

# Performance Reporting

## Financial Performance Indicators

Indicator	2006/2007 Result	2007/2008 Result	2007/2008 Target	Variance (%)
Long Term Profitability	0.7%	0.47%	0.53%	-11%
Owner's Investment	0.4%	0.04%	0.08%	-46%
Long Term Financial Viability	6.3%	9.5%	9.2%	4%
Liquidity and Debt Servicing (Interest Cover)	2.97	1.13	1.23	-8%
Immediate Liquidity and Debt Servicing (Cash Cover)	13.32	6.89	6.36	8%
Operating Efficiency				
Water Supply/ Wastewater Collection				
Water Supply Bulk				
Water Supply Reticulation	\$225.33	\$265.46	\$198.75	34%
Water Supply Treatment	\$374.29	\$488.52	\$312.74	56%
Wastewater Reticulation	\$364.45	\$422.58	\$357.13	18%
Wastewater Treatment	\$525.21	\$612.18	\$547.13	12%

### Variance Report –Financial Performance Indicators

The trading result achieved for the year is less than the Corporate Plan target because costs are slightly greater than target. This has resulted in unfavourable variances for the Long Term Profitability, Owner's Investment and Liquidity and Debt Servicing indicators.

The Long Term Financial Viability indicator is unfavourable. Debt is greater than target due to capital and recurrent expenditure for the year being more than forecast in meeting drought related issues.

The Immediate Liquidity and Debt Servicing indicator is better than target as net interest payments are below target.

All Operating Efficiency indicators are recording unfavourable variances.

The Water Supply Reticulation indicator has been impacted by higher than forecast maintenance costs and reduced

water volume flows as a result of the drought. Reticulation costs are 10% over-budget whilst the volume of water supplied is under-budget 18% as customers implement water conservation practices and abide by the water restrictions.

The Water Supply Treatment indicator has been severely affected by unbudgeted water trucking costs and reduced water volume flows as a result of the drought. Treatment costs are 28% over budget whilst the volume of water treated is under budget 18%.

Although there has been a nominal under budget result in actual Wastewater Reticulation costs and a 6% under budget result in Wastewater treatment costs the Wastewater Reticulation and Treatment costs per megalitre have increased due to a 16% under budget result in the megalitres carried by the reticulation system and treated by the wastewater management facilities. Drought conditions reduce flows as there is less groundwater infiltration and customer flows.

## Service Performance Indicators

### Water Supply Interruptions

Indicator	2006/2007 Result	2007/2008 Result	2007/2008 Target	Variance (%)
Number of customers receiving 3 or more unplanned interruptions in the year	243	217	160	39%

### Variance Report –Water Supply Interruptions

The number of customers experiencing three or more interruptions declined compared to 2006/2007, but remains above the target. The eight water mains that experienced either three or four failures in 2007/2008 have either been replaced already, or are being investigated regarding replacement as part of the Corporation's ongoing program for replacement of water mains with a history of frequent failures.

### Interruption Time Indicators

Indicator	2006/2007 Result	2007/2008 Result	2007/2008 Target	Variance (%)
Average duration of unplanned water supply interruptions	121 minutes	111 minutes	90 minutes	23%
Average duration of planned water supply interruptions	106 minutes	101 minutes	120 minutes	-16%

### Variance Report – Interruption Time Indicators

The average duration of water supply interruptions is a measure of the total customer time to restore water supply divided by the number of events.

The duration of unplanned interruptions is very dependent on the location and type of failure. For example, a cracked pipe near a works depot may be fixed in less than one hour. A failure of a large pipe in a more remote location can take several hours to repair.

In 2007/2008 there was a reduction in the average duration of unplanned interruptions compared to the previous year. The Corporation has investigated its work practises and response times, and believes that the target is unrealistic considering the location of its assets and current resources. A higher target of 113 minutes has been adopted for future years.

The duration of planned water supply interruptions varies depending largely on contractor activity related to new subdivisional development. Conditions on these contractors are designed to ensure that compliance with the performance target is achieved, and these conditions were strictly enforced in 2007/2008.

### Restoration of Water Supply

Indicator	2006/2007 Result	2007/2008 Result	2007/2008 Target	Variance (%)
Unplanned water supply interruptions restored within 5 hours	97%	98%	98%	0%

### Reliability of Wastewater Collection Services Indicators

Indicator	2006/2007 Result	2007/2008 Result	2007/2008 Target	Variance (%)
Sewer spills from reticulation and branch sewers (priority 1 and 2)	55	50	No target set	
Sewage spilt from emergency relief structures and pumping stations (% of volume transported)	0	< 0.001	No target set	

### Sewer Spills Contained Within 5 Hours

Indicator	2006/2007 Result	2007/2008 Result	2007/2008 Target	Variance (%)
Sewer spills contained within 5 hours	100%	100%	100%	0%

All sewer spills were contained within 5 hours as a result of our workforce responding promptly to these system failures.

## Customer Complaints Indicators

Indicator	2006/2007 Result	2007/2008 Result	2007/2008 Target	Variance (%)
Water quality complaints per 1,000 customers	6.8	4.3	6.3	-32%
Water supply reliability complaints per 1,000 customers	1.3	1.5	No target set	
Sewerage service quality and reliability complaints per 1,000 customers	0.16	0	No target set	
Affordability complaints per 1000 customers	0.08	0.08	No target set	-
Billing complaints per 1,000 customers	0.08	0.21	No target set	
Pressure complaints per 1,000 customers	2.8	2.2	No target set	
Sewage odour complaints per 1,000 customers	1.3	0.98	1	-2%
Other complaints per 1,000 customers	0.6	2.3	No target set	

### Variance Report – Customer Complaint Indicators

In respect to water quality complaints per 1,000 customers, a noticeable improvement occurred due to improved overall water treatment performance and an absence of any major plant failure. The result is still adversely affected by the water shortage in the Sunday Creek supply system which curtailed the regular flushing program.

## Environmental Performance Indicators

### Recycled Water Reuse by Wastewater Management Facility

Wastewater management facilities Effluent Reuse (Volume)	2006/2007 Result (%)	2007/2008 Result (%)	Target (%) 2007/2008	Variance %
Alexandra	44	45	22	105%
Avenel	0	100	0	0%
Bonnie Doon	100	100	100	0%
Broadford	100	100	100	0%
Cobram	100	100	100	0%
Eildon	0	0	0	0%
Euroa	100	100	100	0%
Girgarre	0	0	0	0%
Kilmore	100	100	100	0%
Kyabram/Merrigum	100	100	100	0%
Mansfield	100	100	100	0%
Marysville	100	100	100	0%
Mooroopna	100	100	100	0%
Murchison	0	0	0	0%
Nagambie	100	100	100	0%
Nathalia	100	100	100	0%
Numurkah	100	100	100	0%
Seymour	100	100	100	0%
Shepparton	78	91	60	52%
Stanhope/Rushworth	0	0	0	0%
Strathmerton	0	0	0	0%
Tatura	100	100	100	0%
Tongala	100	100	100	0%
Upper Delatite	100	100	100	0%
Violet Town	0	100	0	0%
Yea	100	100	100	0%
Total	86	93	75	24%

### Variance Report – Recycled Water Reuse by Wastewater Management Facility

Due to the drought conditions, the percentage of recycled water used at Shepparton and Alexandra increased. This significantly increased the total volume reused which was well above the long-term average.

## Biosolids Use by Wastewater Management Facility

Wastewater management facilities Biosolids Use (Dry Mass)	2006/2007 Result (%)	2007/2008 Result (%)	Target (%) 2007/2008	Variance %
Alexandra	0	0	No Target set	0
Avenel	0	0	No Target set	0
Bonnie Doon	0	0	No Target set	0
Broadford	909%	0	No Target set	0
Cobram	0	0	No Target set	0
Eildon	0	0	No Target set	0
Euroa	0	0	No Target set	0
Girgarre	0	0	No Target set	0
Kilmore	0	0	No Target set	0
Kyabram/Merrigum	0	0	No Target set	0
Mansfield	0	0	No Target set	0
Marysville	0	0	No Target set	0
Mooroopna	0	0	No Target set	0
Murchison	0	0	No Target set	0
Nagambie	0	0	No Target set	0
Nathalia	0	0	No Target set	0
Numurkah	0	1,207%	No Target set	0
Seymour	0	0	No Target set	0
Shepparton	0	0	No Target set	0
Stanhope/Rushworth	0	0	No Target set	0
Strathmerton	0	0	No Target set	0
Tatura	0	0	No Target set	0
Tongala	512%	0	No Target set	0
Upper Delatite	0	0	No Target set	0
Violet Town	0	0	No Target set	0
Yea	0	0	No Target set	0
Total	115%	62%		

Note Goulburn Valley Water has not set individual targets for each wastewater management facility. Instead it has set a Corporation wide target to reuse its total biosolids inventory over 30 years.

### Variance Report – Biosolids Use by Wastewater Management Facility

Due to the nature of Goulburn Valley Water's lagoon based treatment systems, biosolids accumulate in lagoons until removed by dredging, on average every 15 to 20 years. Reuse can therefore occur infrequently and reuse figures will often be greater than 100% and in some cases in the thousands of percent greater than what is produced annually.

## Wastewater Treatment Standards by Wastewater Management Facility

Number of Analysis Complying with Licence Agreements as % of Samples	2006/2007 Result (%)	2007/2008 Result (%)	2007/2008 Target (%)
Alexandra	100	100	100
Avenel	100	100	100
Bonnie Doon	100	100	100
Broadford	100	100	100
Cobram	100	100	100
Eildon	84	100	100
Euroa	100	100	100
Girgarre	100	100	100
Kilmore	100	100	100
Kyabram	100	100	100
Mansfield	100	100	100
Marysville	100	100	100
Mooroopna	100	100	100
Murchison	100	100	100
Nagambie	100	100	100
Nathalia	100	100	100
Numurkah	100	100	100
Seymour	100	100	100
Shepparton	100	100	100
Stanhope/Rushworth	100	100	100
Strathmerton	100	100	100
Tatura	100	100	100
Tongala	100	100	100
Upper Delatite	100	100	100
Violet Town	100	100	100
Yea	100	100	100

### Variance Report – Wastewater Treatment Standards by Wastewater Management Facility

All wastewater management facilities complied with the EPA Corporate Licence environmental performance conditions for treated wastewater discharge to land and the limits for discharge to water.

# Goulburn Valley Region Water Corporation

## Statement of Performance for 2007/2008

**In our opinion, the accompanying Statement of Performance of Goulburn Valley Region Water Corporation in respect of the year ended 30 June 2008 is presented fairly in accordance with the Financial Management Act 1994.**

The statement outlined the relevant performance indicators as determined by the responsible Minister, the actual results achieved for the year against pre-determined performance targets, and an explanation of any significant variance between the actual results and performance targets.

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



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**C.L. Scott**  
Deputy Chairman



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**P.A. Quinn**  
Managing Director

Date: 3<sup>rd</sup> September 2008

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Victorian Auditor-General's Office

## INDEPENDENT AUDITOR'S REPORT

### To the Board Members of Goulburn Valley Region Water Corporation

#### *The Statement of Performance*

The accompanying statement of performance for the year ended 30 June 2008 of Goulburn Valley Region Water Corporation comprises the statement, the related notes and the statement of performance certification.

#### *The Board Members Responsibility for the Statement of Performance*

The Board Members of Goulburn Valley Region Water Corporation are responsible for the preparation and the fair presentation of the statement of performance in accordance with the *Financial Management Act 1994*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the statement of performance that is free of material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the statement of performance based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the statement of performance is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of performance. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the statement of performance, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the entity's preparation and fair presentation of the statement of performance in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the statement of performance.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Matters Relating to the Electronic Presentation of the Audited Statement of Performance*

This auditor's report relates to the statement of performance published in both the annual report and on the website of the Goulburn Valley Region Water Corporation for the year ended 30 June 2008. The Board Members are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statement named above. An opinion is not provided on any other information which may have been hyperlinked to or from this statement. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited statement of performance to confirm the information included in the audited statement of performance presented on the Goulburn Valley Region Water Corporation web site.

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*Auditing in the Public Interest*

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## Independent Auditor's Report (continued)

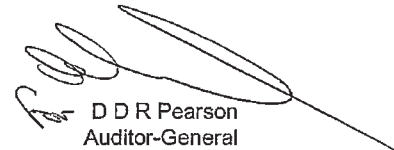
### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### *Auditor's Opinion*

In my opinion, the statement of performance of the Goulburn Valley Region Water Corporation in respect of the 30 June 2008 financial year presents fairly, in all material respects, and in accordance with the *Financial Management Act 1994*.

MELBOURNE  
4 September 2008



D D R Pearson  
Auditor-General