (number)		24 units	33 units
Diesel backup generators (kW range)		9.5 kVA to 350 kVA	9.5 kVA to 350 kVA

Notes to this table:

1. Four BOOT (build, own, operate, transfer) Water Treatment Plants operate within the GWMWater service area.
2. Electricity generated by diesel backup is not currently monitored. This is expected to be a very small number (perhaps 1-2 MWh at most).

GWMWater is generating large-scale generation certificates at two solar sites and we expect this to grow in the future. Certificates have not been retired.

Stationary fuel use

GWMWater uses fuels in stationary locations for a variety of reasons. Primarily fuel is used for unregistered machinery and petrol-powered tools such as chainsaws.

Indicator	2021/22	2022/23	2023/24
Fuels used in buildings and machinery (MJ)			
Buildings (a)			
Natural gas		43,955.9	7,759.5
Machinery (b)			
Diesel	689,461.9	1,043,661.8	1,116,325.3
Total	**689,461.9**	**1,087,617.7**	**1,124,084.9**
Greenhouse gas emissions from stationary fuel consumption (t CO_2-e)	**48.0**	**75.5**	**78.3**

Transportation

GWMWater maintains a fleet of vehicles to support our delivery of services. Operational vehicles are the larger portion of the fleet. Hybrid vehicles have been introduced to the vehicle fleet in recent years and we expect the numbers to grow in the future.

Number and proportion of vehicles

Indicator	2021/22	%	2022/23	%	2023/24	%
Fleet and passenger vehicles						
Diesel	21	19%	20	17%	14	12%
Petrol	4	4%	2	2%	9	8%
Hybrid (unleaded)	2	2%	3	3%	3	3%
Total	**29**	**24%**	**25**	**22%**	**26**	**22%**
Service delivery (light vehicles)						
Diesel	69	61%	74	64%	75	64%
Petrol	2	2%	1	1%	1	1%
Total	**71**	**63%**	**75**	**65%**	**76**	**64%**
Service delivery (heavy vehicles)						
Diesel	15	13%	15	13%	16	14%
Total	**15**	**13%**	**15**	**13%**	**16**	**14%**
Road vehicles total[1]	**113**	**100%**	**115**	**100%**	**118**	**100%**

Notes to this table:

1. Vehicle count as of 30 June each year.

Total energy used in transportation (MJ)

Indicator	Total energy used in transportation (MJ)		
	2021/22	2022/23	2023/24
Fleet and passenger vehicles			
Diesel	1,766,010.1	1,471,764.3	1,427,395.2
Petrol	594,089.9	460,886.4	394,892.7
Hybrid (unleaded)	14,183.1	121,966.8	190,329.8
Total	**2,374,283.1**	**2,054,617.5**	**2,012,617.7**
Service delivery (light vehicles)			
Diesel	7,160,365.9	8,114,828.1	8,069,828.4
Unleaded	-	196,045.0	186,829.1
Total	**7,160,365.9**	**8,310,873.1**	**8,256,657.5**
Service delivery (heavy vehicles)			
Diesel	900,890.2	1,142,060.4	1,133,684.9
Total	**900,890.2**	**1,142,060.4**	**1,133,684.9**
Final total	**10,435,539.1**	**11,507,551.0**	**11,402,960.1**

Greenhouse gas emissions from transportation (t COE-e)

Indicator	2021/22	2022/23	2023/24
Fleet and passenger vehicles			
Diesel	125.6	104.4	100.5
Petrol	41.5	32.0	26.7
Hybrid (unleaded)	1.0	8.4	12.9
Total	**168.1**	**144.8**	**140.1**
Service delivery (light vehicles)			
Diesel	509.2	575.6	568.2
Unleaded	-	13.6	12.6
Total	**509.2**	**589.3**	**580.8**
Service delivery (heavy vehicles)			
Diesel	64.0	81.0	79.8
Total	**64.0**	**81.0**	**79.8**
Final total	**741.3**	**815.0**	**800.7**

Air travel (km)

Indicator	2021/22	2022/23	2023/24
Total distance travelled by commercial air travel (passenger km)	15,994	28,911	19,158

Total energy use (MJ)

Reduced demand for water is reflected in the reduced grid energy used in 2023/24.

Indicator	2021/22	2022/23	2023/24
Fuels			
Transportation	10,435,539.1	11,507,550.9	11,402,960.1
Stationary	689,461.9	1,087,617.7	1,116,325.3
Total	11,125,001.0	12,595,168.6	12,519,285.4
Electricity			
Grid electricity	52,838,562.7	44,412,023.7	49,023,568.3
Solar electricity	1,438,263.0	5,312,101.5	6,571,404.3
Total	**54,276,825.7**	**45,366,374.0**	**55,594,972.6**
Totals			
Renewable	1,438,263.0	954,350.3	6,571,404.3
Non-renewable	63,963,563.7	57,007,192.3	61,542,853.7
Total energy used	65,401,826.7	57,961,542.6	68,118,258.0

Energy Intensity

Energy is a vital component in both the production of drinking (potable) water and moving water around our system. Additional energy is required to meet higher levels of demand and service new customers at the far edges of networks, which drives up our energy intensity figures. Energy intensity for water services has remained consistent with recent past years. Sewage services' energy intensity has increased markedly. This appears to be function of consistent energy use and decreased inflows due to milder weather. That is, wet weather can add to wastewater inflows due to infiltration of the sewer network. Further efficiencies are expected in the future with operational and infrastructure improvements.

Source[1]	Result 2021/22	Result 2022/23	Result 2023/24
Water MJ/ML	2,720.8	2,400.4	2,504.1
Sewage MJ/ML	1,778.4	1,546.9	2,065.4
Water kWh/ML	755.8	666.8	695.6
Sewage kWh/ML	494.0	429.7	574.7

Note to this table:
1. The energy component of each energy intensity measure includes both energy consumed from the grid, and solar energy produced onsite. Solar energy exported to the grid is excluded.

Carbon Intensity

Managing carbon emissions is an important aspect of GWMWater's business. Climate change has the potential to impact water yields in our catchments, demand for our services and the lifecycle of infrastructure. Monitoring and reducing our emissions helps us make a positive contribution to climate change mitigation efforts and meets our obligations under Victorian policy. Carbon intensity for sewage treatment has increased as a result of decreased inflows and consistent energy use.

The following table shows carbon intensity in t CO_2-e/ML for water and sewage services.

Source[1]	Result 2021/22	Result 2022/23	Result 2023/24
Water t CO_2-e/ML	0.657	0.483	0.458
Sewage t CO_2-e/ML	0.447	0.342	0.404

Note to this table:
1. The carbon component of each carbon intensity measure is calculated from energy consumed from the grid and does not include wastewater emissions.

Office Based Environmental Data

All staff contribute to sustainable practice and are encouraged to continually improve performance. The environmental footprint of workplaces is measured in terms of greenhouse gas emissions and use of energy, water, waste and paper. The results of these programs are communicated to staff quarterly and strategies are developed to further reduce GWMWater's environmental impact.

Energy

Indicator	Result 2021/22	Result 2022/23	Result 2023/24
Energy Use, all Offices & Depots			
Grid (MWh)	477.5	429.1	452.6
Solar (MWh)	53.5	41.6	45.8
Total energy use (electricity) (MWh)[1]	**531.0**	**480.5**	**498.4**
Greenhouse emissions associated with energy use (tonnes CO2e)[2]	459.9	364.8	357.6
Greenhouse emissions associated with energy use – offset (tonnes CO2e)[2]	(460)	(365)	(358)
Energy use per FTE (MJ per FTE)3	10,996.3	9,332.4	9,549.8
Energy per square metre of office space (MJ per m²)[3]	494.5	419.7	429.5
Renewable energy generation installed (kW)[3]	29	46.7	72.7

Notes to this table:

1. Total energy use includes solar production from 2019/20 onwards.
2. Emissions for offices, depots and fleet vehicles are offset to achieve zero net emissions from those aspects of the business.
3. Data is for the Corporate Office only.
4. Data from all offices and depots.

Waste Consumption

Strategies to raise staff awareness of waste issues have assisted us to achieve ongoing improvements in our performance. GWMWater's applied a more rigorous waste assessment methodology in 2023/24, including works depots in the sampled sites. This has resulted in higher overall results. Scope 3 emissions from waste are reported this year for the first time.

Activity	2021/22	%	2022/23	%	2023/24	%
Total units of waste disposed (kg and %)[1]	No record		7,500 kg		26,923 kg	
Landfill (disposal)			6,220 kg		16,126 kg	
Recycling/recovery (disposal)			1,280 kg		10,726 kg	
Percentage of office sites which are covered by dedicated collection services for:	No record					
Printer cartridges				100%		100%
Batteries				100%		100%
E-waste				100%		100%
Soft plastics				0%		0%
Total units of waste disposed of normalised by FTE (kg/FTE)	No record		41 kg		143 kg	
Recycling Rate (%)	No record			97%		97%
Greenhouse gas emissions associated with waste disposal (Tonnes CO2-e)	No record		No record		35.3	

Note to this table:

1. GWMWater's waste and recycling assessment method changed somewhat during 2023/24 leading to higher-than-expected results. Attention will be paid to calculations during the 2024/25 financial year.

Paper use

Paper use decreased per FTE in 2022/23. GWMWater promoted paper saving measures including technology and behavioural change. Most of the operational work allocation process is now paperless. Paper use is creeping up which is a trigger for some focused communications with staff about only printing what is needed.

Activity	Result 2021/22	Result 2022/23	Result 2023/24	Target
Total units A4 equivalent copy paper used (reams)	374	325	347	No target set
Units of A4 equivalent copy paper used per FTE (reams)	2.2	1.78	1.9	6
Percentage of recycled content of all copy paper purchased (% white copy paper)	100	100	100	100

Water

Water use at GWMWater facilities has been reasonably consistent in recent years.

Activity	2021/22	2022/23	2023/24
Total water consumption by an Entity (kilolitres)	2,166	1,478	1,720
Potable water consumption	2,166	1,478	1,720
Metered reused water consumption	0.0	0.0	0.0
Units of metered water consumed normalised by FTE	12.2	8.1	9.2

Procurement

GWMWater procurement activities are underpinned by the following principles:

a) Value for money.

b) Probity, transparency and fair competition.

c) Compliance, accountability and risk management.

d) Safety and environmental sustainability.

e) Social value.

Proper consideration of the impact of proposed purchases is undertaken where it is deemed appropriate and practicable to satisfy the underlying principles.

Suppliers that demonstrate responsibility through accredited quality, safety and environmental systems and policies are highly regarded. Consideration is also given to products which minimise environmental impacts through efficient use of raw materials, energy and water, and minimisation of waste and greenhouse gas emissions.

Disclosure of Emergency Procurement

Nil Emergency Procurement was undertaken during 2023/24.

Social Procurement

GWMWater leverages its buying power to deliver social, economic and environmental outcomes benefiting our region, the Victorian community, the economy and the environment - above and beyond the goods, services and construction works procured.

We are guided by the Victorian Government's Social Procurement Framework (SPF), released in April 2018. The SPF applies to the procurement of all goods, services and construction undertaken by, or on behalf of, GWMWater and it is defined by 10 objectives:

1) Opportunities for Victorian Aboriginal people.
2) Opportunities for Victorians with disability.
3) Women's equality and safety.
4) Opportunities for disadvantaged Victorians.
5) Supporting safe and fair workplaces.
6) Sustainable Victorian social enterprise and Aboriginal business sectors.
7) Sustainable Victorian regions. Environmentally sustainable outputs.
8) Environmentally sustainable outputs.
9) Environmentally sustainable business practices.
10) Implementation of the Climate Change Policy objectives.

During 2023/24, social value outcomes were achieved across a variety of procurement activities, including the procurement of goods, services and construction works. GWMWater is guided by its Procurement Strategy to build capability of staff and suppliers on social procurement.

Social Procurement Achievements

During 2023/24, GWMWater:

a) Engaged 37 Social Enterprises.
b) Spent a total of $1,130,075 with Social Enterprises, Aboriginal businesses and Traditional Owner Corporations, Disability Enterprises, and social outcome companies.

Aboriginal Business Engagement

During 2023/24 GWMWater:

a) Engaged seven Aboriginal businesses and Traditional Owner Corporations.

b) Spent a total of $580,268 with Aboriginal businesses and Traditional Owner Corporations.

c) Achieved 1.1 percent of direct supplier engagement of Aboriginal businesses above the whole-of-Victorian government commitment that 1 percent of all contracts will be from Aboriginal businesses.

Procurement Complaints

Under the Governance Policy of the Victorian Government Purchasing Board (VGPB), GWMWater must disclose any formal complaints relating to the procurement of goods and services received through its procurement complaints management system.

GWMWater did not receive any formal complaints through its procurement complaints management system in 2023/24.

Asset Management Accountability Framework

GWMWater utilise effective asset management systems and practices to align investment in water, wastewater and related energy infrastructure towards our Vision, Mission, and Strategic Directions. GWMWater is committed to maximising the productivity of our assets to better serve our community and environment. Consequently, we conduct an iterative series of audits to identify and invest in asset management improvements. Since 2017, this improvement process has been guided by the Asset Management Accountability Framework (AMAF), set out by the Department of Treasury and Finance. The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website (https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework).

In accordance with the AMAF requirements, GWMWater have conducted a self-assessment detailing the level of asset management maturity within the organisation, including an evaluation of:

a) Maturity of asset management systems and effectiveness of application.

b) Maturity of systems and practices against the aspirational target.

c) The path towards achieving the aspirational target.

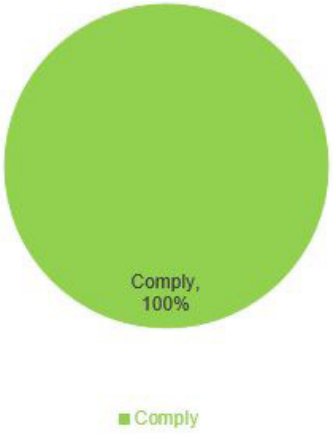
The self-assessment found GWMWater asset management to be fully compliant with the requirements of the AMAF, achieving a maturity rating of ‘competence’ against forty mandatory requirements and rating of ‘optimising’ against attestation requirement (#11).

This means systems and processes are in place, consistently applied and systematically meet the AMAF requirement, including a continuous improvement process to extend system performance beyond AMAF minimum requirements.

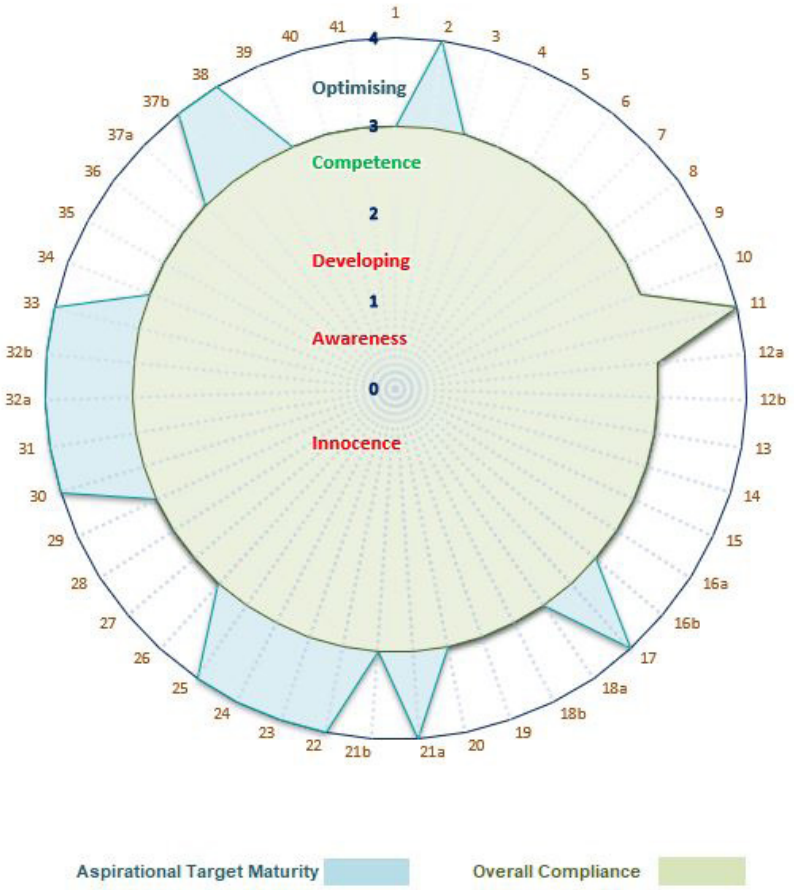
Consistent with this continuous improvement, GWMWater has set an aspirational target maturity rating of ‘optimising’ in five key areas of the AMAF, meaning that systems and processes are leading practice, exceeding the AMAF mandatory requirement, and constantly being improved to align with support and drive organisational objectives.

Compliance and Maturity Rating Tool

AMAF Compliance



Asset Management Maturity



The following summarises GWMWater's assessment of maturity against the requirements of the AMAF.

Leadership and Accountability (requirements 1-19)

GWMWater has met all AMAF requirements within this category achieving a maturity rating of 'optimising' against attestation requirement (#11) and 'competence' against other requirements in this category.

GWMWater has set an aspirational target of 'optimising' and corresponding tasks for improvement in two areas of this category.

Planning (requirements 20-23)

GWMWater has met all AMAF requirements within this category achieving a maturity rating of 'competence'.

GWMWater has set an aspirational target of 'optimising' and a corresponding task for improvement in one area of this category.

Acquisition (requirements 24 and 25)

GWMWater has met all AMAF requirements within this category achieving a maturity rating of 'competence'.

Operation (requirements 26-40)

GWMWater has met all AMAF requirements within this category achieving a maturity rating of 'competence'.

GWMWater has set an aspirational target of 'optimising' and corresponding tasks for improvement in seven areas of this category.

Disposal (requirement 41)

GWMWater has met all AMAF requirements within this category achieving a maturity rating of 'competence'.

Financial Management Compliance Attestation

Financial Management Compliance Attestation Statement

I, Caroline Welsh, on behalf of the Responsible Body, certify that GWMWater has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

Caroline Welsh
Chair

Dated this day 21 August 2024

Performance Statements

Financial Performance Indicators

Key Performance Indicator	2022/23 Result	2023/24 Result	Variance to Prior Year %	2023/24 Target	Variance to Target %
Interest Cover (Cash)					
Net operating cash flows before net interest and tax payments / net interest payments (times)	5.0	3.8	(24.0%)[1a]	2.9	31.0%[1b]
Gearing Ratio					
Total debt (including finance leases) / total assets (%)	5.5%	5.8%	5.5%	8.7%	(33.3%)[2a]
Internal Financing Ratio					
Net operating cash flow / net capital expenditure (%)	78.5%	43.5%	(44.6%)[3a]	19.0%	128.9%[3b]
Current Ratio					
Current assets / current liabilities (excluding long-term employee provisions and revenue in advance) (times)	1.6	1.0	(35.9%)[4a]	0.7	42.9%[4b]
Return on Assets					
Earnings before net interest and tax / average total assets (%)	(0.6%)	(0.7%)	(16.7%)[5a]	(0.8%)	(12.5%)[5b]
Return on Equity					
Net profit after tax / average total equity (%)	(0.7%)	(0.9%)	(28.6%)[6a]	(1.5%)	(40.0%)[6b]
EBITDA Margin					
Earnings before interest, tax, depreciation and amortisation / total revenue (%)	38.4%	38.1%	(0.8%)	40.7%	(6.40%)

Notes to this table:

1a. The Cash Interest Cover ratio measures the net operating cash available to pay for GWMWater's interest on borrowings and is expressed as a ratio. The unfavourable movement in the Cash Interest cover ratio in 2023/24 year compared to the previous year is predominantly due to lower net operating cash flows. Net operating cash flow reduced from $21.82 million to $17.24 million due to combination of:
   1). reduced customer prices reflecting one off price benefit provided in the first year of the 2023-2028 Water Price Review regulatory period.
   2). increased revenue and associated receipts from rates and charges due to higher water consumption.
   3). increased cash payments to suppliers and employees due to a combination of a significant number of invoices from suppliers for 2022/23 being received post June 2023 resulting in higher cash payments, inflation and finalisation of a new Enterprise Agreement during the year inclusive of a once off lump sum cash payment.
   4). increased net interest payments due to new borrowings taken out in 2023/24.

1b. The favourable movement in Cash Interest Cover ratio compared to target for 2023/24 is largely due to lower borrowings due to delays in the capital program and associated cash interest payments.

2a. The Gearing ratio measures the level of GWMWater's debt against its total asset. The Gearing ratio result is favourable to target due to later than anticipated delivery of major capital projects resulting in lower borrowings and the significant increase in asset values resulting from the managerial revaluation of all infrastructure assets as at 30 June 2023 not forecast at the time of preparing the target.

3a. The Internal Financing ratio measures the portion of capital works paid for from operating cash flows. The ratio is impacted by expenditure on growth and service improvement related projects which are funded through future rates and charges. The result is unfavourable to last year due to higher net capital expenditure impacted by the timing of delivery of capital projects and lower net operating cash flows.

3b. The Internal Financing ratio is favourable to target due to improvement due to lower capital expenditure compared to target.

4a. The Current ratio measures how comfortably payment of short-term liabilities can be covered by GWMWater's short term assets. The result is unfavourable to last year as cash balances were lower due to the use of unspent funds on hand as at 30 June 2023 for the East Grampians Water Supply project.

4b. The current ratio is better than target largely due to funds received in advance of expenditure for the East Grampians Water Supply project which increased in short term receivables and lower creditors and accruals due to the delay in major capital projects.

5a. Return on Assets measures how much profit GWMWater has generated from every dollar in assets owned. The ratio is unfavourable to last year due to increase in operating deficit before net interest and tax and a combination of increases in employee benefits, depreciation and finance costs.

5b. Return on Assets is favourable to target due to increase in asset values resulting from the managerial revaluation of all infrastructure assets as at 30 June 2023 not forecast at the time of preparing the target.

6a. Return on Equity indicates how much profit GWMWater has generated from every dollar of equity (ownership). The result is unfavourable to last year due to the impact of operating deficit on equity.

6b. Return on Equity is favourable to target due to reduced operating deficit resulting from change in deferred tax position (income tax revenue) offset partially by increase in operating deficit.

Water and Sewerage Network Reliability Indicators

Key Performance Indicator	2022/23 Result	2023/24 Result	Variance to Prior Year %	2023/24 Target	Variance to Target %
Water Service - minutes off supply (planned and unplanned)					
How many minutes on average a customer was without water supply during a year.	118.26	139.55	20.0%[7a]	110.80	30.0%[7b]
Unplanned water supply interruptions					
Percentage of customers receiving more than (5) unplanned interruptions in the year.	0.08	0.28	250.0%[8a]	0.28	0.0%
Sewerage Service - sewer blockages					
Number of sewer blockages reported per 100 kilometers of sewer main.	43.61	39.75	(10.0%)[9a]	48.00	(20.0%)[9b]
Sewerage Service - sewer spills					
Number of sewer spills reported per 100 kilometers of sewer main.	15.90	17.21	10.0%[10a]	N/A	
Sewerage Service - containment of sewer spills					
Sewer spills from reticulation and branch sewers contained within five hours.	93.81	100.00	10.0%[11a]	100.00	0.0%

Notes to this table:

7a. 2022/23 result amended based on ESC audit result and total customer minutes to restore. In 2023/24 a significant increase in unplanned customer minutes to restore was experienced largely due to a major break in Ararat on the Oliver Gully trunk main. Due to the area, an extensive amount of time was spent jack hammering the rock covered ground to access the break to replace the main. A large section of the town supply was affected due to the large supply main outage impacting operation of two pressure control valves in the reticulation.

7b. A significant increase in unplanned customer minutes to restore was experienced in 2023/24 largely due to a major break in Ararat on the Oliver Gully trunk main. Due to the area, an extensive amount of time was spent jack hammering the rock covered ground to access the break to replace the main. A large section of the town supply was affected due to the large supply main outage impacting operation of two pressure control valves in the reticulation. Without this interruption the indicator would have been well below average.

8a. There was a return to the target, in respect of the number of customers experiencing more than 5 unplanned interruptions in 2023/24. Our ongoing water mains renewals and maintenance programs continue to be targeted to focus on priority areas to reduce multiple interruptions.

9a. This is a positive variance to last year due to reduction in number of blockages. Our ongoing sewer mains renewals and maintenance programs continue to be targeted to focus on priority areas to reduce the number of blockages.

9b. This is a positive variance to target which was revised following the 2023 Water Price Review. Our ongoing sewer mains renewals and maintenance programs continue to be targeted to focus on priority areas to reduce the number of blockages.

10a. There was a minor increase in the number of sewer spills which were all contained within 5 hours.

11a. Favourable result compared to last year with all sewer spills being contained within 5 hours.

Water Reuse Indicators

Key Performance Indicator	2022/23 Result	2023/24 Result	Variance to Prior Year %	2023/24 Target	Variance to Target %
Recycled water - effluent treatment and reuse					
Proportion of water recycled as a percentage of the volume of effluent produced	76	98	30%[12a]	80	20%[12b]

12a. Reduced demand in 2022/23 as a result of unseasonal wet weather which resulted in recycled water being released in accordance with licence conditions.

12b. Favourable result to target due to low rainfall and inflows to wastewater treatment plants resulting in increased proportion of beneficial reuse.

Water Service Indicators - Rural Water Supply Deliveries

Key Performance Indicator	2022/23 Result	2023/24 Result	Variance to Prior Year %	2023/24 Target	Variance to Target %
Unavailability of Domestic and Stock (D&S) supply					
Number of customer experiencing more than 3 days of unavailability of D&S Supply Systems for continuous periods	29	50	70%[13a]	0	100%[13b]
Groundwater supply					
Percentage of transfers processed within target period (%)	50	100	100%[14a]	100	0%

13a. Two unplanned incidents with outage times in excess of 72 hours were experienced this year on the South West Loddon pipeline. One took longer to repair due to wet weather and needing to let site dry out to carry out repairs; the second incident occurred in Inglewood which required further investigation to establish responsibility.

13b. New service standard measure developed as part of the 2023 Water Price Review. Target to be reviewed in once informed by actual performance

14a. Small number of transfers annually, with all being processed within the target period in 2023/24.

Customer Responsiveness Indicators

Key Performance Indicator	2022/23 Result	2023/24 Result	Variance to Prior Year %	2023/24 Target	Variance to Target %
Water bills - customers on flexible payment plans					
No. of customers with instalment plans	2,466	1,936	(20%)[15a]	N/A	
Water bills - customers awarded hardship grants					
No. of customers awarded hardship grants	119	215	80%[16a]	N/A	
Customer Responsiveness - drinking water quality complaints					
No. of complaints per 100 customers	0.16	0.18	10%[17a]	3	(90%)[17b]
Customer Responsiveness - number of payment issue complaints					
No. of complaints per 100 customers	0.10	0.16	60%[18a]	N/A	
Customer Responsiveness - total complaints					
Number of complaints per 100 customers	0.41	0.53	30%[19a]	N/A	

15a. Reduction in number of customers on instalment plans with a number bringing their accounts up to date.

16a. Increase in last year due to one off payment being applied to hardship customers who were meeting payment arrangements.

17a. 2022/23 result amended to include drinking water quality complaints only as reported by the ESC. There were 7 additional drinking water quality complaints in 2023/24.

17b. Favourable result to target reflecting ongoing improvements to treatment and operating processes.

18a. There were 52 complaints this year compared to 33 last year. The increase is largely due to issues with the application of rebates on a small number of accounts in 2023/24.

19a. 2022/23 result amended to align with ESC definition for CRS 3 which excludes rural services. Overall complaints increased despite reductions in pressure complaints over the past year. The result reflects minor increases across water quality, payment issue, sewage odour and other complaint categories.

Performance Reporting

Certification of Performance Report for 2023/24

We certify that the accompanying Performance Report of Grampians Wimmera Mallee Water Corporation (trading as GWMWater) in respect of the 2023/24 financial year is presented fairly in accordance with the *Financial Management Act 1994.*

The Performance Report outlines the relevant performance indicators for the financial year as determined by the responsible Minister and as set out in the 2023/24 Corporate Plan, the actual and comparative results achieved for the financial year against predetermined performance targets and these indicators, and an explanation of any significant variance between the actual results and performance targets and/or between the actual results in the current year and the previous year.

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

Caroline Welsh
Chair

Mark Williams
Managing Director
(Accountable Officer)

Sally Marshall
Executive Manager Strategic Planning and Performance
(Chief Financial Officer)

Dated this day 18 September 2024.

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of the Grampians Wimmera Mallee Water Corporation

Opinion	I have audited the performance report of the Grampians Wimmera Mallee Water Corporation (the corporation) for the year ended 30 June 2024, which comprises the: • financial performance indicators • water and sewerage network reliability performance indicators • water reuse performance indicator • water service performance indicators • customer responsiveness performance indicators • certification of performance report. In my opinion, the performance report of the Grampians Wimmera Mallee Water Corporation for the year ended 30 June 2024, presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 7 of the *Financial Management Act 1994*.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Performance Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the performance report in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the performance report	The Board is responsible for the preparation and fair presentation of the performance report in accordance with the performance reporting requirements of the *Financial Management Act 1994,* and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance report that is free from material misstatement, whether due to fraud or error.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditor's responsibilities for the audit of the performance report

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

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

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

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

MELBOURNE
24 September 2024

Paul Martin
as delegate for the Auditor-General of Victoria

Financial Reporting

Financial Statements

CONTENTS

Consolidated Comprehensive Operating Statement 81
Consolidated Balance Sheet 82
Consolidated Cash Flow Statement 83
Consolidated Statement of Changes in Equity 84
Notes to the Financial Statements 85
- Note 1 - Notes to the accounts 85
- Note 2 - Funding Delivery of Our Services 88
- Note 3 - The Cost of Delivering Services 94
- Note 4 - Key Assets Available to Support Output Delivery 101
- Note 5 - Other Assets and Liabilities 110
- Note 6 - How We Financed Our Operations 114
- Note 7 - Risks, Contingencies and Valuation Judgements 122
- Note 8 - Statutory Obligations 134
- Note 9 - Other Disclosures 137

Financial Statutory Certification for 2023/24 145
Independent Auditor's Report 146
Appendix - Disclosure Index 148

Grampians Wimmera Mallee Water Corporation

Consolidated Comprehensive Operating Statement
For the Financial Year ended 30 June 2024

	Notes	2023/24 $'000	2022/23 $'000
Revenue and income from transactions			
Revenue from contracts with customers	2.1.1	67,770	64,783
Developer contributions	2.1.2	2,281	1,573
Government grants and contributions	2.2	1,334	2,773
Interest income	2.3	866	626
Other income	2.1.3	1,504	1,337
Total revenue and income from transactions		**73,755**	**71,092**
Expenses from transactions			
Employee benefits	3.1.1	(20,213)	(17,755)
Depreciation and amortisation expense	4.2	(45,480)	(41,161)
Other operating expenses	3.2	(21,306)	(20,236)
Decommissioning expenditure relating to redundant assets	3.2	(110)	(176)
Environmental contributions	8.2	(2,601)	(2,601)
Interest expense	6.1.2	(7,057)	(6,008)
Grants and other transfers	3.3	-	(1,945)
Total expenses from transactions		**(96,767)**	**(89,882)**
Net result from transactions (net operating balance)		**(23,012)**	**(18,790)**
Other economic flows included in net result			
Net (loss) on disposal of non-current assets	4.5	(528)	(561)
Net fair value gain on revaluation of investment properties	4.3	-	105
Total other economic flow included in net result		**(528)**	**(456)**
Net result before tax		**(23,540)**	**(19,246)**
Income tax benefit	8.1.1	6,968	5,868
Net result		**(16,572)**	**(13,378)**
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	9.1.2	-	237,210
Income tax relating to these items	8.1.1	-	(71,163)
Comprehensive result		**(16,572)**	**152,669**

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

Grampians Wimmera Mallee Water Corporation

Consolidated Balance Sheet
As at 30 June 2024

	Notes	2023/24 $'000	2022/23 $'000
ASSETS			
Current assets			
Cash and deposits	6.4	2,181	20,270
Receivables	5.1	19,660	11,843
Contract assets	5.2	4,426	3,760
Prepayments		552	567
Inventories	5.5	2,704	2,503
Total current assets		**29,523**	**38,943**
Non-current assets			
Receivables	5.1	579	778
Infrastructure, property, plant and equipment	4.1.1	2,293,277	2,299,668
Right-of-use assets	6.2.1	797	32
Intangible assets	4.4	7,496	7,589
Investment properties	4.3	964	964
Total non-current assets		**2,303,113**	**2,309,031**
TOTAL ASSETS		**2,332,636**	**2,347,974**
LIABILITIES			
Current liabilities			
Payables	5.3	7,994	10,648
Contract liabilities	5.4	2,547	2,650
Employee benefits provision	3.1.2	6,617	6,717
Interest bearing liabilities	6.1	18,869	10,585
Lease liabilities	6.2.3	44	18
Total current liabilities		**36,071**	**30,618**
Non-Current Liabilities			
Employee benefits provision	3.1.2	601	494
Interest bearing liabilities	6.1	115,379	119,337
Lease liabilities	6.2.3	694	94
Deferred tax liabilities	8.1.2	255,070	262,038
Total non-current liabilities		**371,744**	**381,963**
TOTAL LIABILITIES		**407,815**	**412,581**
NET ASSETS		**1,924,821**	**1,935,393**
EQUITY			
Contributed capital	9.1.1	1,276,573	1,270,573
Asset revaluation reserve	9.1.2	847,433	847,433
Accumulated (deficit)	9.1.3	(199,185)	(182,613)
TOTAL EQUITY		**1,924,821**	**1,935,393**

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

Grampians Wimmera Mallee Water Corporation

Consolidated Cash Flow Statement
For the Financial Year ended 30 June 2024

	Notes	2023/24 $'000	2022/23 $'000
Cash Flows from Operating Activities			
Receipts			
Service and usage charges/Contracts with customers		68,344	67,585
Receipts from government		931	1,612
Interest received	2.3	866	626
Goods and Services Tax received from the ATO		3,458	1,866
		73,599	**71,689**
Payments			
Payments to suppliers and employees		(45,903)	(39,705)
Payments for specific projects	3.3	-	(1,945)
Goods and Services Tax paid to the ATO		(3,466)	(2,103)
Interest and other costs of finance paid		(6,916)	(6,053)
Payments for short term leases		(57)	(46)
Payments for low value leases		(18)	(14)
		(56,360)	(**49,866**)
Net cash inflow from Operating Activities	**6.4.1**	**17,240**	**21,823**
Cash Flows from Investing Activities			
Payments for infrastructure, property, plant and equipment		(40,583)	(25,595)
Payments for intangible assets	4.4	(156)	(360)
Proceeds from sale of infrastructure, property, plant & equipment	4.5	1,105	385
Net cash outflow from Investing Activities		**(39,634)**	**(25,570)**
Cash Flows from Financing Activities			
Proceeds from borrowings		5,532	17,900
Proceeds from contributed capital by State Government	9.1.1	-	2,720
Principal element of lease liability	6.2.4	(21)	(25)
Repayment of service concession liability		(1,206)	(1,085)
Net cash inflow from Financing Activities		**4,305**	**19,510**
Net increase/(decrease) in cash and cash equivalents		**(18,089)**	**15,763**
Cash and cash equivalents at beginning of the financial year		20,270	4,507
Cash and cash equivalents at the end of the financial year	**6.4**	**2,181**	**20,270**

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

Grampians Wimmera Mallee Water Corporation

Consolidated Statement of Changes in Equity
For the Financial Year ended 30 June 2024

	Notes	Contributed Capital	Asset Revaluation Reserves	Accumulated Funds (Deficit)	Total
		$'000	$'000	$'000	$'000
Balance at 1 July 2022		**1,267,853**	**681,386**	**(169,235)**	**1,780,004**
Net result after tax	9.1	-	-	(13,378)	(13,378)
Other comprehensive income	9.1	-	166,047	-	166,047
Transactions with the State in its capacity as owner	9.1	2,720	-	-	2,720
Balance at 30 June 2023		**1,270,573**	**847,433**	**(182,613)**	**1,935,393**
Balance at 1 July 2023		**1,270,573**	**847,433**	**(182,613)**	**1,935,393**
Net result after tax	9.1	-	-	(16,572)	(16,572)
Other comprehensive income	9.1	-	-	-	-
Transactions with the State in its capacity as owner	9.1	6,000	-	-	6,000
Balance at 30 June 2024	**9.1**	**1,276,573**	**847,433**	**(199,185)**	**1,924,821**

Grampians Wimmera Mallee Water Corporation
Notes to the Financial Statements
30 June 2024

1 Notes to the accounts

Introduction

Grampians Wimmera Mallee Water Corporation (trading as GWMWater) is a government owned statutory Corporation established on 1 July 2004 under the Water Act 1989.

GWMWater has one of the largest geographic footprints of all Victorian water businesses, covering some 62,000 square kilometers or 25 percent of Victoria. We provide services to approximately 72,000 people either living on farms or in one of the 71 urban centres across Western Victoria.

GWMWater is a vertically integrated water business directly involved in all aspects of the water cycle. We operate wastewater treatment plants in many of our 71 towns and we aim to recycle 100 percent of the wastewater we produce. We use desalination technology, operate pipelines, major storages, dams, weirs and pump stations to service our customers. To deliver these services we manage a significant number of assets including bulk water supply reservoirs, hundreds of smaller storages, tanks, water towers and approximately 16,000 km of pipes.

1.1 Basis of preparation

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

Accounting policies

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

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

Functional and presentation currency

Items included in this financial report are measured using the currency of the primary economic environment in which GWMWater operates (‘the functional currency’). The financial statements are presented in Australian Dollars, which is GWMWater’s functional and presentation currency.

Classification between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be turned over within the next twelve months, being GWMWater’s operational cycle.

Rounding

Unless otherwise stated, amounts in the report have been rounded to the nearest thousand dollars.

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for the revaluation of financial assets, all classes of property, plant and equipment and investment property.

Accounting estimates

Judgements and estimates require assumptions to be made about highly uncertain external factors such as discount rates, probability factors, the effects of inflation, changing technology, political and social trends and climate change. There are many uncertainties in the estimation process and assumptions that are valid at the time of estimation but may change significantly when new information becomes available.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Revisions to accounting estimates are made in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying Australian accounting standards or "AAS" that have significant effects on the financial statements and estimates relate to:

- Contract Assets - Accrued water usage charges (Note 5.2);
- Estimated fair value of land, buildings, infrastructure, plant and equipment (Note 7.3);
- Estimation of useful life of non-financial assets (Note 4.2);
- Impairment of assets (Note 4.2);
- Employee benefit provisions (Note 3.1.2);
- Revenue recognition - Determining whether the performance obligations are sufficiently specific so as to determine whether the arrangement is within the scope of AASB 15 or AASB 1058 (Note 2.2);
- Revenue Recognition - The timing of satisfaction of performance obligations and determining transaction price and amounts allocated to performance obligations (Note 2);
- Leases - Determining whether the arrangement is in substance short-term arrangement; and GWMWater estimating discount rate when not implicit in the lease (Note 6.2);
- Impairment – Calculation of the expected credit loss (Note 5.1);

Controlled entities

These financial statements cover GWMWater as an individual reporting entity and include all the controlled activities of GWMWater.

Where control of an entity is obtained during the financial period, its results are included in the Consolidated Comprehensive Operating Statement from the date on which control is demonstrated. Where control ceases during a financial period, the entity's results are included for that part of the period in which control existed. Where entities adopt dissimilar accounting policies and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

In preparing consolidated financial statements for GWMWater, all material transactions and balances between consolidated entities are eliminated.

Net current asset deficiency

For the year ended 30 June 2024, GWMWater recognised a net loss of $16.572 million. GWMWater's net current liabilities as at 30 June 2024 were $6.548 million (2023: net current assets $8.325 million) and net assets totalling $1,924 million (2023: $1,935 million). GWMWater has $2.181 million of cash and cash equivalents and deposits available as at year end 2023-24 (2023: $20.270 million).

The financial statements were prepared on a going concern basis. Management is continuously reviewing budgets and forecasts while monitoring cash flow requirements and customer payment trends during this period of uncertainty and conclude that the going concern assumption still remains appropriate. Budgets prepared for the year ending 30 June 2025 indicate that the entity is expected to achieve an operating deficit of $23.9 million for 2024-25. Despite this, the Corporation is forecasting to maintain positive cash flows from operations of $20.5 million for 2024-25 compared to $17.2 million in the current financial year. The Corporation is also monitoring key financial sustainability cash and borrowing related indicators as part of its corporate performance scorecard. On this basis the Board believe the going concern basis is appropriate for preparation of the financial statements.

These financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

Compliance information

These general-purpose financial statements have been prepared in accordance with the Financial Management Act 1994 (FMA) and applicable *Australian Accounting Standards* (AASs), which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of *AASB 1049 Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. In addition, the Corporation adopted Disclosure of Accounting Policies (Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates) from 1 July 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they did not impact the accounting policy information disclosed throughout.

2 FUNDING DELIVERY OF OUR SERVICES

Introduction

This section provides additional information about how GWMWater is funded and the accounting policies that are relevant for an understanding of the items recognised in the financial statements.

Revenue and income that fund delivery of GWMWater's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

2.1 Revenue from contracts with customers

	Notes	2023/24 $'000	2022/23 $'000
Revenue from service and usage charges	2.1.1	67,770	64,783
Developer contributions	2.1.2	2,281	1,573
Other income	2.1.3	1,504	1,337
Total revenue from contracts with customers		**71,555**	**67,693**

2.1.1 Revenue from service and usage charges

	2023/24 $'000	2022/23 $'000
Service charges		
Urban water service charges	15,123	15,115
Wastewater service charges	14,558	14,553
Rural water service charges	12,952	13,036
Bulk water service charge	3,000	2,604
Usage charges		
Urban water usage charges	14,426	12,670
Rural water usage charges	6,871	5,910
Bulk water usage charges	307	241
Recycled water usage charges	51	133
Trade waste	482	520
Total service and usage charges	**67,770**	**64,783**

Revenue from service, usage and trade waste charges is determined in accordance with AASB15 *Revenue from Contracts with Customers*.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Service charges (urban water, rural water, wastewater and bulk water)	Service charges are recognised as revenue when the services have been provided or service charge has been made. Service charges are billed in advance and recognised evenly throughout the financial year to reflect continuous service being provided to customers. Service charges are based on fixed fee for access to water, recycled water and sewerage disposal. The charges are payable within 28 days.	Revenue is recognised over time as service is provided.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Usage charges	Water usage charges are recognised as revenue when water is consumed by customers. Meter reading is undertaken progressively during the year and is billed quarterly in arrears. An estimation of usage is made at the end of each accounting period for connection where meters were not read at balance date. This is calculated by determining the level of billable service provided multiplied by the cost of each service. The charges are payable within 28 days. At balance date, any portion of service charges that is billed in advance and the performance obligation is not satisfied, is recognised as contract liabilities (refer Note 5.4).The charges for fully satisfied performance obligations that are unbilled at year end that are estimated and contract assets are recognised (refer Note 5.1.1).	Revenue is recognised over time as service is provided.
Trade waste disposal charges	Revenue related to trade waste disposal is based on the volume of waste disposed by customers.	Revenue is recognised at a point in time as service is provided.
Recycled water charges	Recycled water charges are recognised as revenue over time as the performance obligation is satisfied. GWMWater measures these charges based on the regulated prices and the volume of water consumed by customers, and sewage and trade waste disposed by customers. The charges are payable within 28 days.	Revenue is recognised over time as service is provided

Contract assets and liabilities in notes 5.2 and 5.4.

2.1.2 Developer contributions

	2023/24 $'000	2022/23 $'000
Developer contributed assets	1,234	1,245
New customer contributions	1,003	277
Rural growth water sales	44	51
Total developer contributions	**2,281**	**1,573**

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Developer contributed assets	Developer contributed assets arise when developers pay for the cost of construction of new infrastructure assets and subsequently gift these assets to GWMWater to maintain in perpetuity. Depending on the type of developer application, this can result in the performance obligation being satisfied: • when the Statement of Compliance is issued to the customer, or • when the customer is connected to GWMWater's infrastructure network for the provision of water and sewerage services when no Statement of Compliance is required to be issued. Revenue is recognised at the fair value of the gifted assets by assessing the value of the works using schedule of rates.	Revenue is recognised at a point in time.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
New customer contributions	Depending on the type of new customer contribution application, this can result in the performance obligation being satisfied at a point in time when GWMWater satisfies its performance obligation. This will vary depending on the type of application submitted by the customer. As a result, a performance obligation can be satisfied when: • the Statement of Compliance is issued to the customer; or • the customer is connected to GWMWater's infrastructure network for the provision of water and sewerage services when no Statement of Compliance is required to be issued; or • the customer receives consent from GWMWater to proceed with their application. The framework applied to calculate the new customer contributions is regulated by the Essential Services Commission.	Revenue is recognised at a point in time.
Rural growth water sales	Sale of unallocated rural water allowances held by GWMWater traded in the Victorian Water Register.	Revenue is recognised at a point in time when the trade occurs and the performance obligation is satisfied.

2.1.3 Other Income

	2023/24 $'000	2022/23 $'000
Water hydrants/standpipe sales	264	303
Information statements	172	219
Tapping/inspection fees	228	246
Lake Fyans committee of Management income	297	250
Other revenue	543	319
Total other revenue	**1,504**	**1,337**

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Other Revenue	Performance obligation relating to various tapping and inspection fees, water hydrant and standpipe sales, information statement income, connection and supervision charges are satisfied when GWMWater renders the specified service requested by the customer. GWMWater uses pricing principles to calculate the price of individual services rather than direct regulation by the Essential Services Commission. The charges are payable within 28 days.	Revenue is typically recognised when the service is performed at a point in time; for services provided on a continuous basis, revenue is recognized as services are provided to the customer, over time.

2.1.4 Timing of recognition of revenue from customers

GWMWater derives revenue from the transfer of goods and services over time and at a point in time for the following charges.

	Service charges - water $'000	Usage charges - water $'000	Service charges - wastewater $'000	Tradewaste charges - $'000	Recycled water charges $'000	Developer contributions $'000	New customer contributions $'000	Other revenue $'000	Total revenue with customers $'000
2023									
At a point in time	-	-	-	-	-	1,245	277	51	**1,573**
Over time	30,755	18,821	14,553	520	133	-	-	1,337	**66,120**
Total	**30,755**	**18,821**	**14,553**	**520**	**133**	**1,245**	**277**	**1,388**	**67,693**
2024									
At a point in time	-	-	-	-	-	1,234	1,003	44	**2,281**
Over time	31,075	21,604	14,558	482	51	-	-	1,504	**69,274**
Total	**31,075**	**21,604**	**14,558**	**482**	**51**	**1,234**	**1,003**	**1,548**	**71,555**

2.2 Government grants and contributions

	Notes	2023/24 $'000	2022/23 $'000
Income recognised as income for not for profit entities			
Government grants and contributions		919	1,594
Specific purpose contributions for on-passing to recipient entities			
Horsham Smartwater Agriculture and Integrated Water Management		415	1,179
Total government grants and contributions		**1,334**	**2,773**

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

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with customers (AASB 15). These grants relate to the provision of water services. Revenue is recognised when GWMWater satisfies the performance obligation by providing the relevant water services to the relevant party. This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received in advance or shortly after the relevant obligation is satisfied.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised under AASB 1058 when GWMWater has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, GWMWater recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- contributions by owners, in accordance with AASB 1004 *Contributions*;
- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15 *Revenue from Contracts with Customers;*
- a lease liability in accordance with AASB 16 *Leases*;
- a financial instrument, in accordance with AASB 9 *Financial Instruments*; or
- a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

2.3 Interest income

	2023/24 $'000	2022/23 $'000
Interest from financial assets not at fair value through profit and loss		
Interest on bank deposits	846	600
Other miscellaneous interest income	20	26
Total interest income	**866**	**626**

Interest income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets. Interest income is recognised using the effective interest method, which allocates the interest over the relevant period.

2.4 Non-cancellable operating lease receivables

Operating leases relate to the investment property owned by GWMWater with lease terms between 1 and 20 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period. The risks associated with rights that GWMWater retains in underlying assets are not considered to be significant, GWMWater employs strategies to further minimise these risks. For example, ensuring all contracts include clauses requiring the lessee to compensate GWMWater when a property has been subject to excess wear and tear during the lease term.

	2023/24	2022/23
	$'000	$'000
Not later than 1 year	73	78
Longer than 1 year and not longer than 5 years	143	172
Longer than 5 years	192	223
Total operating lease receivables	**408**	**473**

3 THE COST OF DELIVERING OUR SERVICES

Introduction

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

3.1 Expenses incurred in the delivery of services

	Notes	2023/24 $'000	2022/23 $'000
Employee benefits	3.1.1	20,213	17,755
Direct operating expenses	3.2	21,306	20,236
Grants and other transfers	3.3	-	1,945
Total expenses incurred in the delivery of services		**41,519**	**39,936**

3.1.1 Employee benefits

	2023/24 $'000	2022/23 $'000
Salaries and wages	15,054	13,976
Annual leave	1,365	1,284
Long service leave	443	417
Employer superannuation contributions	1,786	1,501
Other	1,565	577
Total employee benefit costs	**20,213**	**17,755**

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and workcover premiums.

Directly attributable costs for bringing an asset to the location and condition necessary for operation, such as costs of employee benefits arising directly from the construction or acquisition of the item of infrastructure, property, plant and equipment are capitalised.

The amount recognised in the Consolidated Comprehensive Operating Statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period (see Note 3.1.3).

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when GWMWater is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

3.1.2 Employee benefits provision in the balance sheet

Provision is made for benefits accruing to employees in respect of annual leave and long service leave for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2023/24 $'000	2022/23 $'000
Current provisions		
Annual leave		
- Unconditional and expected to settle within 12 months	1,128	1,042
- Unconditional and are expected to settle after 12 months	851	883
RDO accrual		
- Unconditional and expected to settle within 12 months	264	258
Long service leave		
- Unconditional and expected to settle within 12 months	343	404
- Unconditional and are expected to settle after 12 months	3,188	3,325
Provision for on-costs		
- Provisions for on-costs - Unconditional and expected to settle within 12 months	252	230
- Provisions for on-costs - Unconditional and are expected to settle after 12 months	591	575
Total current provisions for employee benefits	**6,617**	**6,717**
Non- current provisions		
Long service leave		
- Long service leave	524	435
- Long service leave on costs	77	59
Total non-current provisions for employee benefits	**601**	**494**
Total provisions for employee benefits	**7,218**	**7,211**
Reconciliation of movement in on-cost provisions		
Opening balance	864	797
Additional provisions recognised	2,708	2,616
Reductions arising from payments/other sacrifices of future economic benefits	(2,652)	(2,592)
Unwind of discount and effect of changes in the discount rate	-	43
Closing balance on-cost provision	**920**	**864**
Current on-cost provision	843	805
Non-current on-cost provision	77	59
Closing balance on-cost provision	**920**	**864**

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of trade and other payable or employee benefit as current liabilities, because GWMWater does not have an unconditional right to defer settlements of these liabilities.

The components of this liability are measured at:

- Undiscounted value – the component GWMWater expects to wholly settle within 12 months; or
- Present value – the component GWMWater does not expect to wholly settle within 12 months.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Consolidated Comprehensive Operating Statement as it is taken.

On-costs

On costs, such as payroll tax, superannuation and workers' compensation insurance, are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Long service leave

Long Service Leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL (representing seven or more years of continuous service) is disclosed as a current liability even where GWMWater does not expect to settle the liability within 12 months. GWMWater does not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- Undiscounted value – the component GWMWater expects to wholly settle within 12 months; or
- Present value – the component GWMWater does not expect to wholly settle within 12 months.

Conditional long service leave is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current long service liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised in the operating statement.

3.1.3 Superannuation (Vision Super)

GWMWater's obligations for contributions to the fund are recognised as an expense in the Consolidated Comprehensive Operating Statement when they are made or due. GWMWater makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (Vision Super). The Fund has two categories of membership, accumulation and defined benefit, both are funded differently. Obligations for contributions to the fund are recognised as an expense in the Consolidated Comprehensive Operating Statement when they are made or become due.

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2024, this was 11% as required under Superannuation Guarantee (SG) legislation). Our commitment to accumulation plans is limited to making contributions in accordance with our minimum statutory requirements. No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

GWMWater has made the following contributions to superannuation plans (excluding any unfunded liability payments) to the superannuation plans for the financial year ended 30 June 2024 and 30 June 2023 as detailed below:

Fund		**Contributions**	
		2023/24	**2022/23**
	Rate (%)	**$'000**	**$'000**
Accumulation funds			
- State super accumulation scheme	11%	4	1
- Vision super saver plan	11%	906	772
- Other	11%	1,144	910
Defined benefit funds			
- State super new scheme	9.9%	85	99
- Local authorities superannuation fund	11%	38	45
Total superannuation contributions		**2,177**	**1,827**

GWMWater has no unfunded liability payments to Vision Super during the 2023/24 year (2022/23 $nil). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2024.

Defined benefit fund

GWMWater does not use defined benefit accounting because sufficient information is not available. There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of the group in the new fund cannot be measured as a percentage compared with other participating employers. Therefore, the fund actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119 *Employee Benefits*.

Funding arrangements

GWMWater makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. In addition, GWMWater reimburses the Fund to cover the excess of benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year.

Vision Super has advised that the VBI at 30 June 2024 was 105.4% (2023:104.1%). The financial assumptions used to calculate the VBI were:

	2024	**2023**
	%	**%**
Net investment returns	5.6	5.7
Salary information up to 30 June 2024	3.5	2.5
Salary information after 30 June 2024	3.5	3.5
Price inflation (CPI)	2.7	2.8

	2024	**2023**
	%	**%**
VBI surplus	105.4	104.1

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2024.

Employer contributions

On the basis of the results of the 2020 triennial actuarial investigation conducted by the Fund Actuary, GWMWater makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2024, this rate was 11% of members' salaries (10.5% in 2022/2023). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

In addition, GWMWater reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of Prudential Standard SPS 160 *Defined Benefit Matters* (SPS160) and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including GWMWater) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

3.2 Direct operating expenses

	2023/24	2022/23
	$'000	$'000
Bulk charges	193	187
Operating contracts	1,786	1,427
Contractor costs	3,827	4,532
Information & Communication technology	3,397	2,533
Energy	2,866	2,569
License fees	171	85
Billing and collection	203	224
Bad debts from transactions	392	338
Chemicals and materials	1,931	1,911
Analysis and sampling	623	467
Audit fees	244	279
Insurance	950	806
Asset maintenance and risk assessment projects	555	468
Plant & motor vehicle expenses	738	770
Other operating expenses	3,302	3,517
Victorian water register fees	128	123
Total other operating expenses	**21,306**	**20,236**
Decommissioning expenditure relating to redundant assets	110	176

Expense	Description	Recognition policy
Bulk charges	Fees from the Northern Victorian Resource Manager based on total Water Share volume, covering the costs of maintaining and operating headwork's and river regulation.	As incurred. Recognised in the Consolidated Comprehensive Operating Statement.
Operating contracts	Operating expense component of outsourced operations water treatment services provided under the WTSA (refer Note 6.3); and water sample testing laboratory services.	Accruals basis. Recognised in the Consolidated Comprehensive Operating Statement. Principal lease component recognised in the Consolidated Comprehensive Balance Sheet; Interest lease component recognised in finance costs in the Consolidated Comprehensive Operating Statement.
Contractor costs (scheduled, planned and unplanned works)	All contractor expenses incurred in relation to scheduled, planned and unplanned operation and maintenance activities. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold.	Accruals basis. Recognised in the Consolidated Comprehensive Operating Statement. Where applicable, replacement cost is capitalised on the balance sheet and depreciated.
Information and communication technology expenditure	All operating expenses, maintenance contracts, licence fees and other costs associated with operating the information and communication technology environment of GWMWater.	Accruals basis. Recognised in the Consolidated Comprehensive Operating Statement.

Expense	Description	Recognition policy
Energy	Utility expenses incurred in relation to electricity and gas consumption.	Accruals basis. Recognised in the Consolidated Comprehensive Operating Statement.
Billing and collection costs	Costs relating to the issuing of bills and the collection of debt.	Accruals basis. Recognised in the Consolidated Comprehensive Operating Statement.
Chemicals and materials	Chemicals and materials consumed in water and wastewater operations and maintenance.	Accruals basis. Recognised in the Consolidated Comprehensive Operating Statement.
Analysis and sampling	Samples are sent to a National Association of Testing Authorities (NATA) accredited laboratory for analysis against drinking water regulations and for other operational purposes.	Accruals basis. Recognised in the Consolidated Comprehensive Operating Statement.
Other operating expenses	Generally represent the day to day running costs incurred in normal operations.	Accruals basis. Recognised in the Consolidated Comprehensive Operating Statement.
Decommissioning expenditure	Expenditure associated with the decommissioning and removal of redundant infrastructure.	Accruals basis. Recognised in the Consolidated Comprehensive Operating Statement.

3.3 Grants and other transfers

Grant expenses are contributions of the GWMWater's resources to another party for specific or general purposes where there is no expectation that the amount will be repaid in equal value.

Other transfers to third parties (other than contribution to owners) are recognized as an expense in the reporting period in which they are paid or payable.

	2023/24	2022/23
*Horsham SmartWater Agriculture and Integrated Water Management project	**$'000**	**$'000**
- GWMWater funds paid	-	766
- Specific purpose contributions on- passed to recipient entities	-	1,179
Total grants and other transfers	**-**	**1,945**

*Through the National Water Grids Connections Funding Pathway the Australian Government committed to $20 million funding for the Victorian Infrastructure Projects. Of the funding an amount of $4.98 million has been committed by the State for the Horsham Agriculture SmartWater and Integrated Water Management Project (total project cost $9.94 million). The project is a joint initiative between Grampians Wimmera Mallee Water Corporation (GWMWater) and Agriculture Victoria (AgVic) who collectively co-contribute an additional $4.96 million to the project.

The project is completed as at August 2024. On completion of the project GWMWater will incur project management costs and own assets to the value of $5.22 million and AgVic will own assets to the value of $4.72 million.

4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction

GWMWater controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to GWMWater to be utilised for delivery of those outputs.

4.1 Infrastructure, property, plant and equipment: carrying amount

4.1.1 Reconciliation of movements in carrying values of infrastructure, property, plant and equipment

	Land Specialised	Buildings Specialised	Fixtures and Fittings	Infrastructure Urban Water	Infrastructure Waste Water	Infrastructure Headworks	Infrastructure Rural Distribution	Service concession assets	Energy assets	Plant, Equipment and Vehicles	Capital Work in Progress	Total
30 June 2024	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Fair Value	55,333	6,905	2,457	462,001	176,358	674,613	847,981	17,957	5,297	17,394	82,776	2,349,072
Accumulated depreciation	-	(614)	(2,043)	(12,864)	(5,910)	(5,946)	(17,559)	(1,030)	(168)	(9,661)	-	(55,795)
Carrying amount 2023/24	**55,333**	**6,291**	**414**	**449,137**	**170,448**	**668,667**	**830,422**	**16,927**	**5,129**	**7,733**	**82,776**	**2,293,277**
Opening net book value	55,267	6,592	446	452,494	171,758	672,388	846,172	17,922	3,277	6,363	66,989	2,299,668
Additions	-	-	-	819	324	21	70	-	-	-	39,461	40,695
Disposals	-	-	(1)	(128)	(402)	(8)	(89)	-	-	(996)	-	(1,624)
Transfer between asset classes	-	(6)	4	72	-	6	(72)	-	-	(4)	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	(377)	(55)	(12,830)	(5,865)	(5,946)	(17,401)	(1,030)	(168)	(1,492)	-	(45,164)
WIP movement	66	82	20	8,710	4,633	2,206	1,742	35	2,020	3,862	(23,674)	(298)
Closing carrying amount	**55,333**	**6,291**	**414**	**449,137**	**170,448**	**668,667**	**830,422**	**16,927**	**5,129**	**7,733**	**82,776**	**2,293,277**
30 June 2023	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Fair value	55,267	6,829	2,434	452,538	171,898	672,388	846,339	17,922	3,277	15,278	66,989	**2,311,159**
Accumulated depreciation	**-**	(237)	(1,988)	(44)	(140)	-	(167)	-	-	(8,915)	**-**	**(11,491)**
Carrying amount 2022/23	**55,267**	**6,592**	**446**	**452,494**	**171,758**	**672,388**	**846,172**	**17,922**	**3,277**	**6,363**	**66,989**	**2,299,668**
Opening net book value	55,070	6,488	466	408,131	152,966	607,123	767,248	16,447	2,743	5,864	50,995	**2,073,541**
Additions	-	-	-	416	676	-	153	-	-	-	29,500	**30,745**
Disposals	(31)	-	-	(430)	(90)	-	(15)	-	-	(346)	-	**(912)**
Transfer between asset classes	228	(29)	9	461	6	-	(469)	-	-	(9)	**-**	**197**
Revaluation	-	478	-	49,731	19,612	70,784	93,844	2,368	393	-	-	**237,210**
Depreciation	-	(383)	(57)	(11,171)	(5,050)	(6,428)	(15,389)	(893)	(123)	(1,381)	-	**(40,875)**
WIP movement	-	38	28	5,356	3,638	909	800	**-**	264	2,235	(13,506)	**(238)**
Closing carrying amount	**55,267**	**6,592**	**446**	**452,494**	**171,758**	**672,388**	**846,172**	**17,922**	**3,277**	**6,363**	**66,989**	**2,299,668**

Right of use assets not included in above table, see note 6.2.1

4.1.2 Initial recognition and subsequent measurement

Infrastructure, property, plant and equipment represent non-current assets and are grouped into the following classes comprising of; land, buildings, fixtures and fittings, urban water infrastructure, wastewater infrastructure, rural distribution infrastructure, headworks infrastructure, service concession assets, energy assets and plant, equipment and vehicles used by GWMWater in its operations. Intangible assets and investment properties are disclosed separately. Items with a useful life of more than one year and cost or fair value in excess of the values identified in the table below, are recognised as an asset. All other assets acquired are expensed.

The level at which expenditure is recognised as capital in each of these categories is consistent with the previous year and fall within the following ranges:

Asset Class	2023/24 $
Land	1
Buildings	1,000
Fixtures and fittings	100
Urban water infrastructure	1,000
Wastewater Infrastructure	1,000
Headworks infrastructure	1,000
Rural distribution infrastructure	1,000
Service concession assets	1,000
Energy assets	1,000
Plant, equipment and vehicles	100
Intangible assets	300
Investment properties	1,000
Right-of-use assets	10,000

Infrastructure, property, plant and equipment

Infrastructure, property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where assets acquired at no cost or nominal consideration, by GWMWater, the cost is its fair value at the date of acquisition.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Service Concession Asset

A Service Concession Asset (SCA) under AASB 1059 *Service Concession Assets: Grantors* is an asset other than goodwill, to which a private operator has right of access to provide public services on behalf of GWMWater in a service concession arrangement that:

- the operator constructs, develops, upgrades or replaces major components, or acquires from a third party or is an existing asset of the operator, or
- is an existing asset of GWMWater, including a previously unrecognised identifiable intangible asset and land under roads, or an upgrade to or replacement of a major component of an existing asset of the grantor.

GWMWater recognises a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of GWMWater, when GWMWater controls the asset. GWMWater controls or regulates the services the operator must provide with the asset, price, and any significant residual interest in the asset at the end of the term of the arrangement.

GWMWater initially measures Service concession assets at current replacement cost in accordance with the cost approach to fair value in AASB 13 *Fair Value Measurement*. Subsequent to the initial recognition, or

reclassification of the asset, GWMWater measures the service concession asset in accordance with AASB 116 or AASB 138 *Intangible Assets* as appropriate as relevant.

Where an existing asset of GWMWater is reclassified as a service concession asset, GWMWater measures the asset at current replacement cost as at the date of reclassification. Any difference between the fair value of the asset using current replacement cost and the carrying value of the asset being accounted for as if it were a revaluation is taken to the asset revaluation reserve.

After initial recognition, GWMWater depreciates the service concession asset over its useful life using the principles in AASB 116 *Property, Plant and Equipment*. SCAs are subject to revaluation as required by Financial Reporting Direction 103H Non-Financial Physical Assets (FRD 103). Refer to Note 6.3 Service concession arrangements for a summary of revaluation details by asset category with further details provided on accounting for revaluation in Note 7.3.2 Fair value determination: non-financial physical assets.

Motor Vehicles

Vehicles are valued using the current replacement cost method. GWMWater acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in GWMWater who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

4.1.3 Revaluation of infrastructure, property, plant and equipment

Non-financial physical assets are revalued at fair value every five years in accordance with the Government purpose classifications defined in Financial Reporting Direction 103 Non-Financial Physical Assets (FRD 103).

The Valuer-General Victoria (VGV) is the Government's independent valuation agency and is used by GWMWater to conduct these scheduled revaluations. Certain infrastructure assets are revalued using specialised advisors under the direction of the VGV.

Revaluations may occur more frequently if fair value assessments indicate material changes in values. In such instances, interim managerial revaluations are undertaken in accordance with the requirements of FRD 103. GWMWater in conjunction with VGV, monitors changes in the fair value of each asset class through relevant data sources, in order to determine whether a revaluation is required.

Refer to Note 7.3.2 Fair value determination: non-financial physical assets.

4.1.4 Accounting for revaluation movements

Infrastructure, property, plant and equipment
Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset).

Revaluation increases or decreases arise from differences between an asset's carrying value and its fair value.

Revaluation increases and decreases relating to individual assets in a class of PPE, are offset against other assets in that class but are not offset against assets in different classes. An asset revaluation surplus is not transferred to accumulated funds on the de-recognition of the related asset.

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

Revaluation decrements are recognised immediately as an expense, except to the extent that a credit balance exists in the asset revaluation reserve applicable to the same class of assets, in which case the decrement is debited directly to the asset revaluation reserve.

4.2 Depreciation and impairment

Depreciation and amortisation expenses

	2023/24	2022/23
	$'000	$'000
Buildings	377	383
Fixtures and fittings	55	57
Urban water infrastructure	12,830	11,171
Wastewater infrastructure	5,865	5,050
Headworks infrastructure	5,946	6,428
Rural distribution infrastructure	17,401	15,389
Service concession assets	1,030	893
Energy assets	168	123
Plant, equipment and vehicles	1,492	1,381
Intangibles	240	239
Right-of-use assets	76	47
Total depreciation and amortisation expenses	**45,480**	**41,161**

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated. Where assets have separate identifiable components that have distinct useful lives and/or residual values, a separate depreciation rate is determined for each component.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life, commencing from the time the asset is held ready for use.

Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset Class	Useful Life Years
Land	Indefinite
Buildings	10 - 50
Fixtures and fittings	5 - 45
Urban water infrastructure	10 - 350
Wastewater infrastructure	10 - 350
Headworks infrastructure	15-350 & Indefinite
Embankment excavation	15-350 & Indefinite
Earthern embankment	15-350 & Indefinite
Tunnel excavation	15-350 & Indefinite
Rural distribution infrastructure	10 - 350
Service concession assets	10 - 80
Energy assets	10 - 50
Plant, equipment and vehicles	3 - 50
Intangible assets - other than water entitlements	2 - 25
Intangible assets - water entitlements	Indefinite
Investment properties	N/A
Right-of-use assets	1 - 25

Indefinite life assets

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate. The impacts of the current economic climate and climate-related emerging risks were considered when estimating the useful life of these assets.

Land is considered to have an indefinite life and does not depreciate. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

Impairment

Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Whilst the potential risks and related opportunities from climate related change are considered as part of GWMWater's asset impairment review methodology and processes, based on what is currently known, it is not expected that climate risks will have a significant impact on GWMWater's principal activities, particularly from an asset impairment standpoint.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off, except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of current replacement cost and fair value less costs to sell. The impact of climate risk is not a key assumption in the current replacement cost and fair value less costs to sell. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business.

The recoverable amount of specialised non-cash-generating assets which are held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*.

4.3 Investment properties

Investment properties represent properties held to earn rentals or for capital appreciation or both, but exclude properties held to meet service delivery objectives of GWMWater.

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits, in excess of the originally assessed performance of the asset, will flow to GWMWater. Where an investment property is acquired at no cost or for nominal consideration, its cost shall be deemed to be its fair value as at the date of acquisition.

Subsequent to initial recognition at cost, investment properties are revalued to fair value with changes in the fair value recognised as revenue or expenses in the period that they arise. These properties are not depreciated nor tested for impairment.

An independent valuation of GWMWater's investment properties was performed by VGV, to determine the fair value. This conforms to Australian Valuation Standards, and was based on independent assessments with an effective date 30 June 2024. GWMWater will apply the revaluation policy to its investment properties as descripted in Note 4.1.3.

GWMWater has four investment properties; all investment properties were valued using market evidence to ascertain fair value. Fair value of investment properties are classified as level 2 in accordance with AASB

Standards. Inputs such as sales evidence and unit of value on a comparative basis ($ per m²), were used to evaluate these properties.

Rental revenue from the leasing of investment properties is recognised in the Consolidated Comprehensive Operating Statement in the periods in which it is receivable, as this represents the pattern of service rendered through the provision of the properties.

	Carrying Amount	Fair Value Measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
2023/24	**$'000**	**$'000**	**$'000**	**$'000**
Investment properties	964	-	964	-
Total fair value measurement of assets	**964**	**-**	**964**	**-**
2022/23				
Investment properties	964	-	964	-
Total fair value measurement of assets	**964**	**-**	**964**	**-**

	2023/24	2022/23
	$'000	$'000
Balance at beginning of financial year	964	1,059
Transfer to Land	-	(200)
Revaluation uplift	-	105
Balance at end of financial year	964	964

4.4 Intangible assets

	Opening Value	Additions	Disposals	Transfer	Amortisation	Closing Balance
2023/24	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Intangible assets						
Water entitlements	**6,706**	-	-	-	-	**6,706**
Software	402	156	-	-	(173)	385
Native Vegetation Offsets	150	-	(9)	-	-	141
Other – technical assessments	331	-	-	-	(67)	264
Total intangible assets	**7,589**	156	(9)	-	(240)	**7,496**
2022/23						
Intangible assets						
Water entitlements	**6,706**	-	-	-	-	**6,706**
Software	150	66	-	363	(177)	402
Native Vegetation Offsets	177	-	(33)	6	-	150
Other – technical assessments	468	294	-	(369)	(62)	331
Total intangible assets	**7,501**	**360**	**(33)**	**-**	**(239)**	**7,589**

Recognition and measurement

Intangible assets represent identifiable non-monetary assets without physical substance.

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- an intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement

A summary of the policies applied to GWMWater's intangible assets is as follows:

	Water Share Entitlements	***Software Costs***	***Other***
Useful lives	Indefinite	2-25 years	2-25 years
Amortisation method used	Not amortised	Straight line	Straight line
Internally generated/acquired	Acquired	Acquired	Internally generated and acquired
Impairment test/Recoverable amount testing	Annually and where an indicator of impairment exists	Annually and where an indicator of impairment exists	Annually and where an indicator of impairment exists

Software costs

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets.

Software as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Corporation with the right to access the cloud provider's application software over the contract period. As such the Corporation does not receive a software intangible asset at the contract commencement date.

The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

Recognise as another expense over the term of the service contract	• Customisation costs
Recognise as another expense as the service is received	• Licence fee for use of application software • Configuration costs • Data conversion and migration costs • Testing costs • Training costs

GWMWater made the following key judgements that may have the most significant effect on the

amounts recognised in the financial statements.

Determination whether configuration and customisation services are distinct from the SaaS access

Implementation costs including costs to configure or customise the cloud provider's application software are recognised as operating expenses as the costs do not meet the recognition criteria under AASB 138 Intangible Assets.

Where the SaaS arrangement supplier provides both configuration and customisation services, judgement has been applied to determine whether each of these services are distinct or not from the underlying use of the SaaS application software.

1. Distinct configuration and customisation costs are expensed as incurred as the software is configured or customised (i.e. upfront).
2. Non-distinct configuration and customisation costs are recognised as prepayments then expensed over the SaaS contract term.

Non-distinct customisation activities significantly enhance or modify a SaaS cloud-based application.

During the financial year, $nil prepayments in respect of configuration and customisation activities undertaken in implementing SaaS arrangements.

Capitalisation of configuration and customisation costs in SaaS arrangements

In implementing SaaS arrangements, the Corporation has developed software code that either enhances, modifies or creates additional capability to the existing owned software. This software is used to connect with the SaaS arrangement cloud-based application.

Judgement has been applied in determining whether the changes to the owned software meets the definition of and recognition criteria for an intangible asset in accordance with AASB 138 Intangible Assets. During the financial year, the Corporation recognised $0.156 million as intangible assets in respect of customisation and configuration costs incurred in implementing SaaS arrangements.

Permanent water entitlements

Permanent water entitlements purchases are treated as an intangible asset on the Balance Sheet at cost (in accordance with AASB 138 *Intangible Assets* and FRD 109 *Intangible Assets*), and will not be subject to amortisation or revaluation, as permanent water entitlements have an indefinite life. Permanent entitlements will be tested annually for impairment.

Impairment of intangible assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in the above table.

4.5 Net gain/(loss) on disposal of non-current assets

The surplus/(deficit) from ordinary activities includes the following net gains and expenses.

	2023/24 $'000	2022/23 $'000
Proceeds on disposal of non-financial assets	1,105	385
Less written down value on disposal	(1,633)	(946)
Total net (loss) on disposal of non-current assets	**(528)**	**(561)**

5 OTHER ASSETS AND LIABILITIES

Introduction

This section sets out those assets and liabilities that arose from GWMWater's operations and the delivery of services.

5.1 Receivables

	2023/24 $'000	2022/23 $'000
Receivables - current		
Contractual receivables		
Service and usage charges debtors	11,564	10,725
Pensioner debtors	14	34
Other debtors	8,088	911
Allowance for expected credit losses	(522)	(335)
Statutory receivables		
GST receivable	516	508
Total receivables - current	**19,660**	**11,843**
Receivables - non-current		
Contractual receivables		
Sewerage schemes	579	778
Total receivables - non-current	**579**	**778**
Total receivables	**20,239**	**12,621**

Receivables consist of:

Expense	Initial measurement	Subsequent measurement
Contractual receivables (other receivables and loans)	Recognised at fair value plus any directly attributable transaction costs. GWMWater holds contractual receivables with the objective of collecting the contractual cash flows.	Classified as a financial instrument and measured at amortised cost, less any expected credit loss.
Service and usage charges debtors	Measured at transaction price, unless they contain a significant financing component, when they are recognised at fair value. GWMWater does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year.	Amortised cost less any expected credit loss.
Statutory receivables	Recognised at fair value plus any directly attributable transaction costs.	Amortised cost less any expected credit loss.

The carrying amount at amortised cost is the reasonable approximation of fair value.

5.1.1 Impairment of contractual receivables

GWMWater applies the AASB 9 simplified approach to measure expected credit losses (ECL) which uses a lifetime expected loss allowance for contractual and statutory receivables.

On that basis the loss allowance as at 30 June 2024 was determined as follows for receivables – service and usage charges and other receivables:

2023/24	Current $000	1-3 Months $'000	3 months -1 year $'000	Greater than 1 year $'000	Total $'000
Expected loss rate	0.05%	1.45%	1.27%	6.71%	
Gross carrying amount - rates and charges	7,727	2,112	3,165	6,662	19,666
Loss allowance	(4)	(31)	(40)	(447)	(522)
2022/23					
Expected loss rate	0.01%	0.09%	1.28%	5.88%	
Gross carrying amount - rates and charges	495	2,329	2,924	5,011	10,759
Loss allowance	0	(2)	(37)	(295)	(334)

Receivables from service and usage charges are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, and the failure of a debtor to engage in a repayment plan.

Loss allowance on receivables from service and usage charges are presented in administrative and other operating expenses within the Consolidated Comprehensive Operating Statement.

No interest is charged for the first 28 days from the invoice date. Thereafter, interest is charged at 6.9 per cent on the outstanding balance. The average credit period for sales of goods / services and for other receivables is 73 days. There are no material financial assets that are individually determined to be impaired.

Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line.

5.2 Contract Assets

	2023/24 $'000	2022/23 $'000
Accrued revenue	4,426	3,760
Total contract assets	**4,426**	**3,760**

Contract asset	Description	Recognition
Contract assets relating to service and usage charges - Accrued revenue	Accrued revenue is recognised for water and sewage usage as well as other works and services that have been provided to customers at balance date but not yet invoiced.	Usage charges are all recognised as revenue when the service has been provided. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when GWMWater issues an invoice to the customer.

5.3 Payables

	2023/24 $'000	2022/23 $'000
Contractual payables		
General creditors	1,200	318
Accrued expenditure	5,820	9,544
Other payables	974	786
Total payables - current	**7,994**	**10,648**

Payables	Description	Recognition
Contractual payables	Liabilities for goods and services provided to GWMWater prior to the end of the financial year that are unpaid.	Classified as financial instruments and measured at amortised cost.

Payables are unsecured and are usually paid within 28 days of recognition. The terms and conditions of amounts payable to the government and agencies vary according to the particular agreements and as they are not legislative payables, statutory payables are not classified as financial instruments.

5.3.1 Ageing analysis of contractual payables

	Carrying amount	Nominal amount	Maturity Date			
			Less than 1 Month	1-3 Months	3 months - 1 year	Greater than 1 year
2023/24	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
General creditors	1,200	1,200	1,200	-	-	-
Accrued expenses	5,820	5,820	5,820	-	-	-
Other payables	974	974	521	-	452	1
	7,994	**7,994**	**7,541**	**-**	**452**	**1**
2022/23						
General creditors	318	318	318	-	-	-
Accrued expenses	9,544	9,544	9,544	-	-	-
Other payables	786	786	481	-	304	1
	10,648	**10,648**	**10,343**	**-**	**304**	**1**

5.4 Contract Liabilities

	2023/24 $'000	2022/23 $'000
Service usage charges - customer paid in advance	2,199	1,909
Contributions - unearned income	25	15
Grants received in advance	323	726
Total current contract liabilities	**2,547**	**2,650**

Contract liabilities	Description	Recognition
Contract liabilities relating to service usage charges - Customers paid in advance	Payments received in advance of the provision of goods or services or performance obligation yet to be performed by GWMWater to settle the terms of receipt of income.	Recognised as revenue, once it has performed the performance obligations associated with the payments.
Contract liabilities relating to contributions - Unearned Income	Payments received for developer contributed assets, new customer contributions and application fees in the reporting period, where the performance obligations are outstanding at balance date.	Recognised as revenue, once it has performed the performance obligations associated with the payments
Contract liabilities relating to other income/grants	Payments received for other goods and services (e.g. rental), where the performance obligations are outstanding at balance date.	Recognised as revenue, once it has performed the performance obligations associated with the payments

5.5 Inventories

	2023/24	2022/23
	$'000	$'000
Maintenance stock	2,704	2,503
Total inventories	**2,704**	**2,503**

Inventories comprise stores and materials used in the construction of new works and for the repair and maintenance of existing assets. These inventories are held for consumption in the ordinary course of business operations and measured at the lower of cost and net realisable value. Costs are assigned to inventory quantities on hand at balance date on a weighted average cost (WAC) basis.

Inventories also include goods held for distribution at no or nominal cost. Inventories held for distribution are measured at cost, adjusted for any loss of service potential.

Basis used in assessing loss of service potential for inventories held for distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

6 HOW WE FINANCED OUR OPERATIONS

Introduction

This section provides information on the sources of finance used by GWMWater during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the GWMWater.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 7.1 provides additional, specific financial instrument disclosures.

6.1 Interest bearing liabilities

	2023/24 $'000	2022/23 $'000
Current interest bearing liabilities		
Borrowings - current (i)	17,532	9,500
Financial liabilities – Service concession arrangements	1,337	1,085
Total current interest bearing liabilities	**18,869**	**10,585**
Non-current interest bearing liabilities		
Borrowings - non-current (i)	113,900	116,400
Finance liabilities – Service concession arrangements	1,479	2,937
Total non-current interest bearing liabilities	**115,379**	**119,337**
Total interest bearing liabilities	**134,248**	**129,922**

(i) Borrowings from Treasury Corporation Victoria (TCV) for the year ended 30 June 2024 is $131,432,143 (30 June 2023: $125,900,000) These borrowings are secured by the Victorian Government.

Interest bearing liabilities are initially recognised at the fair value of the consideration received less directly attributable transaction costs. Financial liabilities – service concession arrangements are measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between GWMWater and the operator. Interest bearing liabilities are subsequently measured at amortised cost. Any difference between the initial amount recognised (net of transaction costs) and the redemption amount is recognised in the Consolidated Comprehensive Operating Statement over the period of the interest-bearing liabilities, using the effective interest method.

GWMWater has classified borrowings which mature within 12 months as non-current liabilities on the basis that GWMWater will and has discretion to refinance or rollover these loans with the Treasury Corporation of Victoria, pursuant to section 8 of the *Borrowings and Investment Powers Act 1987.*

6.1.1 Maturity analysis of interest bearing liabilities

	Carrying amount	Nominal amount	Maturity Date			
			Less than 1 Month	1-3 Months	3 months - 1 year	1 - 20 years
2023/24	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Borrowings – TCV	131,432	131,432	-	10,532	7,000	113,900
Financial liabilities - Service concession arrangements	2,816	2,816	107	215	1,015	1,479
	134,248	**134,248**	**107**	**10,747**	**8,015**	**115,379**
2022/23						
Borrowings – TCV	125,900	125,900	-	4,500	5,000	116,400
Financial liabilities – Service concession arrangements	4,022	4,022	96	194	795	2,937
	129,922	**129,922**	**96**	**4,694**	**5,795**	**119,337**

6.1.2 Interest expense

	2023/24	2022/23
	$'000	**$'000**
Interest paid/payable	5,378	4,373
Financial accommodation levy	1,400	1,274
Interest on financial liabilities – service concession arrangements/leases	279	361
Total interest expenses	**7,057**	**6,008**

Interest expense includes costs incurred in connection with the borrowing of funds. Interest costs include interest on bank overdrafts, short term and long-term borrowings, financial liabilities recognised for service concession arrangements, amortisation of discounts or premiums relating to borrowings and lease charges.

Financial accommodation levy is a levy applied to the Corporation to remove the market advantage that government entities may experience in borrowings as a result of being guaranteed by the State of Victoria. The financial accommodation levy is a commercial rate charged for new borrowings based on the Corporation's underlying credit rating and is paid into the State's Consolidated Fund in accordance with section 40N of the Financial Management Act 1994 in respect of financial accommodation provided to the Corporation by the State Government of Victoria.

Interest expense is recognised in the period in which it is incurred and measured at fair value.

6.2 Leases

Information about leases for which GWMWater is a lessee is presented below:

GWMWater's leasing activities

GWMWater leases various properties and IT equipment. The lease contracts are typically made for fixed periods of one to ten years with an option to renew the lease after that date. Lease payments for properties are renegotiated regularly to reflect market rentals.

Leases of IT equipment with contract terms are either short-term and or/leases of low-value items. GWMWater has elected not to recognise right-of-use assets and lease liabilities for these leases.

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

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

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

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where GWMWater obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life. While GWMWater revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by GWMWater.

GWMWater applies the fair value model in AASB 140 *Investment Property* to its investment property, including right-of-use assets that meet the definition of investment property in AASB 140.

GWMWater applies the revaluation model in AASB 116 to right-of-use assets that relate to a class of property, plant and equipment. The revaluation model is applied to all of the right-of-use assets that relate to that class of property, plant and equipment.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across GWMWater. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by GWMWater and not by the respective lessor.

Residual value guarantee

To optimise lease costs during the contract period, GWMWater sometimes provides residual value guarantees in relation to equipment leases.

Critical judgements in determining the lease term

In determining the lease term, GWMWater considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

Definition of a lease

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition GWMWater assesses whether the contract meets three key evaluations:

- Whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to GWMWater and for which the supplier does not have substantive substitution rights;
- Whether GWMWater has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and GWMWater has the right to direct the use of the identified asset throughout the period of use; and
- Whether GWMWater has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or GWMWater's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- payments arising from purchase and termination options reasonably certain to be exercised; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Consolidated Comprehensive Operating Statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

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

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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

- variable lease payments;
- extension options and termination options;
- residual value guarantees.

6.2.1 Right-of-use assets

	2023/24 $'000	2022/23 $'000
Carrying amount as at 1 July at cost	32	79
Additions to right-of-use assets	841	-
Depreciation expense	(76)	(47)
Carrying amount at end of year	**797**	**32**
Total as at 30 June represented by:		
Cost	1,135	294
Less: Accumulated depreciation	(338)	(262)
Carrying amount at end of year	**797**	**32**

6.2.2 Amounts recognised in the Consolidated Comprehensive Operating Statement

The following amounts are recognised in the Consolidated Comprehensive Operating Statement relating to leases.

	2023/24 $'000	2022/23 $'000
Interest on lease liabilities	18	14
Depreciation on ROU Assets	76	47
Total	**94**	**61**

6.2.3 Lease liabilities recognised in the Consolidated Balance Sheet

The balance sheet shows the following amounts relating to leases.

	2023/24 $'000	2022/23 $'000
Current	44	18
Non-Current	694	94
Total lease liabilities	**738**	**112**

6.2.4 Amounts recognised in the Consolidated Statement of Cash Flows

The following amounts are recognised in the Consolidated Statement of Cashflows relating to leases.

	2023/24 $'000	2022/23 $'000
Total cash outflow for leases	96	85

6.3 Service concession arrangements

GWMWater sometimes enters into arrangements with private sector participants to design and construct or upgrade assets used to provide public services. These arrangements usually include the provision of operational and maintenance services for a specified period of time. These arrangements are often referred to as public private partnerships (PPPs).

In 1999 GWMWater entered into a Water Treatment Services Agreement (WTSA) with Aquatower Pty Ltd to provide water treatment services to Ararat, Stawell, Halls Gap, Great Western and Pomonal.

The WTSA relates to the construction of four water treatment plants on a Build Own Operate/Transfer (BOOT) basis. The contract term for the WTSA is 25 years. Under the contract, the GWMWater will pay a volumetric charge for water treated as metered at the point of delivery to GWMWater's reticulation system. At the end of the 25 year period, ownership of the water treatment plants reverts to the GWMWater for one dollar.

Under the WTSA the assets are accounted as Service Concession Arrangement as the ownership of the assets will transfer to GWMWater at the end of the contract and GWMWater has control of the public services provided by Aquatower. Toll payments under the agreement are based solely on the volume of water treated and toll reductions apply for excursions from agreed water quality parameters. The risks assumed by the contractor under the agreement include raw water supply risk, demand risk, raw water quality risk and risk of technical obsolescence.

Beijing Enterprises Water Group International Pte Ltd, a Singaporean wholly owned subsidiary of Beijing Enterprises Water Group Limited, purchased all of the issued shares of Aquatower Pty Ltd on 5 September 2017. This transaction was not finalised until early 2018 as all the entities that held a contract with Aquatower were required to consent. GWMWater forwarded its consent on 18 January 2018.

GWMWater has adopted AASB 1059 *Service Concession Arrangements: Grantors* to account for PPP arrangements that meet the definition of a service concession arrangements (SCAs) in accordance with AASB 1059. Where a PPP is not considered a SCA, GWMWater determines whether the arrangement is a lease (and accounted for under AASB 16) or a construction contract (and accounted for under AASB 116 and AASB 9) and accounts for them under those relevant standards.

GWMWater uses the 'financial liability' model, the Entity pays the operator over the arrangement period, subject to specified performance criteria being met. At the date of commitment to the principal provisions of the arrangement, these estimated periodic payments are allocated between a component related to the design and construction or upgrading of the asset, and the components related to the ongoing operation and maintenance of the asset.

GWMWater in a service concession arrangement recognises a service concession liability (SCL) at the same amount as the SCA asset, adjusted by the amount of any other consideration from the grantor to the operator, or from the operator to the grantor. Therefore, any State contributions made prior to the recognition of the liability would reduce this amount (see note 4.1.1 for SCA assets).

However, when GWMWater reclassifies an existing asset as a SCA, no liability is recognised unless additional consideration is provided by the operator. Instead, the Corporation will recognise a SCA asset and a corresponding SCL for the amounts spent on upgrade/expansion work.

After initial recognition, GWMWater will determine if the liability represents a Financial liability. Where GWMWater has a contractual obligation to pay to the operator as compensation for providing the SCA, it is measured as a liability in accordance with AASB 9 Financial Instruments. Interest is charged on the liability of some SCAs, refer to Note 6.1.2 Interest expense. The liability will be increased by interest charges, based on the interest rate implicit in the arrangement. Where the interest rate is not specified in the arrangement, prevailing market rate of interest for a similar instrument with similar credit ratings should be used. Refer to Note 6.1 Interest bearing liabilities for the amounts disclosed as financial liability.

Subsequently, the liability will also be reduced by any payments made by the State to the operator if required by the contract.

The table below illustrates commitments for service concession arrangements – water treatment service agreement.

	Minimum future financial payments		Present value of minimum future financial payments	
	2023/24	2022/23	2023/24	2022/23
	$'000	$'000	$'000	$'000
Less than 1 year	1,503	1,467	1,337	1,206
Between 1 year and 5 years	1,540	3,043	1,479	2,816
Over 5 years	-	-	-	-
Minimum financial payments	**3,043**	**4,510**	**2,816**	**4,022**
Less future interest charged in accounts	(227)	(488)	-	-
Total future financial liabilities payments	**2,816**	**4,022**	**2,816**	**4,022**
Representing financial liabilities – Service concession arrangements				
Current			1,337	1,206
Non-current			1,479	2,816
Total financial liabilities			**2,816**	**4,022**

6.4 Cash flow information and balances

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

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as current borrowings on the balance sheet, as indicated in the reconciliation below.

	2023/24 $'000	2022/23 $'000
Cash at bank	995	19,128
Short – term deposits	1,186	1,142
Cash and deposits	**2,181**	**20,270**

6.4.1 Reconciliation of net result for the period to cash flow from operating activities

	2023/24 $'000	2022/23 $'000
Net result for the year after tax	(16,572)	(13,378)
Non-cash movements:		
Assets acquired for nil consideration	(1,234)	(1,245)
Depreciation and amortisation	45,480	41,161
Loss on disposal of fixed assets	528	561
Gain on revaluation of investment properties	-	(105)
Increase/(decrease) in allowance for credit loss	188	(342)
Change in assets and liabilities:		
(Increase)/decrease in receivables	(1,618)	630
(Increase)/decrease in contract assets	(666)	447
(Increase)/decrease in prepayments	15	(181)
Increase/(decrease) in operating payables	(2,654)	1,188
Increase/(decrease) in employee provisions	7	96
Increase/(decrease) in lease liabilities	636	64
Increase/(decrease) in contract liabilities	(103)	(1,062)
Increase/(decrease) in inventory	201	(143)
Increase/(decrease) in tax liabilities	(6,968)	(5,868)
Net cash provided by operating activities	**17,240**	**21,823**

6.5 Total Commitments Payable

2023/24	Less than1 year	Between 1and 5 years	Over 5 years	Total
	$'000	**$'000**	**$'000**	**$'000**
Service concession	1,337	1,479	-	**2,816**
Capital commitments	26,945	1,000	-	**27,945**
Other commitments	657	4,968	-	**5,625**

2022/23	Less than1 year	Between 1and 5 years	Over 5 years	Total
	$'000	**$'000**	**$'000**	**$'000**
Service concession	1,206	2,816	-	**4,022**
Capital commitments	12,898	154	-	**13,052**
Other commitments	1,625	585	-	**2,210**

6.5.1 Capital commitments

	2023/24	2022/23
	$'000	**$'000**
East Grampians Rural Pipeline	309	534
Construction of Lake Fyans Pump Station	4,979	-
Dimboola WTP Capacity Upgrade	-	2,762
Design & Construction for Nhill Renewable Energy Facility	12,091	-
Horsham SmartWater Integrated Water Transfer System	-	1,590
Design & Construction of the Kaniva Drinking Water Supply & Pipeline	6,728	1,107
EGRP Traditional Owners CHMP's	501	-
Decommissioning of Road Structures	490	490
Sewer Main Renewals 2022/23	346	-
Bennett Road Rising Main Extension	251	-
Horsham Wastewater Treatment Plant DAF Plant	-	937
Ararat Reclaimed Water Supply Network Upgrades	-	403
Ouyen WWTP Reclaimed Water Reuse – Mechanical Irrigation	240	-
Elmhurst Drinking Water Upgrade	-	909
Donald WWTP Upgrade - Construction of Lagoon Upgrade	235	-
Horsham Sewer Pump Station	-	1,073
Water Main Renewals	132	405
Other works	1,643	2,842
Total capital commitments	**27,945**	**13,052**

These commitments are recorded at their nominal value and inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the Consolidated Balance Sheet.

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

GWMWater is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for GWMWater related mainly to fair value determination.

7.1 Interest bearing liabilities

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

These financial instruments include:

Financial assets	*Financial liabilities*
Cash and deposits	Payables:
Receivables (excluding statutory receivables)	For supplies and services
Term deposits	Other payables
	Interest bearing liabilities:
	Borrowings
	Service concession liability
	Lease liabilities

Due to the short-term nature of the financial assets and liabilities held by GWMWater, their carrying value is assumed to approximate their fair value.

Categories of financial instruments

Financial instrument	Initial measurement	Subsequent measurement
Financial assets at amortised cost		
Financial assets include: • receivables • cash and deposits; and • term deposits;	Fair value plus or minus any directly attributable transaction costs	Amortised cost only using the effective interest rate method less impairment if both of the following criteria are met: • the asset is held within a business model whose objective is to collect the contractual cash flows, and • the contractual terms give rise to cash flows that are solely payments of principal and interest
Financial liabilities at amortised cost		
Financial liabilities include: • Payables (excluding statutory payables) • Service Concession arrangements and; • Borrowings (including lease liabilities) .	Fair value plus or minus any directly attributable transaction costs	Amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the profit and loss, over the period of the interest-bearing liability using the effective interest rate method

Offsetting financial instruments

Financial instrument assets and liabilities are offset, and the net amount presented in the Consolidated Balance Sheet when, and only when, GWMWater has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where GWMWater does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

Derecognition of financial assets and liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- GWMWater retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- GWMWater has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset; or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where GWMWater has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of GWMWater's continuing involvement in the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Impairment of financial assets

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

GWMWater records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9's impairment assessment includes GWMWaters contractual receivables, statutory receivables and its investment in debt instruments. Although not a financial asset, contract assets recognised applying AASB 15 (refer to Note 7.3.1 Fair value of financial instruments measured at amortised cost) are also subject to impairment however it is immaterial. Equity instruments are not subject to impairment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*. Impairment losses are recognised in the Consolidated Comprehensive Operating Statement. Impairment losses recognised in the Consolidated Comprehensive Operating Statement on equity instruments classified as available for sale are not reversed through Consolidated Comprehensive Operating Statement.

7.1.1 Financial instruments: Categorisation

All financial assets and financial liabilities of GWMWater are measured at amortised cost in line with AASB 9 *Financial Instruments.*

7.1.1.1 Interest rate risk and exposure of contractual financial assets

	Carrying amount $'000	Weighted average effective interest rate	Interest rate risk				Interest rate exposure		
			-1%		+1%		Fixed interest rate $'000	Variable interest rate $'000	Non-interest bearing $'000
2023/24			Result $'000	Equity $'000	Result $'000	Equity $'000			
Financial assets									
Cash and cash equivalents ^	2,181	3.8%	(22)	(22)	22	22	-	2,181	-
Rates and charges debtors *	11,042	0.0%	-	-	-	-	-	-	11,042
Pensioner rebate debtors	14	0.0%	-	-	-	-	-	-	14
Other debtors	8,088	0.0%	-	-	-	-	-	-	8,088
Private schemes	579	3.4%	-	-	-	-	579	-	-
Accrued income	4,426	0.0%	-	-	-	-	-	-	4,426
	26,330						**579**	**2,181**	**23,570**
2022/23									
Cash and cash equivalents ^	20,270	4.06%	(202)	(202)	202	202	-	20,270	-
Rates and charges debtors *	10,390	0.00%	-	-	-	-	-	-	10,390
Pensioner rebate debtors	34	0.00%	-	-	-	-	-	-	34
Other debtors	911	0.00%	-	-	-	-	-	-	911
Private schemes	778	3.26%	-	-	-	-	778	-	-
Accrued income	3,760	0.00%	-	-	-	-	-	-	3,760
	36,143						**778**	**20,270**	**15,095**

** Rates and charges debtors are net of provisions.*

^ All Cash and cash equivalents are held in financial institutions with an AAA credit quality rating.

7.1.1.2 Interest rate risk and exposure of contractual financial liabilities

2023/24	Carrying amount $'000	Weighted average effective interest rate	Interest rate risk				Interest rate exposure		
			-1%		+1%		Fixed interest rate $'000	Variable interest rate $'000	Non-interest bearing $'000
			Result $'000	Equity $'000	Result $'000	Equity $'000			
Financial liability									
General creditors	1,200	0.0%	-	-	-	-	-	-	1,200
Borrowings – TCV	131,432	3.7%	1,314	1,314	(1,314)	(1,314)	131,432	-	-
Finance liabilities – Service concession arrangement	2,816	7.5%	-	-	-	-	2,816	-	-
Accrued expenditure	5,820	0.0%	-	-	-	-	-	-	5,820
Other payables	974	0.0%	-	-	-	-	-	-	974
	142,242		**-**	**-**	**-**	**-**	**134,248**	**-**	**7,994**
2022/23									
General creditors	318	0.0%	-	-	-	-	-	-	318
Borrowings – TCV	125,900	3.7%	1,259	1,259	(1,259)	(1,259)	125,900	-	-
Finance liabilities –Service concession arrangement	4,022	7.5%	-	-	-	-	4,022	-	-
Accrued expenditure	9,544	0.0%	-	-	-	-	-	-	9,544
Other payables	786	0.0%	-	-	-	-	-	-	786
	140,570		-	-	-	-	**129,922**	**-**	**10,648**

^ *Unsecured advance which bears no interest from the DELWP under the Greener Government Building Program. The remaining term of the advance is 1 years.*

7.1.2 Financial risk management objectives and policies

GWMWater's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. As a whole, GWMWater's financial risk management program seeks to manage these risks and the associated volatility of its financial performance. The main purpose in holding financial instruments is to prudentially manage GWMWater's financial risks within the government policy parameters. GWMWater's main financial risks include credit risk, liquidity risk and interest rate risk.

Risk management is carried out by a central treasury Corporation (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with GWMWater's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Credit risk

Credit risk is the risk of financial loss to GWMWater as a result of a customer or counterparty to a financial instrument failing to meet its contractual obligations. Credit risk arises principally from GWMWater's receivables.

GWMWater's exposure to credit risk is influenced by the individual characteristics of each customer. The receivable balance consists of a large number of residential and business customers which are spread across a diverse range of industries. Receivable balances are monitored on an on-going basis to ensure that exposure to bad debts is not significant.

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables. Refer to section 5.1.1.

Contract financial assets (e.g. receivables) are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in section 7.2.1 Contingent assets, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents GWMWater's maximum exposure to credit risk without taking account of the value of any collateral obtained.

GWMWater is continuously monitoring and assessing its credit risk profile due to the current economic impacts affecting customers. As a result, GWMWater has adjusted the credit risk profile in assessing the expected loss allowance in 2023-24 (refer to Note 5.3.1 Ageing analysis of contractual payables).

At 30 June 2024, GWMWater has no other significant credit risk. There has been no material change to GWMWater's credit risk profile in 2023-24.

Climate related risk

Climate change is a risk to GWM Water. Climate change risk includes the physical risk which can cause direct damage to assets or property as a result of rising global temperatures as well as transition risks which arise from the transition to low-carbon economy.

GWMWater will further enhance the understanding of exposure of climate change risk in the process of executing the GWMWater's climate change action plan over the next 5 years. As at 30 June 2024, the Directors considered climate-related risk in the preparation of the financial statements.

Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. GWMWater's policy is to settle financial obligations within 30 days and in the event of dispute make payments within 30 days from the date of resolution.

GWMWater is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees.
GWMWater manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.
GWMWater obtains annual approval from the Treasurer of Victoria for new borrowings, borrowings to refinance maturing and non-maturing loans and temporary purpose borrowing facilities.

GWMWater manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- careful maturity planning of its financial obligations based on forecasts of future cash flows; and
- a high credit rating for the State of Victoria (Moody's Investor Services and Standard & Poor's triple-A, which assists in accessing debt market at a lower interest rate).

GWMWater's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Market risk

Market risk is the risk that changes in market prices will affect the fair value or future cash flows of GWMWater's financial instrument.

Market risk comprises of interest rate risk, foreign exchange risk and another price risk. GWMWater's exposure to market risk is primarily though interest rate risk, there is no exposure or insignificant exposure to foreign exchange risk and insignificant exposure to other price risks.

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

(a) Interest rate risk

GWMWater's exposure to market interest rates relates primarily to GWMWater's long-term interest-bearing liabilities and funds invested on the money market. The interest rate on GWMWater's long-term interest-bearing liabilities is fixed and therefore GWMWater is not exposed to any material interest rate risk.

.

7.2 Contingent assets and contingent liabilities

Contingent assets and liabilities are not recognised in the Consolidated Balance Sheet but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

7.2.1 Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

As at 30 June 2024 there are no known contingent assets.

7.2.2 Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
  - the amount of the obligations cannot be measured with sufficient reliability.

As at 30 June 2024 there are no known contingent liabilities.

7.3 Fair value determination

This section sets out information on how GWMWater determined fair value for financial reporting purposes.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:
- financial assets and liabilities at fair value through operating result;
- land, buildings, infrastructure, plant and equipment;
- investment properties.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes.

GWMWater determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required

Fair value hierarchy

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

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

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

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

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
  - a reconciliation of the movements in fair values from the beginning of the year to the end; and
  - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 7.3.1) and non-financial physical assets (refer to Note 7.3.2).

7.3.1 Fair value of financial instruments measured at amortised cost

	Carrying amount 2024 $'000	Fair value 2024 $'000	Carrying amount 2023 $'000	Fair value 2023 $'000
Financial liabilities				
Lease liabilities	738	738	112	112
Service concession financial liability	2,816	2,816	4,022	4,022
Loans from TCV	131,432	131,432	125,900	125,900

The carrying amount of financial assets as stated in 7.1.1 are equivalent to their fair value.

7.3.2 Fair value determination: non-financial physical assets

Fair value measurement hierarchy for assets as at 30 June

	Carrying Amount	Fair Value Measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
2023/24	**$'000**	**$'000**	**$'000**	**$'000**
Land - specialised	55,333	-	-	55,333
Buildings - specialised	6,291	-	-	6,291
Fixtures and fittings	414	-	-	414
Infrastructure - urban water	449,137	-	-	449,137
Infrastructure - wastewater	170,448	-	-	170,448
Infrastructure - headworks	668,667	-	-	668,667
Infrastructure - rural distribution	830,422	-	-	830,422
Service concession assets	16,927	-	-	16,927
Energy assets	5,129	-	-	5,129
Plant and equipment	3,733	-	-	3,733
Vehicles	4,000	-	4,000	-
Total Fair value measurement of assets	**2,210,501**	**-**	**4,000**	**2,206,501**
2022/23				
Land - specialised	55,267	-	-	55,267
Buildings - specialised	6,592	-	-	6,592
Fixtures and fittings	446	-	-	446
Infrastructure - urban water	452,494	-	-	452,494

Infrastructure - wastewater	171,758	-	-	171,758
Infrastructure - headworks	672,388	-	-	672,388
Infrastructure - rural distribution	846,172	-	-	846,172
Service concession assets	17,922	-	-	17,922
Energy assets	3,277	-	-	3,277
Plant and equipment	3,382	-	-	3,382
Vehicles	2,981	-	2,981	-
Total fair value measurement of assets	**2,232,679**	**-**	**2,981**	**2,229,698**

Capital work in progress are also level 3 assets at fair value and are disclosed in Note 4.1.1

There have been no transfers between levels during the period.

The Valuer-General Victoria (VGV) is GWMWater's independent valuation agency in relation to valuation of property, plant and equipment and infrastructure.

GWMWater, in conjunction with VGV, monitors changes in the fair value of property, plant and equipment and infrastructure through relevant data sources to determine whether revaluation is required.
The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

Although it is intended that asset valuations will be based on a five year cycle, FRD 103 *Non financial physical assets* requires entities to perform annual fair value assessments for each class of non financial physical assets to determine whether additional revaluations need to be undertaken between revaluation cycles valuations.

Management performs interim valuations when the change is less than 40% and greater than 10% and triggers for FRD103 are met. GWMWater conducted an assessment at 30 June 2024. Based on review of indices it was determined that no revaluation was required in 2023/24 financial year.

Non-specialised land and non-specialised buildings

Non-specialised land and non-specialised buildings are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

An independent valuation was performed by VGV to determine fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From this analysis, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2021.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Specialised land and specialised buildings

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

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

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

An independent valuation of the GWMWater's specialised land and specialised buildings was performed by the Valuer General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation was 30 June 2021. In agreement with the VGV indices and guidance, a managerial revaluation of specialised land for the 2021/22 year and specialised buildings for the 2022/23 year was undertaken under FRD 103H.

Vehicles

Vehicles are valued at level two, using the replacement cost method. GWMWater acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the active market, is managed by experienced fleet managers at GWMWater who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Plant and equipment

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method. As plant and equipment are specialised in nature and modified to meet our requirements, fair value is measured at level three.

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

Infrastructure Assets

Infrastructure assets are valued using the current replacement cost method less all forms of obsolescence and depreciation. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset. Economic obsolescence has also been factored into the current replacement cost calculation.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction includes structure services and finishes as applicable.

An independent valuation of the GWMWater's water and sewer infrastructure was carried out by Price Waterhouse Coopers Tangible Asset Valuations and Advisory Services on behalf of the Valuer General Victoria as at 30 June 2021 GWMWater review infrastructure indexation factors and market information from major works to confirm the indices movement since the last valuation. A managerial revaluation of infrastructure assets was undertaken for the 2022/23 year under FRD 103.

These assets are classified as level 3 fair value as the lowest level input, the absence of an active market, has a significant impact on the fair value which is unobservable.

The assumptions applied to the valuations have been reviewed state-wide by VicWater, VGV and internally by GWMWater infrastructure and finance. The cost approach was used as the valuation technique, which reflects the amount that would be required currently to replace the service capacity of an asset.

Service concession assets

Service concession assets are valued using the current replacement cost method adjusted for the associated depreciation. Service concession assets are classified as level 3 fair value measurements as they contain significant unobservable inputs and adjustments.

Property, plant, equipment and infrastructure

7.3.3 Reconciliation of level 3 fair value movements

A reconciliation from the opening balances to the closing balances for fair value measurements categorised within Level 3 of the fair value hierarchy, disclosing separately changes during the period.

	Land Specialised	Buildings Specialised	Fixtures and Fittings	Infrastructure Urban Water	Infrastructure Waste Water	Infrastructure Headworks	Infrastructure Rural Distribution	Service concession assets	Energy assets	Plant and Equipment
2023/24	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Opening balance	55,267	6,592	446	452,494	171,758	672,388	846,172	17,922	3,277	6,363
Additions/(disposals)	66	82	19	9,401	4,555	2,219	1,723	35	2,020	2,866
Transfer between financial classes	-	(6)	4	72	-	6	(72)	-	-	(4)
Gains or losses recognised in net result										
Depreciation	-	(377)	(55)	(12,830)	(5,865)	(5,946)	(17,401)	(1,030)	(168)	(1,492)
Impairment loss	-	-	-	-	-	-	-	-	-	-
Subtotal	*55,333*	*6,291*	*414*	*449,137*	*170,448*	*668,667*	*830,422*	*16,927*	*5,129*	*7,733*
Revaluation	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-
Closing balance	**55,333**	**6,291**	**414**	**449,137**	**170,448**	**668,667**	**830,422**	**16,927**	**5,129**	**7,733**
2022/23										
Opening balance	55,070	6,488	466	408,131	152,966	607,123	767,248	16,447	2,743	5,864
Additions (disposals)	(31)	38	28	5,342	4,224	909	938	-	264	1,889
Transfers between financial classes	228	(29)	9	461	6	-	(469)	-	-	(9)
Gains or losses recognised in net result										
Depreciation	-	(383)	(57)	(11,171)	(5,050)	(6,428)	(15,389)	(893)	(123)	(1,381)
Impairment loss	-	-	-	-	-	-	-	-	-	-
Subtotal	*55,267*	*6,114*	*446*	*402,763*	*152,146*	*601,604*	*752,328*	*15,554*	*2,884*	*6,363*
Revaluation	-	478	-	49,731	19,612	70,784	93,844	2,368	393	-
Subtotal	-	*478*	-	*49,731*	*19,612*	*70,784*	*93,844*	*2,368*	*393*	-
Closing balance	**55,267**	**6,592**	**446**	**452,494**	**171,758**	**672,388**	**846,172**	**17,922**	**3,277**	**6,363**

Description of significant unobservable inputs to Level 3 valuations for 2023 and 2024

Asset Class	Examples of Types of Assets	Valuation Technique	Significant Inputs (Level 3 Only)
Specialised land	• Land subject to restriction as to use and/or sale • Land in areas where there is not an active market	Market Approach	• CSO Adjustments
Specialised buildings	• Specialised buildings with limited alternative uses and/or substantial customisation e.g. water treatment plant, water pump stations etc.	Current Replacement Cost	• Cost per square metre • Useful life
Fixtures and fittings	• Specialised items with limited alternative uses and/or substantial customisation	Current Replacement Cost	• Cost per square metre/unit • Useful life
Plant and equipment	• Specialised items with limited alternative uses and/or substantial customisation	Current Replacement Cost	• Cost per metre/unit • Useful life
Waste water infrastructure	• Waste water mains • Waste water treatment plants • Sewer pump stations	Current Replacement Cost	• Cost per unit/metre • Useful life
Urban water infrastructure	• Water mains • Water treatment plants • Water pump stations • Water bores • Water storages	Current Replacement Cost	• Cost per unit/metre • Useful life
Rural distribution infrastructure	• Pipeline • Channels and structures • Water (distribution) pump stations • Water bores • Water storages • Recycled water mains	Current Replacement Cost	• Cost per unit/metre • Useful life
Headworks infrastructure	• Major structures • Storages • Headworks channels and structures • Water pump stations • Water bores • Water storages	Current Replacement Cost	• Cost per unit/metre • Useful life
Service concession assets	• Water Treatment Service Agreement (WTSA)	Current Replacement Cost	• Cost per unit/metre • Useful life
Energy assets	• Solar panels • Specialised items with limited alternative uses and/or substantial customisation	Current Replacement Cost	• Cost per unit • Useful life

8 STATUTORY OBLIGATIONS

Introduction

This section included disclosures in relation to the GWMWater's statutory obligations.

8.1 Tax

GWMWater is subject to the National Tax Equivalent Regime (NTER), pursuant to section 88(1) of the *State Owned Enterprises Act 1992*, which is administered by the Australian Taxation Office (ATO).

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

8.1.1 Income tax

The income tax expense for the financial year differs from the amount calculated on the net result. The differences are reconciled as follows:

	2023/24	2022/23
Components of tax benefit	**$'000**	**$'000**
Income tax on profit before tax	6,968	5,868
Income tax revenue disclosed in Income Statement	**6,968**	**5,868**
Deferred income tax expense included in income tax expense comprises:		
(Decrease)/increase in deferred tax liabilities	(6,968)	(5,868)
	(6,968)	**(5,868)**
Reconciliation of income tax to prima facie tax payable		
Net result before income tax expense	(23,540)	(19,246)
Tax at the Australian tax rate of 30% (2022/23: 30%)	7,062	5,774
Adjustment in respect of income tax of previous year	(94)	94
Income tax on profit before tax	**6,968**	**5,868**
Tax expense (relating to items of other comprehensive income)		
Gain/(loss) on revaluation of property, plant, equipment and infrastructure	-	71,163

8.1.2 Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted at balance date. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

GWMWater's deferred tax liabilities exceed the level of deferred tax assets and therefore a net deferred tax liability has been disclosed in the Consolidated Balance Sheet.

Current and deferred tax is recognised in the Consolidated Comprehensive Operating Statement, except to the extent that it relates to items recognised in other Comprehensive Income or directly in Equity.

	2023/24 $'000	2022/23 $'000
The balance comprises (tax effect) of temporary differences in tax book attributable to:		
Amounts recognised in the comprehensive operating statement		
Cumulative tax losses	(143,546)	(142,859)
Depreciation	37,744	44,042
Provisions	(2,356)	(2,332)
Other net deferred tax liabilities/(assets)	17	(24)
	(108,141)	**(101,173)**
Amounts recognised directly in equity		
Revaluation of property, plant, equipment and infrastructure	363,211	363,211
Net deferred tax liabilities	**255,070**	**262,038**
Movements:		
Opening balance at 1 July	262,038	196,743
(Credited)/debited to the comprehensive operating statement	(6,968)	(5,868)
(Credited)/debited to other comprehensive income	-	71,163
Closing balance at 30 June	**255,070**	**262,038**
Deferred tax liabilities to be recovered within 12 months	**7,186**	-
Deferred tax liabilities to be recovered after more than 12 months	**247,884**	**262,038**

8.2 Environmental contributions

	2023/24 $'000	2022/23 $'000
Total environmental contribution levy	**2,601**	**2,601**

The *Water Industry (Environmental Contributions) Act 2004 (the Act)* amended the *Water Industry Act 1994* to make provision for environmental contributions to be paid by water authorities. The Act establishes an obligation for authorities to pay into a consolidated fund annual contribution for the first period, from 1 October 2004 to 30 June 2008 in accordance with the pre-established schedule of payments, which sets out the amounts payable by each Corporation. The contribution period has been extended until 30 June 2028.

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

GWMWater has a statutory obligation to pay an environmental contribution to the Department of Energy, Environment and Climate Action. This contribution is recognised as an expense during the reporting period as incurred.

8.2.1 Environmental contribution levy

At 30 June 2024, GWMWater had outstanding environmental contribution commitments, to be paid is follows:

	2023/24 $'000	2022/23 $'000
Not later than 1 year	2,478	2,601
Longer than 1 year and not longer than 5 years	7,434	-
Total environmental contribution levy commitments	**9,912**	**2,601**

9 OTHER DISCLOSURES

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

9.1 Equity

Consistent with the requirements of AASB 1004 *Contributions* and FRD 119A *Contributions by Owners* that is, contributed capital and its repayment are treated as equity transactions and, therefore, do not form part of the income and expenses of GWMWater.

9.1.1 Contributed capital

	2023/24 $'000	2022/23 $'000
Balance at 1 July	1,270,573	1,267,853
East Grampians Rural Water Supply Project - DEECA	6,000	-
Contributions for Horsham SmartWater project - DEECA	-	2,720
Balance at 30 June	**1,276,573**	**1,270,573**

Additions to net assets which have been designated as contributions by owners are recognised as contributed equity. Other transfers that are in the nature of contributions or distributions (capital repatriation) have been recognised in contributed equity.

9.1.2 Asset revaluation reserves

The asset revaluation reserve is used to record the asset revaluation increments and decrements in the value of non-current physical assets.

	2023/24 $'000	2022/23 $'000
Balance at 1 July	847,433	681,386
Gain on revaluation of property, plant, equipment and infrastructure	-	237,210
Tax effect on revaluation increment revenue/(expense)	-	(71,163)
Balance at 30 June	**847,433**	**847,433**

Representing asset revaluation reserves:	2023/24 $'000	2022/23 $'000
Land	33,256	33,256
Buildings	1,711	1,711
Urban water infrastructure	202,341	202,341
Wastewater infrastructure	50,226	50,226
Headworks infrastructure	277,815	277,815
Rural distribution infrastructure	281,809	281,809
Renewable energy	275	275
Balance at 30 June	**847,433**	**847,433**

9.1.3 Accumulated deficit

	2023/24 $'000	2022/23 $'000
Balance at 1 July	(182,613)	(169,235)
Net result for the period after income tax	(16,572)	(13,378)
Balance at 30 June	**(199,185)**	**(182,613)**

9.2 Events occurring after the balance date

The Department of Treasury and Finance (DTF) issued a $0.4m capital repatriation allocation statement to GWMWater, made pursuant to FRD 119 *Transfers through Contributed Capital* under the *Financial Management Act 1994.*

In accordance with FRD 119 paragraph 4.2(d) *Other transfers*, this allocation statement formally designates the payment of efficiency payment from GWMWater be accounted for as distributions to owners. Department of Energy, Environment and Climate Action (DEECA), being the portfolio department for GWMWater, will be the conduit for the transfer with a subsequent transfer of funds via the State to the DTF with an effective date of 5 July 2024.

The $0.4m efficiency payment was paid to DEECA on 31 July 2024, and will be reported in 2024-25 annual report.

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

9.3 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period, as required by AASB 124 *Related Party Disclosures.* The names of persons who held the positions of Ministers and Accountable Officers in GWMWater are as follows:

Name	***Title***	***Period of appointment***
The Hon. Harriet Shing MP	Minister for Water	Since June 2022
Mr. Peter Vogel	Chairperson of the Board	01 July 2023 - 30 September 2023
Ms. Caroline Welsh	Chairperson of the Board	01 October 2023 - 30 June 2024
Ms. Caroline Welsh	Board of Directors	01 July 2023 - 30 September 2023
Mr. David Jochinke	Board of Directors	01 July 2023 - 30 June 2024
Ms. Elisa De Wit	Board of Directors	01 July 2023 - 30 June 2024
Mr. Andrew Nicolaou	Board of Directors	01 July 2023 - 30 June 2024
Ms. Jennifer Comerford	Board of Directors	01 July 2023 - 30 September 2023
Ms. Judith Holt	Board of Directors	01 July 2023 - 30 June 2024
Mr. Paul Hardy	Board of Directors	01 October 2023 - 30 June 2024
Ms. Michelle Jackson	Board of Directors	01 October 2023 - 30 June 2024
Mr. Rod Jackson	Board of Directors	01 October 2023 - 30 June 2024
Mr. Mark Williams	Managing Director/Accountable Officer	01 July 2023 - 30 June 2024

All responsible persons list above are also considered as key management personnel and are included with in Note 9.5 Related parties.

9.3.1 Remuneration of responsible persons

The numbers of responsible persons are shown below in their relevant income bands (excluding the Responsible Minister).

			2023/24	**2022/23**
$		$	**No.**	**No.**
0	-	9,999	1	-
10,000	-	19,999	1	
20,000	-	29,999	2	-
30,000	-	39,999	5	6
70,000	-	79,999	1	1
330,000	-	339,999	-	1
370,000	-	379,999	1	-
Total			11	8

Total remuneration received or due and receivable to responsible persons from the reporting entity amounted to $700,438 (2022/23: $622,463). The Minister's remuneration is disclosed in the financial statements of the State's Annual financial report.

9.4 Remuneration of executives

The number of executive officers other than responsible officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 *Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long-service benefit or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

Executive remuneration	**2023/24 $'000**	**2022/23 $'000**
Short-term benefits	986	959
Post-employment benefits	106	94
Other long-term benefits	27	25
Total remuneration	1,119	1,078
Total number of executive officers	5	5
Total annualised employee equivalent	5	4

The total number of executive officers includes some persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (Note 9.5).

Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

9.5 Related parties

GWMWater is a wholly owned and controlled entity of the State of Victoria. Related parties of GWMWater include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of GWMWater, directly or indirectly, this comprises independent Directors and the Managing Director. Key management personnel (as defined in AASB 124 *Related Party Disclosures*) includes the Portfolio Minister, all Directors listed under responsible persons in Note 9.3 and members of the executive leadership team. The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 and is reported within the State's Annual Financial Report.

Key management personnel	2023/24 $'000	2022/23 $'000
Short-term benefits	1,617	1,535
Post-employment benefits	166	147
Other long-term benefits	37	34
Total remuneration	1,820	1,716
Total number of key management personnel	16	13

Total remuneration paid to KMPs employed as a contractor during the reporting period through an external service provider has been reported under short-term employee benefits.

9.6 Significant transactions with government-related entities

GWMWater received funding and made the following payments:

	2023/24 $'000	2022/23 $'000
Funding received from government authorities		
DEECA - contributed capital		
East Grampians Rural Water Supply Project	6,000	-
Horsham SmartWater project	-	2,720

GWMWater also had significant transactions with the following corporations

Treasury Corporation of Victoria (TCV) as outlined in Note 6.1 - Interest bearing liabilities

Department of Energy, Environment and Climate Action (DEECA) as outlined in Notes 6.1 Interest bearing liabilities and 8.2 Environmental contributions

Department of Families, Fairness and Housing (DFFH) pension concession rebates provided on behalf of customers

State Revenue Office (SRO) for payments of payroll tax

Agriculture Victoria (AgVic) for disbursement of grant funding for joint initiative in relation to Horsham Smartwater Agriculture and Integrated Water Management project

Victorian Auditor-General's Office (VAGO) for external audit fees as outlined in Note 9.7

Lake Fyan's Recreational Area Committee of Management –operation of Lake Fyans's Holiday Park as outlined in Note 2.1.3

Transactions with key management personnel and other related parties

Given the breadth and depth of GWMWater activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occurs on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements. Outside of normal citizen type transactions with GWMWater, there were no related party transactions that involved key management personnel and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.
Transactions with key management personnel and other related parties.

9.7 Remuneration of Victorian Auditor-General's Office

	2023/24 $'000	2022/23 $'000
Audit or review of the financial statements and performance statement	98	75

9.8 Controlled entities

The consolidated financial statements at 30 June 2024 include the following controlled entity. The financial year of the controlled entity is the same as that of the parent entity.

Controlled Entity	Place of incorporation
Lake Fyans Committee of Management Incorporated	Australia

The Lake Fyans Reserve is Crown Land, managed and operated by GWMWater as a water supply reservoir. The Lake Fyans Recreational Area Committee of Management Incorporated (LFRACoM) was constituted in 1978 through regulation pursuant to powers conferred by section 20A of the *Water Act 1958*, to oversee and manage the areas “above the water” of the Lake Reserve.

LFRACoM incorporated as an association, trading as Lake Fyans Committee of Management Inc, on 18 March 2011 under the *Associations Incorporation Reform Act 2012*. In March 2017, the Board of Directors resolved to appoint three officers of GWMWater as the Committee of Management of the Lake Fyans Recreational Area, under Section 122C (1)(b) of the *Water Act 1989*. This was for an interim period (applicable as at 30 June 2024), and that this Interim Management Committee be delegated the full functions and responsibilities of the LFRACoM.

Financial Information relating to Lake Fyans Recreational Area Committee of Management Incorporated

9.8.1 Balance sheet

	2023/24 $'000	2022/23 $'000
Current assets	1,480	1,385
Non-current assets	1,857	1,925
Total assets	**3,337**	**3,310**
Current liabilities	42	41
Total Liabilities	**42**	**41**
Accumulated surplus/(deficit)	3,295	3,269
Total Equity	**3,295**	**3,269**

9.8.2 Operating statement

	2023/24 $'000	2022/23 $'000
Revenue		
Revenue from operating activities	297	250
Total Revenue	**297**	**250**
Expenses		
Expenses from operating activities	271	157
Total Expenses	**271**	**157**
Total Profit (Loss)	**26**	**93**

9.9 Parent entity information – Grampians Wimmera Mallee Water Corporation

	2023/24 $'000	2022/23 $'000
Current assets	28,043	37,558
Non-current assets	2,301,256	2,307,106
Total assets	**2,329,299**	**2,344,664**
Current liabilities	36,029	30,577
Non-current liabilities	371,744	381,963
Total Liabilities	**407,773**	**412,540**
Contributed capital	1,276,573	1,270,573
Reserves	847,433	847,433
Accumulated surplus/(deficit)	(202,480)	(185,882)
Total Equity	**1,921,526**	**1,932,124**
Net result of the parent entity	**(16,598)**	**(13,471)**
Total comprehensive result of the parent	(16,598)	152,576

9.10 Changes in accounting policies

Corporation applied for the first-time certain standards and/or amendments, which are effective for annual periods beginning on or after 1 July 2023 (unless otherwise stated). The impact has been disclosed in the table below.

Title	Key requirements	Impact	Effective date
AASB2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	AASB2021-2 amends: AASB7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements; AASB101, to require entities to disclose their material accounting policy information rather than their significant accounting policies; AASB108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates; AASB134 Interim Financial Reporting, to identify material accounting policy information as a component of a complete set of financial statements; and AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.	Nil impact	1 July 2023
AASB2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards	AASB2021-6 amends: AASB1049 Whole of Government and General Government Sector Financial Reporting, to require entities to disclose their material accounting policy information rather than their significant accounting policies AASB1054 Australian Additional Disclosures, to reflect the updated terminology used in AASB101.	Nil impact	1 July 2023
AASB2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Note 1)	The standard amends AASB112 Income Taxes to introduce a further exception from the initial recognition exemption relating to deferred tax assets and liabilities. Applying this exception, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. The Standard also amends AASB1 to require deferred tax related to leases and decommissioning, restoration and similar obligations to be recognised by first-time adopters at the date of transition to Australian Accounting Standards, despite the exemption set out in AASB112.	Nil impact	1 July 2023
AASB2023-2 Amendments to Australian Accounting	The amendment applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published	Not Applicable	1 July 2023

Standards – International Tax Reform – Pillar Two Model Rules	by the Organisation for Economic Co-operation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes described in those rules. Such tax law, and the income taxes arising from it, are hereafter referred to as 'Pillar Two legislation' and 'Pillar Two income taxes'. As an exception, an entity shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Deferred tax related to assets and liabilities arising from a single transaction

The Corporation has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to AASB 112) from 1 July 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

Material accounting policy information

The Corporation also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

9.11 New accounting standards and interpretations issued that are not yet effective

The following AASs become effective for reporting periods commencing after the operative dates stated below.

Certain new Australian Accounting Standards (AAS) have been published that are not mandatory for the 30 June 2024 reporting period. DTF assesses the impact of all these new standards and advises GWMWater of their applicability and early adoption where applicable.

Topic	Key requirements	Effective date	Estimated impact
AASB2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to AASB10 and AASB128	1 January 2025	Not Applicable
AASB2022-8	Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments	1 January 2027	Not Applicable
AASB2022-9	Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector	1 January 2027	Not Applicable
AASB2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Amendments to AASB101	1 January 2024	Not Applicable
AASB2022-5	Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback – Amendments to AASB16	1 January 2024	Not Applicable
AASB2022-10	Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities	1 January 2024	GWMWater is in the process of assessing the impacts of the standard however it is not anticipated to have a material impact.
AASB2022-6	Non-current Liabilities with Covenants	1 January 2024	Not Applicable
AASB2023-1	Supplier Finance Arrangements	1 January 2024	Not Applicable

Financial Statutory Certificate
for 2023/2024

The attached financial statements for Grampians Wimmera Mallee Water Corporation (trading as GWMWater) have been prepared in accordance with section 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2024 and financial position of the Corporation at 30 June 2024.

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

We authorise the attached financial statements for issue on 18 September 2024.

Caroline Welsh
Chair

Mark Williams
Managing Director
(Accountable Officer)

Sally Marshall
Executive Manager Strategic Planning and Performance
(Chief Financial Officer)

Dated this day 18 September 2024.

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of the Grampians Wimmera Mallee Water Corporation

Opinion	I have audited the consolidated financial report of the Grampians Wimmera Mallee Water Corporation (the corporation) and its controlled entity (together the consolidated entity), which comprises the: • consolidated balance sheet as at 30 June 2024 • consolidated comprehensive operating statement for the year then ended • consolidated statement of changes in equity for the year then ended • consolidated cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • financial statutory certificate. In my opinion, the consolidated financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the corporation as at 30 June 2024 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the corporation and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the corporation is responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a consolidated financial report that is free from material misstatement, whether due to fraud or error. In preparing the consolidated financial report, the Board is responsible for assessing the corporation and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
24 September 2024

Paul Martin
as delegate for the Auditor-General of Victoria

Appendix

Disclosure index

The Annual Report of GWMWater has been prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of the Corporation's compliance with statutory disclosure requirements.

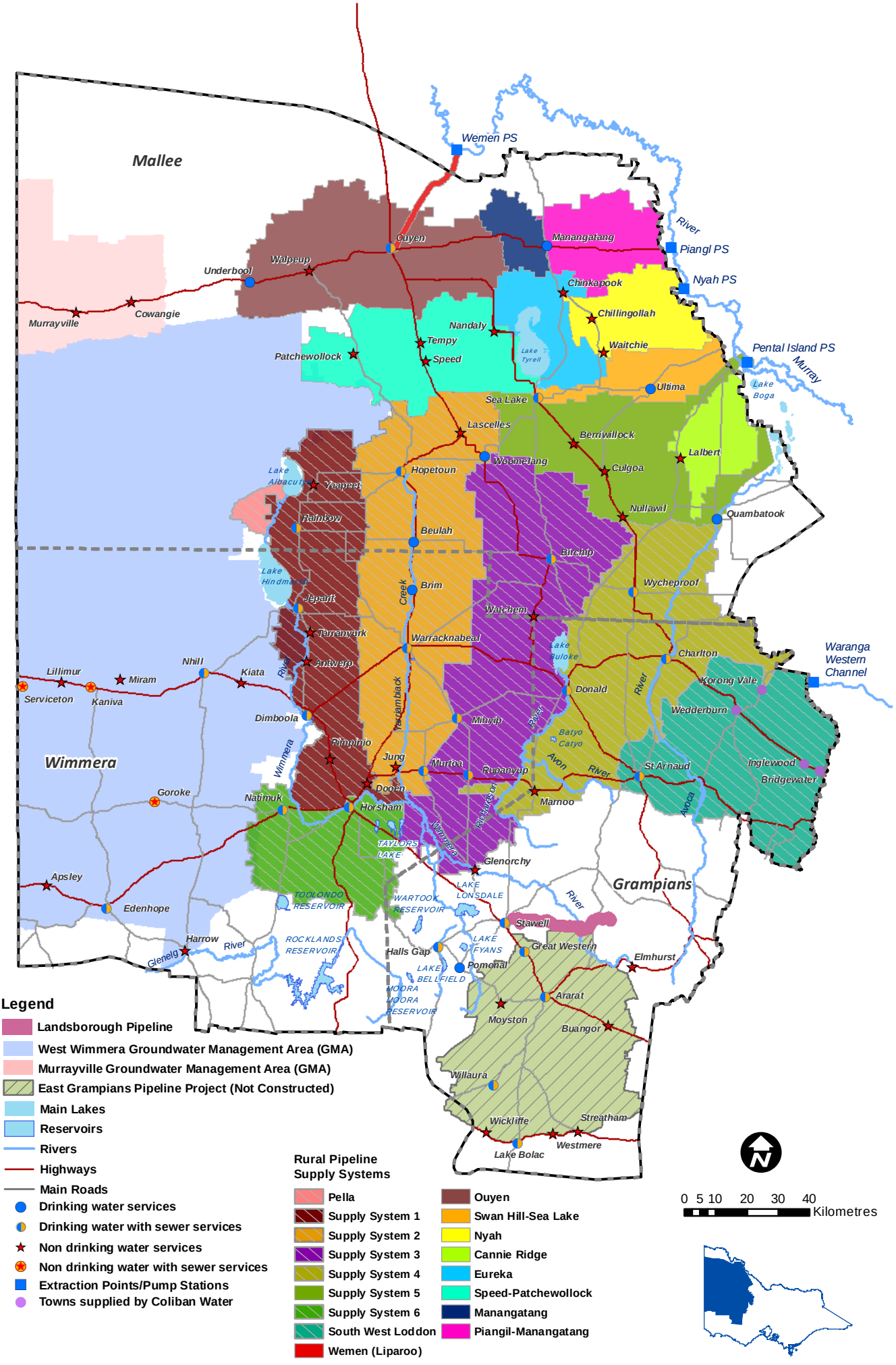
Legislation	Requirement	Page Number
Charter and Purpose		
FRD 22	Manner of establishment and relevant Ministers	7
FRD 22	Purpose, functions, powers and duties	7
FRD 22	Key initiatives and projects	4
FRD 22	Nature and range of services provided	7
Management and Structure		
FRD 22	Organisational structure	19
Financial and other information		
FRD 10	Disclosure index	148
FRD 12	Disclosure of major contracts	42
FRD 15	Executive Officer disclosure	25
FRD 22	Employment and conduct principles	23
FRD 22, 29	Workforce data	25
FRD 22	Workforce inclusion policy	23, 24
FRD 22	Occupational health and safety policy	26
FRD 22	Summary of the financial results for the year	39
FRD 22	5 year financial summary	39
FRD 22	Significant changes in financial position during the year	40
FRD 22	Major changes or factors affecting performance	40
FRD 22	Subsequent events	41
FRD 22	Application and operation of *Freedom of Information Act 1982*	20
FRD 22	Compliance with building and maintenance provisions of *Building Act 1993*	22
FRD 22	Statement on National Competition Policy (Competitive Neutrality Policy)	22
FRD 22	Application and operation of the *Public Interest Disclosures Act 2012*	21
FRD 22	Details of consultancies over $10,000 (consultancy expenditure)	42
FRD 22	Details of consultancies under $10,000 (consultancy expenditure)	42
FRD 22	Disclosure of government advertising expenditure	42
FRD 22	Disclosure of ICT expenditure	43
FRD 22	Reviews and studies expenditure	42
FRD 22	Procurement complaints	67
FRD 22	Asset Management Accountability Framework	68
FRD 22	Disclosure of Emergency Procurement	67
FRD 22	Statement of availability of other information	20

Legislation	Requirement	Page Number
FRD 24	Reporting of environmental data by government entities	56
FRD 25	Local Jobs First	41
FRD 27	Performance Reporting	77
SPF	Social Procurement Framework	67
Ministerial Reporting Directions - Letter of Expectation Priority Policy Areas		
MRD 01	Climate Change and Energy	55, 63
MRD 02	Customer, Community and Engagement	9, 45, 51, 52
MRD 03	Recognise Aboriginal Values	55, 67
MRD 04	Recognise Recreational Values	6, 7, 37
MRD 05	Resilient and Liveable Cities and Towns	9, 10, 41, 44-46, 51-53, 67
MRD 06	Leadership, Diversity and Culture	2, 9-11, 17, 23-25
MRD 07	Performance and Financial Management	71-145
MRD 08	Compliance and Enforcement	20, 32-35, 44, 47
Compliance attestation and declaration		
SD 5.1.4	Attestation for Financial Management Compliance or Attestation for Compliance with Ministerial Standing Directions	71
SD 5.2.3	Responsible Body Declaration in report of operations or Declaration in report of operations	3

Legislation	Page reference
Building Act 1993	22
Disability Act 2006	24
Financial Management Act 1994	3, 20, 71, 77, 145
Freedom of Information Act 1982	20
Local Jobs First Act 2003	41
Public Interest Disclosures Act 2012	21
Water Act 1989	7

This page has intentionally been left blank

Operational area map



11 McLachlan Street
(PO Box 481)
Horsham Victoria 3400

1300 659 961
info@gwmwater.org.au
gwmwater.org.au

Image:
Grampians operations staff reviewing fire damage at the Pomonal Tunnel.

ISO 9001 Quality Management Systems CERTIFIED FS 763712
ISO 14001 Environmental Management CERTIFIED EMS 763716
ISO 45001 Occupational Health and Safety Management CERTIFIED OHS 763714

ISSN 1838-2495
State of Victoria, GWMWater 2024
This publication is copyright.
No part may be reproduced by any process except in accordance with the provisions of the *Copyright Act 1968*.