



WANNON WATER ANNUAL REPORT 2006/07

Our Mission

Wannon Water provides water and sewerage services that contribute to the sustainable growth, health and well being of the community and environment in the south-west of Victoria.

Our Values

Wannon Water recognises the values set out in the *Public Administration Act 2004* and has adopted the following values that best typify the organisation's objectives.

RESPECT

we care for the well being, safety and development of our staff.

INNOVATION

we encourage continuous improvement by fostering creativity, experimentation and intellectual openness.

INTEGRITY

we will be ethical and accountable for our actions.

EQUITY

we will be socially responsible in providing access to water services and will have compassion for customers experiencing financial hardship.

SUSTAINABILITY

we will strive to deliver outcomes that account for social, environmental and financial sustainability.

CUSTOMER SATISFACTION

we will strive for customer satisfaction and will consult with the community on relevant issues.

FINANCIAL VIABILITY

we will be a financially responsible, viable business.

Our Strategic Objectives

Enhancing our environmental performance

Improving our service delivery

Ensuring our business performance is sustainable

Engaging with our community

Building our organisational culture

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Report from the Chairman and Managing Director

The continuation of drought conditions in 2006/07 presented challenges for Wannon Water's customers and for the organisation itself. A significant decline in water yield from catchments resulted in stage four water restrictions being introduced in Balmoral and Glenthompson on 15 October 2006 and in Hamilton, Cavendish, Dunkeld and Tarrington on 5 December 2006. Stage one restrictions were in place for Coleraine from 16 December 2006 to 10 June 2007. With water resources at record lows, water restrictions were necessary to reduce water consumption and to secure supplies for essential needs. It was encouraging to see these communities' acceptance of the restrictions and their efforts in conserving water. These efforts resulted in a 30.4 per cent reduction in water consumption for communities on water restrictions and a 6.4 per cent reduction in water consumption for Wannon Water's entire region for the year.

As part of its drought response, Wannon Water commissioned two new drought relief bores to augment water supplies for the Hamilton system. Wannon Water also worked diligently to keep customers and communities informed of water restrictions, water conservation measures and other drought-related issues throughout the year, and led by example by operating its supply systems as efficiently as possible.

Given the impact of the drought on water supplies, it was particularly pleasing the 2007 customer satisfaction survey returned an excellent rating of 94 per cent of customers who were satisfied or extremely satisfied with Wannon Water services, with notably high results for the overall management of the water supply and in keeping customers informed about issues.

Wannon Water delivered a profit of \$1.2 million for the year. This is a significant result given that drought conditions caused a reduction in revenue in parts of the business, and increases in operating costs.

Wannon Water has also continued to invest in water and sewerage programs across south-west Victoria. The Dartmoor water supply scheme was completed in February and planning is well underway for upgrading the quality of water supplied to Macarthur and Coleraine. The Peterborough sewerage system is nearing completion and a concept design for the West Portland sewerage scheme was subject to community consultation. In all, Wannon Water invested \$17.5 million in capital works in 2006/07 and is set to invest a further \$34.5 million in 2007/08.



Managing Director Grant Green (left) and Chairman Harry Peeters (right)

Wannon Water also continued to make significant progress in implementing key actions in the State Government's *Our Water Our Future* initiative with the launch of the Water Supply Demand Strategy. This strategy is a 50-year plan which identifies demand management initiatives, assesses the likely impact of climate change and assesses potential new sources of water, such as the \$30 million project to augment Hamilton's water supply by 2,000 megalitres. It is a blueprint for meeting the water needs of south-west Victorian communities into the future and its delivery is a major achievement in long-term planning for the organisation.

With continuing drought conditions, water reforms and key projects planned for south-west Victoria, there has never been more community interest in water nor a more challenging and exciting time for the industry and we look forward to another year of achievement in 2007/08.

Harry Peeters
Chairman

Grant Green
Managing Director

Performance at a Glance

Objectives	Governance	Economic Sustainability	Social Sustainability
	Wannon Water aims to establish consistent, good corporate governance with structures and processes relating to decision making, accountability, controls and behaviour within the organisation that enhance its effectiveness in fulfilling its mandate.	Wannon Water will ensure its business performance is sustainable.	Wannon Water will improve its service delivery.
Highlights	<p>The Board adopted a Directors' Code of Conduct.</p> <p>The Board conducted a review of the risk management policy framework.</p> <p>The Board responded to the <i>Water (Governance) Act 2006</i>.</p>	<p>Wannon Water developed its Corporate Plan and draft Water Plan.</p> <p>Wannon Water adopted a Treasury Management policy.</p> <p>Results of an internal audit on compliance with the <i>Financial Management Act 1994</i>.</p>	<p>The Customer Satisfaction Survey found that 94 per cent of customers were satisfied or extremely satisfied with the quality of water and wastewater services provided by Wannon Water.</p> <p>Wannon Water officially opened the Dartmoor township's reticulated water supply, marking the end of a 10-year capital works project.</p>

	Actions	Results	Actions	Results	Actions	Results
Results	Establish a risk management framework	Achieved	Implement a Treasury Management Policy	Achieved	Maintain HACCP risk assessment program to ensure compliance with Drinking Water Regulations	Achieved
	Maintain the Board Governance Framework	Achieved	Develop a draft Water Plan for review by the Essential Services Commission	Achieved	Introduce quarterly billing for residential and small business customers	Achieved
	Robust Internal Audit program	Achieved	Manage capital works program on time and in budget	Partially achieved	Implement continuous improvement programs to enhance service delivery	Achieved
	Implement the <i>Water (Governance) Act</i>	Achieved	Implement the Integrated Management System	Ongoing	Consolidate the former merged authorities' Customer Charters into a single Wannon Water Customer Charter	Achieved
	Develop a full suite of Board policies	Achieved	Implement continuous improvements to identify and deliver business efficiencies	Achieved	<p>Establish a Customer Call Centre to respond to enquiries in a timely and consistent manner</p> <p>Survey our customers regarding satisfaction with service delivery</p> <p>Invest in new systems and technology to provide a step change in service delivery</p>	<p>Delayed</p> <p>Achieved 94 per cent satisfaction in 2006/07</p> <p>Achieved</p>
Challenges for the future	<p>Undertake a review of Wannon Water's mission, vision and values.</p> <p>Combine Risk Management and Audit Committees to improve risk-based governance.</p> <p>Adapt to Board changes associated with conversion of Chief Executive to the Board as Managing Director.</p> <p>More on page 7</p>		<p>Continue implementation of the Integrated Management System.</p> <p>Manage capital and operational expenditure associated with climate change.</p> <p>Implement the largest project in Wannon Water's history, the Grampians Hamilton Inter-Connector Pipeline.</p> <p>More on page 11</p>		<p>Establishing a Customer Call Centre has been postponed due to a delay in a telephone system upgrade.</p> <p>Consistently meet the key performance indicators established by the Essential Services Commission.</p> <p>Complete the Balmoral and Coleraine water quality upgrades to satisfy the undertakings issued by the Department of Human Services.</p> <p>More on page 15</p>	

				Environmental Sustainability	
Wannon Water will engage with its community.		Wannon Water will build its organisational culture.		Wannon Water will enhance its environmental performance.	
Wannon Water undertook a community education and marketing campaign to encourage water savings, reducing consumption by 6.4 per cent.		Wannon Water implemented a training and development program for employees to build on organisational capability.		Wannon Water launched its 50-year Water Supply Demand Strategy, which includes plans for a \$30 million project to augment Hamilton's water supply by 2,000 megalitres.	
Wannon Water developed and launched a water education resource kit for schools, which was sent to 83 schools and 10 libraries.		Wannon Water invested significant resources in occupational health and safety training for employees in 2006/07, which has greatly supported our workforce.		Wannon Water facilitated an innovative scheme to recycle condensate water from Fonterra to irrigate the Warrnambool Golf Club, reducing demand on treated water and benefiting the environment.	
Community consultation for Port Fairy (water quality), Macarthur (water quality), and West Portland (sewerage).					
Actions	Results	Actions	Results	Actions	Results
Engage with local communities on evaluation of key projects	Achieved	Provide an organisational structure that facilitates teamwork and innovation	Achieved	Develop a Water Supply Demand Strategy for long-term planning and management of resources in south-west Victoria	Achieved
Consult Customer Engagement Committee on policy development	Achieved	Implement family friendly work practices through the Enterprise Bargaining Agreement	Achieved	Invest in the upgrade of Water Reclamation Plants and sewerage systems to meet regulatory licence conditions	Achieved
Monitor customer satisfaction levels	Achieved 94 per cent satisfaction in 2006/07	Facilitate proactive training and skills development for employees	Achieved	Implement the Permanent Water Savings Plan to promote efficient water use and reduce wastage within our communities	Achieved
Conduct community education programs water conservation and management of the water cycle	Achieved	Implement an Organisational Development Strategy	Achieved	Complete the Peterborough Sewerage Scheme to remove discharge of septic effluent from to the Curdies River estuary	Under construction
Establish project specific consultation programs with local communities	Achieved	Develop shared workplace values and ethics	Achieved	Investigate opportunities in our water systems for power production by installation of mini-hydro power plants	Achieved
Engage community in development of the Water Supply Demand Strategy	Achieved	Ensure robust internal communications systems are established and operate efficiently	Achieved	Implement a program to process biosolids for reuse as soil conditioner for agriculture	Achieved
Consult community in developing the 2008 draft Water Plan	Achieved			Develop a Drought Response Plan and uniform water restrictions regime	Achieved
				Promote opportunities for further reuse of reclaimed water	Achieved
				Develop a Trade Waste Strategy to minimise waste at the source	Achieved
Engage and consult in relation to the 2008-2013 Water Plan.		Retain key employees where there is a current shortage.		Progress the West Portland sewerage scheme.	
Implement the Water Supply Demand Strategy, particularly:				Complete the Peterborough sewerage scheme.	
<ul style="list-style-type: none"> the Hamilton-Grampians Inter-Connector pipeline, and programs to reduce per capita water consumption. 					
More on page 22		More on page 28		More on page 31	

ABOUT WANNON WATER

Profile

The Wannon Region Water Authority, trading as Wannon Water, was constituted by Governor-in-Council Order under section 98 (1) (b) of the *Water Act 1989*, effective from 1 July 2005. During the reporting period, Wannon Water was responsible to the Minister for Water, Environment and Climate Change, the Honourable John Thwaites, MP.

Wannon Water provides essential water and sewerage services that contribute to the sustainable growth, health and wellbeing of the community and environment in the south-west of Victoria. Services are provided to approximately 70,000 people across 34 customer zones, including residential, rural, commercial and industrial customers. Our service area extends over 24,500 square kilometres from the South Australian border in the west, to Balmoral in the north, Lismore in the east and Port Campbell on the south coast.

Functions, powers and duties

Wannon Water's statutory functions, powers and duties are set out in the *Water Act 1989* and relevant By-Laws, and include the collection, storage, treatment and delivery of water; the collection and treatment of sewage and trade waste; and water recycling. Wannon Water's objectives are detailed further on pages 4 and 5 of this report.

Asset management

Wannon Water's major assets include 11 reservoirs, 22 water treatment facilities (including nine full water treatment plants and 13 disinfection plants) and 17 water reclamation plants. Our asset management program is integral to meeting the service levels set in our customer charters and to achieve compliance with the 2005 Safe Drinking Water Regulations and the Environment Protection Authority's environmental licence conditions.

Wannon Water has offices in Camperdown, Hamilton, Portland and Warrnambool to provide local access for customers and other stakeholders.

11 reservoirs, 22 water treatment facilities (including nine full water treatment plants and 13 disinfection plants) and 17 water reclamation plants

Governance

BOARD OF DIRECTORS

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ORGANISATIONAL STRUCTURE

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Back from left: Bill Sharrock, Sandra Adams, Chairman Harry Peeters, Paul Battista, Managing Director Grant Green
Seated from left: Di Clanchy, Deputy Chair Jacinta Ermacora, Marie Thornton

BOARD OF DIRECTORS

Harry Peeters APM, Chairman APM, FAICD

Harry is a fellow of the Australian Institute of Company Directors. His qualifications include the Company Directors Diploma, Further Certificate of Management and numerous Victoria Police management and leadership qualifications.

Harry retired from the Victorian Police Force as Commander of the Corio police station in 1997, was a Corio Shire Councillor between 1986 and 1992, is a former Board Member of Corangamite Catchment Management Authority and was a Director of Barwon Water from 1991 to 2004.

He is currently Executive Officer of the Western Abalone Divers Association, representing members based from Warrnambool across to the South Australian border. Harry was the Deputy Chairman for Portland Coast Water from 2004 to 2005.

Jacinta Ermacora, Deputy Chair BSW, MSocSc, MAICD

Jacinta was appointed to the South West Water Board in 2004 and reappointed to Wannon Water in 2005.

Jacinta is currently a Councillor with the City of Warrnambool and is a Board member of the Glenelg Hopkins Catchment Management Authority. Her professional experience includes consumer rights, community health and community engagement. Jacinta brings a range of knowledge and experience to the Wannon Water Board, including natural resource management, local government, health, policy and governance.

Sandra Adams FAICD

Sandra Adams has had many years' experience in accountancy and taxation and has been involved in the water industry and local government.

She was the Chair of Glenelg Water from 1994 to 2005, a past President of the former Shire of Wannon and a former Board Member of Portland Coast Water and South West Water.

She currently Chairs the Coleraine Management Committee of Western District Health Services and Director/Treasurer of Coleraine & District Financial Services.

Sandra is a Fellow of the Australian Institute of Company Directors.

Paul Battista MAICD

Paul Battista was the Deputy Chairman of Glenelg Water from 2001 to 2005, has five years' experience as a hydrographer with the former Rural Water Corporation and has worked in the Murray Darling and Goulburn catchments. He was also a community member of the Waterways Implementation Committee for the Glenelg Hopkins Catchment Management Authority from 2000 to 2005.

Paul is also a member of the Australian Institute of Company Directors.

He is employed in specialist cutting tool manufacturing with Sutton Tools in Hamilton and has Certificate 2 in engineering.

Di Clanchy BA, ALAA, MAICD

Di Clanchy was a Board Member at Portland Coast Water from 2004. She is a trained librarian and, until recently, worked at Warrnambool's Emmanuel College. She has a business organising tours, mainly to China.

She has been a Moyne Shire Councillor since 1999, representing the Port Fairy Riding. She chairs the Shire's Conservation and Environment, Heritage, and Arts and Culture Committees, and is a member of several other Moyne Shire committees.

Di is also a member of the Wannon Water Customer Engagement Committee and the Port Fairy Water Reclamation Plant Community Consultation Committee.

Bill Sharrock Dip. Tech Ed. (Commerce), MAICD

Bill Sharrock was the Chairman of Portland Coast Water from 2003 to 2005 and a Director from 2001. He is currently retiring as a member of the Victorian Catchment Management Council.

He is an original member of the Green Triangle Council for Regional Development and has sat on development committees for more than 20 years.

Bill is a former commissioner of the Port of Portland and is currently Chairman of the Portland Harbour Stakeholders Group. He is a founding member and former treasurer of the South West Region Housing Council and is commercially involved in farming, timber production and milling and construction.

Marie Thornton

TPTC, FAICD

Marie Thornton served on the South West Water Board from 1996 to 2005, including a period as Deputy Chair, and was appointed to the Glenelg Water Board in 2004.

Marie has had a career in teaching and librarianship and spent 13 years in local government as a Councillor and Shire President, and Commissioner of Colac-Otway Shire during its restructure.

Marie is a Director of the Board of Ballarat and Queen's Anglican Grammar School, where she is a member of the Planning and Audit committees.

Marie is a Fellow of the Australian Institute of Company Directors.

Role of the Board

The Board is responsible for the overall corporate governance of Wannon Water, providing strategic direction, setting organisational goals and monitoring achievement of those goals and obligations set out in the Statement of Obligations issued by the Minister for Water, Environment and Climate Change.

Board composition

The Board comprises a non-executive Chairman and six non-executive Directors appointed by the Minister for Water, Environment and Climate Change.

Consistent with the *Water (Governance) Act 2006* the Board appointed the current Chief Executive Officer, Grant Green, as Managing Director from 1 July 2007.

Board meetings

Board meetings are held monthly and additional meetings are convened as required. The decisions of the Board are recorded in the minutes of meetings.

Board committees

Three Board sub-committees assist the Board to carry out its corporate governance functions.

Audit Committee

The Audit Committee comprises a non-executive Chairman and two non-executive Directors. Meetings are held bi-monthly and additional meetings are held as required. The Audit Committee appointed RSM Bird Cameron as internal auditors. An audit program was set in consultation with the internal auditors to evaluate the adequacy and effectiveness of internal controls. The Audit Committee reviews the audit reports and monitors the actions taken by management in response to matters arising from audits.

The Audit Committee also meets with the external auditor.

Independent members are:
Marie Thornton (Committee Chair),
Sandra Adams, Paul Battista and Harry Peeters (ex-officio).

Executive Remuneration Committee

The Executive Remuneration Committee comprises a non-executive Chairman and two non-executive Directors. The committee reviews the terms of employment of the Chief Executive, oversees succession planning and monitors compliance with executive employment guidelines issued by the State Services Authority.

Members:

Harry Peeters (Committee Chairman),
Jacinta Ermacora and Bill Sharrock.

Risk Management Committee

A Risk Management Committee was established in July 2006. The committee reviews the management of key risks and opportunities faced by Wannon Water. Meetings are held bi-monthly.

Members:

Sandra Adams (Committee Chair),
Paul Battista, Dianne Clanchy, Jacinta Ermacora, Harry Peeters, Bill Sharrock and Marie Thornton.

Ethical standards

The Board acknowledges the need for, and continued maintenance of, the highest standards of corporate governance practice and ethical conduct by Directors, employees and contractors. The Board has a comprehensive governance framework that seeks to ensure high standards of ethical behaviour through adoption of policies supported by specific awareness and compliance programs.

The Directors' code of conduct issued by the public sector standards commissioner provides guidance to Directors to promote compliance with the public sector values and good governance practice. An instrument of delegation was been adopted for financial and non-financial decision making.

Performance evaluation

A formal process is in place to review the performance of the Board, its committees and individual Directors each year.

Independent advice

Individual Directors have access to independent legal advice should the need arise.

Directors' attendance at Board and Committee meetings

Director	Board Meetings		Audit Committee Meetings		Executive Remuneration Committee Meetings		Risk Management Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Harry Peeters	12	12	6	6	2	2	5	5
Jacinta Ermacora	12	12	-	-	2	2	5	5
Sandra Adams	12	12	6	6	-	-	5	5
Paul Battista	12	11	6	6	-	-	5	4
Dianne Clanchy	12	12	-	-	-	-	5	5
Bill Sharrock	12	10	-	-	2	2	5	4
Marie Thornton	12	12	6	6	-	-	5	5

Organisational Structure as at 1 July 2007

Board

Managing Director Grant Green

MBA, Grad.Dip Man, Dip.BS (Accounting), FCPA, FIWA, MAICD

Executive Assistant
to Managing Director
Joanne McBain

Manager Marketing &
Communications
Annette Cannon

General Manager
Retail & Corporate
Services
Andrew Jeffers
B Eng (Civil), M Eng (Env)
GAICD, MIWA

- Customer Service and Call Centres
- Customer Operations
- Billing & Revenue Collection
- Debtor Management
- Development Services
- Facilities Management
- Licences & Land Matters
- Administrative Services
- Knowledge Management
- Information Technology
- Human Resources Management

General Manager
Finance & Regulation
Damian O'Doherty
Dip.BS (Accounting),
CA, CPA

- Business Planning
- Statutory, Financial, Accounting, Reporting & Control
- Taxation Compliance
- Treasury Management
- Economic Regulation & Pricing
- Accounts Payable
- Purchasing
- Business Performance Reporting

General Manager
Operations
John Huf
Dip CE, EWS, Grad Dip
Mun Eng, Grad Dip Bus
Admin

- Water, Sewerage & Recycled Water Operations & Maintenance
- Mechanical & Electrical Services
- Treatment Plants
- Catchments & Ground Water Bores
- Water Quality System
- Trade Waste Agreements
- Dam Safety
- Emergency Management
- Biosolids Treatment

General Manager
Assets
Brian Jenkins
Dip CE, EWS, Grad Dip
Mun Eng

- Asset Management
- Asset Planning
- Asset Design
- Asset Replacement
- Contracts Management
- Capital Works
- Project Services
- Water Resource Planning

General Manager
Innovation &
Sustainability
Ian Bail
B For.Sci. (Hons)

- Sustainability Program
- Innovation Program
- Life Cycle Assessment
- Risk Management & Legislative Compliance
- Environmental Services Policy
- Integrated Management System
- Occupational Health & Safety
- Major Customer Liaison

Economic Sustainability

CAPITAL WORKS

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SUMMARY OF FINANCIAL RESULTS

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APPROACH

In support of the vision – to be a sustainable business meeting the expectations of communities through focus on economic, environmental and social responsibility, innovation and best use of water resources – Wannon Water's approach to economic sustainability has focused on addressing the financial issues associated with implementing an integrated financial system and business reporting framework, along with ensuring efficient delivery of the large capital works program and daily operations of the business.

Financial results

In 2006/07 Wannon Water funded \$17.46 million of capital works, primarily from cash holdings and financial operations of the business. Total indebtedness increased by \$2.97 million to \$18.22 million.

An operating profit (before income tax) of \$1.16 million was recorded for the financial year. Although lower than the budgeted profit of \$2.62 million, this is still a pleasing result.

Capital works program

2006/07

Major capital works project expenditure in 2006/07 included:

Balmoral Water Treatment Plant	\$0.88 million
Casterton Water Treatment Plant	\$0.63 million
Hamilton Water Reclamation Plant sludge thickener	\$0.33 million
Port Fairy Water Reclamation Plant – GSK	\$4.41 million
Port Fairy Water Reclamation Plant – domestic	\$0.30 million
Dartmoor Water Supply Scheme	\$0.68 million
Peterborough Sewerage Scheme	\$3.00 million
Drought response bores	\$0.53 million
Water mains replacements	\$0.60 million

We will ensure our business performance is sustainable

Events subsequent to balance date

At the time of printing this annual report, Wannon Water was not aware of any events subsequent to balance date that would significantly impact its operations.

National competition policy

The National Competition Policy has been implemented by Wannon Water under the advice of the Department of Sustainability and Environment. The National Competition Policy aims to improve the performance of Australian businesses by exposing them, where applicable, to the pressure of competitive markets. This improved performance will assist the efficient allocation of resources and provide benefits to consumers in terms of service quality and price.

Summary of the financial results

As Wannon Water was established in 2005, only two years of data is available.

	2005/06 (\$'000s)	2006/07 (\$'000s)
Core business revenue	32,884	37,366
Government contributions	470	470
Other revenue	2,213	2,206
Total revenue	35,567	40,042
Operating expenditure	25,457	28,359
Depreciation expenditure	10,043	9,030
Project expenditure finance costs	1,126	1,102
Loss on sales and Decommissioning of assets	1,308	393
Total expenditure	37,934	38,884
Current assets	13,836	10,148
Non-current assets	457,228	467,067
Total assets	471,064	477,215
Current liabilities	5,607	9,260
Non-current liabilities	14,447	15,787
Total liabilities	20,054	25,047

Ministerial direction

In accordance with the reporting requirements of FRD 12, Wannon Water has had no contracts in excess of \$10 million in the last year.

Consultancies

Wannon Water engaged 32 consultants costing less than \$100,000 in 2006/07 at a total cost of \$1,098,773.

Consultants costing more than \$100,000 in 2006/07 were:

Name of consultant	Project	Total	Future \$
Earth Tech Engineering	Peterborough Sewerage Scheme	\$185,059	\$73,960
Kellogg Brown & Root	Port Fairy Water Reclamation Plant Augmentation	\$368,732	\$55,700
GHD	Engineering consultancy services	\$1,352,992	\$1,232,400
Total		\$1,906,783	\$1,362,060

Significant changes in financial position

Wannon Water's second year of operation has been one of both consolidation and expansion, with an increase in operational resources. The capital works program as implemented has resulted in a small increase in borrowings, which are planned to increase in the future.

Major changes or factors affecting performance

Two major factors affected Wannon Water's financial performance in 2006/07. Firstly, the decline in water yield from the southern Grampians catchment due to the drought resulted in stage 4 water restrictions being implemented for the Hamilton water supply system. The water restrictions reduced water sales by \$0.66 million, and a further \$0.66 million was expended on drilling additional drought relief bores to maintain a supply of water to Hamilton. Overall, the drought had a negative impact of \$1.32 million and this was partially offset by higher water sales of \$0.31 million elsewhere, mainly due to an increase in water consumption by dairy farming customers connected to the Otway pipeline.

Secondly, although \$27.41 million was budgeted for capital works. However, only \$17.46 million was completed in 2006/07, with Wannon Water's requirement for borrowings in the year reduced from a planned \$19.8 million to \$2.97 million.

Future challenges

Wannon Water has developed a 50-year water supply and demand strategy that takes account of regional growth and climate change projections to ensure that water resources are available to meet the future needs of communities in south-west Victoria. Over the next 12 months the design of a major augmentation of the Hamilton water system will be undertaken. In addition, a number of unplanned capital works projects will be completed, including the Macarthur Iron Sorption Plant and the replacement of two deep bores at Portland. As a result, Wannon Water has a larger capital works program for 2007/08 and is well positioned to meet this challenge following the recent recruitment of additional engineering employees and having entered an innovative engineering consultancy arrangement.



Top: Director Bill Sharrock and Chairman Harry Peeters at the official opening of the Dartmoor water supply scheme.
Above: Dartmoor Primary School students sing the National Anthem at the opening.

Investing in assets - Dartmoor water supply scheme

Until this year, the township of Dartmoor, in the state's far south-west, was one of Victoria's largest towns without a reticulated water supply.

In February 2007 Wannon Water officially opened the township's reticulated supply, marking the end of a 10-year project.

Dartmoor, with its population of 250 and 150 homes, had been listed as a "Priority One" town under the Country Towns Water Supply and Sewerage Program.

Wannon Water General Manager of Innovation and Sustainability Ian Bail said community support during the design and construction of the scheme had proven invaluable.

For the duration of the project, Wannon Water worked alongside the Dartmoor and District Progress Association and with the community to ensure the scheme matched the community's needs and expectations.

"We are committed to working in partnership with our communities, and the input we received during the open days in Dartmoor really helped tailor the water supply system to meet both the immediate and long-term needs of the town," Ian said.

Stage one involved constructing a new bore and disinfection facilities along with a new reticulation supply to homes previously supplied from the Green Triangle Forest Products bore network. During stage two, an elevated water storage facility was built.

The town's water supply is now drawn from the large Dilwyn Aquifer, ensuring a long-term and virtually 'drought-proof' supply.

For the community, this means a reliable and higher quality water supply.

In recognition of this, Dartmoor's primary school pupils were on hand for the scheme's official opening in February, providing a delightful choral backdrop for proceedings.

Wannon Water Chief Executive Officer Grant Green said key community buildings within the township, including the primary school and police station, would now have access to a safe drinking water supply well into the future.

The \$1.58 million project was funded in part with a \$250,000 State Government grant.

Social Sustainability

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WATER QUALITY	20
COMMUNITY INVOLVEMENT	22



APPROACH

Wannon Water's social sustainability is aimed at delivery of the associated business drivers – to improve service delivery, engage with our community and build an organisational culture. Wannon Water works to improve services to customers by recognising the diversity of its communities and the provision of reliable high-quality water and sewerage services in line with key performance indicators.

Wannon Water recognises the vital role it plays within the wider community and is committed to working together with customers, the community and stakeholders to develop effective long-term relationships. Community consultation enables Wannon Water to make decisions that best meet the community's needs, valuing their input into the development of key policies and projects.

Wannon Water has proactively undertaken communication campaigns regarding water conservation practices and delivered a wide range of communication materials to customers regarding various issues.

In building the organisational culture, Wannon Water has focused on one of its most valuable assets – its people – through a number of development and training programs, delivery of employee resources and a clear code of conduct.

Wannon Water customers

Wannon Water provides services to a variety of residential, commercial, industrial and rural customers (see customer profile table below). The 22 largest customers use 25.5 per cent of water supplied by Wannon Water and are among the largest employers in the region. These customers operate in the aluminium, dairy processing, pharmaceutical, livestock, meat and wool scouring industries.

Customer Segment	No. of Customers	%	Water Used (ML)	%
Residential	32,209	81%	5,247	43.2%
Non-residential	4,225	10.6%	1,645	13.5%
Vacant land	1,468	3.7%	44	0.4%
Rural	1,836	4.6%	2,117	17.4%
Major	22	0.1%	3,104	25.5%
Total	39,760	100%	12,157	100%

* Note that vacant land may be where a median strip is watered or a stock trough exists without any other development.



*We will
improve our
service
delivery*

Customer service performance indicators for 2006/07

Wannon Water's key performance indicators and targets were approved by the Essential Service Commission and are set out in Wannon Water's Customer Charter.

All customer service targets were achieved for the year except for the number of unplanned water supply interruptions per 100 kilometres of water main. Overall performance in maintaining a high level of service was an excellent result given the impact of the drought, particularly in the Hamilton region.

Performance Indicators				
	2005/06 Actual	2006/07 Actual	2006/07 Target	Attained
Reliability of water supply system				
Unplanned water supply interruptions (per 100km of water main)	7.8	10.44 <small>Note 1</small>	10	x
Water response indicators				
Average time to attend Priority 1 bursts and leaks (minutes)	11.3	17.4	35	✓
Average time to attend Priority 2 bursts and leaks (minutes)	56.2	29.1	60	✓
Average time to attend Priority 3 bursts and leaks (minutes)	50.2	168.0	240	✓
Unplanned water supply interruptions restored within 5 hours	93.4%	98.4%	97%	✓
Planned water supply interruptions restored within 5 hours	91.3%	93.0%	90%	✓
Water interruption time indicators				
Average duration of unplanned water supply interruptions (minutes)	100.6	87.3	108	✓
Average duration of planned water supply interruptions (minutes)	190.5	142.6	180	✓
Average unplanned customer minutes off water supply (minutes)	9.0	6.10	9.9	✓
Average planned customer minutes off water supply (minutes)	6.1	3.08	9	✓
Water interruption frequency indicators				
Average frequency of unplanned water supply interruptions	0.09	0.07	0.09	✓
Average frequency of unplanned water supply interruptions	0.03	0.02	0.05	✓
Reliability of sewerage collection system				
Sewer blockages per 100km of main	40.0	23.5	38.3	✓
Sewer response indicators				
Average time to attend sewer spills and blockages (minutes)	32.0	27.6	30	✓
Average time to rectify a sewer blockage (minutes)	83.0	89.3	90	✓
Sewerage spills contained within 5 hours	98.4%	100%	98%	✓
Customer Service Indicators				
Complaints to EWOV (complaints per 1,000 customers)	0.31	0.15	0.6	✓
Telephone calls answered within 30 seconds	99.76%	99.92%	98.9%	✓

Note 1. Drought conditions resulted in more bursts and leaks than usual over previous years.

Customer satisfaction survey

Wannon Water conducted an independent survey of its customers in June 2007 to measure the level of customer expectations with water and sewerage services and their satisfaction with these services throughout Wannon Water's service area. In total, 1,650 domestic customers and 300 business customers were surveyed.

The overall level of domestic customers who were satisfied or extremely satisfied with the quality of water and sewerage services was 94 per cent, an excellent result and the same as the previous year. For business customers, 94 per cent were satisfied or extremely satisfied, one percentage point higher than the 93 per cent recorded in 2006. Overall Wannon Water's average rating was 7.7 out of a possible 10, a very high average for all elements surveyed.

The 94 per cent satisfaction ratings are particularly pleasing results and build on the high ratings of last year. The result is a significant achievement, especially given the issues relating to the drought, which have impacted all parts of Wannon Water's business and its customers during 2006/07.

In particular, Wannon Water recorded outstanding results in:

- the overall management of the water supply
- ease of access to customer service
- helpful and friendly staff
- keeping customers informed about issues, and
- responding to unplanned maintenance works.

Areas of major improvement included:

- all sewerage system services, particularly collecting and treating sewage in a responsible and environmentally friendly manner, and
- the expansion of sewerage services.

Customers were also very supportive of climate change initiatives, including Wannon Water investing in new equipment and procedures to reduce energy use, investing in projects such as tree planting to offset greenhouse emissions, and buying electricity as 'green power' to reduce greenhouse emissions.

Responding to complaints

Wannon Water encourages customer feedback, including complaints, as opportunities to maintain or enhance its customer loyalty and approval.

Wannon Water is dedicated to treating customers fairly and equitably through its new Corporate Complaints Management Process. This process recognises the need to be fair to both the complainant and the organisation. It provides a framework for adopting and disseminating policy and procedures for the resolution of complaints received by Wannon Water.

The total number of complaints received in 2006/07 was 431, which equates to 11.87 per 1,000 customers. Of these, 276 related directly to water quality supplied to consumers in the Casterton, Sandford and Merino districts. Works are planned to improve the aesthetic quality of water supplied to these customers.

Energy and Water Ombudsman (Victoria) Scheme

Wannon Water subscribes to an independent complaint resolution service provided by the Energy and Water Ombudsman (Victoria). While Wannon Water remains the first point of contact for enquiries about our services, the Ombudsman provides a further level of transparency about customer service matters.

In 2006/07 the Ombudsman referred 26 matters to Wannon Water. Of these, 20 were general enquiries and six were complaints investigated by the Energy and Water Ombudsman (Victoria).

94% overall customer satisfaction rating achieved

Overall satisfaction with water and sewerage services

Extremely Satisfied/
Satisfied





Making payments easier with quarterly billing

Wannon Water introduced quarterly billing in the 2006/07 financial year. Rather than receiving three larger bills every four months, quarterly billing makes payment more manageable for residential and small business customers. The quarterly bills also include a graphical comparison of water use in each quarter and typical water consumptions based on the number of persons in a household to assist customers to monitor their water consumption more effectively.

Community Service Obligations

Community Service Obligation rebates and grants are funded by the State Government and administration of the schemes is funded and managed by Wannon Water.

Community Service Obligation Provided	2005/06	2006/07
Concession for pensioners	\$1,595,632	\$1,574,134
Water and sewer rebates	\$249,166	\$233,250
Utility relief grant schemes	\$17,818	\$11,108
Water usage life machine rebates	\$830	\$767
Hardship Relief Grant Scheme (Sewerage Connection Scheme)	\$18,359	\$45,784
Total	\$1,881,805	\$1,865,043

These figures are marginally lower than last year for the following reasons:

1. GST ceased to be applied to pension concessions from November 2006 under advice of the Department of Human Services.
2. The concession rebates for water and sewer (not-for-profit organisations are entitled to a \$260 per year rebate) has temporarily decreased due to a change in billing arrangements for service charges in the Portland and Hamilton zones. Previously, services charges were paid in advance but are now due at the end of the billing period.

Assisting customers in genuine financial hardship

Late in 2006/07 Wannon Water reviewed its customer hardship policy to align with best practice within the Victorian water industry. The revised Customer Hardship Policy, available on Wannon Water's website, provides several additional benefits for customers in financial hardship, including:

- making it easier for a customer to demonstrate genuine financial hardship
- introducing a bonus credits scheme where every fourth payment in a payment program is waived
- introducing debt write-off and debt deferral in exceptional circumstances
- providing special provisions for large families in genuine hardship, and
- providing for subsidised water audits and installation of water saving devices for residential dwellings.

In 2006/07 Wannon Water assisted customers experiencing genuine financial hardship by:

- encouraging customers who receive Centrelink payments to use the fortnightly Centrepay facility. At the end of 2006/07 there were 497 customers (2.0 per cent of residential customers) using Centrepay
- waiving the interest component on overdue accounts. The total interest waived in 2006/07 was \$12,717 (\$6,362 in 2005/06)
- informing customers of Government assistance programs and assisting customers to complete the application forms
- providing customers with advice on how to reduce water consumption to become a more water-efficient household, and
- referring customers to an independent financial counselling service.

The number of customers under flexible payment arrangements varied over 2006/07. As at 30 June 2007 there were 1,260 customers (3.2 per cent of customers) and \$320,338 under flexible payment terms.

Ensuring high-standard water quality

Wannon Water is committed to maintaining a high standard of drinking water quality. Wannon Water has made significant progress in implementing an integrated management system that incorporates the requirements of the *Australian Drinking Water Guidelines* (2004) and the Hazard Analysis Critical Control Point approach that meets the requirements of the *Safe Drinking Water Act 2003* and associated regulations.

During 2006/07 over 95,000 water samples were taken from Wannon Water's water supply systems. Water samples were analysed by an independent laboratory certified by the National Association of Testing Authorities. The parameters tested for included, microbiological, physical, chemical, radiological, and algal numbers.

High water quality standards were achieved across Wannon Water's 34 localities.

Compliance with the standards outlined in the *Safe Drinking Water Regulations 2005* is shown in the table below.



Compliance with the Safe Drinking Water Regulations

	Number of samples	Maximum recorded sample	Minimum recorded sample	Average recorded sample	Number of samples over standard	Compliance
E. coli (98% of samples <1 org/100ml)	2,586	95	0	0	5	100%
Acid Soluble Aluminium (0.2 mg/L)	1,619	2.8	0.01	0.05	45	97.22%
Monochloroacetic acid (0.15 mg/L)	586	0.006	0.005	0.005	0	100%
Dichloroacetic acid (0.10 mg/L)	586	0.045	0.005	0.010	0	100%
Trichloroacetic acid (0.10 mg/L)	586	0.059	0.005	0.009	0	100%
Trihalomethanes (0.25 mg/L)	596	0.74	0.002	0.055	27	95.47%
Turbidity (5 NTU, 95% UCL)	2,566	35	0.1	0.42	0*	100%



Macarthur water quality

The Macarthur water supply is a 'regulated supply' (non-potable) and upgrading the water quality to meet the *Safe Drinking Water Regulations 2005* is a regulations priority project under the Country Towns Water Supply and Sewerage Program, and is scheduled for completion in 2008.

Casterton water quality

In early 2007 Wannon Water encountered a number of issues predominately related to the aesthetics of the water from the Casterton water treatment plant.

Following commissioning of a \$2.2 million upgrade of the Casterton Water Treatment Plant highly coloured oxidised water was delivered to some customers in Casterton, Sandford and Merino.

Water sampling undertaken at the time indicated that the level of iron was safe from a health perspective. Nevertheless, the water was highly coloured. Wannon Water acknowledged the adverse impact this had on customers and worked diligently to ensure the problem was resolved.

An interim solution has been implemented to mitigate the likelihood of this problem reoccurring and Wannon Water is working with design consultants to identify a long-term solution to the problem.

During 2006/07 over 95,000 water samples were taken

All localities except Cavendish achieved compliance with the E. coli standard (98 per cent of samples <1 org/100ml).

All localities fully complied with the regulatory standards for monochloroacetic acid, dichloroacetic acid, trichloroacetic acid and turbidity.

A small number of localities experienced some non-compliance against trihalomethanes, and aluminium.

Trihalomethane exceedences relate to Coleraine and Balmoral and are subject to current undertakings with the Department of Human Services. Improvements planned for these systems include:

- a new water treatment plant for Balmoral (under construction), and
- construction of a pipeline to supply water from the Casterton system to Coleraine (in design phase).

Aluminium exceedences occurred at various sites throughout Wannon Water's region and will be improved through supply system optimisation. Increased operational resources were approved in 2006/07 and will significantly contribute to improving the level of aluminium compliance in the future.

Full details of Wannon Water's water quality monitoring are contained in the annual drinking water quality report published in October each year. Compliance information does not include the "regulated supply" to the townships of Darlington and Macarthur and other non-potable water supplied to customers by agreement.

* compliance related to the number of localities compliant (34) rather than the number of tests.

COMMUNITY INVOLVEMENT

Wannon Water is proud of its community involvement and values its relationships with key stakeholders in its community. Wannon Water works closely with a wide variety of partner organisations, including the Corangamite Catchment Management Authority, Glenelg Hopkins Catchment Management Authority, Essential Services Commission, Environment Protection Authority, Department of Human Services, Department of Sustainability and Environment, Department of Treasury and Finance, the five local councils in Wannon Water's region, and other regional water authorities to deliver quality services.

Working with our Customer Engagement Committee

Facilitating involvement of customers in decisions affecting the standards and costs of services provided by Wannon Water is a key part of the business and integral to improving customer service and helping to define and further strengthen customer relationships.

To strengthen this commitment, Wannon Water established the Customer Engagement Committee in October 2005. The committee comprises 12 members drawn from a broad customer base, including residential and non-residential customers.

During the reporting period the committee met quarterly, providing advice on matters relating to Wannon Water's Customer Charter, water and sewer pricing structures, the Water Supply Demand Strategy and Guaranteed Service Levels.

"It is enlightening to be part of such a diverse group of people and we all seem to learn from each other. Wannon Water's vision for educating its customers and meeting the growth needs for the future is exciting to be involved with."

- Lou Hollis, Customer Engagement Committee



Other customer consultation

Community consultation enables Wannon Water to make decisions that best meet the community's needs. Consultation helps to ensure the community is involved in policy, planning, projects, service development and review, and the management of the water cycle.

Project-specific consultative committees and various community forums were convened in 2006/07 to gain feedback and input on a range of issues including:

Dartmoor water supply

Dartmoor's water scheme involved extensive consultation and communication with the Dartmoor community during the life of the project.

Wannon Water held an official opening for the scheme in February 2007 and extended an open invitation to the community.

Macarthur Water Quality Community Consultative Committee

In December 2006 Wannon Water, with the Macarthur Water Quality Community Consultative Committee, short-listed two water quality improvement options:

- Option 1: Reverse osmosis treatment of the existing bore water, and
- Option 2: Iron sorption treatment of the existing bore water.

To gauge community preference for the options all Macarthur customers were mailed a letter, information pack, ballot and reply paid envelope on December 18, with the ballot closing on 19 January 2007. The ballot showed a clear majority preference for the iron sorption treatment.

Following the ballot result, Wannon Water determined to move forward with the detailed design of the iron sorption solution.

The Macarthur Consultative Committee has now evolved to a Project Monitoring Committee.

The Macarthur ballot showed a clear preference for iron sorption treatment

Peterborough Sewerage Scheme Project Monitoring Committee

This committee provides a community consultation forum for the Peterborough Sewerage Scheme project and assists Wannon Water in identifying and addressing any community issues.

The committee met throughout the year to provide a forum for community feedback on the design and construction of the project. Wannon Water has made significant progress in construction of the scheme and the committee received regular updates on the progress of the project.

Port Fairy water quality consultation

Wannon Water had received a petition by a small number of customers in the Port Fairy community regarding a request to improve the drinking water supply by the removal of mineral salts. The 2006 customer satisfaction survey also indicated a lower order of satisfaction with the taste of the water in comparison to other water supply systems managed by Wannon Water.

In response, Wannon Water undertook consultation with the community in December 2006 regarding the potential to install a reverse osmosis treatment plant, which would improve the taste of the drinking water supply system.

All Port Fairy customers were mailed a letter, information pack, ballot and reply paid envelope to indicate their preference out of three options:

- Option 1: A 1.6 megalitre per day reverse osmosis treatment plant
- Option 2: A 3.0 megalitre per day reverse osmosis treatment plant, and
- Option 3: No water quality improvement needed.

The ballot result was a strong majority preference for Option 3: No water quality improvement needed.

Port Fairy customers indicated a preference for 'no water quality improvement needed'

West Portland Sewerage Scheme

A concept design and cost allocation for the West Portland Sewerage Scheme was completed by Wannon Water and presented to a meeting with the West Portland community on 4 April 2007. Following this meeting Wannon Water forwarded details of the proposed sewerage scheme to the 129 relevant landowners and invited them to forward written submissions to Wannon Water. Of the 129 landowners, 19 submissions (15 per cent of landowners) were received.

The submissions raised a number of specific issues and questions that Wannon Water answered by direct mail to all West Portland landowners. Wannon Water is undertaking consultation with Glenelg Shire Council regarding some of the issues raised in the written submissions received from landowners.

"Thank you so much for coming to give the Hamilton House Day Centre clients such an informative and interesting talk on Wannon Water resources and restrictions. This was most enlightening and helpful in understanding current restrictions in place for both clients and staff."

- Maryanne Campbell,
Western District Health Service.

"... Thank you for your generous support and contribution to our recent Tarerer Family Day event ... Our commitment is to family and community to strengthen understanding between indigenous and non-indigenous people. We would be unable to stage such an event without the generous support of people like yourselves."

- Andy Alberts, Chairman,
Tarerer-Gunditj Project Association.

Community inclusiveness

Wannon Water values community inclusiveness and is committed to improving the quality of service delivery to a culturally and linguistically diverse community. This is consistent with the Premier's community inclusiveness circular of 2006 relating to culturally and linguistically diverse backgrounds, women, youth and indigenous affairs.

Wannon Water has established a free interpreter service to assist customers who do not speak English. Information on the free interpreter service is set out in our Customer Charter and on customer accounts.

Aboriginal archaeology

Wannon Water undertook cultural heritage and archaeological surveys for a number of projects in 2006/07, including:

- Wangoom Road Trunk Sewer Scheme
- North Dennington Trunk Sewer
- Dales Road water storage duplication
- Port Fairy sewer rising main condition assessment
- Casterton-Coleraine pipeline, and
- Replacement of Portland water supply bores.

In each of these projects Wannon Water sought involvement with the relevant cultural heritage group at an early stage to ensure that any cultural heritage needs and requirements were identified. Where necessary, Wannon Water engaged the services of expert consultants to undertake cultural heritage surveys so that any site of cultural importance could be identified and the necessary measures taken to ensure the protection of these sites.

During the surveys Wannon Water liaised closely with the consultant and local Aboriginal cultural group (Framlingham Aboriginal Trust). Where identified by the survey that areas of potential cultural significance are likely, Wannon Water works with the local aboriginal cultural group to ensure the necessary monitoring is undertaken during construction.

Wannon Water provided:

- \$10,000 in financial sponsorship
- 4,500 water bottles
- 2,500 calico reuse bags
- 250 rain gauges

Supporting community organisations

As a provider of essential services in our community, Wannon Water aims to be a good corporate citizen in everything it does, actively supporting and developing community spirit and promoting health and wellbeing in the south-west of Victoria.

Through its sponsorship program, Wannon Water aims to promote water conservation, physical activity and community involvement, and assesses each sponsorship application against a set of criteria related to these objectives.

In 2006/07 Wannon Water provided nearly \$10,000 in financial sponsorship to 14 appropriate community events across its service area, supporting the Hamilton Society for Growing Australian Plants, Portland Basketball Association, Port Fairy Surf Life Saving Club, the Country Fire Authority Firefighting Championships and various other events.

Wannon Water also made available a wide variety of products, including 4,500 water bottles, 2,500 calico reuse bags, 250 rain gauges and various other environment-related products.

Educating the community about water conservation

Wannon Water has this year stepped up its education role in a bid to quench the region's growing thirst for up-to-date knowledge about our most precious resource.

Responding to the increasing public interest in water-related issues, the organisation attended a number of community events and presentations, visited schools across the south-west and produced its first Wannon Water-branded education pack.

The 'Water – Learn it! Live it!' package was launched on 22 March 2007 and distributed to all 83 schools and 10 libraries in its service area, as well as to Deakin University, during the year.

Aimed at teachers, students and at the wider community, the pack included a series of fact sheets, a CD-Rom and teacher resources.

Marketing and Communications Advisor Richard Honey said that in the interest of ensuring the information was relevant and useful, the fact sheets were localised to the Warrnambool, Hamilton, Portland and Camperdown regions, and included information on topics such as where our water comes from and how and where it is treated.

"Wannon Water has 21 water treatment facilities and 17 water reclamation plants throughout the region, and they're all very different. We wanted to make sure the information we presented reflected those differences," Richard said.

The education pack and other printed materials were just the beginning of Wannon Water's expanding educational resources, all of which are available free of charge.

Richard said the website had also been an important aspect of the organisation's education role, and contained up-to-the-moment information relevant to the entire community.

"We constantly update the website to ensure the very latest information is available on topics such as water restrictions, water-wise gardening, links to other relevant sites and information about the tours we conduct.

"The tours of our various treatment plants are really something we encourage schools and community groups to do – they're a great way to build a better understanding of where water comes from, how it is treated and how we can all do our bit to preserve this precious resource."





Promoting water conservation with photo competition

Wannon Water's seventh annual 'Water is a Precious Resource' photography competition was the most successful to date, with a record 750 entries received.

The competition continues to grow in popularity and this year invited entrants to submit photos depicting the vital nature of water in our community, helping to promote the important message of water conservation.

First, second and third prizes were awarded in six divisions, encouraging primary students, secondary students and amateur photographers to enter the competition and highlight the importance of preserving water resources for the benefit of our communities and the environment.

The photos were of a very high standard and many were exhibited at Wannon Water's offices in Warrnambool, Portland and Hamilton following the official awards night held at the Warrnambool Civic Centre on 2 September 2006. A calendar featuring competition photos was also made available for a \$2 donation, with proceeds going to WaterAid Australia, which provides practical solutions to provide safe water, effective sanitation and hygiene education to the world's poorest people.





Wannon Water Managing Director Grant Green and Peter Dark, Glenelg Hopkins CMA Chairman, at the launch of the catchment trailer during National Water Week.

National Water Week

Wannon Water was proud to support National Water Week once again in 2006/07, joining forces with partner organisations to coordinate a series of community events to raise awareness of the precious nature of our water resources and the need for water conservation.

Wannon Water coordinated a wide variety of community events, including water education activities for approximately 400 primary school children in Port Fairy, Warrnambool and Hamilton, colouring-in competitions in local newspapers (with 40 prize packs awarded), media interviews and articles regarding water conservation.

National Water Week also saw the launch of the interactive water catchment trailer, a mobile working model aimed at explaining what a catchment is. The model demonstrates river management, coastal and estuary features, how stormwater

works, how agricultural practices can affect river health and examples of industrial and domestic water use. The trailer was produced by the Glenelg Hopkins Catchment Management Authority with support from Wannon Water and other organisations in south-west Victoria.

Promoting the Water Smart Rebate Scheme

Wannon Water promoted the State Government's Water Smart Rebate scheme, enabling eligible customers to apply for rebates for purchasing water efficient appliances and garden products. In 2006/07 Wannon Water processed 465 rebates totalling \$57,750. Of these, 36 were large tank rebates.

In addition, 1,210 AAA shower roses were provided to customers on an exchange basis free of charge. This exchange program concentrated on those areas where higher levels of water restriction existed.

Wannon Water provided additional promotion by doubling the AAA shower rose rebate from \$10 to \$20, with 32 customers receiving the higher rebate.

Building a better workplace

Wannon Water aspires to be an employer of choice in south-west Victoria and currently employs a diverse range of employees involved in the delivery of essential water and sewerage services and capital works. Employees come from a variety of disciplines, including engineering, information technology, accounting and commerce, science, human resources, administration, marketing, customer service, management and trades such as fitting and turning, and electrical.

Wannon Water undertook recruitment in 2006/07 to upgrade strategic planning capability and employ additional engineering and operations employees to meet regulatory obligations.

Wannon Water's employee numbers, as at 30 June 2007, are detailed in the table below. Wannon Water employs a number of part-time employees. (This table represents the total number of employees, not the number of full-time equivalent employees):

	Total Employees	No. Males	% Males	No. Females	% Females
2006/07	169	124	73%	45	27%
2005/06	152	106	70%	46	30%

Equal opportunity

Wannon Water is committed to the employment principles of the *Public Sector Management and Employment Act 1998*. Policies and procedures are in place to ensure merit and equity in employment, accountability in performance and diversification in structure. Wannon Water complies with annual reporting requirements of the State Services Authority with respect to the People Matter Survey, Public Agency Survey and Workforce Data Collection.

Training and development

Wannon Water aims to build a vibrant organisational culture by:

- providing a productive, satisfying and safe workplace for employees
- developing an organisational culture that promotes innovation, teamwork and customer service, and
- providing training and development opportunities for employees.

To meet these objectives, Wannon Water is creating a workplace that provides fulfilling and rewarding opportunities for all employees, allowing us to retain talented individuals and build a reputation as an 'employer of choice' in the local jobs market.

To further strengthen its skilled and efficient workforce and to build an organisational culture that supports, nurtures and motivates its most important asset – its people – Wannon Water has focused on developing a combination of learning opportunities and activities to meet the developing needs of employees across the organisation. These include:

- leadership development for 45 employees in a leadership role
- Australian Inter-service Incident Management System (AIIMS) Training to ensure key employees are competent in the effective and efficient control of incidents
- Traineeship Program in Operations and Retail Services
- operations employees completing Certificate II or III in Water Operations
- financial assistance to employees undertaking tertiary education in the areas of Business Management, Human Resources, Accounting, Project Management, Engineering and Masters Degrees in Business Administration and Environmental Science, and
- in-house training on a number of software applications.

PROFESSIONAL DEVELOPMENT AT WANNON WATER – SIMON HERMANS, CONTRACTS MANAGER

Wannon Water Contracts Manager Simon Hermans plays an important role in instilling a culture of learning within his team.

Midway through a Master of Business Administration, Simon has also completed a series of short courses during his five years with the organisation, most of which were completed during work hours.

A civil engineer by profession, Simon understands all too well the benefits of professional development and learning.

"I think it's vitally important to foster a culture of learning within the team and to provide opportunities for training wherever possible," he says.

While Simon's shorter on-the-job courses helped equip him with practical skills and know-how, his MBA studies have given him a broader understanding of his work and his role within the engineering profession.

Collectively, his professional development has assisted his steady rise through the ranks from Assets/Project Engineer to Contracts Manager within the Assets Creation Team.

"Certainly it has made a difference and given me a better idea of the bigger picture, especially now that I'm in a management role."

Wannon Water has supported Simon throughout his MBA studies, providing financial assistance and some study leave.

Simon with Fiona English,
inspecting the plans for a new pipeline



TRAINEESHIP CASE STUDY: LAURINDA WILSON, CUSTOMER RELATIONS OFFICER



Wannon Water Customer Relations Officer Laurinda Wilson has a promising career ahead of her in administration. But it wasn't always that way.

After leaving school, Laurinda moved into a factory job, but quickly realised "this was not the job for her".

Applying for a traineeship at Wannon Water proved to be a turning point, paving the way to a career in which she is "never bored".

Laurinda completed her 12-month traineeship in March 2007, and now feels she has the foundations on which to build a solid career.

"I feel as though I'm going somewhere," she says. "A lot of my learning was on-the-job, and I always had someone helping me or showing me how to do things."

"It really complemented what I was learning through my formal training, and I still feel like I'm constantly learning."

Each week of her traineeship, her training provider, WestVic Training, would provide a series of questions and projects for Laurinda to complete during work hours. Later, a workplace assessor would visit her at the office and go over what she had done.

"It was all definitely very relevant to my job."

Today, she stills draws upon the wealth of knowledge and experience proffered by her colleagues.

TRAINEESHIP CASE STUDY: STEPHEN DONAT, OPERATIONS AND MAINTENANCE OFFICER

Swapping the plains and paddocks of a Murray River farm for the pipes and waterways of the Wannon region has proven "a real eye-opener" for Stephen Donat.

The former farmer completed a Wannon Water Operations and Maintenance traineeship in June 2007 – not such a quantum leap as might be expected given Stephen's ready ability to turn his hand to almost anything.

He is now one of a team of operations and maintenance workers who are dispatched to help repair burst or leaking water pipes, blocked sewers and the like, and to maintain Wannon Water's intricate infrastructure network.

Although professing to find blocked sewers "a bit foreign at first", he has taken to his new role.

"The whole job's been a real eye-opener," he says. "I really enjoy the people side of it – dealing with the public. And the water side of things is probably one of my favourite parts of the job."

For the duration of his 12-month traineeship, Stephen spent two hours each Friday completing written exercises and projects set by trainers at South West Institute of TAFE.

"I didn't have to do it in my own time; I could do it at work. I could ask some of the other people who've been around here for a while about things, or look it up on the computer, and the rest I really learned on the job."



Building organisational culture

Wannon Water will continue to foster a performance-based and customer-focused organisational culture by providing appropriate and relevant professional development programs. Wannon Water will also ensure that quality ongoing employee education, professional development and training are provided and that such programs are accessible by all staff on an equitable basis.

Wannon Water's focus will be to consolidate current programs and continue to implement learning strategies, recruit employees with values that match Wannon Water's values, and seek new initiatives that will drive continuing improvement such as:

- measurement and analysis of culture and behaviours
- review and improve performance evaluation process, including reward and recognition
- team dynamics, including building individual team culture
- employee Assistance Program
- develop a friendly, flexible and contemporary workplace, and
- nurturing approach by management.

“Your safety first, task second”

- Grant Green, Managing Director.

Ensuring a safe workplace

Wannon Water is committed to ensuring the health and safety of its employees and members of the public, consultants and contractors, for whom it has a duty of care. Wannon Water recognises that safety is both an individual and shared responsibility.

Occupational health and safety is a key component of the Integrated Management System and is closely associated with the innovation program.

Wannon Water invested significant resources in health and safety training

for employees in 2006/07, which has greatly supported our workforce. BackSafe, Roadside Traffic Management and Electrical Spotters training were some of the key safety programs delivered during the year.

The effective performance of the Operational Occupational Health and Safety Committee saw consultation come to the fore. This assisted with compliance and ownership of employee health and safety.

In 2006/07, Wannon Water's focus on safety resulted in a substantial reduction in the number and frequency of Lost Time Injuries in comparison to 2005/06.

Key Occupational Health and Safety Indicators	2005/06	2006/07
Number of Lost Time Injuries (LTI)	6	3
LTI frequency rate (LTI occurrences per one million hours worked)	20	9
LTI duration rate (average days lost per LTI)	11	19
Significant injury (days lost per one million hours worked)	233	172*

*The majority of days lost were as a result of injuries that occurred in prior years.



Environmental Sustainability

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APPROACH

The environment is one of the pillars of a sustainable business and Wannon Water is committed to developing and implementing sustainable practices to protect natural resources for the future. Wannon Water's approach towards environmental sustainability is to integrate its resource management to ensure positive environmental outcomes whilst working within legislative and regulatory frameworks.

As land stewards, Wannon Water works to protect and enhance ecological assets within its core water and sewerage service operations. Other important considerations include cultural heritage sites and vegetation management. These constitute important planning considerations for all Wannon Water projects and operations.

Wannon Water also maximises opportunities to promote water conservation and efficient use of water. Recycled water is a valuable resource and Wannon Water continually seeks opportunities to substitute potable water with fit-for-purpose recycled water.

Bulk Water Entitlements

The annual amounts harvested under Wannon Water's Bulk Entitlement Conversion Orders in 2006/07 were:

Bulk Water Entitlement	Amount harvested
Otway System Conversion Order	10,129 out of a maximum of 12,580 megalitres (80.5%)
Hamilton Conversion Order	924 out of a maximum of 3,435 megalitres (26.9%)
Coleraine, Casterton and Sandford Conversion Order	148 out of a maximum of 855 megalitres (17.3%)
Dunkeld Conversion Order	23 out of a maximum of 170 megalitres (13.5%)
Glenthompson Conversion Order	0 out of a maximum of 94 megalitres (0.0%)
Wimmera and Glenelg Rivers Conversion Amendment Order	As at 30 June 2007, Wannon Water had received 31.5 out of a maximum 47 megalitres (67%). Entitlement year is 1 Nov. to 31 Oct.

Note that no water was taken under the Glenthompson Bulk Entitlement Conversion Order. An amount of 45.5 megalitres was purchased from Grampians Wimmera Mallee Water to supply a total system demand of 43.2 megalitres. See Appendix 1 for notes on Wannon Water's Bulk Entitlement Conversion Orders.

Water sources

Wannon Water has a diverse range of water source supplies in its region, the three largest being the Otways system (Arkins Creek Catchment and Gellibrand River), the Grampians system and the Dilwyn Aquifer. The Otways and Grampians systems have water storages and transportation pipelines, whereas the Dilwyn Aquifer supplies directly to local treatment plants.

The Otways system supplies water to customers in urban and rural areas within the geographic area bounded by Warrnambool, Koroit, to Mortlake, Derrinalum, Camperdown and Simpson. Water is extracted from the Arkins Creek and the Gellibrand River. Warrnambool and Mortlake Otway supplies are supplemented by local groundwater extraction.

Water from the Grampians system supplies Hamilton, Dunkeld, Tarrington and Cavendish. The Grampians supply is usually exclusively from seven small streams, though much of the flow for 2006/07 was sourced from the emergency bores augmented from two to four in this year.

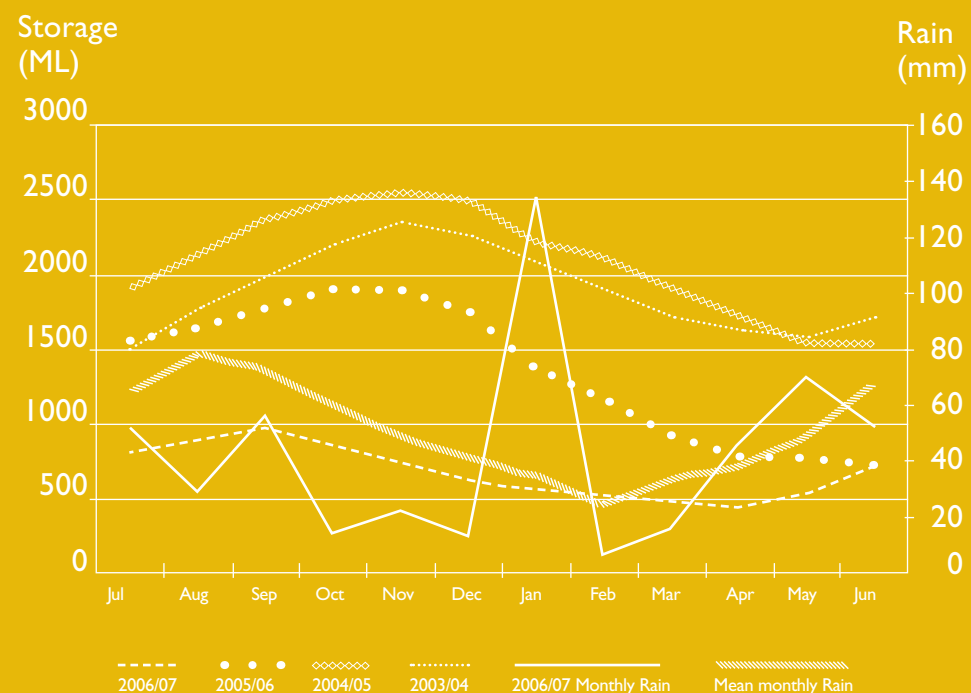
Customers from Casterton, Sandford and Merino are supplied from the Tullich Borefield.

The deep Dilwyn Aquifer is the source of water for Dartmoor, Heywood, Portland, Port Fairy, Peterborough, Port Campbell and Timboon.

Coleraine is supplied by the local surface water catchment. Caramut, Peshurst and Macarthur are supplied from local groundwater systems. Balmoral is supplied from the Rocklands Reservoir. Glenthompson receives water from two local reservoirs and from the Willaura bore system (operated by Grampians Wimmera Mallee Water).



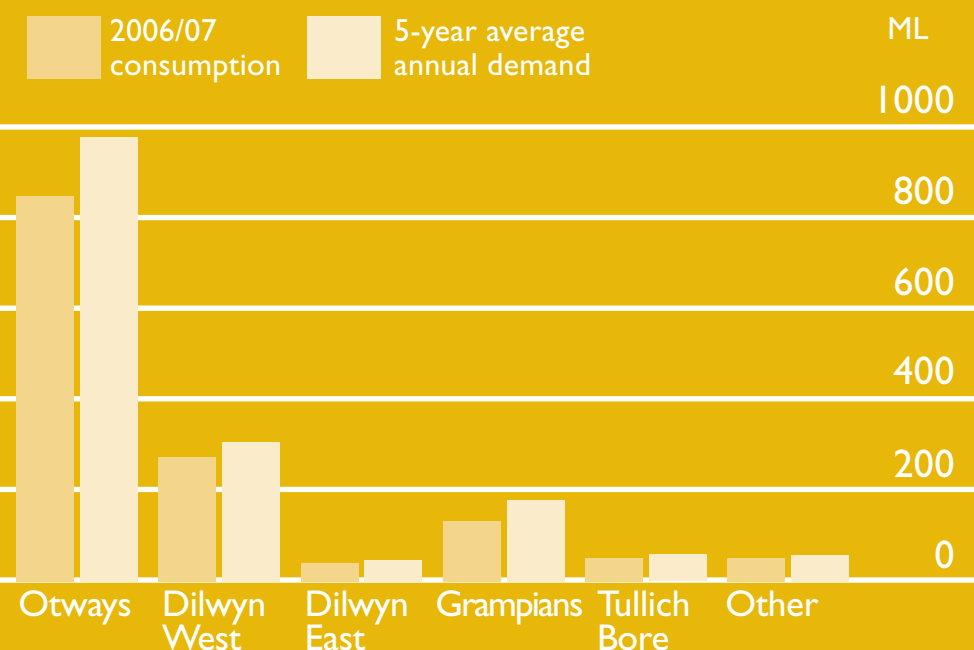
Grampians System Storages Contents



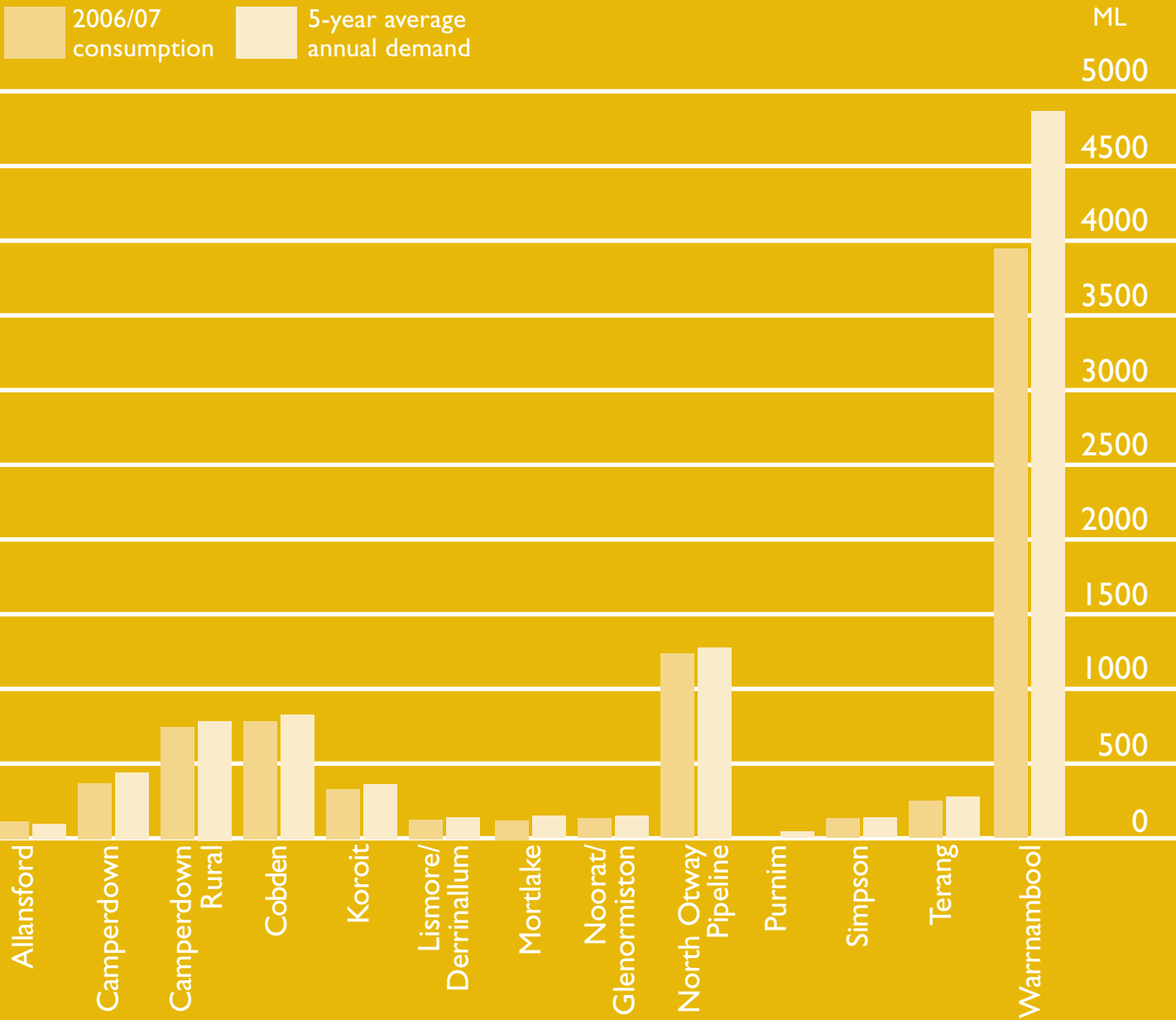
Water extractions from the Otways (surface and groundwater) system increased by 1.7 per cent, from 10,887 megalitres to 11,070 megalitres. A significant increase in groundwater extractions saw water harvested from the Grampians (Hamilton) system increase 11.5 per cent from 1,388 megalitres in 2005/06 to 1,548 megalitres this year.



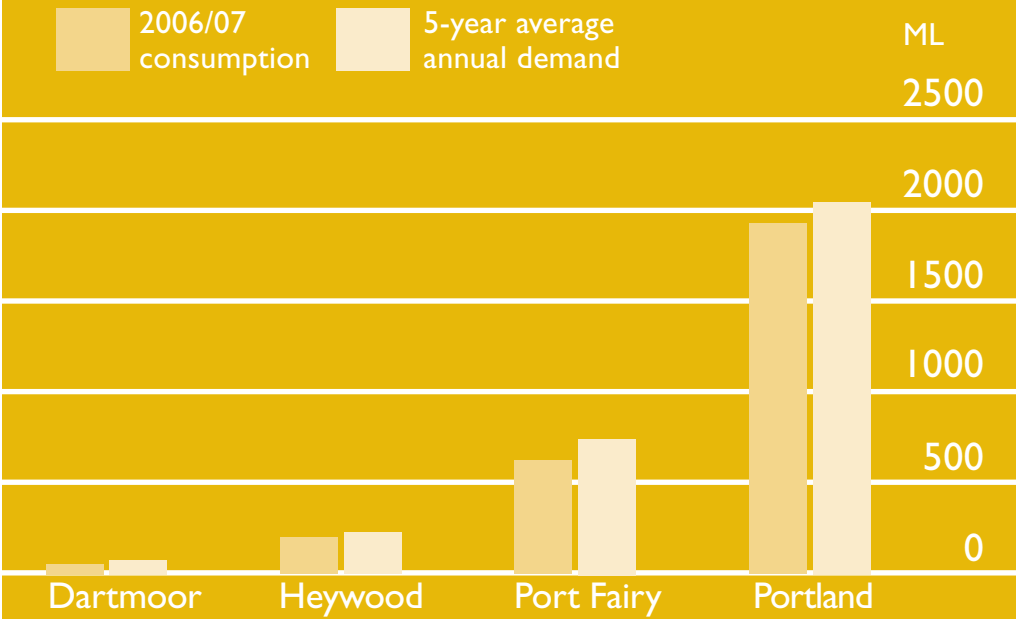
Water consumption



Otway supply system water consumption

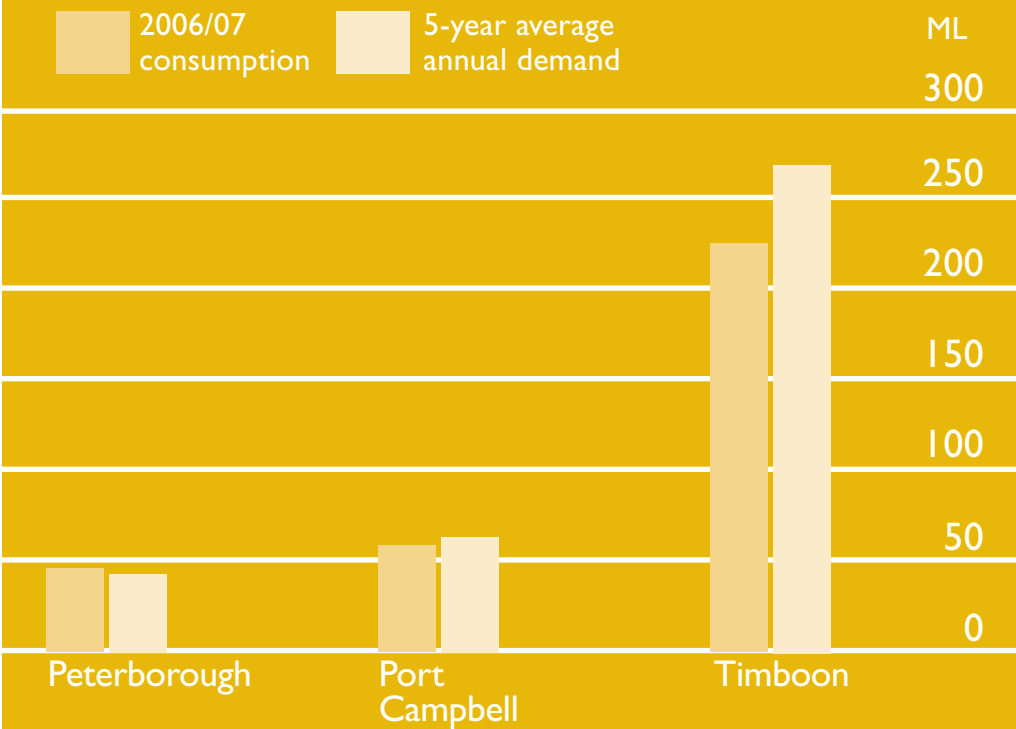


Dilwyn aquifer (west) water consumption

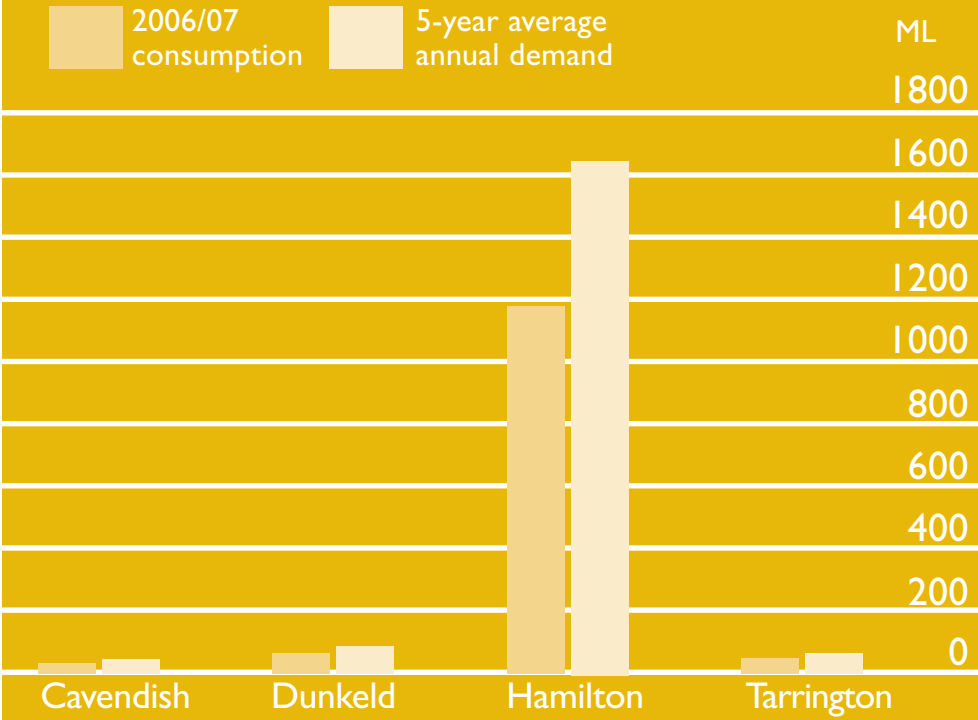


Water extractions from the Otways system increased by 1.7%

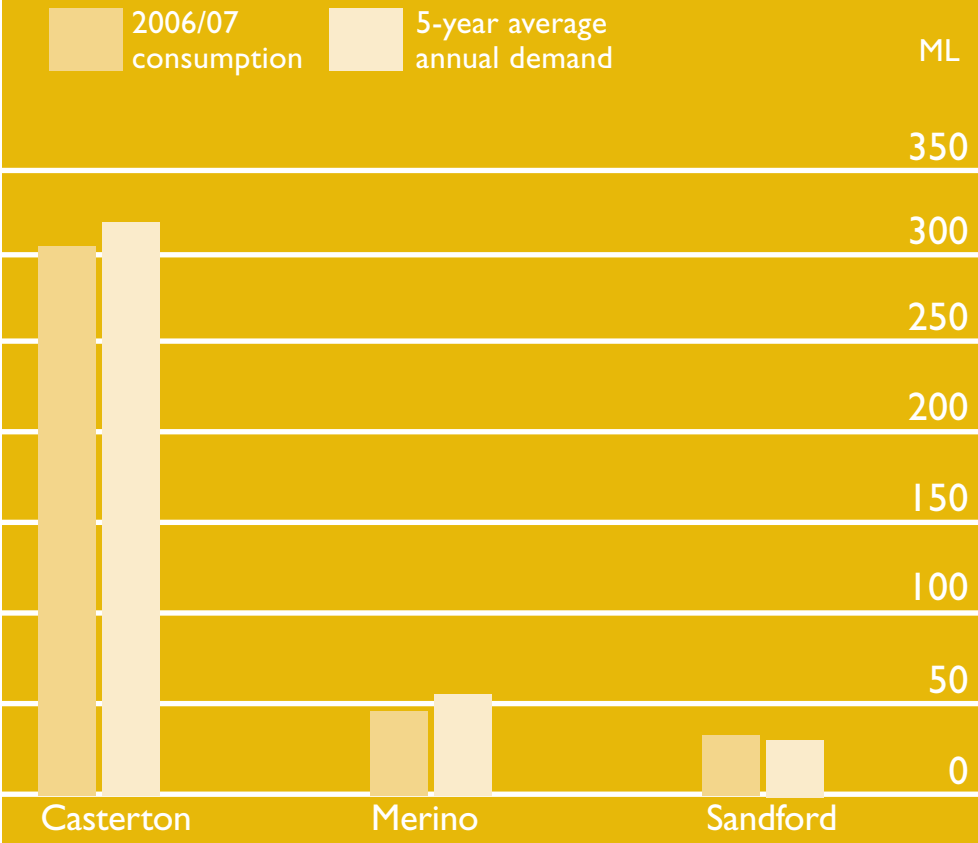
Dilwyn aquifer (east) water consumption



Grampians system water consumption



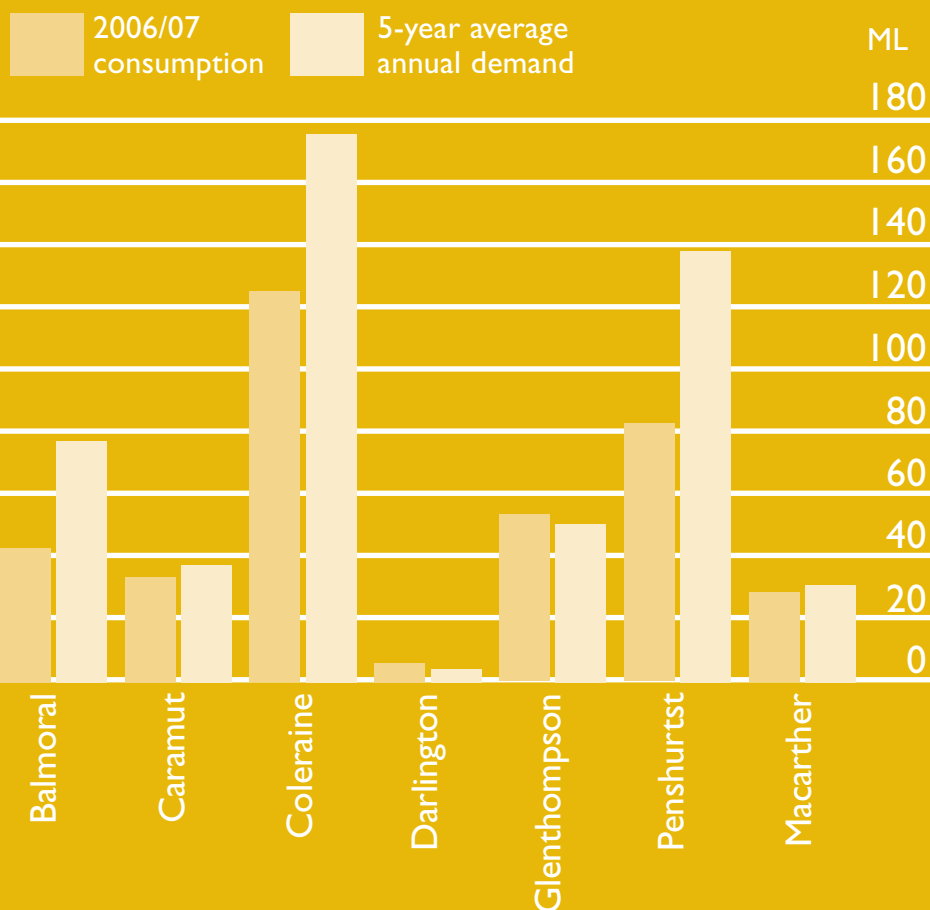
Tullich Bore system water consumption



Water from the Grampians is usually from seven small streams, but 2006/07 saw emergency bores increase from 2 to 4 to supply most of the water for Hamilton and Southern Grampians towns



Other water supplies water consumption



Sewage treatment

The treated effluent discharged from 12 of the 17 water reclamation plants fully complied with Environment Protection Authority discharge licences.

The Portland Water Reclamation Plant treatment lagoons were de-sludged, resulting in improved performance. However, licence conditions for Biochemical Oxygen Demand (BOD), suspended solids, E. coli and ammonia continued to be breached. The lagoons are currently being reconfigured and additional aeration is being installed. This should result in BOD and suspended solids compliance by October 2007. A major upgrade of the treatment plant is planned to commence in 2008 to ensure all licence criteria are met.

A new treatment facility at Port Fairy to treat the GlaxoSmithKline waste stream is currently being commissioned. During the construction and commissioning phase of the facility, a number of suspended solids and BOD licence breaches occurred. This was due to the required disruption of the normal treatment process to enable construction to occur.

Biosolids Treatment Facility at Camperdown.

Elevated E-coli results were recorded on occasion at the Hamilton, Port Fairy domestic and Simpson water reclamation plants, reducing compliance back to 98 per cent in these three cases.

Producing biosolids

Biosolids are nutrient-rich organic materials processed from treated sewerage sludge. The sludge is generated as a by-product of the sewerage treatment process. Sludge produced at Warrnambool and Port Fairy Domestic Water Reclamation Plants was transported to the biosolids treatment facility at Camperdown. At Camperdown the sludge is dried and composted into biosolids for reuse on farms in the surrounding area. The biosolids act as a soil conditioner and have a look, smell and texture similar to a dark and rich organic soil.

Wannon Water produced 2,451 dry tonnes of biosolids for the year. The sludge generated at the Port Fairy Industrial Plant was transported for reuse at Bio Gro in Mount Gambier. Sludge generated at the Hamilton Water Reclamation Plant was stockpiled on site.

In total, 4,486 tonnes of biosolids were reused this year. This represents the reuse of 183 per cent of biosolids production in 2006/07. (Due to weather conditions, reuse of biosolids at Camperdown was unable to be carried out in 2005/06. Therefore, two years' biosolids were reused from the Camperdown site this year.)

Regional Catchment Management Strategy

Wannon Water continues to work closely with the two catchment management authorities in south-west Victoria and other regional partners to develop and implement various plans and strategies to improve the state of the region's natural assets. In 2006/07 Wannon Water contributed to the development of the Glenelg Hopkins Catchment Management Authority Regional Weed Plan and Native Vegetation Plan, which are subsidiary plans to the Regional Catchment Strategy. In addition, the Victorian Government called for submissions on its Land & Biodiversity White Paper,



to which Wannon Water responded. Wannon Water contributed to the delivery of the Regional Catchment Strategy through various projects and groups such as:

- Land Capability and Biodiversity Project (Moynessh Council)
- Southwest Sustainability Partnership
- Southwest Climate Change Group
- Heathland Management Committee
- Glenelg Hopkins Catchment, and Management Authority River Health Advisory Group.

Victorian Biodiversity Strategy

Wannon Water manages approximately 3,000 hectares of land spread over a large area with varying landscapes, soil types and climates. Coastal land at Portland contains Heathland species that supports the vulnerable Southern Emu Wren, while land at Dunkeld contains grassy woodland species such as the vulnerable Striped Legless Lizard and endangered Plump Swamp Wallaby Grass. Three Wannon Water sites are used in the Natural Heritage Trust's *Distribution*

and Preferences of the Striped Legless Lizard (*Delma impar*) in Western Victoria study. These sites contain artificial habitat used to determine the movement and habitat preferences of the lizard. The study has been progressing for over three years and is continuing the development of partnerships between the community and government in the custodianship of biodiversity.

Throughout 2006/07, Wannon Water continued developing a biodiversity asset register and Natural Resource Management Action Plan. The action plan will direct future activities that support the delivery of the Victorian Biodiversity Strategy and Regional Catchment Strategy. Recognised in the plan is Wannon Water's role as a member of the Heathland Management Committee, which delivers a Heathland Management Plan covering 506 hectares on Point Danger, Cape Sir William Grant and adjacent land known informally as the Portland Heathland. Wannon Water manages 10.6 hectares of this land.

Victorian River Health Strategy

Wannon Water developed its key strategic planning document, the Water Supply Demand Strategy, in 2006/07. This document recognises the importance of healthy rivers and streams, not only to regional water supplies but to landscapes, ecosystems and the identity of the region. Effective demand management is a key lever for reduced extractions from rivers and is a focus of the strategy.

Wannon Water is also involved in on-ground projects to support regional river health programs. An example is the fencing and revegetation of a section of the Glenelg River on Wannon Water-managed land at Casterton. The land is within the Mid-Glenelg River – G3, a priority sub-catchment identified in the Glenelg Hopkins Catchment Management Authority Regional River Health Strategy. This project has contributed to the health of the river by excluding stock access, improving bank stability and the riparian zone.

Protecting biodiversity at Bald Hill

Wannon Water recognises and supports the importance its customers and communities place on working to protect and improve the biodiversity of the region. During 2006/07, Wannon Water developed a natural resource management strategy, incorporating biodiversity, and has been undertaking a range of on-ground projects.

One key site is at Bald Hill, south of Portland, which forms part of the Portland Heathland complex. The site is managed by Wannon Water and houses the key water supply bore assets supplying Portland.

In May 2007 Wannon Water oversaw a successful ecological burn of heathland at Bald Hill that will provide future benefits for the local environment. This work follows on from previous regeneration burns undertaken as part of the Portland Heathland Management Plan, involving Wannon Water and neighbouring land managers. The Portland Heathland contains a number of rare and threatened flora and fauna species,

including the Southern Emu Wren and Melbloms Spider Orchid.

The condition of the heathland had been declining over recent years due to invasion by a number of species, particularly Coastal Wattle. Heathlands require a regular fire regime to keep them healthy, and the ecological burn will encourage the native species to regenerate and slow the spread of weeds in the area. This will provide additional habitat for native plants and animals.

Wannon Water worked closely with several agencies, including the Country Fire Authority, to identify the most suitable time for the ecological burn, measures to minimise harm to critical species and activities to monitor and maintain the site during regeneration.

The work was very successful and will help maintain and restore the biodiversity of the area, consistent with Wannon Water's emphasis on environmental sustainability.



RESPONDING TO DROUGHT



This year marked the 10th successive year of drought in Australia and one of the driest spells on record in the Wannon Water service area. As a result of continued low water storage levels, Wannon Water invoked its drought response plan and a number of towns were placed on stage four water restrictions, including Hamilton, Cavendish, Dunkeld, Tarrington, Balmoral and Glen Thompson, while stage one water restrictions were in place in Coleraine.

The drought provided many challenges for all areas of Wannon Water's business, particularly for the operations and water treatment teams who dealt with the impact on water storages and treatment plants as new processes were implemented to handle drought relief supplies of groundwater to supplement dwindling water storages.

Teams were often stretched to the limit as they addressed issues of water balance and water quality, dry earth impacting the reticulation systems and lower water flows through the pipes leaving residue.

The need to keep customers and communities informed also provided a challenging time for the Marketing and Communications team.

Wannon Water's drought response actions were aimed at ensuring a clean and safe water supply to customers while supporting consumers in their bid to lessen water consumption.

A crucial aspect of Wannon Water's drought response proved to be the early summer explorations for alternative water supplies for the Hamilton water supply system.

As a result of this exploration drilling campaign, two new bores were sunk in and on the edge of the Grampians National Park, with the reliable groundwater supply of water helping to stave off the need for emergency water rationing in the Hamilton district.

Branch Manager of Systems Operations John Whitewood said these bores proved "reasonably critical".

"The (existing Hamilton region) surface water supplies would not have kept up with demand," he said.

General Manager of Operations John Huf said the greater reliance on groundwater for the Hamilton water supply had presented a series of challenges.

"The water was a lot harder and it had a different chemistry, meaning we had to adjust the treatment plant accordingly."

Wannon Water employees also worked alongside businesses and high water consumption customers, unearthing 16 serious leaks at some of these premises. Collectively, these leaks resulted in 31,000 litres of water being wasted daily, so identifying and fixing these resulted in considerable long-term savings.

In January 2007 Wannon Water trialed an innovative solution to reduce water loss by applying evaporative retardant on the water storage to reduce the amount of water lost to evaporation. Although difficult to measure accurately, there is evidence that the application of the evaporative retardant contributed to saving water over the period that it was applied.

Wannon Water's Marketing and Communications team also went into

Uniform Water Restrictions timeline

Towns	Stage 1 Restrictions Commenced	Stage 2 Restrictions Commenced	Stage 3 Restrictions Commenced	Stage 4 Restrictions Commenced
Balmoral	Prior to 2005/06	1 April 2006		15 October 2006
Glenthompson	12 November 2005	1 April 2006		15 October 2006
Hamilton, Cavendish, Dunkeld and Tarrington	21 January 2006	1 April 2006	4 November 2006	5 December 2006
Coleraine	16 December 2006 (removed 10 June 2007)			

over-drive during the height of summer in a bid to bring up-to-the-moment information to all households and businesses in the service area.

Whether on water restrictions or under Permanent Water Savings Measures, information brochures and posters were produced for display in shopping centres, businesses, schools and offices across the region.

A carefully orchestrated advertising program complemented a busy public relations schedule as team members worked to keep all customers abreast of the drought situation.

In the Hamilton area 1,200 households took advantage of Wannon Water's showerhead exchange program, under which homes could save up to \$60 per year on their water and energy bills by exchanging their old showerhead for a new water efficient model at no cost, as these were provided under a State Government program.

Wannon Water also conducted free gardening workshops, offering advice and tips on how to maintain a healthy garden through stage four water restrictions.

Wannon Water was vigilant with water quality issues and, in March, took the precautionary measure of

issuing a five-day 'boil water notice' to Hamilton and Tarrington customers, some of whom were noticing a slight discolouration of their water associated with the increased reliance on groundwater.

General Manager Retail and Corporate Services Andrew Jeffers said Wannon Water employees flushed the affected pipes and carefully monitored water quality to ensure it was safe for drinking and food preparation.

"One of the effects of drought is that it becomes a lot harder to maintain effective chlorine residual levels throughout the whole system and this is why we took the precautionary measure of issuing the boil water notice," he said.

While very welcome, autumn rains did not mark the end of the drought period, and Wannon Water continues to work with all customers to help develop more sustainable water usage patterns into the future. This includes an increased focus on education and the introduction of penalty infringement notices for non-compliance with restrictions.

The Water Supply Demand Strategy (see page 45) also identified projects to help reduce the risk of water restrictions in future droughts, particularly the need for urgent action to secure an additional water supply for Hamilton as a key action.

RESPONDING TO DROUGHT



WATER RESTRICTIONS IN FORCE

HAMILTON, BALMORAL, CAVENDISH, DUNKELD, GLENTHOMPSON AND TARRINGTON

All other towns are under PERMANENT WATER SAVING MEASURES

Every Drop Counts...



Permanent WATER savings now in force!

Visit www.warrnamboolwater.com.au or call 1300 926 666 for full details

PERMANENT water savings measures!

By following these Permanent Water Savings Measures your household can cut your total water consumption and help achieve best practice water use.

Water Restrictions

STAGE 1 WATER RESTRICTIONS IN FORCE

Mild Restrictions

STAGE 2 WATER RESTRICTIONS IN FORCE

Medium Restrictions

STAGE 3 WATER RESTRICTIONS IN FORCE

High Restrictions

STAGE 4 WATER RESTRICTIONS IN FORCE

Critical Restrictions



GET YOUR in next S

In next Saturday's edition of the FREE Water Wheel, The Water Wheel features the restriction stages 1 - 4. PUT your Water Wheel on the fridge to know your restriction level to know the key actions required.

Every Drop Counts

Visit www.warrnamboolwater.com.au for further information, or call 1300 926 666

Keeping customers informed about water restrictions and Permanent Water Savings Measures

Press advertising campaign	<ul style="list-style-type: none"> Wannon Water maintained a strong presence with paid advertisements in newspapers across the service region to highlight restrictions and Permanent Water Saving Measures.
Radio advertising campaign	<ul style="list-style-type: none"> In the Hamilton area, Wannon Water conducted a water restrictions campaign from September 2006 on 3HA and Mixx FM, sponsoring local weather bulletins for both stations. In Warrnambool, Wannon Water promoted Permanent Water Savings Measures on 3YB and Coast FM. A Coast FM summer promotional campaign was also conducted with the 'Water Wise Cruiser' vehicle visiting 30 locations during January 2007.
Community newsletters	<ul style="list-style-type: none"> Water restrictions and Permanent Water Saving Measures were highlighted in a number of regional community newsletters.
Public relations and media relations	<ul style="list-style-type: none"> Wannon Water took part in weekly radio interviews on Hamilton radio stations 3HA and Mixx FM Breakfast from October 2006 until March 2007. Monthly radio interviews were conducted on Warrnambool-based radio stations 3YB and Coast FM from October 2006 until June 2007. Hamilton's daily water consumption targets were published on the front page of the Hamilton Spectator each edition. These targets continue to be published. Hamilton's daily water consumption target was also broadcast daily from December 2006 on breakfast radio programs on 3HA and Mixx FM, and continues. Regular media releases were issued across the region, helping to generate exceptional coverage of water-related issues. 'Water wise' advertising features were staged in the Hamilton Spectator, the Warrnambool Standard, the Portland Observer and the Camperdown Chronicle. The highly successful free 'water wheel' was inserted in the Hamilton Spectator on 9 February 2007.
Signage	<ul style="list-style-type: none"> Street and roundabout banners were erected at 12 prominent locations in Warrnambool and Portland, and 17 locations in Hamilton. Pull-up banners promoting awareness of restrictions and water savings measures were displayed at Wannon Water's Warrnambool, Portland, Camperdown and Hamilton offices, in the Warrnambool City Council foyer, at Warrnambool's Gateway Plaza shopping centre, at the Portland library and the Hamilton Aquatic Centre. VicRoads water restrictions signs were erected at three major entry points to the Hamilton township.
Water Patrol car	<ul style="list-style-type: none"> Wannon Water's specially sign-written Water Patrol vehicle maintained a high profile in Hamilton, reminding residents restrictions were in force.
Direct marketing	<ul style="list-style-type: none"> Letters, flyers and brochures were mailed directly to customers as various regions moved into restrictions, and informative inserts were included with accounts. Letters were mailed to all retail/hardware/garden shops, caravan parks, tourist information centres and sporting groups. On-hold telephone messages were recorded to promote restrictions or water savings measures in force at each office as relevant. Posters and point-of-sale material: <ul style="list-style-type: none"> posters were displayed at 32 locations affected by stage four restrictions; point-of-sale tent signs were displayed at 26 other locations affected by restrictions; posters promoting Permanent Water Savings Measures were displayed at 114 locales; tent signs were displayed at 213 other locations affected by Permanent Water Savings Measures.
Events	<ul style="list-style-type: none"> Showerhead exchange days: <ul style="list-style-type: none"> residents in the Balmoral, Glenthompson and Hamilton region took advantage of the opportunity to exchange their old showerheads for new water-saving showerheads in December 2006. Water Saving Garden Workshops: <ul style="list-style-type: none"> gardeners were given tips and ideas on how to create and maintain water-wise gardens at two workshops in Hamilton during December 2006.
Wannon Water website	<ul style="list-style-type: none"> The website was used as an important tool to ensure up-to-the-moment information was readily available to all customers and residents throughout the service region.

Our Water Our Future

In 2006/07 Wannon Water continued to make significant progress in delivering against relevant initiatives set out in the Victorian Government's *Our Water Our Future* water reforms. The major initiatives implemented throughout 2006/07 are summarised below.

Prepare Water Supply Demand Strategy	Wannon Water launched its 50-year Water Supply Demand Strategy which includes a \$30 million project to augment Hamilton's water supply by 2,000 megalitres. The strategy includes an assessment and allowance for the impact of climate change on the water supply and demand equation, as well as targets for water conservation and options for supply augmentation when necessary.
Develop water savings targets	A target has been established to reduce per capita water consumption by 30 per cent by 2015 (from a baseline 1996/97). Fifteen demand reduction initiatives have been identified to achieve the target.
Introduce Permanent Water Saving Measures	Permanent Water Savings Measures were introduced in May 2006. A comprehensive community education and awareness program throughout 2006/07, promoting messages through a variety of initiatives, including community events, advertising, media campaigns and mailouts.
Undertake community education and information programs to encourage water savings	Wannon Water embarked on a comprehensive community education and awareness campaign throughout 2006/07 to encourage water savings, which included: <ul style="list-style-type: none"> • the launch of a water education resource kit for schools (sent to 83 schools, 10 libraries and Deakin University) • many school presentations and facility tours • sponsorships and community investment programs • advertising and marketing campaigns • mass media campaigns • newsletters and water saving brochures • water audits • promotion of the Water Smart Gardens and Homes Rebate scheme, and • support of the Federal Government "Community Water Grant" program. See the <i>Drought Response</i> section on pages 40 to 43 for further information.
Make water bills more informative	The content of residential customer bills was modified to include a benchmark presentation of water consumption based on the number of persons in a household.
Develop uniform four-stage water restriction guidelines for drought response	The Minister approved Wannon Water's by-law on 15 August 2006. The by-law adopted the statewide four-stage water restriction guidelines for drought response.
Work with industry towards improved water management outcomes	Wannon Water's dedicated major customer client managers continue to develop partnership projects with the largest users of water. A review of future demand scenarios was also developed with industry and incorporated into the Water Supply Demand Strategy. <p>Eleven out of the 12 major customers have developed a Water Conservation Management Plan (refer Table 2 page 47).</p>
Work with local government in preparing water conservation plans	Wannon Water assisted the five local councils to develop their Sustainable Water Use Plans. Wannon Water is working with the regional monitoring body, the South-West Municipal Water Use Committee, to monitor progress on these plans.
Implement leakage reduction programs to reduce distribution losses	Wannon Water has developed a leakage detection and reduction program, which aims to reduce the volume and percentage of water lost to leakage. Acoustic equipment is used to identify hidden leaks (those that do not appear at the surface). Reticulation sub-system metering, particularly in porous areas, will be established to improve the targeting of the leakage detection program.
Provide sewerage and water supply solutions under the Country Towns Water Supply and Sewerage Program	The majority of the Peterborough Sewerage Scheme was constructed in 2006/07. The scheme will be completed in 2007/08 and will remove a significant pollutant load to the Curdies River and Estuary. Wannon Water received \$900,000 in Government funding for the project. <p>Wannon Water received \$165,000 in Government funding for the Dutton Way Sewerage Scheme to develop an options report for the scheme, and \$140,000 in Government funding to design a water supply quality upgrade in Macarthur.</p>
Develop pricing structures that provide incentives for sustainable water use	In preparation for the next regulatory period, commencing 1 July 2008, separate water and sewerage pricing papers were presented to the community for comment. The papers were also subject to formal review and feedback from Wannon Water's Customer Engagement Committee. For residential customers the water pricing paper proposes: <ul style="list-style-type: none"> • an inclining block pricing structure (three price blocks), and • increasing the volume charge and reducing fixed service charges. Both changes received favourable support and provide financial incentive and reward to reduce water consumption.



Planning for future needs – Water Supply Demand Strategy

Delivering on the State Government's *Our Water Our Future* requirement to produce a long-term water supply plan, Wannon Water developed and implemented its Water Supply Demand Strategy during the year, an ambitious 50-year plan to provide sustainable water supplies into the future.

The Water Supply Demand Strategy identifies new water sources and proposes new water use efficiencies.

Taking into account such variables as population growth and decline in various parts of the region, water usage patterns and climate change projections, the strategy will also safeguard the health of rivers and waterways within the service region.

The strategy will help all customers – business, domestic and rural – to become more 'water wise', and a water savings target has been set for a 30 per cent reduction in per capita water use by the year 2015.

More recycled water will also be used, with usage to climb from its current level at just under a quarter of all water being recycled to around 35 per cent by 2015. Wannon Water Managing Director Grant Green said that while consumers had become more conscious of the need to conserve water, the current supply systems would come under stress in about 20 years if water use by householders and businesses was not further reduced.

"Wannon Water manages 14 water supply systems; consequently, there is no single solution for what is ahead of us," Mr Green said.

"Our approach is to propose common water conservation actions and to tailor water supply options for each water system, an approach which recognises the interrelationship between water, the environment and the needs of the community."

Proposed key actions in the Water Supply Demand Strategy include:

- urgent action to secure an additional water supply for Hamilton, where customers are currently under Stage 4 restrictions
- a targeted 13 per cent reduction in per capita water use by 2015 to achieve an overall 30 per cent reduction since 1997, and
- an expansion in the use of recycled water so that one third of all wastewater treated by Wannon Water is beneficially reused by 2015.

Water conservation programs

Wannon Water’s approach to water conservation programs is to educate and influence through all its communication activities. Water conservation messages are central in all Wannon Water does, maximising opportunities to promote water conservation and the efficient use of water through all services and activities. Some of the ways Wannon Water integrated water conservation education and awareness messages in activities in 2006/07 included:

- through sponsorships and community investment programs, providing banners, merchandise and advertising that highlight water saving tips, water efficient products and raise awareness for the need of water wise behaviours,
- promotion of the Permanent Water Savings Measures and water restriction levels to effect water conservation were an integral part of advertising and marketing activities, with mass media and community awareness campaigns focused on these,
- Wannon Water’s school education program, including presentations and facilities tours, features water conservation messages and dedicates activities to the importance and identification of water saving actions in and around participants’ homes and schools,
- a redesign of customers’ bills and specially designed information brochures to include water conservation messages, such as bi-annual newsletters and the “creating a water-wise garden”, “water-wise native plant garden”, “be water smart inside your home” and “be water smart outside your home” full-colour brochures that are freely available to all customers,
- providing customers with access to Wannon Water’s www.savewater.com.au website, and
- Wannon Water also actively promotes the State Government Water Smart Gardens and Homes Rebate scheme.

For more on water conservation programs, please see the Drought Response section on Pages 40 to 43.

Wannon Water office water consumption

Wannon Water operates from a number of offices across the region, as follows:

Town	Address	Metered Water Use (kilolitres)	No. Staff	Kilolitres per staff member
Warrnambool	99 Fairy Street	748	42	17.8
Warrnambool	241 Koroit Street	62	16	3.9
Warrnambool	Jamieson Street	50	15	3.3
Portland	15 Milbank Street	23	6	3.8
Portland	15 Townsend Street	49	7	7.0
Hamilton	66 Gray Street	55	16	3.4

The Camperdown complex has been excluded, as it is primarily a works depot.

Total consumption	
2005/06	2006/07
1,020	987

Water consumption at Wannon Water offices was 987 kilolitres (1,020 kilolitres in 2005/06), which equates to an average annual usage of 9.7 kilolitres per employee at those offices.

Annual reporting of major non-residential water users

Wannon Water under section 122ZJ of the Water Act 1989 is required to report major non-residential water users, indicating:

- the number of major non-residential water customers for each category of annual water consumption, and
- the status of the customers’ participation in a water management plan.

Table 1: Customers by volume range

Volumetric range – megalitres (ML) per year	No. customers
50ML to 100ML	4
100ML to 200ML	3
200ML to 300ML	0
300ML to 400ML	1
400ML to 500ML	3
500ML to 750 ML	1
750ML to 1000ML	0
Greater than 1000ML	0

Table 2: Major customers and their participation in water conservation programs

Name of customer	Location of customer	Customer participating in water conservation program?
Alcoa Portland Aluminum Pty Ltd	Portland	Yes, water management plan developed and being implemented.
Basin Properties Pty Ltd (Iluka Resources)	Hamilton	Yes, water management plan developed and being implemented.
Fonterra Australia Limited	Cobden	No, a water management plan is currently being developed.
Fonterra Milk Australia Pty Ltd	Warrnambool	Yes, water management plan developed and being implemented.
Warrnambool Cheese & Butter	Allansford	No, a water management plan is currently being developed.
Midfield Meat International Pty Ltd	Warrnambool	Yes, water management plan developed and being implemented.
Murray Goulburn Co-operative	Koroit	Yes, water management plan developed and being implemented.
Iluka Pty Ltd (Grampians Wool Industries)	Hamilton	Yes, water management plan developed and being implemented.
GlaxoSmithKline Australia Pty Ltd	Port Fairy	Yes, water management plan developed and being implemented.
Dairy Farmers	Simpson	No, not willing to participate at present.
South West Healthcare	Warrnambool	Yes, included in feasibility study and concept design for hospital upgrade.
Port of Portland Pty Ltd	Portland	No, a water management plan is currently being developed.

Basin Properties Pty Ltd is a wholly owned subsidiary of Iluka Resources Ltd which operates a mineral sands separation plant in Hamilton and receives recycled water and potable reticulated water services from Wannon Water. The recycled water is produced from the additional treatment of treated sewage effluent from the Hamilton Reclamation Plant and is used for mineral sands processing. The proportion of potable reticulated water to total water consumption at the plant for 2006/07 is a commendably low 18 per cent.

Warrnambool Cheese and Butter (Allansford) receives a non-potable water supply.

Case

CASE STUDY: Saving water at GlaxoSmithKline



Comments:

GlaxoSmithKline in Port Fairy produces a large portion of the world supply of methadone. In recent years GlaxoSmithKline has:

- recycled vacuum pump seal water for belt washing, saving 10,000 litres per day;
- eliminated bore water from process, saving 25,000 litres per day; and
- installed waterless urinals.

Other water conservation activities in the planning include the examination of storm water harvesting to reduce water consumption, and increasing internal water recycling.

Working with local government to save water

In 2006 the councils in Wannon Water's region committed to developing Sustainable Water Use Plans with assistance from the Department of Sustainability and Environment and Wannon Water. The Corangamite Shire, Glenelg Shire, Moyne Shire, Southern Grampians Shire and Warrnambool City Council agreed on a common consultancy to develop their individual plans. In 2007 the councils considered proposed water savings targets and adopted a key recommendation of the plans to work together.

The Southwest Municipal Water Use Committee, facilitated by Wannon Water, was formed in 2007 with the aim of achieving more efficient water use on parks, sporting fields and other municipal properties, moving to best practice in water use substitution and sharing information on water savings initiatives.



Water from milk has enabled an exciting new scheme, providing potable substitution and benefiting Warrnambool Golf Club's lush fairways.

Under the scheme, water condensate is harnessed from the nearby Fonterra dairy plant and used to irrigate the 5,700 metres of fairways and greens that compose the golf course.

Wannon Water helped pioneer this Australian first, which captures steam, or condensate, given off during the process of converting milk to powder at Fonterra's Dennington plant.

Greenhouse Gas Emissions

Wannon Water has commenced developing a Greenhouse Emission Action Plan through the Victorian water industry Greenhouse Emissions Reduction Framework. This will outline how Wannon Water will manage reduction in greenhouse emissions over the next five years. To support the development of this plan and to contribute to industry best practice, Wannon Water participated in VicWater's Greenhouse Working Group, the Sustainability Task Group and the Environment Protection Authority's Carbon Innovators Network. Wannon Water has committed to a 10 per cent reduction in emission levels by 2013, to be achieved through:

- avoiding greenhouse emissions
- reducing greenhouse emissions
- using renewable energy
- recovering waste energy, and
- sequestration and abatement schemes.

During 2006/07 the net CO₂ equivalent emissions were estimated to be 39,261 tonnes.

Water recycling

Wannon Water continues to work towards maximising the reuse of recycled water and achieved 15 per cent water recycling for beneficial reuse in 2006/07. Wannon Water facilitated the establishment of a system to provide recycled condensate water to the Warrnambool Golf Club from a local industry (see story below). Cooperation with the community in moving forward with recycling will continue. Wannon Water also recycles water for irrigation on its own land and on privately owned and public land.

As part of Wannon Water's drought response, recycled water was held in storage for potential potable water substitution and for emergency and fire purposes at Hamilton and Casterton. This formed a valuable source of water for this purpose; it did, however, limit reuse in these areas, as the forecast demand for firefighting was not required.

Recycling water at Warrnambool Golf Club

The 200 megalitres of water produced during the process had previously been pumped out to sea.

Today, though, it is collected and diverted to a storage lagoon for use on the golf club.

Warrnambool Golf Club previously relied upon the town's drinking water supply and an increasingly saline bore to keep the course well watered.

Warrnambool Golf Club Secretary Manager Garry Parsons said, "80 megalitres of reuse water is being used via this new irrigation scheme, which means a huge saving for our city's water resources and we are able to access suitable water to keep the course, greens and fairways in top condition year-round."

The club's 620 computer-controlled sprinkler heads were switched on for the first time on 14 November 2006, marking the end of seven years of planning and construction.

Wannon Water Re-use Coordinator Doug Gardner said the project had been completed in the nick of time, saving the golf course from the impact of yet another summer of drought.

"The golf club was delighted, given we were faced with another dry summer, and the bore would undoubtedly have been so salty it would have killed off the grass, anyway."

Doug said the project had attracted strong interest, particularly from other golf clubs.

"Reusing the supply in this way is a huge saving of potable water, benefiting the club and the community," he said.

General Information

Whistleblowers Protection Act

The *Whistleblowers Protection Act 2001* provides protection for “whistleblowers” who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and appropriate action taken. Whistleblowers may be members of the public or employees.

There were no disclosures under the Act in 2006/07. The Protected Disclosure Coordinator for 2006/07 was Deidre Egan of the Department of Sustainability and Environment.

For 2007/08, Wannon Water’s internal auditor acts to receive protected disclosures under the Act. Disclosures of improper conduct by Wannon Water or its employees may be made to:

Warwick Spargo
Level 8, Rialto South Tower
525 Collins Street,
Melbourne, Victoria, 3000
Telephone: (03) 9286 1824
Mobile: 0438 385 132
Email: warwick.spargo@rsmi.com.au

Or

Scott Campbell
Level 8, Rialto South Tower
525 Collins Street,
Melbourne, Victoria, 3000
Telephone: (03) 9286 1828
Mobile: 0409 210 490
Email: scott.campbell@rsmi.com.au

Freedom of information

The *Freedom of Information Act 1982* provides persons with a right of access to documents held by Wannon Water, subject to certain exemptions.

Wannon Water received two applications under the Act in 2006/07. Both applications related to business matters and neither related to personal privacy. Wannon Water granted access in full to both requests.

Applications for access to information under the *Freedom of Information Act 1982* must be made in writing, addressed to:

Freedom of Information Manager
Wannon Water
PO Box 1158
Warrnambool Vic 3280

The request should describe the documents to which access is sought and include an application fee of \$21.50 (further charges may apply). Fees and charges levied under the Freedom of Information Act 1982 are not subject to GST.

Availability of other information

Information relevant to the headings listed in Financial Reporting Direction 22B of the *Financial Management Act 1994* is available on request from any Wannon Water office, subject to the provisions of the *Freedom of Information Act 1982* and the *Privacy Act*.

Wannon Water provides free access to a wide range of information on its web site, www.wannonwater.com.au.

Building Control Act 1993

Wannon Water complied with the building and maintenance provisions of the *Building Control Act 1993*.

Financial Statements



WANNON REGION WATER AUTHORITY

Operating statement for the financial year ended 30 June 2007

	Notes	2007 \$'000	2006 \$'000
Revenue from operating activities	1(b)		
Service charges	3(a)	18,233	16,366
Usage charges	3(b)	13,800	13,789
Customer contributions	3(c)	3,164	1,383
Revenue from non-operating activities			
Assets received free of charge or for nominal consideration	3(d)	2,169	1,346
Interest	3(e)	337	640
Other revenue	3(f)	2,339	2,043
Total Revenue		40,042	35,567
Expenses from operating activities			
Employee benefits expense	3(g)	(10,733)	(9,592)
Depreciation and amortisation	1(e), 3(h)	(9,030)	(10,043)
Supplies and services	3(i)	(17,626)	(15,865)
Total expenses		(37,389)	(35,500)
Loss on disposal of noncurrent assets	3(k)	(393)	(1,308)
Finance costs	1(c), 3(j)	(1,102)	(1,126)
Net result before tax		1,158	(2,367)
Income tax expense/(revenue)	4	-	-
Net result		1,158	(2,367)

The above operating statement should be read in conjunction with the accompanying notes.

Balance sheet as at 30 June 2007

	Notes	2007 \$'000	2006 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	1(f), 5	337	5,001
Receivables	1(g), 6	4,894	4,931
Inventories	1(h), 7	301	309
Other	8	4,616	3,595
Total Current Assets		10,148	13,836
Non-Current Assets			
Receivables	1(g), 6	2,992	1,076
Property, plant and equipment	1(d), 9	463,654	455,963
Intangibles	10	421	189
Total Non-Current Assets		467,067	457,228
TOTAL ASSETS		477,215	471,064
LIABILITIES			
Current Liabilities			
Payables	1(i), 11	4,343	2,697
Interest bearing liabilities	12	2,640	975
Provisions	1(j), 13	2,277	1,935
Total Current Liabilities		9,260	5,607
Non-Current Liabilities			
Interest bearing liabilities	12	15,578	14,277
Provisions	1(j), 13	209	170
Total Non-Current Liabilities		15,787	14,447
TOTAL LIABILITIES		25,047	20,054
NET ASSETS		452,168	451,010
Equity			
Contributions by owners		453,377	453,377
Accumulated funds		(1,209)	(2,367)
EQUITY		452,168	451,010

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity for the financial year ended 30 June 2007

	Notes	2007 \$'000	2006 \$'000
Contributed capital			
Income			
Total equity at beginning of financial year		451,010	-
Contributed capital on establishment of authority	24	-	452,287
Restated total equity at beginning of the year		<u>451,010</u>	<u>452,287</u>
Net result for the year		1,158	(2,367)
Total recognised income and expense for the year		<u>1,158</u>	<u>(2,367)</u>
Transactions with the state in its capacity as owner			
- Peterborough sewer scheme		-	900
- Dutton Way		-	165
- Macarthur water		-	25
Total equity at end of financial year		<u><u>452,168</u></u>	<u><u>451,010</u></u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Cash flow statement for the financial year ended 30 June 2007

	Notes	2007 \$'000	2006 \$'000
Cash flows from operating activities			
Receipts			
Receipts from other entities		33,520	32,028
GST recovered from the ATO		3,042	2,936
Capital grants received		470	-
Capital charges received		1,176	2,137
		<u>38,208</u>	<u>37,101</u>
Payments			
Payments to suppliers and employees		(26,146)	(24,243)
GST paid to the ATO		(3,153)	(2,932)
Interest and other costs of finance paid		(1,024)	(1,168)
Environmental contribution		(1,130)	(1,130)
		<u>(31,453)</u>	<u>(29,473)</u>
Net cash inflow from operating activities	23	<u>6,755</u>	<u>7,628</u>
Cash flows from investing activities			
(Payments for property, plant and equipment)		(14,735)	(16,495)
Proceeds from sale of property, plant and equipment		350	615
Proceeds from sale of investments		-	12,224
		<u>(14,385)</u>	<u>(3,656)</u>
Cash flows from financing activities			
Cash at formation		-	2,910
New borrowings draw down		3,896	-
(Repayment of borrowings)		(930)	(2,971)
Capitals grant recognised directly in equity		-	1,090
		<u>2,966</u>	<u>1,029</u>
Net cash inflow from financing activities		<u>2,966</u>	<u>1,029</u>
Net increase/(decrease) in cash held		<u>(4,664)</u>	<u>5,001</u>
Cash and cash equivalents at start of the financial year		5,001	-
Cash and cash equivalents at the end of the financial year	5	<u>337</u>	<u>5,001</u>
Financing arrangements	12		

The above cash flow statement should be read in conjunction with the accompanying notes.

Notes to the financial statements

30 June 2007

Note 1: Summary of significant accounting policies

(a) Basis of Accounting

General

This financial report of Wannon Region Water Authority is a general purpose financial report that consists of an Operating Statement, a Balance Sheet, a Statement of Changes in Equity, a Cash Flow Statement and notes accompanying these statements. The general purpose financial report complies with Australian equivalents to International Reporting Standards (A-IFRS), other authoritative pronouncements of the Australian Accounting Standards Board, and the requirements of the Financial Management Act 1994 and applicable Ministerial Directions.

Name change from Wannon Region Water Authority to Wannon Region Water Corporation

Effective from 1 July 2007, the name of the Authority was changed to Wannon Region Water Corporation under Section 85(1) of the Water Act 1989, inserted by Section 54 of the Water Governance Act 2006. Accordingly the reporting entity for the financial year 1 July 2006 to 30 June 2007 is the Wannon Region Water Authority and these statements have been prepared on that basis.

Under these revised legislative arrangements the Chief Executive Officer as at 30 June 2007 became the Managing Director of the Corporation effective from 1 July 2007. These financial statements have been certified by the Managing Director in accordance with the accountability requirements that attach to this position at the signing date.

This financial report has been prepared on an accrual and going concern basis.

Accounting policies

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year. Where appropriate, comparative figures have been amended to accord with current presentation and disclosure made of material changes and comparatives.

Historical cost convention

The financial report has also been prepared under the historical cost convention except where specifically noted in note 1(d).

Merger of South West Water Authority, Portland Coast Region Water Authority and Glenelg Region Water Authority to form Wannon Region Water Authority

By the Order-in-Council dated June 3, 2005, the Minister for Water approved an Order, effective from July 1, 2005 to:

- (a) Constitute a new Authority to takeover the whole of the property, rights, liabilities, obligations, powers and functions under the Water Act 1989 of South West Water Authority, Portland Coast Region Water Authority and Glenelg Region Water Authority;
- (b) Provide for various matters consequential to the creation of the new Corporation including membership of the Board, the transfer of staff and the water and sewerage districts of the new Authority; and
- (c) Abolish South West Water Authority, Portland Coast Region Water Authority and Glenelg Region Water Authority.

The corporate name of the merged Authority was "Wannon Region Water Authority", with a trading name of "Wannon Water".

Details of the contributed capital break down at the commencement of the Authority's operations is included at Note 24.

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 in the next twelve months, being the Authority's operating cycle. - see 1(j) for a variation in relation to employee benefits.

Rounding

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

(b) Revenue recognition

Water and sewerage charges

Service charges and water by measure charges are recognised as revenue when the services are provided. Meter reading is undertaken progressively during the year. An estimation, calculated by multiplying the number of days since the last reading by the customer's average service usage, is made at the end of each accounting period in respect of meters which have not been read at balance date. Trade waste charges are recognised as revenue at the end of the service delivery period. Usage meters are read and appropriate charges levied as per trade waste agreements. The meters are read on a monthly basis with accounts sent on a quarterly basis.

Fees paid by developers

Fees paid by developers to connect new developments to the Authority's existing water supply and sewerage systems are recognised when the contributions are levied.

Assets received from developers

When infrastructure assets are provided to the Authority free of charge, the fair value of these assets is recognised as revenue when the assets are controlled.

Note I continued: Summary of significant accounting policies

(b) Revenue recognition (continued)

Government contributions

Government grants and contributions are recognised as operating revenue on receipt or when an entitlement is established, whichever is the sooner, and disclosed in the Operating Statement as *Government contributions*. However, grants and contributions received from the Victorian State Government which were originally appropriated by the Parliament as additions to net assets or where the Minister for Finance and the Minister for Water have indicated are in the nature of owners' contributions, are accounted for as *Equity - Contributed Capital*.

Sale of assets

The profit or loss on sale of an asset is determined when control has passed to the buyer. In accounting for the sale of non-current assets, gross proceeds from the sales are deducted from the total cost of assets sold and decommissioned to determine a result which is included in the Operating Statement.

Interest and rents

Interest and rentals are recognised as revenue when earned or the services provided.

(c) Finance costs

Finance costs are recognised as an expense in the period in which they are incurred. Finance costs include interest on borrowings and interest on bank overdrafts.

(d) Recognition and measurement of assets

Acquisition

The purchase method of accounting is used for acquisitions of assets, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of assets given, or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Property, plant and equipment represent non-current assets comprising land, buildings, water, sewerage and drainage infrastructure, plant equipment and motor vehicles, used by the Authority in its operations. Items with a cost or value in excess of \$1,000 and a useful life of more than one year are recognised as an asset. All other assets acquired are expensed.

Repairs and maintenance

Routine maintenance, repair costs and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold, the cost is capitalised and depreciated.

Valuation of Non-Current Physical Assets

Land and buildings are measured at the amounts for which assets can be exchanged between knowledgeable, willing parties, in an arm's length transaction.

Plant equipment and vehicles are measured at cost.

Water infrastructure assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Such assets may comprise substructures or underlying systems held by water entities to facilitate the harvesting, storage, treatment and transfer of water to meet customer needs. They also include infrastructure assets that underlie sewage and drainage systems.

Revaluations

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

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the revaluation reserve in respect of the same class of assets, they are debited to the revaluation reserve.

Revaluation increases and revaluation decreases relating to individual assets within a class of property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes.

Note I continued: Summary of significant accounting policies

(d) Recognition and measurement of assets (continued)

Revaluations of assets have occurred on the following basis:

Land and building assets that were previously the responsibility of South West Water Authority were valued by Herron Todd White in conjunction with that Authority's incumbent Asset Manager Mr Chris Longton as at June 30, 2005.

Land and building assets that were previously the responsibility of Glenelg Region Water Authority were valued LMB Linke Pty Ltd as at July 1, 2004.

Land and building assets that were previously the responsibility of Portland Coast Region Water Authority were valued by Hann McKenzie & Co as at June 30, 2005.

The method of valuation used in all cases is reflective of DTF directions in place at the time of valuation.

Impairment of Assets

All assets are tested for impairment on an annual basis. Such assets are tested to ascertain whether the carrying amounts exceed their recoverable amount

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying amount exceeds its recoverable amount, the difference is written off by a charge to the operating statement except that the write-down can be debited to an asset revaluation reserve amount applicable to the class of asset.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

An impairment loss on a revalued asset is recognised directly against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount of the revaluation reserve for that same class of asset.

A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation reserve. However, to the extent that an impairment loss on the same class of asset was previously recognised in profit or loss, a reversal of that impairment loss is also recognised in profit or loss.

(e) Depreciation and amortisation of non-current assets

Property, plant and equipment

Property, infrastructure, plant and equipment assets, having limited useful lives are systematically depreciated over their useful lives to the Authority in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made as part of the Authority's revaluation process.

Where assets have separable identifiable components that have distinct useful lives and/or residual values, a separate depreciation rate is determined for each component.

Straight line depreciation is charged based on the residual life as determined each year. Major depreciation periods used are listed below:

Bores	40 years
Buildings	80 years
Electrical	15 - 25 years
Furniture and fittings	5 - 20 years
Lagoons	80 years
Manholes	80 years
Mechanical	20 - 25 years
Meters	15 - 20 years
Pipes	80 - 100 years
Plant and equipment	8 - 20 years
Pumps	15 - 40 years
Reservoirs	100 years
Service basins	100 years
Tanks	40 - 80 years
Towers	50 - 80 years

(f) Cash and cash equivalents

For the purposes of the Cash Flow Statement, cash assets include cash on hand and highly liquid investments with short periods to maturity that are readily convertible to cash on hand at the Authority's option, and are subject to insignificant risk of changes in values, net of outstanding bank overdrafts.

Note I continued: Summary of significant accounting policies

(g) Receivables

Trade debtors are carried at amounts due. The collectibility of debts is assessed at balance date and specific provision is made for doubtful debts. A provision is made for doubtful debts based on a review of outstanding receivables at balance date. Bad debts are written off in the period in which they are recognised.

(h) Inventories

Inventories comprise stores and materials used for the repair and maintenance of existing assets. All inventories are valued at the lower of cost and net realisable value. Costs are assigned to inventory quantities on hand at balance date on a first in, first out basis.

(i) Payables

Liabilities are recognised for amounts payable in the future for goods and services received, whether or not billed to the Authority. These amounts are unsecured and are usually paid within 30 days of recognition.

(j) Employee benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in employee benefit liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled, at their nominal values. Employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the entity, in respect of services rendered by employees up to the reporting date. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which it would be classified as a non-current liability.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Provisions made for unconditional long service leave are classified as a current liability, where the employee has a present entitlement to the benefit. The non-current liability represents long service leave entitlements accrued for employees with less than 7 completed years of continuous service, as per the proposed Wannon Water EBA Agreement 2007.

Superannuation

A liability or asset in respect of defined benefit superannuation is recognised in the provision for employee benefits, and is measured as the difference between the present value of employees' accrued benefits at the reporting date and the net market value of the superannuations plan's assets at that date. The present value of accrued benefits is based on expected future payments which arise from membership of the plans to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using rates of national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(k) Segment information

Segment information is reported on the basis of business segments, as the Authority's risks and returns are affected predominantly by differences in the services provided through those segments.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to a segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, inventories, property, plant and equipment and other intangible assets, net of related provisions. Segment liabilities consist primarily of trade and other creditors, employee entitlements and borrowings.

Segment revenues, expenses and results include transfers between segments. These transfers are priced on an 'arm's-length' basis and are eliminated on consolidation.

(l) Reporting lines of business

The financial report includes a note reporting the two lines of business of the Authority, a wholesale headworks bulk water business and a retail water distribution/retail wastewater treatment business in accordance with the Ministerial Direction under Section 51 of the *Financial Management Act 1994*.

(m) Changes in accounting policy

The accounting policies are consistent with those of the previous year as applied by Wannon Water.

Note I continued: Summary of significant accounting policies

(n) Taxation

The Authority is subject to the National Tax Equivalent Regime (NTER) pursuant to Section 88(1) of the State Owned Enterprises Act 1992. The Act requires the Authority to pay to the Victorian Government an amount equal to its tax liability based on the rules of the Income Tax Assessment Act 1936 (as amended). The NTER is administered by the Australian Tax Office.

The Authority currently does not bring to account tax expense, assets and liabilities in the Operating Statement and the Balance Sheet as settlement of these items is not assured beyond reasonable doubt in the foreseeable future.

(o) Dividend policy

The Authority is required to pay a dividend in accordance with the determination of the Treasurer of Victoria under the Public Authorities (Dividend) Act 1983, based on a prescribed percentage of the previous years' adjusted net profit.

An obligation to pay a dividend only arises after consultation with the portfolio Minister and the Treasurer, and a formal determination is made by the Treasurer. The Authority's preliminary estimate for the 2006/2007 reporting period is \$Nil.

(p) Goods and services tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

Cash flows arising from operating activities are disclosed in the Cash Flow Statement on a gross basis - ie inclusive of GST. The GST component of cash flows arising from investing and financing activities, which is recoverable or payable to the taxation Authority, is classified as operating cash flows.

(q) Environmental contributions

The *Water Industry (Environmental Contributions) Act 2004* amended the *Water Industry Act 1994* to make provision for environmental contributions to be paid by the water supply authorities. The Act establishes an obligation for authorities to pay into the consolidated fund annual contributions for the first period, from October 1, 2004 to June 30, 2008 in accordance with the pre-established schedule of payments, which sets out the amounts payable by each Authority.

The purpose for the environmental contribution is set out in the Act, and the funding may be used for the purpose of funding initiatives that seek to promote sustainable management of water or address adverse water-related initiatives.

The environmental contributions are disclosed separately within the expenses (Note 3(i)).

(r) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the (lessor)) are charged to the operating statements on a straight-line basis over the period of the lease, in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

(s) Financial Instruments

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Authority for similar financial instruments.

(t) Intangibles

Intangible assets represent identifiable non-monetary assets without physical substance. Intangible assets are computer software purchased from an external provider and recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Authority.

(u) Interest bearing liabilities

Borrowings are initially recognised at fair value, net of transactions incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the operating statement over the period of the borrowings, using the effective interest method.

(v) Contributions by owners

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners. Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners.

Note 2: Financial risk management

The Authority's activities expose it to a variety of financial risks, and they are as follows:

(a) Risk management policies

A finance and audit committee meet on a regular basis to receive and discuss reports from both internal and external auditors. An effective framework is in place to adequately assess, monitor, manage and report, the significant financial risks to which the Authority is exposed to as a result of, and in the course of its activities and responsibilities.

(b) Significant accounting policies

Details of the significant accounting policies and method adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

(c) Significant terms and conditions

The Authority's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable and loans from banking institutions. The Authority does not have any derivative instruments as 30 June 2007 (2006: Nil).

(d) Credit risk exposures

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognise financial assets is the carrying amount, net of any provision for impairment of those assets as disclosed in the balance sheet and notes to the financial statements. The Authority does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Authority.

Note 3: Operating statement - disclosures

	2007 \$'000	2006 \$'000
(a) Service charges		
Water	8,066	7,398
Sewer	10,167	8,968
Total service charges	18,233	16,366
(b) Usage charges		
Water	11,411	11,057
Sewer	386	456
Trade waste	2,003	2,276
Total usage charges	13,800	13,789
(c) Customer contributions		
Fees paid by developers	3,164	1,383
Total customer contributions	3,164	1,383
(d) Assets received free of charge or for nominal consideration		
Assets received free of charge from developers	2,169	1,346
Total assets received free of charge or for nominal consideration	2,169	1,346
(e) Interest		
Interest on bank deposits	64	209
Income from investments	158	347
Other	115	84
Total interest	337	640
(f) Other revenue		
Rental	278	369
Cost recoveries	819	563
Information statements	198	184
Connection and inspection fees	180	199
Revenue from the sale of standing timber	110	228
Revenue from the sale of water meters	69	57
Capital grants	470	-
Miscellaneous	215	443
Total other revenue	2,339	2,043

Note 3 continued: Operating statement - disclosures

	2007 \$'000	2006 \$'000
(g) Employee benefits expense		
Defined benefit superannuation	(317)	(304)
Termination benefits	-	(54)
Other employee benefits	(10,416)	(9,234)
Total employee benefits expense	(10,733)	(9,592)
(h) Depreciation and amortisation		
Buildings	(183)	(70)
Infrastructure	(7,776)	(8,935)
Office equipment	(408)	(673)
Plant and equipment	(562)	(316)
Intangibles - computer software	(101)	(49)
Total depreciation	(9,030)	(10,043)
(i) Supplies and services		
Chemicals	(639)	(616)
Consultancies and contractors	(6,934)	(5,924)
Electricity	(2,362)	(2,053)
Other goods and services	(6,561)	(6,142)
Environmental contribution	(1,130)	(1,130)
Total supplies and services	(17,626)	(15,865)
(j) Finance costs		
Interest on loans - other institutions	(14)	(52)
Interest on loans - TCV	(959)	(944)
Financial Accommodation Levy	(129)	(130)
Total finance costs	(1,102)	(1,126)
(k) Net on disposal of non current assets		
Cost of assets disposed		
Infrastructure	(231)	(983)
Buildings	(4)	(19)
Office equipment	(51)	(103)
Motor vehicles	(457)	(818)
Total written down value of assets disposed	(743)	(1,923)
Motor vehicle trade ins	350	615
Total proceeds of asset disposed	350	615
Net loss on disposal of non current assets	(393)	(1,308)

Note 4: Income tax

	2007 \$'000	2006 \$'000
(a) Prima facie income tax reconciliation		
The income tax expense for the financial year differs from the amount calculated on the net result. The differences are reconciled as follows:		
Net result before income tax expense	1,158	(2,367)
Income tax calculated @ 30%	347	(710)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Balancing deduction on disposal of fixed assets - tax	(26)	(333)
Non-deductible expenses	7	21
Loss on disposal of tax depreciable fixed assets - accounts	118	375
	446	(647)
Tax result not booked	(446)	647
Income tax attributable to net result	-	-
The entries as at June 30, 2007 have not been booked due to uncertainty as the realisation of assets and liabilities in the foreseeable future. The following notes are for information purposes.		
(b) Deferred tax assets		
The balance comprises temporary differences attributable to: Amounts recognised in the operating statement		
Provisions and accrued expenditure not deductible	1,200	510
	1,200	510
Movement		
Opening balance 1 July	510	-
Transfer from predecessor authorities at merger	-	216
Annual movement	690	294
Closing balance 30 June	1,200	510
(c) Deferred tax liabilities		
The balance comprises temporary differences attributable to: Amounts recognised in the operating statement		
Depreciation	23,736	19,288
Other	1,009	751
	24,745	20,039
Movement		
Opening balance 1 July	20,039	-
Transfer from predecessor authorities at merger	-	16,523
Annual movement	4,706	3,516
Closing balance 30 June	24,745	20,039

Note 5: Cash and cash equivalents

	2007 \$'000	2006 \$'000
Cash at bank and on hand	337	3,001
Deposits at call	-	2,000
	<u>337</u>	<u>5,001</u>
The above figures are reconciled to cash at the end of the financial year as shown in the statement of Cash Flows Statement as follows:		
Balances as above	337	5,001
Balances as per Cash Flow Statement	<u>337</u>	<u>5,001</u>

Note 6: Receivables

Current

Tariffs and charges	3,444	2,716
Less: Provision for doubtful debts	(33)	(18)
	<u>3,411</u>	<u>2,698</u>
Amounts owing from the Victorian Government Schemes/Debtors	203	112
	<u>173</u>	<u>273</u>
	<u>3,787</u>	<u>3,083</u>
Other debtors	861	1,492
GST receivable	246	356
	<u>1,107</u>	<u>1,848</u>
Total current receivables	<u>4,894</u>	<u>4,931</u>
Non-current		
Schemes/Debtors	556	601
Other debtors	2,436	475
Total non-current receivables	<u>2,992</u>	<u>1,076</u>
Aggregate carrying amount of receivables		
Total receivables	<u>7,886</u>	<u>6,007</u>

Note 7: Inventories

Supplies and consumables - at cost	301	309
Total inventories	<u>301</u>	<u>309</u>

Note 8: Other assets

Accrued tariffs and charges	4,392	3,523
Accrued investment interest	-	8
Prepaid expenses	224	64
Total other assets	<u>4,616</u>	<u>3,595</u>

Note 9: Property, plant and equipment

	2007 \$'000	2006 \$'000
Land and buildings		
Freehold land		
At independent valuation	28,533	28,533
Crown land		
At independent valuation	141	141
Total land	28,674	28,674
Buildings		
At cost	973	963
At independent valuation	13,626	13,630
Less: Accumulated depreciation	(1,879)	(1,696)
Total buildings	12,720	12,897
Plant and equipment - Water		
At cost	253,945	248,701
Less: Accumulated depreciation	(21,435)	(16,840)
Total plant and equipment - Water	232,510	231,861
Plant and equipment - Sewer		
At cost	176,500	171,354
Less: Accumulated depreciation	(10,595)	(7,500)
Total plant and equipment - Sewer	165,905	163,854
Other equipment (including motor vehicles)		
At cost	8,218	5,981
Less: Accumulated depreciation	(2,718)	(2,240)
Total other equipment	5,500	3,741
Plant and equipment under construction - at cost	18,345	14,936
Total under construction	18,345	14,936
Total property plant and equipment	463,654	455,963

Carrying Amount	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	In the course of construction \$'000	Total \$'000
Balance at 1 July 2006	28,674	12,897	399,456	14,936	455,963
Additions	-	10	14,045	3,409	17,464
Disposals	-	(4)	(739)	-	(743)
Depreciation expense	-	(183)	(8,847)	-	(9,030)
Balance at 30 June 2007	28,674	12,720	403,915	18,345	463,654

Carrying Amount	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	In the course of construction \$'000	Total \$'000
Balance at 1 July 2005	28,674	12,023	400,226	9,125	450,048
Additions	-	963	11,107	5,811	17,881
Disposals	-	(19)	(1,904)	-	(1,923)
Depreciation expense	-	(70)	(9,973)	-	(10,043)
Balance at 30 June 2006	28,674	12,897	399,456	14,936	455,963

Note 10: Intangibles

	2007 \$'000	2006 \$'000
Computer Software		
At cost	862	529
Less: Accumulated depreciation	(441)	(340)
Total intangibles	421	189

Note 11: Payables

Current

Trade creditors	2,789	1,317
Accrued loan interest	102	24
Contract deposits	729	553
Income received in advance	723	803
Total current payables	4,343	2,697

Note 12: Interest bearing liabilities

Current - Secured

Private loans	19	17
TCV loans	2,621	958
Total current secured loans	2,640	975

Non-current - Secured

Private loans	163	182
TCV loans	15,415	14,095
Total non-current secured loans	15,578	14,277

Security over borrowings

Borrowings are secured over the future tariff revenue of Wannon Region Water Authority.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

Credit standby arrangements

Total facilities		
Bank overdraft	250	250
Total facilities	250	250
Unused at the reporting date		
Bank overdraft	250	250
Total unused at the reporting date	250	250

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

The interest rate at 30 June 2007 was 8.88% (2005/2006: 8.38%) on the overdraft facility.

Note 13: Provisions

	2007 \$'000	2006 \$'000
Current		
Annual leave	966	872
Long service leave - unconditional short term - measured at nominal value	1,053	873
Long service leave - unconditional long term - measured at present value	185	104
Other leave	73	86
Total current provisions	2,277	1,935
Non-current		
Long service leave - conditional	209	170
Total non-current provisions	209	170
Aggregate carrying amount of provisions		
Current	2,277	1,935
Non-current	209	170
Total provisions	2,486	2,105
Employee numbers	2007 No.	2006 No.
Employee numbers at end of financial year	169	152
As explained in note 1(j), the amounts for long service leave are measured at their present values. The following assumptions were adopted in measuring present values:		
Weighted average increase in employee costs	4.95%	NA
Weighted average discount rates	6.11%	5.78%
Weighted average settlement period	7.22	7.61

Note 14: Financial instruments

(a) Interest rate risk exposure

The Authority's exposure to interest rate risk and the effective weighted average interest rate by financial asset and liability category is set out in the following table.

Exposures arise predominately from assets and liabilities bearing variable interest rates as the Authority intends to hold fixed rate assets and liabilities to maturity.

	Weighted average effective interest rate %	Floating interest rate \$'000	1 year or less \$'000	1 - 2 years \$'000	2 - 3 years \$'000	3 - 4 years \$'000	4 + years \$'000	Non interest bearing \$'000	Total \$'000
2007									
Financial assets:									
- Cash and cash equivalents	6.13%	337	-	-	-	-	-	-	337
- Trade and other receivables	8.27%	-	4,372	203	181	175	2,047	908	7,886
Total		337	4,372	203	181	175	2,047	908	8,223
Financial liabilities:									
- Other payables	6.23%	1,760	880	891	1,007	10,483	3,197	-	18,218
Total		1,760	880	891	1,007	10,483	3,197	-	18,218
2006									
Financial assets:									
- Cash and cash equivalents	5.72%	3,001	2,000	-	-	-	-	-	5,001
- Trade and other receivables	8.35%	-	4,418	248	227	48	69	997	6,007
Total		3,001	6,418	248	227	48	69	997	11,008
Financial liabilities:									
- Other payables	6.12%	-	975	735	813	863	11,866	-	15,252
Total		-	975	735	813	863	11,866	-	15,252

(b) Net fair value of financial assets and liabilities

The carrying amounts and fair values of interest bearing liabilities at balance date are:

	2007		2006	
On balance sheet	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
- Trade and other receivables	7,886	7,082	6,007	5,873
	<u>7,886</u>	<u>7,082</u>	<u>6,007</u>	<u>5,873</u>
Financial liabilities:				
- Other payables	18,218	15,534	15,252	12,316
	<u>18,218</u>	<u>15,534</u>	<u>15,252</u>	<u>12,316</u>

Note 15: Responsible persons related party disclosure

In accordance with the directions of the Minister of Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

(a) Responsible persons

The names of persons who held responsible positions are as follows:

Minister for Water	The Hon. John Thwaites MP	1 July 2006 - 30 June 2007
Board		
Chairman	Mr Harry Peeters	
Deputy Chairman	Ms Jacinta Ermacora	
Director	Ms Sandra Adams	
Director	Mr Paul Battista	
Director	Ms Di Clanchy	
Director	Mr William Sharrock	
Director	Mrs Marie Thornton	
Accountable Officer	Mr Grant Green	

Remuneration of responsible persons

The number of responsible person's whose remuneration from the authority was within the specified bands were as follows:

Income band	2007 No.	2006 No.
\$0 - \$9,999 ¹	-	1
\$10,000 - \$19,999	6	5
\$20,000 - \$29,999	-	1
\$30,000 - \$39,999	1	1
\$140,000 - \$149,999 ²	-	1
\$200,000 - \$209,999	1	-
Total numbers	8	8

¹ This band includes a Director who resigned during 2005/2006.

² This band includes pro rata amount paid to the Accountable Officer during 2005/2006.

	2007 \$'000	2006 \$'000
Remuneration received or receivable by responsible persons and related parties in respect of the management of the Authority during the reporting period was:	329	281

Amounts relating to the Minister are reported in the financial statements of the Department of Premier and Cabinet.

Other transactions

A review of transactions for the 2006/2007 reveals that there were no other related transactions and loans requiring disclosure under the directions of the Minister of Finance. (2005/2006 : Nil)

(b) Executives

The number of executive officers, other than the responsible persons, whose total remuneration falls within the specified bands above \$100,000 are as follows:

Income band	2007 No.	2006 No.
\$40,000 - \$49,999 ¹	-	1
\$110,000 - \$119,999	-	2
\$120,000 - \$129,999	1	1
\$130,000 - \$139,999	4	1
Total numbers	5	5

¹ This band includes pro rata amount paid to an Executive during 2005/2006.

	2007 \$'000	2006 \$'000
Remuneration received or receivable by executives in respect of the management of the Authority during the reporting period was:	666	535

Note 16: Remuneration of auditors

Audit fees paid or payable to the Victorian Auditor General's Office for audit of the Authority's financial report:

	2007 \$'000	2006 \$'000
Paid as at 30 June	-	-
Payable as at 30 June	45	46
Total remuneration of auditors	45	46

Note 17: Contingent liabilities and contingent assets

At balance date, the Authority is unaware of any contingent liabilities or assets not recorded or disclosed within the financial statements.

Note 18: Commitments

Capital commitments

	2007 \$'000	2006 \$'000
Commitments for the acquisition and/or construction of plant and equipment contracted for at the reporting date but not recognised as liabilities payable are as follows:		
Within 1 year	7,034	9,993
Later than 1 year but not later than 5 years	40	81
Total capital commitments	7,074	10,074

Operating commitments

Commitments for the provision of contract and consultancy services to meet the Authority's operations at the reporting date but not recognised as liabilities payable are as follows:

Within 1 year	1,673	942
Later than 1 year but not later than 5 years	272	260
Total operating commitments	1,945	1,202
Total commitments for expenditure	9,019	11,276

Note 19: Superannuation

Authority employee's superannuation funds

Wannon Water makes employer superannuation contributions in respect of most employees to the Local Authorities Superannuation Fund (the Fund). The Fund has two categories of membership, each of which is funded differently.

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to the employees are represented by their share of the net assets of the Fund.

The Fund's Defined Benefit Plan is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under Paragraph 32(b) of AASB 119, Wannon Water does not use defined benefit accounting for these contributions.

Wannon Water makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's actuary as at 31 December 2005, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities. Wannon Water makes the following contributions:

- 9.25% of members' salaries;
- the difference between resignation and retrenchment benefits paid to any retrenched employees, plus contribution tax.

The Fund's liability for accrued benefits was determined in the 30 June 2006 actuarial investigation pursuant to the then requirements of Australian Accounting Standard AAS 25 as follows:

Note 19 continued: Superannuation

	30-June-2006 \$ '000
Net Market Value of Assets	3,443,686
Accrued Benefits (per accounting standard)	3,319,598
Difference between Assets and Accrued Benefits	124,088
Vested Benefits	3,040,443

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category were:

- Net Investment Return	8.0% p.a.
- Salary Inflation	5.5% p.a.
- Price Inflation	3.0% p.a.

However, superannuation contributions for the reporting period are included as part of salaries and wages and associated costs in the operating statement of the Authority.

The name and details of the employee superannuation funds and contributions made by the Authority are as follows:

Fund	Contribution for the year 2007 \$'000	Contribution for the year 2006 \$'000	Contribution outstanding at year end 2007 \$'000	Contribution outstanding at year end 2006 \$'000
State Superannuation Fund	43	48	-	-
Vision Super	990	691	-	-
VicSuper	41	22	-	-
Other	182	59	-	-
Total contributions	1,256	820	-	-

The bases for contributions are determined by the various superannuation funds.

Note 20: Segment information

	Wholesale 2007 \$'000	Wholesale 2006 \$'000	Retail 2007 \$'000	Retail 2006 \$'000
Revenue				
Bulk water sales - urban retail	3,184	3,209	-	-
Retail service charges	-	-	18,233	16,366
Retail usage charges	-	-	13,800	13,789
Other revenue	-	-	7,940	5,355
Total revenue	3,184	3,209	39,973	35,510
Expenditure				
Employee benefits expense	(371)	(364)	(10,362)	(9,228)
Depreciation expense	(1,244)	(1,775)	(7,786)	(8,267)
Supplies and services ⁽¹⁾	(1,569)	(1,070)	(19,241)	(18,004)
Finance costs	-	-	(1,102)	(1,126)
Other expenses	-	-	(324)	(1,252)
Total expenditure	(3,184)	(3,209)	(38,815)	(37,877)
Operating result by function	-	-	1,158	(2,367)

Note 20 continued: Segment information

	Wholesale 2007 \$'000	Wholesale 2006 \$'000	Retail 2007 \$'000	Retail 2006 \$'000
Assets				
Property, plant and equipment	114,010	117,691	349,644	338,272
Other assets	-	-	13,561	15,101
Total assets	114,010	117,691	363,205	353,373
Liabilities				
Payables	-	-	4,343	2,697
Interest bearing liabilities	-	-	18,218	15,252
Other liabilities	-	-	2,486	2,105
Total liabilities	-	-	25,047	20,054
Cash flow				
Cash flows used in investing activities	(589)	(2,015)	(13,796)	(14,480)
Cash flows from financing activities	-	-	2,966	1,029
Total cash flows from investing and financing activities	(589)	(2,015)	(10,830)	(13,451)
Capital investments				
- Replacement/renewals	(60)	(345)	(2,473)	(3,678)
- Expansions/enhancements	(529)	(1,670)	(11,323)	(10,802)

⁽¹⁾ These sums include the bulk water amount charged to retail services which is disclosed as revenue in wholesale services of \$3,184,000 in 2006/2007 (2005/2006: \$3,209,400).

The Authority has a bulk entitlement to extract a maximum of 12,580ML per annum from the Gellibrand River. The total amount extracted for 2006/2007 was 10,368ML (2005/2006: 10,342ML).

Note 21: Operating results of retail services

The revenue from and results of services within retail operations were:

	Water Supply 2007 \$'000	Water Supply 2006 \$'000	Wastewater 2007 \$'000	Wastewater 2006 \$'000	Total Retail Operations 2007 \$'000	Total Retail Operations 2006 \$'000
Revenue						
Sales - external	19,477	18,455	12,556	11,929	32,033	30,384
Other revenue	2,041	2,252	5,899	2,874	7,940	5,126
Total revenue	21,518	20,707	18,455	14,803	39,973	35,510
Service result	(506)	725	1,664	(3,092)	1,158	(2,367)
Operating surplus (deficit) from retail operations					1,158	(2,367)

Note 22: Events occurring after reporting date

The Authority is not aware of any events that have occurred after the reporting date that will effect the financial statements as presented.

Note 23: Reconciliation of net results for the reporting period to net cash inflow from operating activities

	2007 \$'000	2006 \$'000
Net result for the reporting period	1,158	(2,367)
Depreciation and amortisation	9,030	10,043
Net (profit) loss on disposal of non-current assets	393	1,308
Infrastructure assets contributed at no cost	(2,169)	(1,346)
Change in operating assets and liabilities		
Decrease (increase) in receivables	(1,880)	(119)
Decrease (increase) in inventories	8	22
Decrease (increase) in other operating assets	(1,021)	90
Increase (decrease) in trade creditors	855	(93)
Increase (decrease) in other provisions	381	90
Net cash inflow from operating activities	6,755	7,628

Note 24: Recognition of contributed capital on formation

The Minister for Water approved the merger of predecessor water authorities South West Water Authority, Portland Coast Water Authority and Glenelg Region Water Authority to form Wannon Region Water Authority as at 1 July 2005. The commencing assets and liabilities of Wannon Water are detailed as follows.

ASSETS	2006 \$'000
Current Assets	
Cash assets	2,911
Receivables	5,204
Inventories	331
Other financial assets	12,224
Other	3,675
Total Current Assets	24,345
Non-Current Assets	
Receivables	684
Property, plant and equipment	450,048
Intangibles	238
Total Non-Current Assets	450,970
TOTAL ASSETS	475,315
LIABILITIES	
Current Liabilities	
Payables	2,789
Interest bearing liabilities	2,716
Provisions	792
Total Current Liabilities	6,297
Non-Current Liabilities	
Interest bearing liabilities	15,507
Provisions	1,224
Total Non-Current Liabilities	16,731
TOTAL LIABILITIES	23,028
NET ASSETS	452,287
Equity	
Contributed capital	452,287
EQUITY	452,287

Note 25: Ex gratia payments

	2007 \$'000	2006 \$'000
<i>The authority has made the following ex gratia payments during the period:</i>		
Ex gratia payments	12	32

These ex-gratia payments related to settlement of minor individual claims.

CERTIFICATION

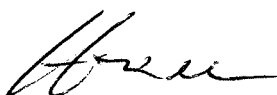
We certify the attached financial statements of Wannon Region Water Authority have been prepared in accordance with Part 7 of the Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Australian Accounting Standards and other mandatory professional requirements.

We further state that, in our opinion, the information set out in the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements presents fairly the financial transactions during the year ended 30 June 2007 and the financial position of the Authority as at 30 June 2007.

We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



H F Peeters
Chairman
Wannon Region Water Corporation



G V Green
Managing Director
Wannon Region Water Corporation



D R O'Doherty
Chief Finance & Accounting Officer
Wannon Region Water Corporation

10 September 2007



Victorian Auditor-General's Office

INDEPENDENT AUDIT REPORT

Wannon Region Water Authority

To the Members of the Parliament of Victoria and Members of the Board of the Authority

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report for the financial year ended 30 June 2007 relates to the financial report of the Wannon Region Water Authority included on its web site. The Members of the Board of the Wannon Region Water Authority 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 statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. 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 financial report to confirm the information included in the audited financial report presented on this web site.

The Financial Report

The accompanying financial report for the year ended 30 June 2007 of the Wannon Region Water Authority which comprises of the operating statement, balance sheet, statement of changes in equity cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the certification has been audited.

The Responsibility of the Members of the Board for the Financial Report

The Members of the Board of the Wannon Region Water Authority are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditors Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report 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 financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the Board Members' preparation and fair presentation of the financial report 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 Authority's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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Auditing in the Public Interest

Wannon Region Water Authority: Auditor-General's Report continued

VAGO

Victorian Auditor-General's Office

Independent Audit Report (continued)

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

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. The Auditor-General, his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Wannon Region Water Authority as at 30 June 2007 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act* 1994.

MELBOURNE
12 September 2007



D.D.R. Pearson
Auditor-General

Performance reporting



- Major Customer Initiatives
- Recy

Financial Performance Indicators

Performance Indicator	2005/06 Result	2006/07 Result	2006/07 Target	Variance %
Long Term Profitability Earnings before net interest and tax ÷ average total assets	-0.26%	0.41%	0.85%	(51.76%)
Owner's Investment Net profit after tax ÷ average total equity	-0.52%	0.26%	0.62%	(58.06%)
Long Term Financial Viability Total debt (including finance leases) ÷ total assets	3.38%	3.82%	8.10%	52.84%
Liquidity and Debt Servicing (Interest Cover) Earnings before net interest and tax expense ÷ net interest expense	-1.1 times	2.5 times	3.2 times	(21.88%)
Immediate Liquidity and Debt Servicing (Cash Cover) Cash flow from operations before net interest and tax payments ÷ net interest payments	16.6 times	10.8 times	8.8 times	22.73%
Operating Efficiency Water supply/sewerage collection Operations, maintenance and administration expenses per ML transported or treated:				
○ water supply bulk	\$186.86	\$124.79	\$112.81	-10.62%
○ water supply reticulation	\$369.59	\$710.78	\$478.44	-48.56%
○ water supply treatment	\$319.87	\$212.23	\$177.20	-19.77%
○ sewerage reticulation	\$420.21	\$796.88	\$837.41	4.84%
○ sewerage treatment	\$833.50	\$642.66	\$591.97	-8.56%

Variance Report – Financial Performance Indicators

Most indicators reflect a better position compared to the previous year. This is due to the small profit made during 2006/07, compared to the loss in 2005/06 loss. The unfavourable variances against their targets is an outcome of a lower than budgeted profit. Both favourable variances reflect the impacts of lower than anticipated borrowings.

The lower profit is a result of an incomplete capital project, which has associated capital revenue. This project will be completed in the 2007/08 year. The lower than anticipated borrowings are an outcome of better than expected cash inflows and lower capital works achieved.

Service Performance Indicators

Performance Indicator	2005/06 Result	2006/07 Result	2006/07 Target	Variance %
Water Supply interruptions Number of customers receiving 5 unplanned interruptions in the year	See Note 1			
Interruption time indicators Average duration of unplanned water supply interruptions	100.6	87.3 minutes	108 minutes	19.16%
Average duration of planned water supply interruptions	190.5	142.6 minutes	180 minutes	20.7%
Restoration of water supply Unplanned water supply interruptions restored within (5) hours	93.4%	98.4%	97%	1.44%
Reliability of sewerage collection services indicators Sewer spills from reticulation and branch sewers (priority 1 and 2)	122	124	See Note 2	
Sewage spilt from emergency relief structures and pumping stations (% of volume transported)	0%	0%	0%	
Containment of sewer spillages Sewerage spills contained within (5) hours	98.4%	100 %	98 %	2%
Customer complaints indicators Water quality complaints per 1,000 customers	1.79	7.67	See Note 2	
Water supply reliability complaints per 1,000 customers	1.4	0.78	See Note 2	
Sewerage service quality and reliability complaints per 1,000 customers	0.8	0.48	See Note 2	
Affordability complaints per 1,000 customers	0.1	0.08	See Note 2	
Billing complaints per 1,000 customers	0.3	0.58	See Note 2	
Pressure complaints per 1,000 customers	0.7	0.45	See Note 2	
Sewage odours complaints per 1,000 complaints	0.3	0.08	See Note 2	
Other complaints per 1,000 customers	0.6	0.73	See Note 2	

Notes:

1. Wannon Water does not have the system in place to record performance against this indicator.
2. No target was set for 2006/07

Sewage Treatment

Quality of reclaimed water disposal (by treatment or disposal facility)

1. Collective annual performance of the water reclamation plants

	2005/06 Result	2006/07 Result	2006/07 Target	Variance
Number of individual test results meeting EPA licence conditions x 100	91%	96%		
Number of routine tests for the year		99.5%	98 (H)	1.5%
		82%	95 (P)	-13%
		100%	98 (W)	2.0%

- At the time the 2006/07 targets were set, Wannon Water was zoned as Hamilton (H), Portland (P) and Warrnambool (W). Targets were set according to the zones.

Water Reclamation Plant Compliance with EPA licence conditions	2005/06 Result	2006/07 Result
Camperdown Industrial	71	100%
Camperdown	100	100%
Casterton	99	100%
Cobden	100	100%
Coleraine	100	100%
Dunkeld	100	100%
Hamilton	91	100%
Heywood	99	100%
Mortlake	100	100%
Port Campbell	100	100%
Port Fairy Domestic	96	98.3% ¹
Port Fairy Industrial	100	89.5% ²
Portland	82	73.5% ³
Simpson	100	100%
Terang	100	100%
Timboon	100	100%
Warrnambool	99	100%

- The Ultra Violet disinfection system malfunctioned resulting in a temporary elevated *E-coli* result.
- Construction and commissioning of a new treatment facility resulted in a disruption to the normal operation of the plant. This resulted in poor performance of the treatment plant.
- The current Water Reclamation Plant is under capacity; an interim upgrade is currently under construction and a new treatment plant is planned for the next Water Plan.

Environmental Performance Indicators

Waste Management for Reclaimed Water (by treatment or disposal facility)

I. Reclaimed water reuse

	2005/06 result	2006/07 result	2006/07 target	Variance %
Volume of effluent reused	25 %	14%	25%	-44%

- I. As part of Wannon Water's drought response, reclaimed water was held in storage for potential potable water substitution and for emergency and fire purposes at Hamilton and Casterton. This formed a valuable source of water for this purpose; it did, however, limit reuse in these areas, as the forecast demand for these purposes was not met. Historical reclaimed water uses in Hamilton, such as the lawn tennis courts and various local parks, ceased due to the inability of being able to abide by the current Environment Protection Authority guidelines for the use of reclaimed water. The drought resulted in a number of inland towns moving to stage 4 restrictions. This encouraged more efficient water use, resulting in less water going to sewer (hence, being made available for reuse) compared with the coastal outfall towns. This adversely affected the percentage reuse for Wannon Water as a whole.

Water Reclamation Plant	Percentage Recycled 2005/06	Percentage Recycled 2006/07
Camperdown Industrial	12%	100%
Camperdown	75%	100%
Casterton	100%	78%
Cobden	54%	92%
Coleraine	100%	100%
Dunkeld	100%	100%
Hamilton	100%	52%
Heywood	100%	100%
Mortlake	23%	100%
Port Campbell	30%	93%
Port Fairy Domestic	0%	0%
Port Fairy Industrial	0%	0%
Portland	0%	0%
Simpson	10%	79%
Terang	100%	100%
Timboon	17%	83%
Warrnambool	0%	0%

Environmental Performance Indicators continued

2. Biosolids reused/recycled

	2005/06 Biosolids Reused (dry tonnes per annum)	2006/07 Biosolids Produced (dry tonnes per annum)	2006/07 Biosolids Reused (dry tonnes per annum)
Port Fairy Industrial	300	380	380
Warrnambool	0	1,819	4,106
Port Fairy Domestic	0	252	0
Camperdown	0	2,035	
Simpson		270	
Hamilton		312	
Total	300	5,068	4,486

	2005/06 Result	2006/07 Result	2006/07 Target	Variance %
Biosolids reused	12 %	88%	100%	-12%

1. Due to weather conditions, reuse of biosolids at Camperdown was unable to be carried out in 2005/06. Therefore, two years' biosolids were reused at the Camperdown site this year.
2. Biosolids at Port Fairy Domestic and Warrnambool water reclamation plants are transferred to Camperdown for treatment and reuse.

CERTIFICATION

WANNON REGION WATER AUTHORITY PERFORMANCE REPORT

Performance statement for period ended 30 June 2007

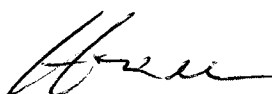
In our opinion, the accompanying Statement of Performance of Wannon Region Water Authority in respect of the 2006/07 financial year is presented fairly in accordance with the *Financial Management Act 1994*.

The statement outlines the relevant performance indicators as determined by the responsible Minister, the actual results achieved for the financial year against pre-determined performance targets and these indicators, 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 circumstances which would render any particulars in the Statement to be misleading or inaccurate.



H F Peeters
Chairman
Wannon Region Water Corporation



G V Green
Managing Director
Wannon Region Water Corporation

10 September 2007

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDIT REPORT

Wannon Region Water Authority

To the Members of the Parliament of Victoria and Members of the Board of the Authority

Matters Relating to the Electronic Presentation of the Audited Performance Statement

This auditor's report for the financial year ended 30 June 2007 relates to the performance statement of the Wannon Region Water Authority included on its web site. The Members of the Board of the Wannon Region Water Authority 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 statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. 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 financial report to confirm the information included in the audited performance statement presented on this web site.

The Statement of Performance

The accompanying statement of performance for the year ended 30 June 2007 of the Wannon Region Water Authority comprises the statement, the related notes and the performance statement certification.

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

The Members of the Board of the Wannon Region Water Authority 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 Board Members' 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 Authority'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.

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Auditing in the Public Interest

Wannon Region Water Authority: Auditor-General's Report continued

VAGO

Victorian Auditor-General's Office

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. The Auditor-General, his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the statement of performance of the Wannon Region Water Authority in respect of the 30 June 2007 financial year presents fairly, in all material respects, in accordance with the *Financial Management Act 1994*.

MELBOURNE
12 September 2007



D.D.R. Pearson
Auditor-General

Appendices

APPENDIX I

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DISCLOSURE INDEX

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Appendix I

Notes on Bulk Entitlements:

Report in relation to Section 12.1 of the Bulk Entitlement (Otway System) Conversion Order 1998

- (a) The flow to irrigators managed by Southern Rural Water is not available. The North and South Otway system inflows were, therefore, not able to be calculated. Flow share arrangements were based on providing the specified passing flow.
- (b) The flows past specified points A and B are monitored at gauging sites 235225B and 235228A
- (c) Mean daily passing flows at the two sites are available. Flow tables for these sites are only rated up to 100 ML/day.
- (d) The daily amount of water taken at each diversion point is available.
- (e) Water was not taken from any point other than a system diversion point. No record can be located of approval being granted to either the proposed environmental obligations program or the proposed metering program.
- (f) The annual amount of water taken under the entitlement was 10,129 ML
- (g) There was no temporary or permanent transfer of this entitlement
- (h) There was no transfer of any entitlement to Wannon Water with respect to the Otway Water Supply System
- (i) There were no amendments to this bulk entitlement.
- (j) There were no new bulk entitlements granted to Wannon Water with respect to the Otway System
- (k) Wannon Water complied with the provisions of the bulk entitlement.
- (l) The meters used to calculate the amount taken under the bulk entitlement were not verified or calibrated.

Report in relation to Section 12.1 of the Bulk Entitlement (Hamilton) Conversion Order 1997

- (a) The flows in each waterway immediately upstream of the system diversion point have not been monitored and works under clause 16 to ensure that only water to which Wannon Water is entitled is taken have not been implemented
- (b) The specified passing flow has not been provided.
- (c) The daily amount of water taken has not been recorded. The present metering arrangement provides for a seven-day continuous recording of flows.
- (d) Wannon Water is unaware of any programs or proposals under clauses 9, 10 and 11. The Department of Sustainability and Environment (DSE) has been unable to provide details of any programs submitted by Glenelg Water.
- (e) The annual amount taken under this Bulk Entitlement was 924ML
- (f) The amount in credit to the drought reserve is the maximum allowable of 520ML
- (g) There was no transfer of any part of this Bulk Entitlement
- (h) There were no transfers of other Bulk Entitlements or licences to Wannon Water with respect to this system.
- (i) There was no amendment to this Bulk Entitlement.
- (j) There were no new Bulk Entitlements granted to Wannon Water with respect to this system.
- (k) Specified passing flows have not been provided. The metering arrangement does not readily provide for recording of the daily amount of water taken under this Bulk Entitlement.
- (l) A project has been identified in the next Water Plan to undertake works to provide specified passing flows and improve metering.

Appendix I continued

Report in relation to Section 13.1 of the Bulk Entitlement (Dunkeld System) Conversion Order 1997

- (a) No water was taken from the system diversion point. The daily amount of water taken from the system storage under this Bulk Entitlement is not available.
- (b) The water level and the amount of water in storage is measured weekly. As of 26 June 2007 it was 208.8 metres AHD and 3.6 ML.
- (c) The annual amount taken from the system storage was 23ML.
- (d) Wannon Water is unaware of any programs or proposals under clauses 10, 11 and 12. DSE has been unable to provide details of any programs submitted by Glenelg Water in respect of this Bulk Entitlement.
- (e) There were no transfers of this Bulk Entitlement
- (f) There was no transfer of other Bulk Entitlements or licences to Wannon Water with respect to this system.
- (g) There was no amendment to this Bulk Entitlement
- (h) There were no new bulk entitlements granted to Wannon Water with respect to this system.
- (i) The daily amount of water taken from the system diversion point and the system storage is not available.
- (j) A project has been identified in the next Water Plan to improve metering of water taken from the system diversion point and the system storage. Weekly data is available.

Report in relation to Section 13.1 of the Bulk Entitlement (Glenthompson) Conversion Order 1997

- (a) The daily amount of water taken under this Bulk Entitlement is not available. Only weekly data is available. A volume of 14.3ML of water purchased from Grampians Wimmera Mallee Water was inputted to this system's storage to supply the annual demand for Glenthompson township of 12.1ML.
- (b) The water level and amount of water in storage is measured weekly. As at 26 June 2007 the level in Glenthompson Reservoir was 306.4 metres and the contents were 25.3ML. The Railway Reservoir was empty throughout the year.
- (c) The annual amount taken under this Bulk Entitlement was 0ML.
- (d) Wannon Water is unaware of any programs or proposals under clauses 10, 11 and 12. DSE has been unable to provide details of any programs submitted by Glenelg Water in respect of this Bulk Entitlement.
- (e) There were no transfers of this Bulk Entitlement.
- (f) There was no transfer of other Bulk Entitlements or licences to Wannon Water with respect to this system.
- (g) There was no amendment to this Bulk Entitlement.
- (h) There were no new bulk entitlements granted to Wannon Water with respect to this system.
- (i) The metering arrangement does not readily provide for recording the daily amount of water taken under this Bulk Entitlement. Wannon Water is unaware of any approved metering or environmental programs in relation to this Bulk Entitlement.
- (j) A budget has been identified in the next water plan to improve metering of water taken from the system storages. Weekly data is available.

Appendix I continued

Report in relation to Section 13.1 of the Bulk Entitlement (Coleraine, Casterton and Sandford) Conversion Order 1997

- (a) The daily amount of water taken under this Bulk Entitlement is not available. Only weekly data is available. Casterton and Sandford are not supplied from this Bulk Entitlement.
- (b) The water level and amount of water in storage is measured weekly. As at 26 June 2007 the level was 272.4 metres (AHD) and the contents 547.3ML
- (c) The annual amount taken under this Bulk Entitlement was 148ML, this being the volume of water used by Coleraine.
- (d) Wannon Water is unaware of any programs or proposals under clauses 10, 11 and 12. DSE has been unable to provide details of any programs submitted by Glenelg Water in respect of this Bulk Entitlement.
- (e) There were no transfers of this Bulk Entitlement.
- (f) There were no transfers of other Bulk Entitlements or licences to Wannon Water with respect to this system.
- (g) There was no amendment to this Bulk Entitlement
- (h) There were no new bulk entitlements granted to Wannon Water with respect to this system.
- (i) The metering arrangement does not readily provide for recording of the daily amount of water taken under this Bulk Entitlement. Wannon Water is unaware of any approved metering or environmental programs in relation to this Bulk Entitlement
- (j) A budget has been identified in the next Water Plan to improve metering of water taken from the system storage. Weekly data is available.

Report in relation to Section 17.1 of the Bulk Entitlement (Wimmera and Glenelg Rivers – Glenelg Water) Conversion Order 2004 and the Bulk Entitlement (Wimmera and Glenelg Rivers – Glenelg Water) Conversion Amendment Order 2005

- (a) The daily amount of water taken under this Bulk Entitlement is not available. Only weekly data is available. The present metering arrangement does not provide for the logging of daily data.
- (b) The annual amount taken under this Bulk Entitlement was 95ML
- (c) No water was taken from any other works of Wannon Water for this system.
- (d) The seasonal allocation was 85ML
- (e) Wannon Water is unaware of any programs or proposals under clauses 10, 11 and 12.
- (f) There were no changes made under Schedule 2
- (g) There were no transfers of this Bulk Entitlement.
- (h) Grampians Wimmera Mallee Water provided additional water from its drought reserve to supply water in excess of the seasonal allocation.
- (i) There was no amendment to this Bulk Entitlement in relation to the supply to Balmoral.
- (j) There were no new Bulk Entitlements granted to Wannon Water with respect to this system.
- (k) The metering arrangement does not readily provide for recording the daily amount of water taken under this Bulk Entitlement. There are no approved metering or environmental programs in relation to this Bulk Entitlement.
- (l) A budget has been identified in the next Water Plan to improve metering of water taken from the system storage. Weekly data is available.

Appendix 2

Actual Annual Consumption Tables Expressed in megalitres (ML) and number of assessments (No.)

Otway Supply System

Water District	Retail Urban Residential		Retail Vacant Residential		Developed Non Residential		Vacant Non Residential		Rural Customers		Retail Urban Other		Projected Consumption to 30 June 2007	Total Annual Consumption			Bulk Meter Usage		Non Revenue Water		Average Annual Demand	Customers				Actual Annual Consumption / Average Annual Demand
	ML	No.	ML	No.	ML	No.	ML	No.	ML	No.	ML	No.		ML	ML	No.	ML	ML	%	ML		Water	Water by Agreement	Sewerage	Sewerage Vacant	
Allansford	58.72	274	0.00	0	16.85	37	0.00	0	2.02	5	21.03	5	4.35	102.97	321	98.52	-4.45	-4.5%	90.04	318	3	252	0	114%		
Camperdown	234.98	1504	0.00	0	71.99	198	0.00	0	0.00	0	0.00	0	60.52	367.49	1702	412.93	45.44	11.0%	435.12	1700	2	1574	0	84%		
Camperdown Rural	0.00	0	0.00	0	0.00	0	0.00	0	639.47	373	0.00	0	107.83	747.30	373	822.4	75.10	9.1%	806.18	366	7	0	0	93%		
Cobden	113.37	683	0.00	0	43.18	94	0.00	0	158.28	105	472.49	2	36.93	824.24	884	868.6	44.36	5.1%	867.27	876	8	712	0	95%		
Koroit	90.92	593	0.00	0	27.04	52	0.00	0	3.07	2	192.65	1	7.51	321.19	648	390.67	69.48	17.8%	355.55	640	8	618	0	90%		
Lismore / Dennington	45.65	331	0.00	0	15.01	69	0.00	0	67.45	79	0.00	0	20.20	148.31	479	159.86	11.55	7.2%	169.76	478	1	0	0	87%		
Mortlake	78.96	565	0.00	0	40.20	83	0.00	0	0.00	0	0.00	0	26.31	145.47	648	172.93	27.46	15.9%	172.24	648	0	576	0	84%		
Norrist Glenomiston	27.44	138	0.00	0	33.30	14	0.00	0	64.53	72	0.00	0	29.19	154.46	224	157.61	3.15	2.0%	176.57	193	31	1	0	87%		
North Otway Pipeline	0.00	0	0.00	0	0.00	0	0.00	0	707.36	462	436.11	2	105.49	1248.96	464	1248.96	0.00	0.0%	1306.39	0	464	0	0	0	96%	
Purnim	0.00	0	0.00	0	0.00	0	0.00	0	19.02	75	0.00	0	0.93	19.95	75	25.55	5.60	21.9%	30.69	75	0	0	0	65%		
Simpson	20.18	80	0.00	0	4.94	15	0.00	0	22.53	10	87.18	1	5.09	139.92	106	155.62	15.70	10.1%	138.39	100	6	77	0	101%		
Terang	145.34	916	0.00	0	46.38	146	0.00	0	12.72	1	0.00	0	48.26	252.70	1063	272.03	19.33	7.1%	270.66	1063	0	964	0	93%		
Warmambool	2116.32	12380	0.00	0	531.60	1300	0.00	0	7.99	21	918.27	6	385.27	3959.46	13707	4622.02	662.56	14.3%	4880.44	13677	30	13309	0	81%		
Total	2931.88	17464	0.00	0	830.49	2008	0.00	0	1704.44	1205	2127.72	17	837.88	8432.42	20694	9407.7	975.28	10.4%	9699.31	20134	560	18083	0	87%		

The Dilwyn Aquifer (West)

Water District	Retail Urban Residential		Retail Vacant Residential		Developed Non Residential		Vacant Non Residential		Rural Customers		Retail Urban Other		Projected Consumption to 30 June 2007	Total Annual Consumption		Bulk Meter Usage	Non Revenue Water		Average Annual Demand	Customers				Actual Annual Consumption / Average Annual Demand
	ML	No.	ML	No.	ML	No.	ML	No.	ML	No.	ML	No.		ML	ML	No.	ML	ML	%	ML	Water	Water by Agreement	Sewerage	
Dartmoor	9.63	133	0.00	7	0.18	11	0.00	0	0.00	0	0.00	0	3.08	12.89	151	28.06	15.17	54.1%	21.38	151	0	0	0	60%
Heywood	107.20	593	1.23	71	33.92	87	3.56	21	0.00	0	0.00	0	37.05	182.96	772	194.54	11.58	6.0%	216.31	764	8	662	72	85%
Port Fairy	273.12	1741	6.74	282	112.89	188	4.17	43	0.00	0	140.04	1	95.98	632.94	2255	839.89	206.95	24.6%	758.78	2251	4	1849	260	83%
Portland	794.09	4549	10.10	636	284.30	628	15.00	97	0.00	0	652.16	2	229.18	1984.82	5912	2209.33	224.51	10.2%	2039.27	5888	24	4919	617	97%
Total	1184.04	7016	18.07	996	431.29	914	22.73	161	0.00	0	792.20	3	365.29	2813.61	9090	3271.82	458.21	14.0%	3022.90	9054	36	7430	949	93%

The Dilwyn Aquifer (East)

Water District	Retail Urban Residential		Retail Vacant Residential		Developed Non Residential		Vacant Non Residential		Rural Customers		Retail Urban Other		Projected Consumption to 30 June 2007	Total Annual Consumption			Bulk Meter Usage	Non Revenue Water		Average Annual Demand	Customers				Actual Annual Consumption/ Average Annual Demand
	ML	No.	ML	No.	ML	No.	ML	No.	ML	No.	ML	No.	ML	ML	No.	ML	ML	%	ML	Water	Water by Agreement	Sewerage	Sewerage Vacant		
Peterborough	24.45	261	0.00	0	8.24	9	0.00	0	7.33	5	0.00	0	4.13	44.15	275	44.51	0.36	0.8%	42.66	275	0	0	0	103%	
Port Campbell	26.42	234	0.00	0	28.23	34	0.00	0	0.22	2	0.00	0	7.03	61.90	270	65.50	3.60	5.5%	68.02	270	0	241	0	91%	
Timboon	72.22	406	0.00	0	29.77	61	0.00	0	95.48	101	0.00	0	23.63	225.10	568	259.88	34.78	13.4%	271.85	566	2	423	0	83%	
Total	123.10	901	0.00	0	66.24	104	0.00	0	107.02	108	0.00	0	34.79	331.14	1113	369.89	38.75	10.5%	382.53	1111	2	664	0	87%	

Appendix 2 continued

The Grampians System

Water District	Retail Urban Residential		Retail Vacant Residential		Developed Non Residential		Vacant Non Residential		Rural Customers		Retail Urban Other		Projected Consumption to 30 June 2007	Total Annual Consumption		Bulk Meter Usage	Non Revenue Water		Average Annual Demand	Customers				Actual Annual Consumption/ Average Annual Demand
	ML	No.	ML	No.	ML	No.	ML	No.	ML	No.	ML	No.		ML	ML	No.	ML	ML	%	ML	Water	Water by Agreement	Sewerage	
Cavendish	6.06	55	0.00	8	1.98	19	0.00	1	3.93	20	0.00	0	0.87	12.83	103	14.36	1.53	10.7%	21.33	83	20	0	0	60%
Dunkeld	30.05	267	0.06	31	12.70	41	0.00	0	11.95	43	0.00	0	1.54	56.29	382	57.91	1.62	2.8%	93.99	339	43	247	2	60%
Hamilton	600.30	4330	1.92	119	216.12	687	0.28	21	71.28	131	190.73	2	114.08	1194.70	5290	1254.88	60.18	4.8%	1636.04	5158	133	4600	120	73%
Tarrington	18.11	100	0.00	1	1.98	7	0.00	0	7.68	27	0.00	0	1.71	29.47	135	34.97	5.50	15.7%	50.33	108	27	0	0	59%
Total	654.52	4752	1.98	159	232.77	754	0.28	22	94.83	221	190.73	2	118.19	1293.30	5910	1362.12	68.82	5.1%	1801.69	5688	223	4847	122	72%

The Tullich Bore System

Water District	Retail Urban Residential		Retail Vacant Residential		Developed Non Residential		Vacant Non Residential		Rural Customers		Retail Urban Other		Projected Consumption to 30 June 2007	Total Annual Consumption		Bulk Meter Usage	Non Revenue Water			Average Annual Demand	Customers				Actual Annual Consumption/ on/ Average Annual Demand
	ML	No.	ML	No.	ML	No.	ML	No.	ML	No.	ML	No.		ML	No.		ML	ML	%		ML	Water	Water by Agreement	Sewerage	
Casterton	149.55	776	0.76	45	82.24	157	0.03	3	65.28	84	0.00	0	7.41	305.28	1065	356.33	51.05	14.3%	322.67	981	84	818	41	95%	
Merino	18.71	116	0.00	14	3.14	16	0.00	1	23.31	43	0.00	0	1.67	46.82	190	50.65	3.83	7.6%	52.73	147	43	0	0	89%	
Sandford	11.00	55	0.00	3	2.85	4	0.00	0	15.20	33	0.00	0	1.48	30.54	95	35.21	4.68	13.3%	27.88	62	33	0	0	110%	
Total	179.26	947	0.76	62	88.23	177	0.03	4	103.78	160	0.00	0	10.56	382.63	1350	442.19	59.56	13.5%	403.28	1190	160	818	41	95%	

Other Water Supplies (*supplied from the Rocklands Reservoir)

Water District	Retail Urban Residential		Retail Vacant Residential		Developed Non Residential		Vacant Non Residential		Rural Customers		Retail Urban Other		Projected Consumption to 30 June 2007	Total Annual Consumption			Bulk Meter Usage	Non Revenue Water			Average Annual Demand	Customers				Actual Annual Consumption / Average Annual Demand
	ML	No.	ML	No.	ML	No.	ML	No.	ML	No.	ML	No.	ML	ML	No.	ML	ML	%	ML	Water	Water by Agreement	Sewerage	Sewerage Vacant			
Balmoral*	12.83	106	0.00	2	12.97	30	0.00	1	12.65	12	0.00	0	2.95	41.40	151	54.80	13.40	24%	77.81	139	12	0	0	53%		
Caramut	10.72	54	0.00	0	6.07	15	0.00	0	9.77	17	0.00	0	6.23	32.79	86	35.00	2.21	6%	38.44	76	10	0	0	85%		
Coleraine	67.89	493	0.13	45	14.08	98	0.00	1	36.54	41	0.00	0	5.64	124.29	678	147.92	23.63	16%	156.30	637	41	570	41	80%		
Darlington	2.16	21	0.00	0	0.12	1	0.00	0	0.00	0	0.00	0	0.50	2.78	22	2.78	0.00	0%	2.26	0	22	0	0	123%		
Glenthompson	6.82	95	0.00	2	1.99	25	0.00	1	39.74	39	0.00	0	2.36	50.90	162	43.19	-7.71	-18%	48.68	123	39	0	0	105%		
Penshurst	54.18	247	0.02	11	18.95	59	0.00	0	6.96	8	0.00	0	1.87	81.97	325	148.36	66.39	45%	138.87	317	8	0	0	59%		
Macarthur	19.59	134	0.00	0	5.17	41	0.00	0	1.69	3	0.00	0	1.08	27.52	178	29.47	1.95	7%	29.89	175	3	0	0	92%		
Total	174.17	1150	0.15	60	59.35	269	0.00	3	107.36	120	0.00	0	20.61	361.64	1602	461.52	99.88	22%	492.25	1467	135	570	41	73%		

Supply Systems Total

Water District	Retail Urban Residential		Retail Vacant Residential		Developed Non Residential		Vacant Non Residential		Rural Customers		Retail Urban Other		Projected Consumption to 30 June 2007	Total Annual Consumption			Bulk Meter Usage	Non Revenue Water		Average Annual Demand	Customers				Actual Annual Consumption / Average Annual Demand
	ML	No.	ML	No.	ML	No.	ML	No.	ML	No.	ML	No.	ML	ML	No.	ML	ML	%	ML	Water	Water by Agreement	Sewerage	Sewerage Vacant		
Otways	2931.88	17464	0.00	0	830.49	2008	0.00	0	1704.44	1205	2127.72	17	837.88	8432.42	20694	9407.7	975.28	10.4%	9699.31	20134	560	18083	0	87%	
Dilwyn West	1184.04	7016	18.07	996	431.29	914	22.73	161	0.00	0	792.20	3	365.29	2813.61	9090	3271.82	458.21	14.0%	3022.90	9054	36	7430	949	93%	
Dilwyn East	123.10	901	0.00	0	66.24	104	0.00	0	107.02	108	0.00	0	34.79	331.14	1113	369.89	38.75	10.5%	382.53	1111	2	664	0	87%	
Grampians	654.52	4752	1.98	159	232.77	754	0.28	22	94.83	221	190.73	2	118.19	1293.30	5910	1362.12	68.82	5.1%	1801.69	5688	223	4847	122	72%	
Tullich Bore	179.26	947	0.76	62	88.23	177	0.03	4	103.78	160	0.00	0	10.56	382.63	1350	442.19	59.56	13.5%	403.28	1190	160	818	41	95%	
Other	174.17	1150	0.15	60	59.35	269	0.00	3	107.36	120	0.00	0	20.61	361.64	1602	461.515	99.88	21.6%	492.25	1467	135	570	41	73%	
Metered Hydrant Usage											132.57			132.57		0	-132.57								
Total	5246.96	32230	20.95	1277	1708.36	4226	23.05	190	2117.44	1814	3243.22	22	1387.33	13747.31	39759	15315.23	1567.92	10.2%	15801.96	38644	1116	32412	1153	87%	

Note:
The metered hydrant program does not identify from which water district the water is taken from.

Disclosure index

The 2006/07 annual report of the Wannon Region Water Authority is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Authority's compliance with statutory disclosure requirements.

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