



# CORPORATE PLAN 2019-24



GIPPSLAND  
WATER

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As part of our goal to continually improve our environmental performance, we print limited numbers of this report. We encourage those with internet access to view the report online. If you require additional printed copies, please contact us on 1800 050 500.

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# Aboriginal acknowledgement

We acknowledge Traditional Custodians of the land on which we live and work. We pay respect to Elders past and present.

We are committed to working respectfully to honour their ongoing cultural and spiritual connections to this country. We recognise the role and values of culture in our work and community.



We cover areas of two traditional landowner groups:

- Gunaikurnai Land and Waters Aboriginal Corporation
- Bunurong Land Council Aboriginal Corporation

# Our service area



**Legend**

-  Latrobe River catchment boundary
-  Gippsland Water operating area





**Therese Ryan**  
Board Chair



**Sarah Cumming**  
Managing Director

## Foreword

On behalf of our Board, the executive team and the entire organisation, we're pleased to present the 2019-24 Gippsland Water Corporate Plan.

This plan sets out our corporate plan for the next five years, with a particular focus on 2019/20. It was developed based on input and feedback from our employees, customers, community and local business, and sets out how we will deliver on both their expectations and our obligations under the Victorian Government's *Water for Victoria* plan.

The year ahead will be one of both positive change and consolidation. Consolidating the steps we've taken over the last two years to develop a deeper connection with our customers and community; planning for the future needs of our region; promoting a healthy lifestyle and partnering with government and the private sector to advance our region.

We'll redouble our efforts to improve our customers' experience by providing more options to interact with us online. From a financial perspective,

we'll continue to look for ways to do more with less, while providing ongoing support for those in our community who are doing it tough.

We'll continue to strengthen connections with the communities we serve. As a founding member of the GROW Gippsland (Growing Regional Opportunities for Work) program, we'll help to lead positive economic and social change for our community. And, we'll continue to partner with traditional owners to capture the cultural and spiritual values of the waterways in our operating region.

Enhancing water security for our customer base, particularly to the west in rapidly growing towns like Warragul and Drouin, remains a key area of focus. We'll activate the Moe to Warragul interconnect project—enabling us to move water between central and west Gippsland where and when it's most needed—and continue to work with government to further strengthen our network and respond to future growth.

Climate change remains front and centre of our forward-looking agenda. We'll get on with installing more solar infrastructure at our Traralgon office and a joint solar and hydro generation project at our Traralgon Water Treatment Plant – our second hydro for the business. We'll also plant a massive 92,000 native plants at our Dutson Downs site to help offset our greenhouse gas emissions; and we'll continue to work towards becoming carbon neutral by 2050, as part of the Victorian Government's Take 2 climate change pledge.

Engaging with our community in a meaningful and purposeful way has become part of the way we do business. This year, we'll continue to partner with our communities to help us plan for the future on initiatives like digital customer service; our new \$12 million Sale Sewer Pump Station; \$34.4 million upgrade to the Drouin Wastewater Treatment Plant; and Mirboo North water main replacement.

We're fortunate to have a highly-engaged, community-focussed workforce. This was confirmed in 2019, when we moved into

the Aon Hewitt's top quartile of employers right across Australia and New Zealand. But there's more to be done, like growing our talent through a new leadership program that will give our current and emerging leaders the skills and capabilities to effectively lead with purpose in times of change.

We'll continue to provide opportunities for locals from all walks of life. We'll do this by building on the success of our 2019 Job Shadow Day, where we partnered with a local provider to not only gain workplace insights, but following through with employment for locals with a disability. And, we'll continue to work with our partners across the region as a member of the GROW Gippsland initiative to promote social employment outcomes, including opportunities for local Aboriginal job seekers.

Thanks to all who have helped to develop this plan. It's been a collaborative effort between our Board and our people from right across the organisation. We look forward to working together towards an even healthier and more sustainable Gippsland.



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**Therese Ryan**  
Board Chair



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**Sarah Cumming**  
Managing Director

# Our vision

We take pride in partnering with the community in providing quality water and waste services so we can enjoy a healthy and sustainable Gippsland for generations to come.





# Our values



## **SAFETY AND WELLBEING**

**'Go home safe'**

The safety and wellbeing of our employees and community is our priority. Always.



## **CUSTOMER FOCUSED**

**'Customer first'**

Customers are at the heart of everything we do.



## **INNOVATION**

**'Clever solutions'**

We challenge our thinking, learn and embrace change.



## **ACCOUNTABILITY**

**'Make it happen'**

We each take ownership and deliver on what we say.



## **COLLABORATION**

**'Working together'**

We work in partnership with our colleagues, customers, and stakeholders.



## **INTEGRITY AND RESPECT**

**'Treat others as we wish to be treated'**

We are transparent, honest, inclusive, and treat people fairly.



GIPPSLAND  
WATER

**CAUTION**  
IF YOU CAN'T SEE  
MY MIRRORS  
I CAN'T SEE YOU

GUARD

VEH 805

IF PES

**SHAKANDA**  
www.shakanda.com



# Core business undertakings

We supply water and wastewater services to residential, commercial and industrial customers across central Gippsland. Our region spans from Drouin in the west to Loch Sport in the east, and Briagolong in the north to Mirboo North in the south.

This area covers around 5,000 square kilometres across the municipalities of Baw Baw Shire, Latrobe City, South Gippsland Shire and Wellington Shire.

With over 280 operational, engineering, financial, environmental and administrative employees, we are a major local employer for the region serving a population base of 147,000 people.

We deliver water to almost 70,000 customers and wastewater services to more than 62,000 customers in 43 towns. Our customers include major industries, some of which are of state and national significance.

### Other business

In addition to providing water and wastewater services, we have a number of unregulated business interests including agribusiness and organic recycling activities. These businesses are an integral part of what we do and provide benefit for us, our customers and the state.

Our agribusiness operations help us to both effectively manage and reuse treated water while servicing our agricultural assets all across Gippsland, including 12 farming sites producing a combination of beef, crops and plantation timber.

Our largest farm, at Dutson Downs, is located 25 kilometres south-east of Sale and spans 8,341 hectares.

This is also where we operate our Organics Recycling Facility. Primarily founded to process our internal waste streams and offset the costs of disposal, the Organics Recycling Facility transforms more than 200,000 tonnes of waste each year into valuable, nutrient rich compost.

## KEY FACTS

We own and maintain a \$1 billion infrastructure network which includes:



of water mains,  
**65** treated  
water storages and  
**48** pump stations



of sewer mains  
and **199**  
sewer pump  
stations



ocean outfalls  
(McGaurans Beach  
and Delray Beach)



wastewater  
treatment plants  
including the  
Gippsland Water  
Factory



water treatment  
plants

# Our operating environment

## GOVERNANCE

**We are the Central Gippsland Region Water Corporation and trade as Gippsland Water.**

We are a regional water corporation established under the Water Act 1989 (Vic), constituted on 21 December 1994. The Hon Lisa Neville MP, Minister for Water, is the responsible Minister at the time of the development of this plan.

We operate under a Board of Directors which is appointed by our shareholder, the Victorian State Government.

We are governed by several State and Commonwealth laws, including:

- *Safe Drinking Water Act (2003)*
- *Planning and Environment Act 1987*
- *Flora and Fauna Guarantee Act 1988*
- *Environment Protection and Biodiversity Conservation Act 1999*
- *Permitted Clearing of Native Vegetation – Biodiversity Assessment Guidelines (2013)*
- *Financial Management Act 1994*

## RISK MANAGEMENT

**Our Risk Management Framework is consistent with relevant standards, and promotes a positive risk culture that assists and guides all employees to identify and manage risk and uncertainty.**

We manage risks as part of our strategic and corporate planning process. Our Board actively reviews our strategic risks and our Audit and Risk Committee and internal Risk Management Committee review the framework annually and receive quarterly reports.

We are committed to continuously strengthening our risk management processes. Over the past 12 months, we have focussed on our approach to risk and this will continue in the year ahead. We'll continue to monitor and update our strategic risks to ensure we remain future focussed. We'll consider our risk appetite and tolerance to guide our decision making.

# Strategic context



## ABOUT THIS PLAN

**This plan outlines our business direction for the next five years, with a particular focus on the 2019/20 financial year.**

In simple terms, it's a roadmap for our organisation to ensure we deliver on our statutory obligations, strategic vision and community expectations.

It's been developed in response to community feedback received through the extensive engagement undertaken across our community to inform our 2018 Essential Services Commission pricing submission, while responding to the Victorian Government's *Water for Victoria* plan and *2019-20 Ministerial Expectations*.

## MEETING GOVERNMENT OBJECTIVES

***Water for Victoria* is the State Government's strategic, long-term plan for managing our water resources, now and in the future. It was developed and informed by community expectations, particularly in areas of health, recreation, liveability, traditional ownership and economic development.**

We're committed to supporting the government on this journey and our Corporate Plan 2019-24 sets out the actions we will take to do so. It strongly aligns with the priority areas of *Water for Victoria* and *2019-20 Ministerial Expectations*.

### Climate change

We're committed to preparing for the future and protecting our environment. We've made the Victorian Government's 'Take 2 climate change pledge' – a climate change program to help the state achieve net zero emissions by 2050 – and we're continuing to work towards an organisational target of reducing our carbon footprint by 24% by 2025.

This year, we will build on our renewable energy program by installing solar panels at two of our treatment plants and a mini-hydro turbine at our Traralgon Water Treatment Plant. We'll also start work on a large revegetation project at Dutson Downs, planting over 90,000 mixed species plants which will completely offset our fugitive emissions by 2025.

### Customer and community outcomes

We're committed to effectively engaging and communicating with our customers and local community.

While customer satisfaction remains strong at 82%, we're continually looking to build on these positive results. In the year ahead, we'll expand our digital customer service offering in direct response to feedback we've received. Once finished, this important step forward will make it easier for customers and businesses to interact with us online.

We will continue to attend local events and engage on projects where the community can have meaningful input. As a founding member of the GROW Gippsland (Growing Regional Opportunities for Work) social procurement initiative, we will continue to support local social and employment outcomes.

## Water for Aboriginal cultural, spiritual and economic values

We're proud to be actively engaging with our traditional owners and Aboriginal communities to include Aboriginal values in our planning and strategies.

This year, we will continue to partner with Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) to capture and respect the cultural and spiritual values of the waterways in our operating region. We will continue our partnership of embracing sites of cultural significance encountered during our works, and as leaders in the GROW Gippsland initiative, we will work to increase local economic opportunities for our Aboriginal community. We'll work with traditional owners to map the Aboriginal values at Dutson Downs, a site of known cultural significance. A new GLaWAC depot will soon be on our land in Traralgon, supporting employment opportunities in central Gippsland as well as joint campaigns to promote Aboriginal values in the wider community.

We have set up an Aboriginal Engagement Working Party with representatives from across our business. This group will partner with our Aboriginal community to influence understanding and positive change across our organisation. The group will also ensure that engagement is genuine and meaningful, and support us in developing and implementing our Aboriginal Engagement and Inclusion Strategy.

## Recognising the recreational values of our water

We'll continue to engage with local communities to develop a deeper understanding of the shared benefits of water, including recreational benefits, in planning and decision making. This forms part of our Urban Water Strategy and our active participation and leadership in local Integrated Water Management forums will help us deliver this.

The site of our Drouin Wastewater Treatment Plant has significant birdwatching potential and once we've completed work to upgrade the plant, we'll look at opening a section for birdwatchers.

We're looking at ways to increase community engagement and the use of both the Moondarra reserve and our historic Cecil Inn building. In the coming years, we'll investigate opening up the Morwell Wetlands for public access.

## Resilient and liveable cities and towns

We're proud to be actively contributing to a healthy Gippsland by supporting safe, affordable, high quality services and resilient environments.

We're actively participating in the Gippsland Integrated Water Management Forum, incorporating both our and South Gippsland Water's service areas.

We're maintaining our focus on working with local councils, traditional owners and other government departments to sustainably manage water for current and future generations, while continuing to support the Target Your Water Use campaign and actively encouraging our customers to be smart about their water use, with active involvement in the Victorian Water Efficiency Group.

We're continuing to address affordability issues faced by our customers with almost 2% of our customers on our hardship program. We provide tailored support and education to these customers and recognise that everyone's situation is unique. Additional assistance is available to customers experiencing family violence. With costs across a range of utilities continuing to rise, we will continue to look for ways to minimise impacts on customer bills and assist our customers experiencing hardship.

## Leadership and culture

We recognise the value of a diverse workforce and are committed to creating an inclusive work environment. We are committed to creating meaningful pathways for our community into employment with ongoing indigenous traineeships, student vacation employment and specialised graduate, traineeship and apprenticeship programs.

Our diversity and inclusion strategy aims to improve gender equity, and our executive has committed to strive for diverse representation across senior leadership ranks.

We're getting on with delivering diversity awareness training (focussed on unconscious gender bias) for our people; providing development and mentoring for women; and strengthening our flexible working arrangements.

Our commitment to diversity saw us participate in a locally coordinated Job Shadow Day, resulting in two local people with disabilities securing short-term positions with our team.

We're proud that results from our 2018 employee engagement survey put us in the top quartile of organisations across Australia and New Zealand – a testament to our efforts to develop a strong and supportive organisational culture. Some 93% of our people feel that our organisation is accepting of diverse backgrounds and ways of thinking.

## Financial sustainability

We continue to focus on efficiency and innovation to improve our service delivery while keeping downward pressure on costs for our customers.

This year, we will launch an innovation program focussing on efficiency and productivity. The program will include skills development and specialist support to help our people identify and deliver innovation that will add value to our organisation and contribute to business sustainability.

## CHALLENGES WE FACE

### The composition of the communities we serve is changing, both socially and economically.

To the west, we are seeing continued rapid population growth in the townships of Warragul and Drouin, requiring significant investment for infrastructure development and renewal, and new ways of working. We're currently exploring infrastructure options to augment Warragul and Drouin's water supply from water available in other systems and will work with the State Government and other stakeholders to look at other new and innovative solutions.

Our planned new water distribution main on the western side of Warragul will further support residential development in Warragul, major industry investment and jobs growth in west Gippsland, while the distribution main will link with the Moe-Warragul interconnect pipeline enabling a secondary supply of water to Warragul and Drouin from Moe.

Our economy is undergoing transition, particularly in the Latrobe Valley with the closure of several major employers in recent years including the Hazelwood Power Station and Carter Holt Harvey.

These changes present both challenges and opportunities, including loss of long-term revenue and opportunities to secure new major customer agreements.

Cooling economic conditions have, and are expected to continue to contribute to an increase in customer hardship cases, with additional resourcing needed to provide a higher level of customer care and support.

From an environmental perspective, the climate of our region is changing. Ongoing drought in the central Gippsland area has created challenges for our farming community, while drying conditions present increased risk of extreme weather events like flood and bushfire, threatening both our infrastructure and the wellbeing of our communities.

The large, sparsely populated topography of our region presents service and upgrade affordability challenges with a large, complex network to maintain.

We're also looking to expand our commercial business operations. Opportunities exist to improve our processes and technology, taking advantage of the growing compost market, securing our position as a key part of Victoria's waste management system and exploring alternative waste stream uses, like cogeneration.

Our Dutson Downs asbestos cell, the state's only major commercial asbestos disposal site east of Melbourne, is reaching capacity and a replacement is needed. If funding is not secured in the next two years, the existing cell is likely to reach capacity and we will not be able to accept asbestos waste at Dutson Downs.



# Our strategic priorities

Our strategic priorities represent the highest order initiatives we will focus on in the coming five year period.

They are reviewed and updated annually to inform the development of this plan, and are informed by community input received through our ongoing engagement program while delivering on our obligations as set out by the Victorian Government.

## OUR STRATEGIC PRIORITIES HAVE BEEN DEVELOPED AROUND THE FOLLOWING SIX THEMES:

*Each of these strategic themes has a five year destination statement and strategic objectives which align to our key activities and business outcomes, including delivery of Water for Victoria outcomes.*



**Healthy people,  
healthy environment;**  
We are a leader in safety,  
public health and the  
environment to support a  
healthier community.



**Enabling our people;**  
Through a constructive  
culture, we are an engaged  
and empowered workforce  
capable of delivering on our  
priorities.



**Strengthening  
relationships;**  
On behalf of our community  
we help shape the health  
and prosperity of the  
Gippsland region.



**Customer focussed;**  
We learn from our  
customers and deliver  
on our promises.



**Business sustainability;**  
We invest strategically  
and make evidence-based  
decisions that deliver value for  
money to secure our future.



**Clever thinking.**  
We foster innovation and  
empower people to find  
and deliver efficiencies that  
transform our business.

# Gippsland Water Strategic Priorities 2019-24

STRATEGIC DRIVER	Healthy people, healthy environment	Enabling our people	Strengthening relationships	Customer focussed	Business sustainability	Clever thinking
	▼	▼	▼	▼	▼	▼
<b>5 YEAR DESTINATION STATEMENT</b>	We are a leader in safety, public health and the environment to support a healthier community.	Through a constructive culture we are an engaged and empowered workforce capable of delivering on our priorities.	Our organisation has an important role to play in our local community as a major employer, community member and socially responsible corporate citizen.	We will learn from our customers and deliver on our promises.	We're continuing to invest strategically and making evidence-based decisions that deliver value for money, to secure our future.	We're continuing to foster innovation, and empower our people to find and deliver efficiencies that transform our business.

STRATEGIC OBJECTIVE	1	2	3	4	5	6
<b>A</b>	We will deliver on our safety priorities to maintain our position as a leader in safety.	We will engage, attract and retain talented and capable people to our organisation.	We will partner and advocate to deliver outcomes that matter to our local community.	We will embed customer engagement to put customers at the centre of our decision making.	We will implement optimal asset management to reduce lifecycle costs	We will be a digitally enabled utility to deliver efficiency.
<b>B</b>	We will deliver on our environmental priorities so that we minimise harm to our environment.	We will invest in our employees to ensure their success in their role.	We will promote our brand to build a high level of trust and respect that enables us to shape our future.	We will embed a service culture that improves external and internal satisfaction and trust	We will develop profitable and financially sustainable revenue streams to maintain affordable tariffs.	We will optimise processes and systems and implement innovative solutions to eliminate waste and deliver savings and efficiencies.
<b>C</b>	We will deliver on our public health priorities so that our community prospers.	We will develop leadership skills and capability to align and transform our business.			We will integrate our water resource planning to better identify future solutions that secure and leverage our water supplies.	We will expand our capability to utilise data to inform smart decisions
<b>D</b>	We will maximise the benefits of our environmental assets to support our prosperity.				We will invest in energy reduction and generation initiatives to reduce costs.	We will have a safe space culture that allows bold ideas to grow
<b>E</b>					We will enhance our risk management capability to best respond to current and emerging risks and opportunities.	





# Healthy people, healthy environment



## We are a leader in safety, public health and the environment to support a healthier community.

We will deliver on our environmental priorities so that we minimise harm to our environment. By working with the broader water industry and delivering on the state government's Take 2 pledge program, we will mitigate the effects of climate change. We're continuing to identify investments that could reduce our carbon footprint in pursuit of our carbon pledge.

Improving health outcomes in our community remains a focus and we will continue our work to improve access to free drinking water in public places.

## case study

### Reducing carbon emissions



A new carbon bio-sequestration project will help us meet our pledge to reduce greenhouse gas emissions by 24% by 2025.

The first stage of this project will start in mid-2019 and involves planting a massive 92,000 mixed species at Dutson Downs. We're now working to prepare the land with fencing and weed control.

This project represents about 50% of our pledged emissions reduction to 2025 and will see all of our fugitive wastewater treatment emissions (~9,000 tCO<sub>2</sub>-e) completely offset from 2025 onwards. We're the first Victorian water corporation to undertake a carbon bio-sequestration project of this nature.

Strategic Objective	Initiatives
<p><b>We will deliver on our safety priorities to maintain our position as a leader in safety</b></p>	<ul style="list-style-type: none"> <li>• Improve leadership and engagement in risk awareness and to drive positive safety behaviours</li> <li>• Implement a formal safety leadership training program with a focus on improving safety culture and the governance of processes to manage contractor safety</li> <li>• Capture and monitor contractor safety performance data in order to create safety alignment and governance around the processes to better manage contractor safety</li> <li>• Conduct safety culture surveys to monitor progress and use this feedback loop to develop further improvement initiative</li> </ul>
<p><b>We will deliver on our environmental priorities so that we minimise harm to our environment</b></p>	<ul style="list-style-type: none"> <li>• Identify and invest in opportunities to reduce our carbon footprint</li> <li>• Plant 92,000 locally native trees and shrubs by June 2020 as part of a broader project expected to sequester approximately 80,000 tonnes of CO2</li> <li>• Prepare for the introduction of the new Environmental Protection legislation by conducting a gap analysis of current state against the “reasonably practicable” test and prepare an action plan</li> </ul>
<p><b>We will deliver on our public health priorities so that our community prospers</b></p>	<ul style="list-style-type: none"> <li>• Implement measures to ensure the protection of the Moondarra catchment, including through appropriate land use</li> <li>• Conduct actions to reduce the aesthetic water quality complaints we receive to less than 100 by 2022</li> <li>• Develop and implement a strategy to enable council planning overlays to include all currently undeclared drinking water catchments</li> <li>• Progress the construction of the Drouin Wastewater Treatment Plant to help support current and future growth.</li> </ul>
<p><b>We will maximise the benefits of our environmental assets to support our prosperity</b></p>	<ul style="list-style-type: none"> <li>• Trade vegetation offsets from our existing environmental offset bank to help meet our future environmental requirements</li> <li>• Review and replenish our environmental offset bank</li> </ul>



We will deliver on our environmental priorities so that we minimise harm to our environment

# Enabling our people



## Through a constructive culture, we are an engaged and empowered workforce capable of delivering on our priorities.

We recognise that our people are our strength and we are committed to continuing to foster an inclusive and constructive culture where we can do our best. We want the right people in the right jobs, with the right enabling culture. We're focussing our efforts on talent retention and attraction, growing our people, providing purposeful leadership and supporting our people through a constructive and enabling employee experience.

Employee engagement is at an all-time high. In 2018, our Engagement Survey results placed us in Aon Hewitt's top quartile of employers. We will continue our efforts to improve on this result, with a second organisational culture survey planned this year.

We are continuing to invest in the wellbeing of our people via a range of initiatives including the establishment of a dedicated wellness committee, the implementation of organisational-wide mental health awareness training, and our Peer Connect program. We're also continuing to work towards building a progressive, connected, collaborative and flexible working environment.

Strategic Objective	Initiatives
<p><b>We will engage, attract and retain talented and capable people to our organisation</b></p>	<ul style="list-style-type: none"> <li>• Position ourselves as an employer of choice in the region</li> <li>• Activate inclusive employment pathways to support jobseekers in the Gippsland region experiencing significant barriers to employment</li> </ul>
<p><b>We will invest in our employees to ensure their success in their role</b></p>	<ul style="list-style-type: none"> <li>• Develop and deliver a tiered leadership development program</li> </ul>
<p><b>We will develop leadership skills and capability to align and transform our business</b></p>	<ul style="list-style-type: none"> <li>• Develop workforce planning tools and processes to ensure we have the right people in the right jobs to deliver on our strategic priorities</li> </ul>

## case study

### Growing our future leaders



We're creating a new leadership development program to further develop leadership skills within our people. The program, developed in conjunction with Swinburne Professional, is tailored to equip our current and emerging leaders with the skills and capabilities needed to effectively lead with purpose in times of change. The program will focus on building leadership capabilities that will align and transform our business to a values-led constructive approach.

# Strengthening relationships

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## On behalf of our community we help shape the health and prosperity of the Gippsland region.

Our organisation has an important role to play in our local community as a major employer, community member and socially responsible corporate citizen.

We are continuing to adopt a more strategic approach to establishing and fostering local, regional, state and national partnerships and relationships. This year, we will further develop and leverage these relationships to achieve outcomes for our community, consistent with the priorities in this plan.

The traditional owners of our region have been managing and using the natural resources and water on our land for many thousands of years. We will continue to learn from them in the area of cultural heritage, and collaborate with them in the areas of economic development and natural resource management, by tapping in to their environmental and cultural knowledge.

As founding members of the GROW Gippsland, we will collaborate with other local agencies to maximise and support local people and businesses through our procurement practises and employment opportunities.

Securing the water supply for Warragul and Drouin is critical for us. Two projects are currently planned to help us address this and we will work with a broad range of stakeholders to investigate and implement other innovative solutions.

Strategic Objective	Initiatives
<p><b>We will partner and advocate to deliver outcomes that matter to our local community</b></p>	<ul style="list-style-type: none"> <li>Design and implement a program to support our Aboriginal Engagement and Inclusion Plan, Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) and Gippsland Environmental Agencies (GEA) Partnership Agreement and DELWP letter of expectations</li> </ul>
<p><b>We will promote our brand to build a high level of trust and respect that enables us to shape our future</b></p>	<ul style="list-style-type: none"> <li>Upgrade our public website to make it easier for customers to deal with us</li> </ul>

## case study

### Traditional owners to guide our wastewater treatment plant licence review



This year, we will work with our traditional owners as we review our EPA licences to operate our 14 wastewater treatment plants. Traditional owners have been managing and using the natural resources and water on our land for thousands of years. Their environmental and cultural knowledge will be invaluable in this process and will turn our objectives under the GEA and GLaWAC Partnership Agreement into on-the-ground action.

# Customer focussed

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## We will learn from our customers and deliver on our promises.

In 2018, the Essential Services Commission approved our Price Submission for 2018-23. After extensive engagement with our customers and community, five core customer expectations were identified:

- Do your job well
- Be easy to deal with
- Be affordable and fair
- Prepare for the future and protect the environment
- Be involved

We want customers to continue to shape the way we do business – not just our Price Submission. That’s why we’ll continue to report back to them on what we’ve promised to deliver, and regularly thereafter.

We’re committed to providing our customers with exceptional service. Each year, we do a customer satisfaction survey to help us to understand their evolving expectations. Our customers are increasingly informing the way we do business, and our increased focus on engaging with our community will continue.

This year, we’ll engage with our community on key upcoming projects including the Mirboo North water main replacement and digital customer service interface, which will include a new website and online portal. We will also involve the Drouin community in the build of the new wastewater treatment plant.

Supporting customers in hardship is a priority for us, and we will continue to work with customers to make paying their bills easier. We’ll also continue to support customers impacted by family violence, with additional training being rolled out for new team members.

## case study

More service options for customers



In 2018, we implemented a new customer information system that our team now use to manage customer interactions with us. We also started work investigating online services for our customers. This year, we’ll continue this journey with work on our new digital customer service system that will expand our service offering and allow customers to interact with us in more convenient ways.

The new approach will significantly improve the customer experience, and provide them with accessible and modern service options – on any device, at any time.

Strategic Objective	Initiatives
<p><b>We will embed customer engagement to put customers at the centre of our decision making</b></p>	<ul style="list-style-type: none"> <li>• Develop and implement an internal customer service improvement program</li> </ul>
<p><b>We will embed a service culture that improves external and internal satisfaction and trust</b></p>	<ul style="list-style-type: none"> <li>• Implement a customer journey mapping program to identify priority opportunities for improved customer experience</li> <li>• Roll out new digital service solutions that allow our customers to interact with us in more ways online</li> </ul>



We will embed  
a service culture  
that improves  
satisfaction and  
trust

# Business sustainability

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We're continuing to invest strategically and making evidence-based decisions that deliver value for money, to secure our future.

We're taking a more holistic approach to improving critical areas of sustainability for our business, including financial, assets, water resources, energy and risk.

This year, we'll invest in energy reduction and generation initiatives to reduce energy costs and reduce carbon emissions.

Our new Energy Management Strategy will help us to achieve these goals. Having recently rolled out LED lighting at our Traralgon office and depot, we'll expand the same technology to other sites and equipment. We'll also be delivering 1.2 megawatts of photovoltaic (PV) solar and other renewable energy and energy efficiency initiatives.

We'll also be supporting our people, contractors, customers and community to develop a deeper understanding of their energy use, and we'll aim to embed a culture of smart energy management.

## case study

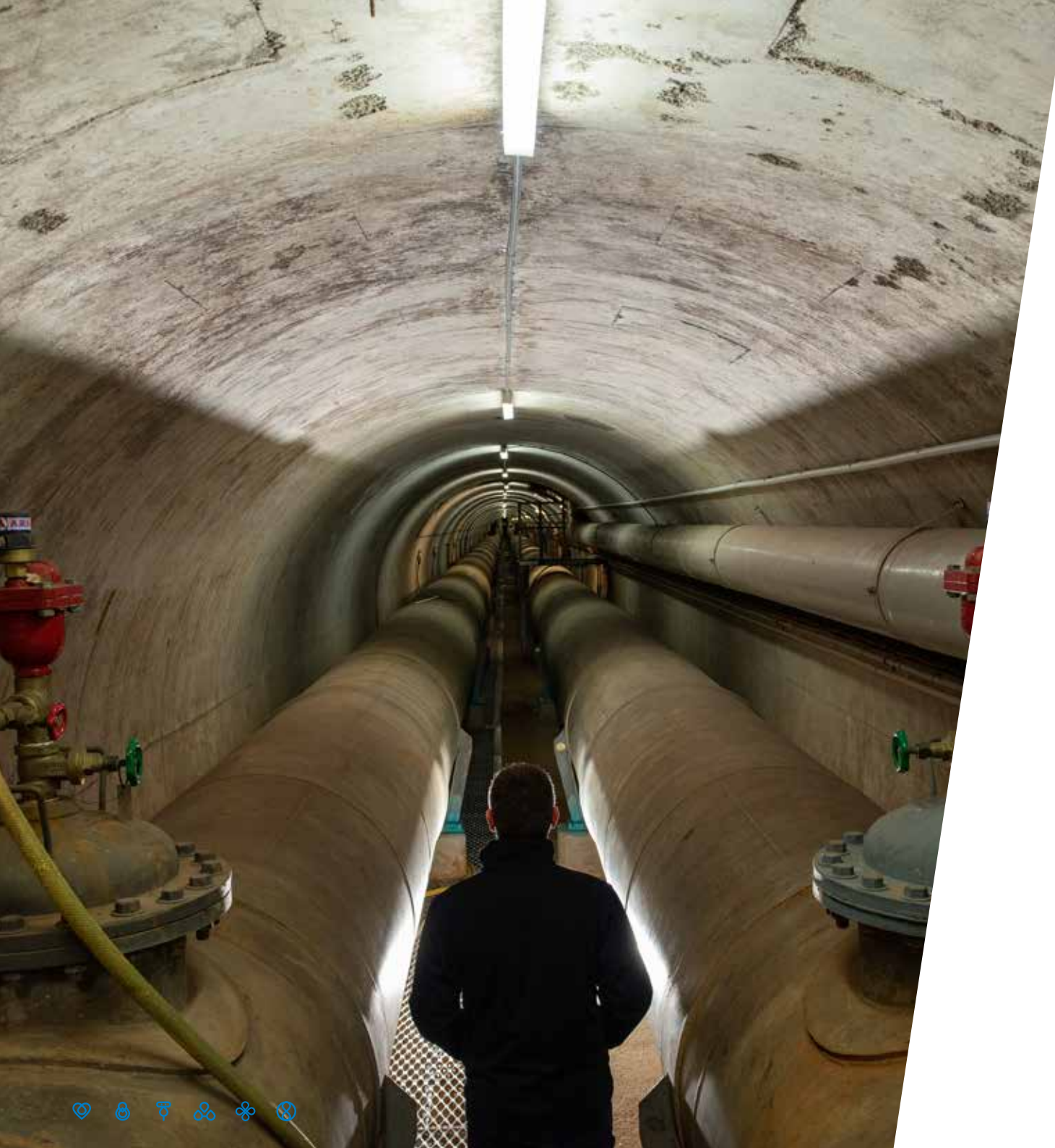
New solar projects to provide emissions reductions and cost savings



This year, we'll be installing 1.2 megawatts of photovoltaic (PV) solar to reduce our electricity costs and reduce our carbon emissions. We'll continue to look for more opportunities into the future. We're planning to install 200 kilowatts of solar at our Moe Wastewater Treatment Plant to power blowers for the bioreactors at the facility, and a mix of solar and hydro for water pumping at our Traralgon Water Treatment Plant – the second hydro generator for our business. This system will comprise a 70 kilowatt hydro turbine working in conjunction with up to 200 kilowatts of solar power.

Strategic Objective	Initiatives
<p><b>We will implement optimal asset management to reduce lifecycle costs</b></p>	<ul style="list-style-type: none"> <li>• Improve our asset management capabilities by updating the Strategic Asset Management Plan and embedding the use of standardised asset management prioritisation methods</li> <li>• Investigate opportunities to upgrade our project management capabilities through the introduction of an advanced project management tool</li> </ul>
<p><b>We will develop profitable and financially sustainable revenue streams to maintain affordable tariffs</b></p>	<ul style="list-style-type: none"> <li>• Update our business plan in response to our recent business strategies to provide a robust basis for the future direction of Agribusiness and our Organics Recycling Facility</li> <li>• Investigate and encourage the expansion of service districts in systems with surplus capacity</li> </ul>
<p><b>We will integrate our water resource planning to better identify future solutions that secure and leverage our water supplies</b></p>	<ul style="list-style-type: none"> <li>• Through a detailed options assessment, identify and secure a permanent supply solution for Warragul/Drouin</li> <li>• Identify and implement measures to reduce non-revenue water within our networks</li> <li>• Find opportunities to use our existing arrangements and entitlements to enable greater access to irrigation resources for our Agribusiness operations</li> </ul>
<p><b>We will invest in energy reduction and generation initiatives to reduce costs</b></p>	<ul style="list-style-type: none"> <li>• Deliver 1.2 megawatts of behind-the-meter solar energy generation projects by 2021</li> <li>• Install a 70 kW hydro generation unit at Traralgon Water Treatment Plant</li> <li>• Develop and deliver our Energy Management Strategy – including improvement projects and initiatives – so that we can reduce our energy consumption and costs</li> <li>• Implement a solution to enable high resolution monitoring of energy use across our thirty highest consumption sites</li> </ul>
<p><b>We will enhance our risk management capability to best respond to current and emerging risks and opportunities</b></p>	<ul style="list-style-type: none"> <li>• Integrate risk management into all strategic and operational planning across the organisation</li> <li>• Implement a tool to assess the financial value of risks to support improved decision making</li> </ul>





We will invest in energy reduction and generation to reduce costs

# Clever thinking



We're continuing to foster innovation, and empower our people to find and deliver efficiencies that transform our business.

We're committed to innovation and coming up with new solutions to better support our day-to-day operations and improve our customers' experience. We're focussing on enabling our people by providing the environment, systems, tools, processes and capability that will make us adaptive and ready to deliver on our broader strategic objectives.

In the year ahead, our people will notice more and more that the tools, systems and processes they use to perform their duties will become more integrated, easy to use, enabling and engaging. These changes will help to deliver efficiencies and boost productivity, which will in turn help us to retain our people and attract new talent.

From a customer perspective, the work we're doing to improve and integrate our systems will be noticed by improvements in our service delivery, making it easier for people to do business with us.

## case study

Data-driven service improvements



In the next year, we will develop and roll out a number of new business intelligence products to help us work more efficiently. A new health and safety management tool will allow more effective monitoring of our safety performance and help us identify improvements. To help our people leaders deliver the best employee experience, we'll also deliver new organisational development tools. We'll continue to analyse our data and use these insights to make improvements for both us and our customers. This is all on the back of big advances in 2018, including a data warehouse implementation and investment in our business intelligence team – all highlighting our commitment to innovation and improvement.

Strategic Objective	Initiatives
<p><b>We will be a digitally enabled utility to deliver efficiency</b></p>	<ul style="list-style-type: none"> <li>• Establish an Ideation Suite including trialling new ways to encourage organisation wide ideation, experimentation and innovation</li> </ul>
<p><b>We will optimise processes and systems and implement innovative solutions to eliminate waste and deliver savings and efficiencies</b></p>	<ul style="list-style-type: none"> <li>• Enhance our business process management framework to improve our ability to prioritise improvements and measure their impacts</li> </ul>
<p><b>We will expand our capability to utilise data to inform smart decisions</b></p>	<ul style="list-style-type: none"> <li>• Introduce digital technologies that allow proactive mobile messaging to customers</li> <li>• Implement a program that tracks our digital evolution against ‘better’ practice organisations</li> <li>• Map all digital systems and architecture to enable more efficient and effective system lifecycle management</li> <li>• Establish an Emerging Technology pilot program and invest in priority research and demonstration projects</li> </ul>
<p><b>We will have a safe space culture that allows bold ideas to grow</b></p>	<ul style="list-style-type: none"> <li>• Implement the data management program to improve data governance, introduce a data warehouse and improve our business intelligence capabilities</li> <li>• Conduct artificial intelligence trials in priority business areas that will contribute to efficiency and productivity and identify candidate projects for embedding into core business processes</li> <li>• Introduce artificial intelligence/predictive analytics to support decision making in priority business areas</li> </ul>



We will be a  
digitally enabled  
utility to deliver  
efficiency

# Finance 2019-24

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## I. STATEMENT OF FINANCIAL PERFORMANCE

Our Statement of Financial Performance for the five year period to 30 June 2024 is detailed in Table I.

**Table I: Statement of Financial Performance 2019/20 – 2023/24**

	2019-20 (\$000's)	2020-21 (\$000's)	2021-22 (\$000's)	2022-23 (\$000's)	2023-24 (\$000's)
<b>Revenue</b>					
<b>Service Charges</b>					
- Residential	61,585	64,009	66,515	69,107	71,788
- Non Residential (including Major Clients)	25,171	25,799	26,443	27,103	27,780
<b>Usage Charges (Volumetric)</b>					
- Residential	22,849	23,492	24,176	24,904	25,854
- Non Residential (including Major Clients)	16,532	16,962	17,403	17,856	18,320
Investment Revenue	94	91	88	85	93
Other Revenue	4,842	4,716	4,362	4,623	5,279
<b>Non Regulated Revenue</b>					
Combined Revenue	7,568	8,405	10,673	9,582	9,842
<b>Total Revenue</b>	<b>138,641</b>	<b>143,472</b>	<b>149,661</b>	<b>153,261</b>	<b>158,956</b>
<b>Expenses</b>					
<b>Cost of Supply</b>					
- Staff Costs	24,380	25,655	26,678	27,742	28,814
- Maintenance Costs	16,596	16,719	17,667	18,132	18,591
- Other Operating Costs	15,806	15,935	17,168	18,210	18,691
- Overhead Costs	4,445	4,436	4,210	3,972	4,266
- Fleet Costs	1,170	1,206	1,174	1,245	1,332
<b>Total Cost of Supply</b>	<b>62,397</b>	<b>63,952</b>	<b>66,897</b>	<b>69,301</b>	<b>71,695</b>
<b>Administrative Expenses</b>					
- Staff Costs	11,579	11,845	12,272	12,726	13,197
- Maintenance Costs	3,216	3,507	3,256	3,302	3,385
- Other Operating Costs	1,568	1,517	1,555	1,639	1,698
- Overhead Costs	4,787	4,625	4,771	4,891	4,921
- Fleet Costs	176	199	205	232	199
<b>Total Administrative Expenses</b>	<b>21,325</b>	<b>21,693</b>	<b>22,059</b>	<b>22,789</b>	<b>23,400</b>
Environmental Contribution	5,181	5,181	5,181	5,181	5,181
<b>Total Cost of Supply &amp; Admin</b>	<b>88,903</b>	<b>90,826</b>	<b>94,137</b>	<b>97,270</b>	<b>100,276</b>
<b>Operating Result before Depn &amp; Borrowings</b>	<b>49,738</b>	<b>52,647</b>	<b>55,525</b>	<b>55,991</b>	<b>58,680</b>
Depreciation & Amortisation	41,826	41,656	41,090	41,379	41,855
Borrowing Costs Expense	14,211	14,343	14,492	14,491	14,786
Other Expenses	0	0	0	0	0
<b>Total Depn &amp; Borrowings</b>	<b>56,037</b>	<b>55,999</b>	<b>55,582</b>	<b>55,870</b>	<b>56,642</b>
<b>Business Operating Result</b>	<b>(6,299)</b>	<b>(3,352)</b>	<b>(58)</b>	<b>121</b>	<b>2,038</b>
<b>Income for Capital Purposes</b>					
Government Contributions	0	0	0	0	0
Non-Govt Contributions (Assets)	6,250	6,407	6,567	6,731	6,899
Non-Govt Contributions (Cash)	0	109	24	90	5,273
<b>Total Income for Capital Purposes</b>	<b>6,250</b>	<b>6,515</b>	<b>6,591</b>	<b>6,820</b>	<b>12,172</b>
<b>Net Profit/(Loss) Before Income Tax</b>	<b>(48)</b>	<b>3,163</b>	<b>6,533</b>	<b>6,941</b>	<b>14,210</b>
Income Tax Expense (Revenue)	(11)	953	1,964	2,086	4,267
<b>Net Profit/(Loss)</b>	<b>(38)</b>	<b>2,210</b>	<b>4,569</b>	<b>4,855</b>	<b>9,943</b>

## 2. STATEMENT OF FINANCIAL POSITION

Our Statement of Financial Position for the five year period to 30 June 2024 is detailed in Table 2. The Statement of Financial Position includes the recognition of tax-effect accounting.



Table 2: Statement of Financial Position 2019/20 – 2023/24

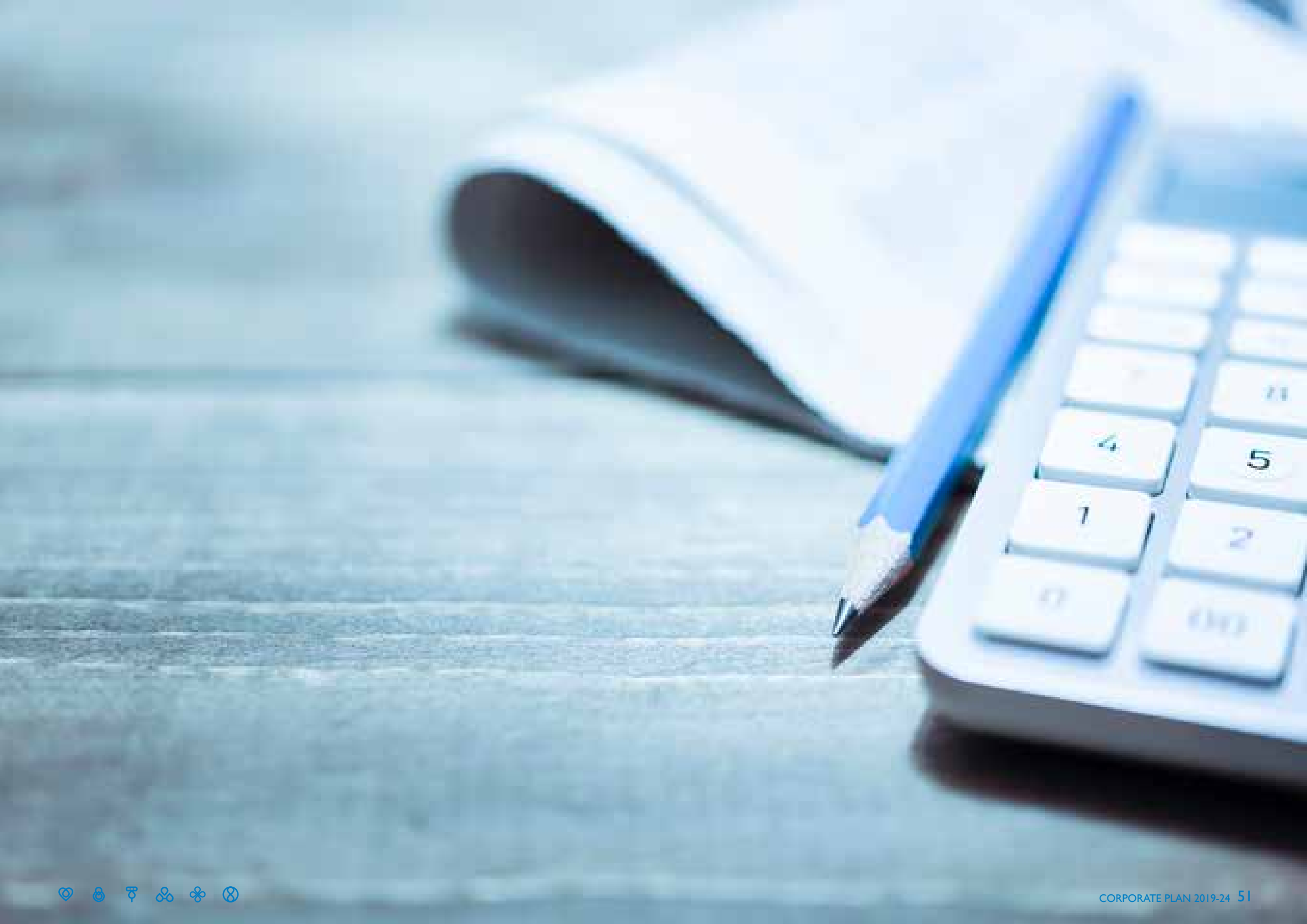
	2019-20 (\$'000's)	2020-21 (\$'000's)	2021-22 (\$'000's)	2022-23 (\$'000's)	2023-24 (\$'000's)
<b>Current Assets</b>					
Cash	3,790	3,594	3,592	3,667	3,960
Short Term Investments	0	0	0	0	0
Interest Receivable	5	5	5	5	5
Debtors (Receivables)	13,949	14,640	15,254	15,837	16,426
Other current assets	14,376	14,643	14,856	14,836	15,008
Tax Assets	0	0	0	0	0
<b>Total Current Assets</b>	<b>32,119</b>	<b>32,881</b>	<b>33,706</b>	<b>34,344</b>	<b>35,399</b>
<b>Non Current Assets</b>					
Long Term Investments	1,000	1,000	1,000	1,000	1,000
Infrastructure	1,046,998	1,047,241	1,081,198	1,097,355	1,109,421
Land, Buildings, Structures & Facilities	59,593	60,270	60,262	60,539	60,292
Plant, Equipment & Vehicles	17,905	18,346	17,885	19,122	19,591
Capital Works in Progress	35,436	50,406	26,959	20,546	26,445
Intangible Assets	2,894	2,698	2,066	1,742	1,677
Other non-current assets	8,993	9,058	8,995	8,980	8,940
Deferred Tax Assets	37,382	33,044	27,868	22,782	15,550
<b>Total Non Current Assets</b>	<b>1,210,202</b>	<b>1,222,062</b>	<b>1,226,234</b>	<b>1,232,065</b>	<b>1,242,915</b>
<b>Total Assets</b>	<b>1,242,322</b>	<b>1,254,943</b>	<b>1,259,940</b>	<b>1,266,409</b>	<b>1,278,313</b>
<b>Current Liabilities</b>					
Trade Creditors (incl. Purchase Accruals)	1,863	1,860	1,898	1,922	1,949
Accruals	4,601	4,627	4,649	4,671	4,694
Provisions	7,407	7,329	7,283	7,266	7,277
Retentions	2,788	2,612	2,226	2,315	2,696
Short Term Borrowings	63,000	63,000	63,000	63,000	63,000
Other current liabilities	5,847	5,847	5,847	5,847	5,847
<b>Total Current Liabilities</b>	<b>85,506</b>	<b>85,275</b>	<b>84,903</b>	<b>85,021</b>	<b>85,462</b>
<b>Non Current Liabilities</b>					
Borrowings	253,500	267,000	270,500	274,500	278,500
Provisions	2,938	3,466	3,977	4,474	4,959
Unfunded Superannuation	0	0	0	0	0
Other non-current liabilities					
Deferred Tax Liabilities - Booked (Asset Reval)	81,247	81,247	81,247	81,247	81,247
Deferred Tax Liabilities	52,556	49,170	45,958	42,958	39,993
<b>Total Non Current Liabilities</b>	<b>390,241</b>	<b>400,883</b>	<b>401,682</b>	<b>403,179</b>	<b>404,699</b>
<b>Total Liabilities</b>	<b>475,747</b>	<b>486,158</b>	<b>486,586</b>	<b>488,200</b>	<b>490,161</b>
<b>Net Assets</b>	<b>766,575</b>	<b>768,785</b>	<b>773,354</b>	<b>778,209</b>	<b>788,152</b>
<b>Equity</b>					
Contributed Capital	255,970	255,970	255,970	255,970	255,970
Fixed Assets Revaluation Reserve	189,577	189,577	189,577	189,577	189,577
Retained Earnings - Opening Balance	321,064	321,027	323,237	327,806	332,661
Retained Earnings - Current Year	(38)	2,210	4,569	4,855	9,943
<b>Total Equity</b>	<b>766,575</b>	<b>768,785</b>	<b>773,354</b>	<b>778,209</b>	<b>788,152</b>

### 3. STATEMENT OF CASH FLOWS

Our Statement of Cash Flows for the five year period to 30 June 2024 is detailed in Table 3.

Table 3: Statement of Cash flows  
2019/20 – 2023/24

Table 3: Statement of Cash flows	2019-20 (\$000's)	2020-21 (\$000's)	2021-22 (\$000's)	2022-23 (\$000's)	2023-24 (\$000's)
<b>Operating Cash Flow</b>					
<b>Cash Inflows</b>					
Cash Receipts from Debtors	140,921	145,573	152,286	155,782	161,340
Investment Income (Interest)	94	91	88	85	93
Developer Income	90	199	114	180	5,363
Other Receipts	0	0	0	0	0
<b>Cash Outflows</b>					
Cash Payments to Creditors (-ve)	(51,400)	(51,294)	(53,331)	(54,643)	(56,147)
Cash Payments Wages & Salaries (-ve)	(35,506)	(37,024)	(38,463)	(39,965)	(41,494)
Interest and other finance costs (-ve)	(14,211)	(14,343)	(14,492)	(14,491)	(14,786)
Environmental Contribution (-ve)	(5,181)	(5,181)	(5,181)	(5,181)	(5,181)
Bioremediation Pond Rehab (-ve)	0	0	0	0	0
<b>Net Cash from Operating Activities</b>	<b>34,807</b>	<b>38,021</b>	<b>41,021</b>	<b>41,767</b>	<b>49,188</b>
<b>Investing Cash Flow</b>					
Movement in Investments	0	0	0	0	0
Payment for Non Current Assets (-ve)	(55,382)	(52,412)	(44,913)	(46,205)	(53,540)
Proceeds: Disposal of Assets	520	696	390	513	645
<b>Net Cash from Investing Activities</b>	<b>(54,862)</b>	<b>(51,716)</b>	<b>(44,523)</b>	<b>(45,692)</b>	<b>(52,895)</b>
<b>Financing Cashflow</b>					
Proceeds: Borrowings	21,000	13,500	3,500	4,000	4,000
Proceeds: Govt Equity Contributions	0	0	0	0	0
Repayment Borrowings & Overdraft (-ve)	0	0	0	0	0
Payment Govt Dividend (-ve)	0	0	0	0	0
<b>Net Cash from Financing Activities</b>	<b>21,000</b>	<b>13,500</b>	<b>3,500</b>	<b>4,000</b>	<b>4,000</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>945</b>	<b>(196)</b>	<b>(3)</b>	<b>75</b>	<b>294</b>
Cash held at the beginning of the year	2,845	3,790	3,594	3,592	3,667
Cash held at the end of the year	3,790	3,594	3,592	3,667	3,960
Cash per Balance Sheet	3,790	3,594	3,592	3,667	3,960
Difference	0	0	0	0	0





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