

# Business Performance and Compliance

**Picture**  
Rod Kerris at the Oak Street Pump Station in Seymour

## 5 Year Business Performance

	2009 \$'000	2008 \$'000	2007 \$'000	2006 \$'000	2005 \$'000
Total Revenue	54,872	49,065	46,639	45,338	48,224
Expenses other than Depreciation	38,805	35,382	31,263	31,368	29,421
Depreciation	13,683	13,403	13,108	13,507	13,483
Net Profit After Tax	1,658	183	1,580	321	3,722
Total Assets	541,600	520,710	497,134	483,361	485,599
Borrowings	63,150	49,451	31,377	27,121	27,895
Shareholders Equity	429,339	427,261	427,078	425,497	431,167
Return on Assets	1.09%	0.47%	0.70%	0.49%	1.37%
Gearing Ratio	0.117	0.095	0.06	0.06	0.06
Interest Cover Ratio	1.70	1.13	3	1.4	14.27

## WSAA Benchmarking

In 2008, the International Water Association (IWA) partnered with Water Services Association of Australia (WSAA) to undertake an international benchmarking project to determine 'best practices' in water industry asset management.

The study benchmarked several areas of water utility function, including asset acquisition, operations, maintenance and replacement practices. The study also measured general asset management business capability, capacity planning and IT systems.

Goulburn Valley Water was one of forty two study participants from around the world, including eighteen from Australia.

The study found that Australian and New Zealand water utilities are global leaders in asset management. The study also highlighted that compared to similar sized water utilities worldwide, Goulburn Valley Water's asset management practices are among the best, scoring in the top quartile in most benchmarked areas.

The study noted that Goulburn Valley Water's asset management processes incorporate sustainability and risk management well and that the Corporation has some excellent asset management IT platforms. Some areas of noted continuous improvement, such as streamlined asset data collection, have been included in the Corporation's internal Asset Management Improvement Plan for completion in the near future.

Overall, inclusion in the benchmarking project has proven invaluable to confirm that Goulburn Valley Water's current asset management practices and improvement strategy are in line with leading industry practice.

## Building Act 1993

During the reporting period the Corporation met relevant compliance provisions of the Building Act 1993 in building and maintenance activities.

## Capital Works

Goulburn Valley Water continued its significant capital works program in 2008/2009, with expenditure of over \$28.8 million on 145 projects. This expenditure included capital works in response to managing and securing a water supply for drought affected townships.

## Consultancies

A number of consultants were engaged to carry out specific tasks during the year. There were eleven separate engagements costing a total of \$219,415. During 2008/2009 no consultancies of over \$100,000 were entered in to.

## Contracts Over/Less than \$10 Million

During 2008/2009 the Corporation did not enter into any contracts valued over \$10 million. 34 contracts were entered into with a value of less than \$10 million.

## Freedom of Information

Goulburn Valley Water is considered to be a “Government Agency” under the terms of the *Freedom of Information Act 1982*. Accordingly, it is required to comply with procedures that have been prescribed under which members of the public may gain access to information held by agencies. A decision to release information is made by an Authorized Officer.

The following officers have been appointed in accordance with the provisions of the *Freedom of Information Act 1982*;

Principal Officer – Managing Director

Authorised Officer – General Manager – Corporate Services

An application fee of \$23.40 applies at the time of this report’s publication. In the 2008/2009 reporting period there were two written requests for information under FOI. These requests were accompanied by the relevant application fees. One application was granted and the information released. The other application was withdrawn.

There were no hearings or appeals in relation to FOI matters for 2008/2009.

## Government Contributions

Government Contributions from the Department of Human Services totalling \$1.4 million were received in 2007/2008. This contribution is in support of fluoridation projects in Cobram, Kyabram and Seymour. During 2008/2009 a further amount of \$420,000 was received for these fluoridation works. The Minister for Finance and the Minister for Water have indicated that the 2008/2009 contribution is an owner contribution and is accounted for as equity and disclosed in the Balance Sheet as Contributed Capital.

## Information Prepared and Available

The information listed in Financial Reporting Direction 22 of the *Financial Management Act 1994* is held at Goulburn Valley Water’s office in Shepparton and is available on request, subject to the *Freedom of Information Act 1982* and the *Information Privacy Act 2000*.

## National Competition Policy

Neutrality is a guiding principle of the National Competition Policy. It requires that Government owned businesses should compete with private sector businesses on the same footing. Goulburn Valley Water has operated in a manner that meets the National Competition Policy compliance requirements.

## Risk Management

In late 2008 a review of the Corporation’s approach to risk management was carried out by two external organisations. These reviews examined the processes Goulburn Valley Water has developed to manage its risk at both an operational and corporate level. Results of the reviews indicated the Corporation has strong systems in place to manage its risks but could make further improvements in the way risk is managed and the framework used across the organisation. Recommendations from each review shall be fed into the development of a risk management action plan to be completed by December 2009.

The outbreak of “Swine-flu” in late April 2009 prompted the Corporation to review its current approach to managing a pandemic and a new Influenza Response Plan was developed in line with information provided by the relevant health agencies. A further review of other existing emergency response and business continuity plans is scheduled to take place in 2009/2010.

With the recognition of the growing importance of risk management across the Corporation an increase in resources was identified which has led to the appointment of a dedicated Risk Management Officer (in July 2008). Further to this, the function has been enhanced through nominating a Risk Management Coordinator which has responsibility for embedding risk management across the organisation.

Goulburn Valley Water’s risk management software which contains its operational and corporate risk register was updated in April 2009 and refresher training was offered to a number of users throughout the organization. A users group was also established to facilitate ongoing improvements in the use of the software.

## Victorian Industry Participation Policy (VIPP)

Goulburn Valley Water has implemented procedures in accordance with Section 9 of the *Victorian Industry Participation Policy Act 2003*. The VIPP forms part of Goulburn Valley Water’s consultancy handbook which is issued to all consultants undertaking projects for the Corporation. The handbook requires consultants to ensure the VIPP forms part of all tender documentation. There were no contracts that were entered into by Goulburn Valley Water where VIPP applied.

## Whistleblowers

Goulburn Valley Water has developed procedures in accordance with Section 68(3) of the *Whistleblowers Protection Act 2001* which comply with the Ombudsman’s Guidelines. The main objective of the *Whistleblowers Protection Act 2001* is to encourage and facilitate the making of disclosures of improper conduct or detrimental action by public officers and public bodies.

Disclosures of improper conduct or detrimental action by Goulburn Valley Water or its employees may be made to the following:

The Protected Disclosure Coordinator  
Name: Danny Hogan  
Title: General Manager – Corporate Services  
Address: PO Box 185, Shepparton, 3632  
Phone: (03) 5832 0442

Alternatively, disclosures of improper conduct or detrimental action by Goulburn Valley Water or its employees may also be made directly to the Ombudsman.

The Ombudsman Victoria  
Level 9, 459 Collins Street (North Tower)  
Melbourne VIC 3000  
Telephone: (03) 9613 6222  
Toll free: 1800 806 314  
website: [www.ombudsman.vic.gov.au](http://www.ombudsman.vic.gov.au)  
Email: [ombudvic@ombudsman.vic.gov.au](mailto:ombudvic@ombudsman.vic.gov.au)

During 2008/2009 no disclosures were made under the *Whistleblowers Protection Act 2001*.

## Risk Management Compliance Attestation

I, Mark Lawlor, certify that Goulburn Valley Water has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures.

The audit committee verifies this assurance and that the risk profile of Goulburn valley Water has been critically reviewed within the last 12 months.



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**M Lawlor**  
Chairman

Date 2<sup>nd</sup> September 2009



# Protecting vital Assets, Facilities and Technology

Goulburn Valley Water continues to work in partnership with government to ensure it has robust security arrangements in place to prepare for and prevent potential incidents and emergencies

**Picture**  
*Incident Controller Bruce Anderson giving an update on the status of the situation.*

The *Terrorism (Community Protection) Act 2003* requires water corporations to conduct an annual audited exercise to test preparedness for security/terrorism type incidents. Water and wastewater services are declared as essential services and as such, providers must have effective plans in place for the protection of assets as well as clear processes for a prompt recovery and the maintenance of key services.

In November 2008, approximately 30 Goulburn Valley Water staff took part in a training exercise to test the Corporation's response to a large scale security incident. The exercise was conducted "live" with Coliban Water and Goulburn Murray Water and observers from the Department of Sustainability and Environment and Victoria Police Critical Infrastructure Protection Unit. Using the Corporation's Board room as an "Incident Control Centre" and an off site location for counter players (persons from each organisation who performed simulated roles throughout the exercise such as parliamentarians, media, representatives and members of the public).

The "scenario" involved a series of security breaches which led to an attack on water and sewerage services across the Goulburn Valley region. It proved to be valuable for testing emergency management plans and provided good feedback on processes that may be improved. The exercise also examined the roles and responsibilities, communication protocols and coordination arrangements to manage such an incident.

As a result of the exercise a review of the Corporation's existing Crisis and Incident Management Plan has commenced and the development of other related emergency response documentation.

A follow up exercise is scheduled to occur late 2009 which will allow a further opportunity to assess Goulburn Valley Water's emergency response plans to maintain currency and effectiveness of the plans.