



Gippsland
Water

Corporate Plan

2022 - 2027

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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 value 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

Message from the Chair and Managing Director

On behalf of our Board, executive team and entire organisation, we're pleased to present the 2022-27 Gippsland Water Corporate Plan.

Over the past two years, we've made significant progress on our journey towards becoming a truly customer-centric organisation. We've overhauled the way we plan for the future and deliver our services, with genuine customer and community engagement at the centre of our decision-making.

The next twelve months will be about consolidating this work and embedding our new engagement approach. As we near the end of our current five-year price review cycle, much is being done to collaborate with our customer and community to prepare for the next five years, while delivering on the promises we made to our customers in 2018.

This work will culminate in the completion of our Price Submission in September 2022, developed from the most comprehensive and sophisticated engagement program our organisation has ever seen. It marks the beginning of our transition to a new ongoing customer engagement framework, which will help us to stay up-to-date with, and respond to, changing customer and stakeholder sentiment, priorities, issues and concerns.

We are committed to reducing our greenhouse gas emissions and doing everything we can to minimise our contribution to climate change. We're on track to become 100% renewable energy powered by 2025 and achieving net zero emissions by 2030. This year we'll begin the early stages of our next carbon offset project and add approximately 1040 MWh of annual energy generation. We will finalise our new Climate Change Strategy, which will provide a clear pathway for reducing emissions and adapting to changes in our climate while remaining affordable to our customers.

Our capital works program is critically important for ensuring water security, minimising disruption for our customers and helping to enable regional growth. It helps to stimulate economic activity across the region. This year's program will see upgrades, renewals and new infrastructure continuing to be rolled out across the network including to support growth in the west and increasing interconnectivity in the Latrobe Valley.

Major capital works in 2022-23 include the Warragul Western Ring Main, Moe Clear Water Storage, Upgrade to Sale Sewer Pump Station No 2 and the Coongulla – Heyfield Water Supply Interconnect. We'll also reach an important milestone with our \$55.1M investment into the Drouin Wastewater Treatment Plant upgrade, which is scheduled to begin servicing the needs of that rapidly growing community.

Our Urban Water Strategy (UWS), planned for public release in May 2022, outlines the significant infrastructure projects we plan to deliver to continue to ensure we can continue to provide reliable water and wastewater treatment services for the next 50 years.

Our partnerships with Traditional Owners and First Nations people in our community are stronger than ever. Over the next twelve months, we'll be working closely with them on an agreed package of initiatives including the development of long-term employment pathways and providing greater access and connection to land, water and resources on Country.

The health, safety and wellbeing of our people remains critical. Over the next twelve months, our recently completed Health, Safety and Wellbeing Strategic Roadmap will guide our ongoing work controlling critical risks, leading for safety and wellbeing, improving our systems and processes, and embedding a health, safety and wellbeing culture.

We recently revamped our internal Diversity and Inclusion Committee, which will play a key role in helping to guide an annual program of initiatives focused around the three key themes of reflecting the diversity of our community, increasing gender equity and Aboriginal participation.

Improving the experience of our customers remains a priority. Our recently developed five-year Digital Enablement Plan sets out our ambitions to continue to transform the customer and employee experience through technology. We'll make improvements to our corporate website and continue our shift towards digital channels to reflect contemporary customer preferences. We'll also be investing in the systems that support our delivery of services, including our SCADA¹, human resources, finance and intranet systems.

Finally, we'll be finalising our 2050 vision which involves identifying strategic risks, challenges and opportunities, and charting paths forward to ensure our organisation remains viable and sustainable into the long-term future. And, we'll continue to work with our State Government partners to secure more reliable and affordable water resources in the medium-term, especially in the west, through the development of the Central and Gippsland Sustainable Water Strategy.



Therese Ryan
Board Chair



Sarah Cumming
Managing Director

¹ Supervisory control and data acquisition

Our values



SAFETY AND WELLBEING

'Go home safe'

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



CUSTOMER FOCUSED

'Customer first'

Customers are at the heart of everything we do.



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.



INNOVATION

'Clever solutions'

We challenge our thinking, learn and embrace change.



INTEGRITY AND RESPECT

'Treat others as we wish to be treated'

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

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.

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

With over 300 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 over 75,000 customers and wastewater services to more than 67,000 customers across 52 towns. Our customers include major industries, some of which are of state and national significance.

Commercial businesses

In addition to providing regulated water and wastewater services, we have two commercial businesses that are an integral part of what we do and provide benefit for us, our customers and the state.

The Gippsland Regional Agribusiness and Gippsland Regional Organics business are important contributors to the state's circular economy, benefiting our customers in the following ways:

- Reducing the cost of waste disposal for our organisation by turning solid waste into a commercial compost product, and using safe recycled wastewater to irrigate farmland. Together this offsets approximately \$3-4M in operational costs per annum and ultimately helps us keep our water and wastewater tariffs down.
- Reducing the environmental impact of our waste by decreasing the amount of waste requiring disposal.
- Providing additional income for our business. This non-regulated income helps reduce our borrowings.

Gippsland Regional Agribusiness

Gippsland Regional Agribusiness supports our wastewater business by enabling treated wastewater to be responsibly discharged through irrigation of farming crops and pastures, and providing nutrient management and removal. The business also provides a cost-effective and efficient way of managing large tracts of land by using livestock, forestry and cropping practices. Income generated by the sale of livestock, crops and timber offsets the costs of managing the land.

It directly employs seven local people across 12 farming sites around the region, producing a combination of beef, crops and plantation timber. Our largest farm at Dutson Downs spans 8,341 hectares.

Gippsland Regional Organics

Gippsland Regional Organics is our organics recycling business. Each year, it transforms approximately 200,000 tonnes of organic waste into valuable, nutrient rich Australian Standard certified compost.

The business saves our customers \$2-3M a year by disposing of bio solids that are created when we treat wastewater. These would otherwise need to be taken to an external disposal facility.

The process is quite unique to our business and is one of the best examples of a circular economy business in Victoria.

It also plays a key role in managing major industrial organic waste streams and directly employs 21 local people.

Gippsland Regional Organics expansion

Gippsland Regional Organics is planning to undertake an expansion of its major processing facility located at Dutson Downs, near Sale, over the next three years.

One of the largest organic waste recycling facilities in the state, the business is taking the opportunity to respond to unmet industrial demand for organics disposal. The expansion project will enable increased organic processing capacity at the site and introduce waste to energy generation capabilities.

The expansion is expected to enable up to 62 new ongoing jobs with another 51 created during construction, and inject a further \$9M value into the local economy.

Our operating environment

Governance

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

Initially constituted under the *Water Act 1989 (Vic)* on 21 December 1994, we are a regional water corporation operating under a Board of Directors appointed by our shareholder, the Victorian State Government. The Hon Richard Wynne MP, Acting Minister for Water, is the responsible Minister at the time of the development of this plan.

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

- *Water Act 1989*
- *Safe Drinking Water Act (2003)*
- *Environment Protection Act 1970*
- *Environment Protection Act Amendment Act 2018*
- *Planning and Environment Act 1987 and Biodiversity*
- *Flora and Fauna Guarantee Act 1988*
- *Conservation Act 1999*
- *Permitted Clearing of Native Vegetation – Biodiversity Assessment Guidelines (2013)*
- *Financial Management Act 1994*
- *OHS Act (2020 amendment)*

Risk management


Our risk management framework promotes a culture that assists our people to identify and manage risk and uncertainty effectively. The framework is integrated with our strategic and corporate planning processes, with our strategic risks aligning with our strategic objectives. We see this alignment as a critical component of delivering sustainable and quality outcomes to our customers.

We continuously monitor our external and internal environment, including detailed assessments of sector, state, commonwealth and global risk trends. This ensures our strategic risks are reflective of current and emerging threats and opportunities.

Our board and executive work together to review our risk profile annually and our Audit and Risk Committee receives and assesses reports that provide evidence to verify we are meeting legislative and regulatory requirements.

The global threat to information security continues to become more prolific and sophisticated. This has been identified as a new strategic risk for our business. In response, we've extended our detection and response capabilities, and will continue to leverage industry and expert knowledge and share our learnings with others to protect ourselves and our community.

In the year ahead, we will continue to develop an organisational culture that takes a positive attitude to risk management processes, creating and protecting value for the people, places and systems in our care. We will streamline processes through



automation and software solutions to increase our capacity to manage risk effectively and further integrate risk mitigation into strategic and corporate planning activities.

Asset management

We are faced with the increasing challenge of the stewardship of our aging infrastructure which requires the renewal, replacement and establishment of new water and wastewater assets to meet customer service expectations and regulatory requirements.

Our Asset Management Strategy supports business sustainability with a whole-of-business focus on investing strategically and making evidence-based decisions that deliver value for money to secure our future. An ongoing focus is planning and managing our assets to meet increased demand from growth, particularly in the Warragul-Drouin area.

This year our Asset Management Accountability Framework will be reviewed, with an emphasis on the asset lifecycle to support providing best value service to our customers and the environment. We'll also continue to implement our new Field Mobile Information System to improve data flow by allowing infield information accessibility, allowing us to better develop and further utilise our performance measures best value customer service.

Strategic context

This plan outlines our business direction for the next five years, with a particular focus on the 2022-23 financial year.

It aims to ensure we deliver on our statutory obligations, strategic vision and community expectations.

This year we will finalise our 2023 Price Submission and further embed the commitments we make to customers into our operational activities and future strategic plans. We will continue to implement a new model of ongoing, cyclical customer and stakeholder engagement to provide us with deeper insights to inform our future planning and service delivery.

We will also be working closely with government, regional and water sector stakeholders and our customers and community to deliver and implement initiatives outlined in our Urban Water Strategy and the Victorian Government's Central and Gippsland Region Sustainable Water Strategy, both of which will be publicly released in 2022.

In preparing for, mitigating and adapting to climate change, we will develop and implement a plan to deliver on our 2030 net zero climate pledge commitment. We'll also be reducing our carbon footprint with alternative energy sources through the delivery of our Energy Management Strategy, which outlines how we will achieve our 100% renewable energy goal by 2025.

We'll continue to work in partnership with Traditional Owners and our broader First Nations community to provide greater access and connection to land, water, and resources on Country, which is important to the health and wellbeing of Aboriginal people. Strengthening our partnerships with community organisations such as Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) will remain a key focus, particularly as we develop a Moondarra on Country Plan.


Meeting government objectives

Water for Victoria is the State Government's strategic, long-term plan for managing water resources, now and into 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 this plan sets out the actions we will take to do so, alongside our obligations outlined in our Ministerial Letter of Expectations.

Climate change

We're committed to reducing our greenhouse gas emissions and doing everything we can to minimise our contribution to climate change. We are committed to becoming 100% renewable energy powered by 2025, and achieving net zero emissions by 2030.



These are big commitments, backed by solid plans for delivery. As the second biggest emitter in the water sector in the state, they're also very important and will need to be delivered in conjunction with our commitment to plan for stable or falling prices for our customers.

Reviewing our Climate Change Strategy this year will set us up with clear actions and contemporary goals for both reducing emissions and adapting to changes in our climate. It will ensure resources and focus are directed towards the most critical climate change issues while continuing to deliver safe, affordable and sustainable services to our customers.

We'll continue to invest in renewable energy generation at our facilities with approximately 1040 MWh of annual generation to be added over the coming year. By the end of the 2022-2023 financial year, we will be generating approximately 8000 MWh in total, which is 25% of our current total energy consumption. Investments in additional renewable energy generation facilities will continue throughout 2023-2027 to achieve our aim of having our operations powered by 100% renewable electricity by 2025.

This will be a big step towards achieving our broader goal of net zero carbon emissions by 2030, which has been brought forward by 20 years in alignment with the Victorian Government's climate strategy.

Our preparation for and mitigation of the effects of climate change includes the development and implementation of a plan to deliver on our 2030 net zero climate pledge commitment. This plan will consider recent organisational and government policy shifts in relation to climate change mitigation and adaptation.

We are commencing the early stages of our next carbon offset project. We'll select a site to plant thousands of trees, start the registration process with the Commonwealth Clean Energy Regulator, and plan to have plants in the ground in 2024-25. This project is critical to ensuring we have a sufficient, cost-effective and secure source of offsets to eliminate any further emissions from 2030 onwards with a secondary benefit of bolstering our region's biodiversity.

Customer and community outcomes

In the year ahead, we'll expand and build upon our extensive customer, community and stakeholder program to keep customer insights at the heart of our planning and decision-making.

To guide us along the way, we'll develop a best practice community engagement framework to provide a blueprint for how we include customers in both our strategic deliberations and day-to-day decisions. Our Customer Reference Group will play an important role in our community engagement. Made up of a group of diverse members from our community, each member of the group contributes their insight and experience. We'll continue to work collaboratively with the group to ensure that customer priorities, issues and expectations are understood and reflected in the decisions we make.

One of the ways we'll measure the effectiveness of our engagement is through our annual customer satisfaction survey. We do this with a particular focus on trust, value for money, reputation in the community and overall customer satisfaction. While we've

made significant improvements across each these four areas in the last couple of years, we'll work through our latest customer insights to align our services even more closely with customer expectations.

We'll increase our focus on community education campaigns in line with what our customers have told us they value most. They'll include a focus on sewerage and the environment, why tap water is best for your health and the environment, water efficiency and why saving water is important. Importantly, we'll measure the impacts of each campaign to make sure they're cutting through and achieving the outcomes our customers expect.

Strengthening our relationships with regional partners will remain a key priority. We have established closer relationships with Traditional Owners, our First Nations community, business, industry and community advocates over the last 12 months. We'll be looking to build on the trust that has developed through these interactions to deliver meaningful outcomes for our communities in areas like employment and education, and access to land and water for cultural and recreational purposes.

Our customers have told us that they expect to be able transact with us and get information about our services and activities when it suits them, online. We'll be upgrading our website to reflect what we've heard, with the new platform due to be fully up and running by the end of 2023. We'll also expand our online services to builders and developers to easily manage property connections online.

Our Customer Care team will continue to provide tailored support to customers according to their individual circumstances, including financial assistance options.

We'll also be working closely with our local councils and communities to install more water fountains in high-traffic public areas. An important part of this involves engaging with our community on where they think water fountains should be installed.

Major customers


Our major customers include businesses of state and national significance, including the state's largest industrial water consumers, and wastewater producers.

This year we'll continue to look for opportunities to provide enhanced value to these customers while working with government and the private sector to help attract and facilitate business expansion and investment for the benefit of the communities we serve. As some of our major customers move towards closure, we'll work with them as well as local and State Government stakeholders to understand and manage the impacts on our service, supplies, the environment and the local economy.

We're continuing to work with our regional partners to maximise the economic value of available water through facilitating and attracting new investment in to our region. This includes assessing any opportunities that may arise from state government strategies such as the Central and Gippsland Region Sustainable Water Strategy and Latrobe Valley Regional Rehabilitation Strategy implementation.

Water for Aboriginal cultural, spiritual and economic values

We have an important role to perform in supporting Aboriginal cultural values and



economic inclusion in the water sector. We do this by providing greater access and connection to water and land on Country, supporting Aboriginal employment and economic development opportunities, cultural awareness, education and engagement.

In the year ahead, we'll work closely with Traditional Owners, First Nations community leaders and regional partners to develop and implement meaningful employment pathway opportunities for Aboriginal people in our community, including investigating school-based traineeships. These opportunities will address barriers to Aboriginal employment and aim to increase engagement with an employment of Aboriginal staff within the various Gippsland Environmental Agencies.

These pathways are in addition to the opportunities currently afforded to Aboriginal enterprises for tender proposals and job applications from First Nations people. Such applications are underpinned by our Social Procurement Plan.

We'll continue to work in partnership with Traditional Owners and our broader First Nations community to provide greater access and connection to land, water, and resources on Country, which is important to the health and wellbeing of Aboriginal people.

We'll develop a Moondarra on Country Plan to provide Aboriginal people with increased access and involvement in how our land and water is used, and a stronger cultural connection to Country. Once developed, we'll work to implement the actions of the plan over the coming years.

We'll also work to secure funding to deliver reticulated water to the culturally important Knob Reserve at Stratford, and later add drinking water fountains to the site. This will remove barriers to Traditional Owner access of water by increasing access, as well as support future partnerships and cultural events at the site which is a significant meeting place for the Gunaikurnai community.

A pilot Traditional Owner-led framework for assessing the benefits of our projects to take into account the cultural values and outcomes in water management decision-making, will take place this year. This will further support partnerships between Traditional Owners and water managers, and apply the principles outlined in the Central and Gippsland Region Sustainable Water Strategy.

We'll review and update our existing Aboriginal Engagement Policy and Engagement Plan this year. Our Diversity and Inclusion Plan also supports our Aboriginal Engagement Plan to create greater connectivity for Aboriginal people with our local community. This year, we'll also develop a Reconciliation Action Plan (RAP).

Recognising the recreational values of our water

We will continue to engage with local communities to develop a better understanding of the shared benefits of water, including recreational benefits, in planning and decision making and our involvement in local Integrated Water Management forums will help us achieve it.

Insights from this engagement is reflected in and forms part of our Urban Water Strategy.

This year we are contributing more than \$500,000 towards maintaining recreational facilities at waterways we source water from, namely Blue Rock Reservoir and Lake Glenmaggie. We will work with our partners to negotiate a fair and affordable contribution moving forward.

We will continue to facilitate educational tours through our treatment plants and allow access for bird counting surveys. This will include a risk assessment of our Drouin Wastewater Treatment Plant when the plant upgrade is complete, to identify the best location for continuous public access for passive bird-watching.

The Moondarra on Country Plan we are developing with Traditional Owners will also deliver significant recreational outcomes for the broader community beyond those facilities we currently manage at Moondarra Reservoir. The focus of the plan will be about increasing the recognition of the importance of these lands and water to our indigenous community.

Resilient and liveable cities and towns

We've been working closely with government, regional and water sector stakeholders, our customers and communities over the past 18 months to deliver our Urban Water Strategy (UWS) and support the development of the Victorian Government's Central and Gippsland Region Sustainable Water Strategy (SWS). Both will be publicly released in 2022.


Our UWS is our plan of how we will continue to provide reliable water supplies and waste water treatment capacity over the next 50 years. There are two notable actions we'll be progressing:

- Explicitly supported by the SWS, we will focus on acquiring a share of water in the Tarago Reservoir to secure future water supply to the townships of Warragul and Drouin. The first stage of water delivery is currently planned for 2023-24 and the second 2031-32; and
- We will continue our investigations into a more secure and reliable water supply at Briagalong with a deeper bore to access a different aquifer.

We're also actively involved in the Gippsland Integrated Water Management Forum which brings likeminded organisations – including Traditional Owner groups, water corporations, rural water corporations, local councils and catchment management authorities – together to pursue collaborative initiatives across the whole water cycle which will ultimately create improved resilience, better liveability and more holistic outcomes for our communities.

Subject to successful funding applications, we'll be pursuing three Integrated Water Management projects this year:

- We will work with the Latrobe City Council to investigate the feasibility of irrigating sporting grounds in Morwell with reclaimed water from our wastewater treatment plant;
- We will continue work with Southern Rural Water and other partners to progress to stage two of the successful storm water management and revegetation project at Willow Grove in our Blue Rock Reservoir drinking water catchment; and
- We will work in partnership with GLaWAC to connect drinking water to the Knob Reserve.



We're also pursuing improvements in water efficiency within our supply networks with a targeted business plan to better monitor and account for water movement through our networks, an improved approach to management of our network metering instruments, as well as trials of new technologies to identify leaks and consequently reduce unmetered water losses.

Actively encouraging our customers to be water wise about their water consumption is also a priority and we'll continue to work with our partners across government to promote water conservation campaigns, including developing new materials to help educate our communities about saving water and the importance of using water wisely.

We continue to integrate circular economy principles into business decisions and be a leader in delivering a successful model of a circular economy enterprise. Our Gippsland Regional Organics facility manages a large variety of organic waste streams produced by a broad range of industries and continues to be one of the biggest organics recyclers in the State.

These organic wastes are then processed to produce an Australian Standard compost product that is re-distributed back into activities such as broad acre agriculture, land rehabilitation, landscaping and sporting field management. Economic modelling has estimated that the current operations of Gippsland Regional Organics enables up to 42 jobs (direct, supply chain and consumption), and \$5.7m per annum into the local Wellington Shire economy.

Leadership and culture

We're committed to fostering a diverse, safe and inclusive workplace for everyone.

This year, we'll be implementing our new People Strategy 2022-2026 which will provide an overarching framework and outline our goals and actions. Continuing to build a diverse and inclusive organisation that is reflective of our community will be a focus, as well as expanding on the extensive leadership development initiatives undertaken over the past three years.

We'll ensure our new People Strategy works alongside our Gender Equity Plan so that there is an integrated approach for our priority areas of Leadership and Culture, Career Support and Progression, and Talent Attraction.

Our Diversity and Inclusion Committee will continue to play a leading role in broadening our people's understanding of diversity and inclusion. One of the ways they'll do this is by delivering a meaningful and engaging calendar of events and initiatives.

Our efforts to embrace greater gender balance has seen the deliberate creation of entry pathways through a dedicated traineeship program and graduate program. Earlier this year we announced the inaugural Gippsland Water scholarship program with Federation University Gippsland, which provides financial assistance and paid work placement opportunities to support local women studying engineering or science courses and pursuing their careers in Gippsland. In the year ahead, we'll be support our first scholarship recipients as they embark on their studies.

The roll-out of our formal mentoring program targeting future leaders, with a strong focus on increasing female representation in senior roles will be pivotal in developing and maintaining talent.

Continuing our journey to embed a constructive culture will also be a focus. Our Organisational Cultural Inventory results from early 2022 will drive how we approach this, with a strong focus on cultural improvement initiatives, both at a workgroup and organisational level.

We're also exploring improvements to our human resources system to help us measure the impact of our initiatives and make processes more efficient. And we are continuing to support our employees through the coronavirus (COVID-19) pandemic by harnessing hybrid approaches to working, learning and development.

We will continue our efforts to further improve and build upon our strong safety culture through continued monitoring of our performance against established lead and lag key performance indicators.

Our Health, Safety and Wellbeing Strategic Roadmap 2022-25 will guide our safety initiatives for the years ahead, and builds on strong Risk Management principles to mitigate fatality and serious injury.

Performance and financial sustainability

Over the past three years, we have focused on realising operating efficiencies and ensuring we are only spending money where it is most needed. Our large service contracts continue to be reviewed to ensure we are achieving value for money for our customers, and we will continue to renegotiate individual supply and treatment contracts to obtain the best possible commercial terms ensuring fair outcomes for our customers are being delivered. Each of these approaches takes us closer to ensuring we can deliver stable and falling customer tariffs into the future, and further underpin our long term financial sustainability.

Our plan embeds actions and innovations to create further efficiencies and to make sure we can meet our customers' service expectations and meet our legislative obligations and fulfil our Ministerial obligations.

Our plan ensures:

- The efficient use of capital through the timely maintenance, replacement and upgrade of assets which maintains expected levels of service to the community;
- Investments in environmental opportunities like carbon reduction and renewable energy generation to provide positive financial investment returns to our customers;
- Further pursuit of investment opportunities to take advantage of the use of compost in land rehabilitation works and broader applications in the agricultural and horticultural markets
- The support of growth and Infrastructure development across our region;
- A consistent delivery of services; and
- That current and future customer charges have a fair degree of stability and predictability.

Significant projects

As our customer base grows, one of our highest priorities is renewing aging assets to meet the changing and growing demands of a future Gippsland.

Our long-term capital planning is focused on meeting the current and future needs in the delivery of water and wastewater services in our service region. We focus on identifying projects early to allow for stakeholder and customer input and the enable the development of more accurate project scopes, which in turn results in more accurate cost estimates and more efficient project procurement and delivery methodologies to mitigate unforeseen project cost overruns.

A number of significant infrastructure and corporate projects have been foreshadowed for delivery in 2023 and beyond.

Price Submission 2018-19 - 2022-23

- Augmentation of the Drouin Wastewater Treatment Plant – to cater for current and future growth in Drouin, while ensuring we treat wastewater to a compliant standard and manage odour.
- Regional Outfall System replacement at Tyers and Crosses Roads, Traralgon – we need to replace a section of this critical pipeline which in places runs through the back of customer properties to avoid environmental damage and major customer disruptions.
- New Moe treated water basin – to construct a second basin to cater for the growth and provide reliability of supply for all customers that receive water from this plant, including our Warragul and Drouin water system when our interconnect pipe is in use.
- Warragul Western Ring Main – to support growth on the south side of Warragul, serve as a secondary distribution main between the north and south of Warragul and to augment flows to Drouin. The pipeline will also increase water security in the Warragul and Drouin system by optimising the utilisation of the Moe – Warragul Interconnect.
- Sale Sewer Pump Station No.2 upgrade – to upgrade this site to meet current electrical and access safety standards and increase emergency storage to reduce the likelihood of spills to the environment.

Price Submission 2023-24 – 2027-28

These potential projects are currently being considered for our Price Submission 2023-24 – 2027-28 and are subject to refinement after community consultation.

- Warragul North East Sewer – to meet the needs of the rapidly growing north-east area of Warragul and reduce spills to the environment by having pipes sized for current and future capacity.
- Tyers Water Treatment Plant treated water basin cover and liner replacement – replace the current basin cover and liner which are nearing the end of their useful life to protect public health.
- Warragul Wastewater Treatment Plant upgrade (Stage 1) – to improve the efficiency of the plant to meet the needs of Warragul's expanding population.
- Traralgon Western Ring Main – this pipe is part of an overall water supply strategy for the townships of Morwell and Traralgon, where we will link the water

- supply systems. In the shorter term, this pipe is required to provide resilience and reliability to the Traralgon network.
- Saline Waste Outfall Pipeline – part of a staged renewal of high risk sections of this pipe to service major industry.
 - Traralgon Treated Water new basin at our Clarkes Road site – to construct an additional basin at this site catering for growth and providing reliability of supply to the community.
 - Drouin West Treated Water Main – to support growth of Drouin in the north.
 - Tarago water bulk entitlement – investment to maintain security of supply for our customers in the Warragul and Drouin system.
 - Yarragon township sewer pump station and rising main upgrade – to meet the needs of Yarragon’s growing population and reduce the likelihood of wastewater spills during wet weather events.
 - Traralgon-Tyers treated water interconnect – involves linking the Traralgon and Tyers water systems. This will provide resilience and reliability to the Tyers network.
 - Financial systems review and upgrade.

Price Submission 2028-29 – 2032-33

These potential projects are currently being considered for the following Price Submission 2028-29 – 2032-33, and are subject to refinement after community consultation.

- Warragul Wastewater Treatment Plant upgrade (Stage 2) – further upgrades at the Warragul wastewater treatment plant to meet the future needs of the town.
- New water basin at Warragul Water Treatment Plant – to support urban growth in Warragul and Drouin.
- New Morwell water basin –to support urban growth in Morwell and surrounding townships.
- Trafalgar township sewer pump station - to meet the needs of Trafalgar’s growing population.
- Drouin west basin – to construct a new basin in the western region of Drouin to support growth in the north.
- New clarifier at Maffra Water Treatment Plant – to replace aging infrastructure at the plant and improve operational efficiency.
- Water and sewer pipeline renewals – ongoing yearly program.

Challenges we face

Climate change is impacting our environment

Our network is under pressure with the increase of severe weather events as we adapt to changing climate impacts while continuing to provide the level of service our customers expect from us.

In 2022-23 Gippsland Water continues to build and put into place actions that will support us in achieving net zero emissions by 2030 as part of the Victorian Governments climate change strategy. To this end our operations will be powered by 100% renewable electricity by 2025.

We will have a refreshed energy management strategy in 2022-23 that aims to reduce the costs associated with electricity and also reduce our carbon emission.

In 2022-23 we will further determine our specific renewable energy and resilience investments for the next price submission, inclusive of a proposed \$2M per year in program expenditures, and further strategic investments into carbon offsets.


Our resilience investments will be focused on building resilience to climate change related events such as bush fires, droughts, heavy rainfall events that result in flooding and dirty water, extreme hot and cold weather conditions and high winds

Actions planned for 2022-23 include:

- Introduction of a major solar array at the Gippsland Water Factory for renewable energy purposes;
- Investigation of alternative water sources at Briagolong to build resilience to drought;
- Interconnecting the Coongulla water system to our Heyfield system to ensure security of supply and allow for the decommissioning of an aging plant located in a bushfire zone;
- Participating in electricity demand response activities that help maintain electricity supply to our assets and the community during times of need this also provide a revenue to our business;
- Identification of key sites that would benefit from the addition of generators, reducing the reliance on power supply, to deal with unexpected weather events,
- Review of our Emergency Management Framework in consideration of changes in major climate event patterns; and
- Automation of reporting for the Environmental Protection Agency (EPA) as data becomes even more critical for decision making and planning.

Our community continues to change both socially and economically.

In recent years, we've been responding to significant population growth throughout our service area. This has increased significantly over the past two years following the coronavirus (COVID-19) pandemic. This boom was somewhat unexpected and has provided challenges in predicting the future pace of development across our service area.



We continue to develop our Residential Growth Strategy which aims to keep us ahead of further growth and development of the region. We're working collaboratively with other authorities to ensure our actions are integrated with state and local planning.

Our supply chains have been impacted in recent years by severe weather events, the coronavirus (COVID-19) pandemic, and other recent international events. While we've managed and adjusted to date, this is something we'll need to closely monitor in the future. The increased costs of supplies and labour following the pandemic is something we've factored into this plan.

Competition for talent is high, particularly in engineering, finance, technology and environmental roles. We are working to address skills and labour shortages, and to attract and retain talent to our organisation.

Our strategic drivers

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

They were informed by customer expectations expressed during the development of our 2018 Price Submission and are reviewed and updated annually to align with our obligations as set out by the Victorian Government.

Our strategic priorities are based around five key themes or drivers. Each includes a five year destination statement and a series of objectives that align our key business activities and outcomes, including the delivery of Water for Victoria.



Healthy people, healthy environment

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



Enabling our people

We are an engaged and empowered workforce with a constructive culture.



Customer focussed

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



Business sustainability

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



Clever thinking

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

Our strategic priorities

Strategic driver				
Healthy people, healthy environment	Enabling our people	Customer focused	Business sustainability	Clever thinking
Five-year destination statement				
We are a leader in safety, public health and the environment to support a healthier community	We are an engaged and empowered workforce with a constructive culture	We will learn from our customers and deliver on our promises	We're continuing to invest strategically and make 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 objectives				
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 embed a service culture that improves external and internal satisfaction and trust	We will implement optimal asset management to reduce lifecycle costs	We will have a safe space culture that allows bold ideas to grow
We will deliver on our environmental priorities so that we minimise environmental harm & maximise opportunities to support a healthy environment and financial sustainability	We will invest in our employees to ensure their success in their roles	We will embed customer insights to put customers at the centre of our decision making	We will pursue 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
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 build relationships to deliver outcomes that matter to our local community	We will integrate our water resource planning to better identify future solutions that secure and leverage our water supplies	We will be a digitally enabled utility to deliver efficiency and value to our community
We will maximise the benefits of our environmental assets to support our community	We will enhance our employee experience to align and transform our business		We will invest in initiatives that reduce costs and deliver the value that matters to our customers	We will expand our capability to utilise data to inform smart decisions
			We will grow our whole-of-business long term (20+ years) planning capability to support aspirational and sustainable decisions	



Healthy people, healthy environment

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

Our current strategic priorities under this driver are:

- Develop and implement a detailed plan to deliver on our 2030 net zero climate pledge commitment.
- Deliver our Energy Management Strategy which will outline how we reduce our carbon footprint with alternative energy sources and achieve 100% renewable energy by 2025.
- Embed the requirements of the new EPA General Environmental Duty and subordinate legislation throughout our business.
- Deliver an enhanced Occupational Health and Safety Management system to enable the right safety behaviours across our business.
- Deliver pillar one of our updated 2022-25 health, safety and wellness strategic roadmap with an emphasis on critically reviewing our significant safety risks and verifying control effectiveness in practice.



Enabling our people

We are an engaged and empowered workforce with a constructive culture.

Our current strategic priorities under this driver are:

- We will be uplifting and enhancing the human resources system that supports us in growing our people, providing purposeful leadership and fostering an enabling employee experience.
- Develop an over-arching employment pathway program into our organisation that supports and promotes opportunities for new and diverse talent.
- Develop IT Dashboards to support decision-making in our commercial businesses, Gippsland Regional Organics and Gippsland Regional Agriculture.



Customer focussed

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

Our current strategic priorities under this driver are:

- Embed a cyclical engagement model to provide opportunities for people to contribute to our planning, decision-making and service delivery all-year round.
- Develop and implement a Moondarra on Country Plan to reflect community sentiment and Traditional Owner aspirations – in partnership with GLaWAC.
- Deliver a customer app for water usage and billing.
- Develop a Customer Experience Strategy.
- Deliver a new approach to community education to increase awareness on topics our customers have told us are important to them.
- Deliver a developer portal to improve our customer experience and enable a digital application process for new residential connections.



Business sustainability

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

Our current strategic priorities under this driver are:

- Deliver our 2023-28 Price Submission, which will outline our customer commitments and pricing model for the next five years.
- Acquire a share of water in the Tarago Reservoir to secure more affordable and sustainable water supplies for our customers for generations to come.
- Undertake phases one and two of the Gippsland Regional Organics expansion plan to deliver increased processing capacity.
- Develop a 2050 vision for our organisation.
- Replace our SCADA system, which is the technology that facilitates our remote management of operational assets, systems and processes.
- Deliver an Enterprise Project Management tool to support our delivery of major projects.
- Benchmark and reduce our operational costs to ensure we continue to deliver best value to our customers.

- Replace the technology that updates field mobility and monitors and controls field devices at our remote sites.



Clever thinking

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

Our current strategic priorities under this driver are:

- Redesign and rollout a new intranet platform that allows our employees to find the right information at the right time.
- Replace our corporate website to make it easier for customers to deal with us and to promote our brand essence.
- Review and enhance our finance systems, implementing generational technological change.
- Deliver business intelligence training to more of our people.
- Embed artificial intelligence and predictive analytics into our business decision-making processes.

Financial projections

1. Financial projections overview

Aiming to deliver stable or falling pricing for our customers whilst maintaining our financial sustainability is a key principle that helps to shape our financial decisions.

This means we want to deliver services of the highest quality that are both affordable and sustainable for our customers now and into the future, with a continuous focus on creating efficiencies in the way we deliver these services.

The financial projections for 2022-23 to 2026-27 factored into our plan build on the assumptions underpinning our last price submission, while also being supported by the assumptions being developed for our upcoming 2023-2028 price submission.

We have worked hard to find savings that will keep customer prices stable or falling throughout this period. This has enabled us to partially absorb the currently high inflation rate of 5.09% and only pass on 3.14% and 4.4% through our fixed and variable tariffs respectively.

Historically our customer base has been dominated by the state energy sector. In recent years we have absorbed the impact of two major industrial customers ceasing operations (Energy Brix in 2014-15 and Engie Hazelwood in 2016-17), and the loss of another major customer in 2017 (Carter Holt Harvey).

Another major industrial customer has announced they are exiting our system with Energy Australia Yallourn, now expected to close in 2028. We'll continue to explore new revenue sources to mitigate against the risk of further industry closures which have arisen as the Victorian economy transitions to a low-carbon economy.

When opportunities arise we continue to negotiate both new and revised commercial agreements with major customers which are aimed to appropriately share risk and ensure appropriate cost recovery for the services they receive. This proactive approach aims to support our future business sustainability and ensure that our residential customers do not have to subsidise services to business and industry.

We're also continuing to work closely with developers and local councils to deliver critical infrastructure in a manner that maximises new connections growth, especially in our western corridor areas of Warragul and Drouin.

Since developing our last price submission, where we took an optimistic view of growth in an environment of industry closures, we have experienced new connections growth at some 30% greater than that forecast in our submission. In the financial year 2020/21, as part of what has been termed the regional growth boom, we saw new connections growth at over 100% of forecast. Rather than increase prices or debt to cater for that growth, we have completed a comprehensive review to find savings, reduce expenditure and identify efficiencies in our base.

Looking forward, our connections growth forecast has never before been so uncertain. The uncertainty of how long the regional growth boom will last has been magnified by current supply chain issues brought about both by the impacts of economies recovering around the world from the impact of the coronavirus (COVID-19) pandemic, particularly in relation to building construction material availability and other recent international events. Despite this uncertainty, we remain confident that new connections growth will be in the upper quartile of our forecasts and have based our forward revenue projections on this.

In addition to our regulated business, this plan includes our non-regulated businesses Gippsland Regional Agribusiness and Gippsland Regional Organics. Both are an integral part of what we do and provide complimentary benefits for our regulated business as well as providing additional revenue to assist in minimising our borrowings.

We are continuing to look for opportunities to expand our commercial business operations such as taking advantage of the broadening compost markets as an input material for rehabilitation works (e.g. mines, quarries etc.) and expanding markets in both agriculture and horticulture. Furthermore, we are exploring alternative waste stream management and uses as part of our circular economy policy initiatives.

We are actively seeking further efficiencies and associated cost savings to bring down our operating costs, while recognising some increased costs are outside our control. A key area of focus has been finding savings in controllable operating expenditures across the business.

Our continued focus on long-term financial sustainability is important if we are to deliver the services expected by our customers while maintaining stable pricing. Key to this is ensuring that our assets such as pipelines and treatment plants are fit for purpose and are maintained in a timely manner so that the cost does not become a burden for future generations.

We are investing in both our physical and human resources to identify innovation in systems, technology and management throughout the organisation, and continue to drive better outcomes for our customers through these investments. Based on the information in our plan, we anticipate being able to achieve the key financial sustainability results shown in Table 1.

The commercial and operational impacts of the coronavirus (COVID-19) pandemic have not significantly impacted on our operations or customer service delivery. We have successfully maintained our business continuity plans to ensure our business continues to perform at the expected levels of service.

We will continue to monitor the impact coronavirus (COVID-19) is having on our customers, including any increase in customer debt and hardship cases. For customers that have an overdue account, we make outgoing calls to proactively engage with them. This is an opportunity for us to discuss the financial assistance options available that may help with the payment of their outstanding account. Financial assistance options are tailored to the individual customer's circumstances.

To support the economy, we continue to pay all approved invoices within 5-10 working days. Other key areas we are monitoring include looking for any decrease in developer activity and impacts on our suppliers, contractors and other stakeholders. We will also keep reviewing any potential change in the fair value of our assets.

The consequential impacts of the coronavirus (COVID-19) pandemic on our organisation that we have considered and have included in our plan include:

- maintaining the health and safety of our employees;
- ensuring a strong response and putting provisions in place to continue to provide essential water and sewerage services for our customers;
- supporting employees in transitioning to working from home and back to the office;
- uplifting our IT network capability to support remote and future hybrid model technologies for return to the office; and
- supporting customers experiencing financial difficulties through arrangements such as our hardship program, more time to pay arrangements and payment plans

A significant factor impacting our plan is the expected continued decrease in our regulatory rate of return and resulting impact on our revenue. The regulatory model requires the cost of debt input into our regulatory rate of return to be updated each year based on the 10-year trailing average cost of debt. This change was new for the current 2018 Price Submission, with the first impact of this experienced in 2019-20. Overall this change in calculation methodology has resulted in us forecasting \$6M less revenue than would otherwise have been planned.

Looking ahead to our 2023 Price Submission, the regulatory model has changed somewhat to allow for this anomaly by allowing the estimated cost of debt to change year-on-year. This is a welcome change and will mitigate this type of impact from 2023-24 onwards.

Our plan forecasts a net profit before tax in 2022-23 of \$4.24M and a profit of \$7.38M in 2026-27. A breakdown of our yearly net profit/(loss) before tax is provided in the following Chart 1.

Our borrowings are expected to grow by \$64.5M over the plan period, growing to \$397.0M by 30 June 2027. The increase in our borrowings is driven by our planned capital expenditure of circa \$316.8M for the same period. Borrowings due to mature within the period will be refinanced.

All the financial information in our plan is presented in nominal dollars.

Chart 1. Net profit/(loss) before tax

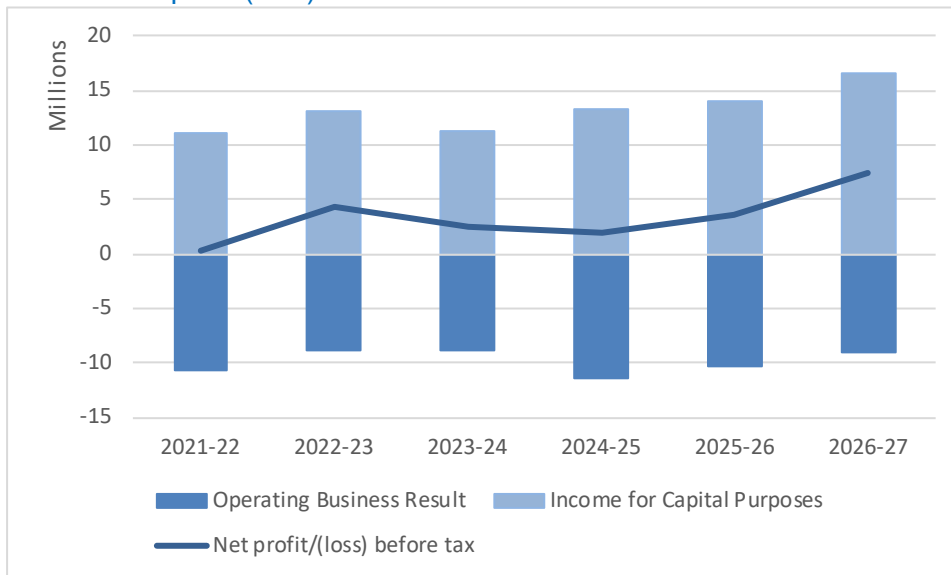


Table 1: Financial sustainability results using Victorian Auditor-General's Office indicators

Risk	2022-23	2023-24	2024-25	2025-26	2026-27
Net Result	2.0%	1.1%	0.8%	1.6%	3.1%
Liquidity	1.50	1.50	1.48	1.51	1.60
Internal Financing	83.3%	76.0%	63.8%	74.1%	100.9%
Capital Replacement	1.03	1.12	1.31	1.26	1.00
Interest Cover	5.0	4.7	4.4	4.5	4.5
Debt Service Cover	5.9	5.5	5.2	4.9	4.8
Debt to Assets	0.2	0.2	0.2	0.2	0.2

Table 1 contains amber indicators across all years for capital replacement risk, indicating that capital expenditure is keeping up with depreciation. The increase in our depreciation due to a significant increase in asset values, following the revaluation of our assets at the end of 2020-21 has contributed to this.

2. Financial statements

a. Statement of Financial Performance

Our Statement of Financial Performance for the five year period to 30 June 2027 is detailed in Table 2 below.

Table 2: Statement of Financial Performance 2022-23 – 2026-27

Statement of Financial Performance					
Nominal \$'s	2022-23 (\$000's)	2023-24 (\$000's)	2024-25 (\$000's)	2025-26 (\$000's)	2026-27 (\$000's)
Revenue					
Bulk Charges	0	0	0	0	0
Service Charges					
- Residential	64,722	65,859	67,407	69,497	71,993
- Non Residential (including Major Customers)	26,394	26,770	27,311	27,915	28,567
Usage Charges (Volumetric)					
- Residential	25,540	26,921	28,011	29,156	30,321
- Non Residential (including Major Customers)	19,984	20,560	21,139	21,738	22,263
Investment Revenue	83	79	75	73	84
Other Revenue	4,580	5,646	5,062	5,238	4,983
Non Regulated Revenue					
- Organics	5,102	5,232	5,364	5,408	5,446
- Agribusiness	3,575	3,302	3,235	4,030	3,607
Total Revenue	149,980	154,369	157,604	163,054	167,264
Expenses					
Cost of Supply					
- Staff Costs	24,866	25,941	26,794	27,655	28,399
- Maintenance Costs	15,748	16,099	16,403	16,839	17,238
- Other Operating Costs	17,819	18,567	19,849	21,264	22,162
- Overhead Costs	3,646	3,797	3,365	3,447	3,291
- Fleet Costs	1,090	1,192	1,181	1,264	1,167
Total Cost of Supply	63,170	65,595	67,591	70,470	72,257
Administrative Expenses					
- Staff Costs	13,120	13,301	13,744	14,107	14,489
- Maintenance Costs	1,943	2,089	1,939	2,014	2,010
- Other Operating Costs	2,052	2,457	3,257	2,472	2,456
- Overhead Costs	6,861	6,939	6,885	6,914	7,655
- Fleet Costs	153	114	111	124	126
Total Administrative Expenses	24,129	24,900	25,935	25,631	26,736
Environmental Contribution	5,952	5,952	6,500	6,500	6,500
Total Cost of Supply & Admin	93,251	96,446	100,027	102,600	105,492
Operating Result before Depn & Borrowings	56,729	57,923	57,577	60,454	61,772
Depreciation & Amortisation	53,901	54,268	55,360	55,794	54,966
Borrowing Costs Expense	11,620	12,526	13,620	14,958	15,920
Other Expenses	0	0	0	0	0
Total Depn & Borrowings	65,521	66,794	68,981	70,752	70,886
Business Operating Result	(8,792)	(8,871)	(11,404)	(10,298)	(9,114)
Income for Capital Purposes					
Government Contributions	0	0	0	0	0
Non-Govt Contributions (Assets)	12,611	10,824	11,095	7,961	8,160
Non-Govt Contributions (Cash)	420	433	2,219	5,959	8,334
Total Income for Capital Purposes	13,031	11,257	13,314	13,920	16,494
Net Profit/(Loss) Before Income Tax	4,239	2,386	1,910	3,622	7,380
Income Tax Expense (Revenue)	1,274	718	576	1,089	2,217
Net Profit/(Loss)	2,965	1,668	1,334	2,532	5,163

b. Statement of Financial Position

Our Statement of Financial Position for the five year period to 30 June 2027 is detailed in Table 3 below. The Statement of Financial Position includes the recognition of tax-effect accounting.

Table 3: Statement of Financial Position 2022-23 – 2026-27

Statement of Financial Position Nominal \$'s	2022-23 (\$000's)	2023-24 (\$000's)	2024-25 (\$000's)	2025-26 (\$000's)	2026-27 (\$000's)
Current Assets					
Cash	3,483	3,338	3,198	3,243	3,586
Short Term Investments	0	0	0	0	0
Interest Receivable	0	0	0	0	0
Debtors (Receivables)	14,585	15,361	15,975	16,538	17,107
Other current assets	16,760	16,478	16,394	16,242	16,127
Tax Assets	0	0	0	0	0
Total Current Assets	34,828	35,177	35,567	36,024	36,820
Non Current Assets					
Long Term Investments	1,000	1,000	1,000	1,000	1,000
Infrastructure	1,359,121	1,360,040	1,338,528	1,337,867	1,339,192
Land, Buildings, Structures & Facilities	72,230	73,001	73,943	75,244	76,189
Plant, Equipment & Vehicles	18,080	18,841	18,608	17,603	15,447
Capital Works in Progress	67,152	80,524	128,607	149,938	156,558
Intangible Assets	3,312	3,074	3,227	2,757	2,124
Other non-current assets	9,355	9,394	9,457	9,525	9,600
Deferred Tax Assets	11,391	3,704	0	0	0
Total Non Current Assets	1,541,641	1,549,580	1,573,371	1,593,934	1,600,111
Total Assets	1,576,468	1,584,758	1,608,938	1,629,958	1,636,931
Current Liabilities					
Trade Creditors (incl. Purchase Accruals)	1,541	1,577	1,615	1,638	1,679
Accruals	3,386	3,406	3,425	3,444	3,462
Provisions	8,440	8,320	8,233	8,176	8,144
Retentions	2,823	3,069	3,689	3,524	2,735
Short Term Borrowings	12,500	12,500	12,500	12,500	12,500
Other current liabilities	7,038	7,038	7,038	7,038	7,038
Total Current Liabilities	35,730	35,911	36,500	36,320	35,559
Non Current Liabilities					
Borrowings	326,500	340,500	366,500	384,500	384,500
Provisions	6,021	5,430	4,814	4,393	4,748
Deferred Tax Liabilities - Booked (Asset Reval)	176,286	176,286	176,286	176,286	176,286
Deferred Tax Liabilities	31,667	24,698	21,570	22,659	24,876
Total Non Current Liabilities	540,474	546,914	569,171	587,838	590,410
Total Liabilities	576,203	582,825	605,671	624,158	625,969
Net Assets	1,000,265	1,001,933	1,003,267	1,005,799	1,010,962
Equity					
Contributed Capital	255,970	255,970	255,970	255,970	255,970
Fixed Assets Revaluation Reserve	411,335	411,335	411,335	411,335	411,335
Retained Earnings - Opening Balance	329,995	332,960	334,627	335,962	338,494
Retained Earnings - Current Year	2,965	1,668	1,334	2,532	5,163
Total Equity	1,000,265	1,001,933	1,003,267	1,005,799	1,010,962

c. Statement of Cash Flows

Our Statement of Cash Flows for the five year period to 30 June 2027 is detailed in Table 4 below.

Table 4: Statement of Cash Flows 2022-23 – 2026-27

Statement of Cash Flows Nominal \$'s	2022-23 (\$000's)	2023-24 (\$000's)	2024-25 (\$000's)	2025-26 (\$000's)	2026-27 (\$000's)
Operating Cash Flow					
Cash Inflows					
Cash Receipts from Debtors	152,129	156,789	160,331	165,894	170,593
Investment Income (Interest)	83	79	75	73	84
Developer Income	510	523	2,309	6,049	8,424
Other Receipts	0	0	0	0	0
Cash Outflows					
Cash Payments to Creditors (-ve)	(50,847)	(52,858)	(54,982)	(56,319)	(58,593)
Cash Payments Wages & Salaries (-ve)	(37,512)	(38,763)	(40,050)	(41,267)	(42,388)
Interest and other finance costs (-ve)	(11,620)	(12,526)	(13,620)	(14,958)	(15,920)
Environmental Contribution (-ve)	(5,952)	(5,952)	(6,500)	(6,500)	(6,500)
Bioremediation Pond Rehab (-ve)	(500)	(1,171)	(1,171)	(955)	(159)
Net Cash from Operating Activities	46,290	46,121	46,391	52,015	55,542
Investing Cash Flow					
Movement in Investments	0	0	0	0	0
Payment for Non Current Assets (-ve)	(55,965)	(61,135)	(73,159)	(70,644)	(55,484)
Proceeds: Disposal of Assets	478	870	628	674	284
Net Cash from Investing Activities	(55,487)	(60,265)	(72,531)	(69,970)	(55,199)
Financing Cashflow					
Proceeds: Borrowings	6,500	14,000	26,000	18,000	0
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
Net Cash from Financing Activities	6,500	14,000	26,000	18,000	0
Net Increase/(Decrease) in Cash	(2,697)	(144)	(141)	45	343
Cash held at the beginning of the year	6,180	3,483	3,338	3,198	3,243
Cash held at the end of the year	3,483	3,338	3,198	3,243	3,586
Cash per Balance Sheet	3,483	3,338	3,198	3,243	3,586
Difference	0	0	0	0	0



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