



Financial Performance and Compliance

The 2005/2006 Corporate Plan for Goulburn Valley Water identified four goals for Financial Performance and Compliance.

These four goals are:

- Manage the Authority's financial resources in a responsible and accountable manner.
- Maintain a positive return on investment to our shareholder.
- Manage the capital resources of the Authority in a manner which reflects the long-term development needs of the region.

- Ensure our pricing structure is fair and supports the Authority's goals in relation to return on investment, environmental sustainability and regional development.

In order to implement and achieve these goals the Authority identified strategic initiatives and targets. These are outlined below including the status as at 30 June 2006.

Strategic Initiatives and Targets	Status @ 30 June 2006
Manage the transition to reporting under International Financial Reporting Standards (IFRS) by June 2006.	IFRS was fully analysed at June 2005 and details provided in the notes to the Accounts. At June 2006 Accounts are IFRS compliant.
Review internal audit procedures to ensure they are focusing on key business control and risk areas.	Audit Plan was updated. "Scope of Works" document is now received prior to each audit visit. Plan will be reviewed again for 2006/2007 to 2008/2009.
Undertake a gap/risk analysis of current processes and procedures to ensure that the Authority's risk management processes are consistent with the State Government's financial compliance framework.	Financial Management Compliance Framework (FMCF) was updated September 2005. Corporate risk review was updated March 2006 and the FMCF review will be completed September 2006.
Refine recording and reporting processes to meet the needs of reporting to the ESC for the next Water Plan.	Long Run Marginal Cost (LRMC) analysis was completed in June 2006. Regulatory Accounting Code has been released by the ESC and reviewed by VicWater Task Group. Goulburn Valley Water is on target to report to the ESC for the next Water Plan by September 2007.

Business Performance

	2006 \$'000	2005 \$'000	2004 \$'000	2003 \$'000	2002 \$'000
Total Revenue	45,338	48,224	47,235	51,658	41,200
Expenses other than Depreciation	31,368	29,421	24,940	24,584	21,540
Depreciation	13,507	13,483	12,847	12,074	10,911
Net Profit After Tax	321	3,722	9,448	15,000	8,749
Total Assets	483,361	485,599	457,317	447,670	430,339
Borrowings	27,121	27,895	11,228	10,018	11,160
Shareholders Equity	425,497	431,167	437,424	427,976	412,399
Return on Assets	0.49%	1.37%	2.26%	3.61%	2.26%
Gearing Ratio	0.06	0.06	0.03	0.02	0.03
Interest Cover Ratio	1.40	14.27	13.14	19.03	9.96

Capital Works

Goulburn Valley Water continued its significant capital works program in 2005/2006, with expenditure of almost \$15.5 million on 50 projects. The variance between the budget and actual is due to a revised program including deleted projects and delays caused by issues such as lease negotiations, acquisition of land, legal actions and planning conditions imposed by Councils.

Consultancies

A number of consultants were engaged to carry our specific tasks during the year. There were five separate engagements costing a total of \$94,809.

During 2005/2006 no consultancies of over \$100,000 were entered into.

Contracts Over \$10 Million

During 2005/2006 no contracts valued at over \$10 million were entered into and the Authority entered into 20 contracts of less than \$10 million.

Building Act 1993

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

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 our consultancy handbook which is issued to all consultants undertaking projects for the Authority. The handbook requires consultants to ensure the VIPP forms part of all Tender documentation

Government Contributions

No Government Contributions were received in 2005/2006.

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.

Freedom of Information Act 1982

During 2005/2006 there was one written request for information accompanied by an application fee of \$21.50. The information requested was released in part with exemption for some documents on the grounds of Section 32(1) of *The Freedom of Information Act 1982*. There were no internal reviews or appeals in 2005/2006.

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

Principal Officer - Chief Executive

Authorised Person - Director - Corporate Services

There were no hearings or appeals in relation to FOI matters for 2005/2006.

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*.

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. During 2005/2006 no disclosures were made under the *Whistleblowers Protection Act 2001*.