



Gippsland
Water

Corporate Plan

2023 - 2028

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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 Leadership Team, and entire organisation, we're pleased to present our 2023-28 Corporate Plan.

This year's plan has been developed on the back of the most extensive customer, community, and stakeholder engagement program our business has ever undertaken, for our 2023-28 Price Submission. As such, it draws on the themes and initiatives our customers told us were most important to them.

In the year ahead, we'll see upgrades, renewals and new infrastructure continuing to be rolled out across our network including supporting growth in the west and increasing interconnectivity in the Latrobe Valley. Specific projects include the Traralgon – Tyers Interconnect, Warragul Wastewater Treatment Plan upgrade and the Drouin West Water Main Extension.

We'll finalise the purchase of a bulk water entitlement from the Melbourne Yarra-Thomson pool to provide water security for Warragul and Drouin, as foreshadowed in the Victorian Government's 2022 Central and Gippsland Region Sustainable Water Strategy.

Our Gippsland Regional Organics facility will undergo a major expansion, helping to support the State's circular economy objectives and create new jobs. The project will involve increasing organic processing capacity at the site and introducing the opportunity for waste to energy generation capabilities.

We've made significant progress towards achieving our carbon emission commitments, including becoming 100% renewable energy-powered by 2025 and achieving net zero emissions by 2030. To help us get there, this year we'll invest in bio-diesel back-up generators at key operational sites to enhance service delivery resilience and further support electricity network demand response programs.

Climate resilience is an increasingly important area of focus for both us and our customers. To strengthen resilience in the eastern end of our service area, we'll construct a deep bore and associated treatment process this year to secure water for Briagolong.

We're investing in systems that support our delivery of services, including our SCADA¹, human resources, finance, and intranet systems. We'll also upgrade our website so that customers are able to transact with us and get information about our services and activities when it suits them, online.

We'll partner with local organisations to support major events such as the Gippsland New Energy Conference and the inaugural Gippsland Festival of Big Ideas. We'll also continue to offer scholarship opportunities for local Aboriginal and female students in partnership with Federation Gippsland and continue with our commitment to expand pathways for students and school leavers into our business.

¹ Supervisory control and data acquisition

Our partnerships with Traditional Owners and First Nations people in our community remain strong and continue to be a key area of focus for us. This year we'll continue to work closely with them on initiatives including the development of long-term employment pathways and providing greater access and connection to land, water and resources on Country.

Lastly, we will finalise our Gippsland Water 2050 Vision. The development of this vision has built on the strategic capabilities of the organisation and its leaders through exploration of the alternative futures we may confront in the long term to 2050.

It has examined the risks, challenges, and opportunities, to chart the potential paths toward more desirable future states, and to articulate actions the organisation can take now to support a positive future state.



Therese Ryan
Board Chair



Sarah Cumming
Managing Director

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.

Customer outcomes

Our 2023-28 Corporate Plan is informed by comprehensive customer engagement.

Over the past 18 months we have listened to our customers to develop a better understanding of the issues that they told us are important to them. This allowed us to establish what really matters to our customers, and to refocus our standards and commitments to be more closely linked to customer experiences and expectations.

The six customer outcomes that will drive our planning and delivery for the 2023-28 regulatory period are:

- Be affordable and fair
- Do your job well
- Be easy to deal with
- Be environmentally responsible
- Be involved; and,
- Plan for the future.

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 Council, 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 157,200 people. We supply clean drinking water to over 74,000 households and businesses, and wastewater services to more than 67,000 households and businesses across 43 towns and communities. Our customers include major industries, some of which are of state and national significance.

We maintain a \$1B infrastructure network which includes more than 2,000 kilometers of water mains, 15 water treatment plants, two ocean outfalls, over 1,700 kilometers of wastewater mains and 14 wastewater treatment plants.

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 businesses are important contributors to the state's organic recycling capacity and place us as a leader in the circular economy.

They also contribute commercial business profits, with this non-regulated income helping to reduce our borrowings and ultimately contributing positively to our long-term financial sustainability.

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.

Every year, the business irrigates approximately 1,500 mega-litres of treated wastewater to grow grain and fodder crops. Our agribusiness operations enable valuable resources to be reused, and land to be managed in a cost effective and efficient way, providing considerable savings to our customers.

Seven local people are employed 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 from industry and households and would otherwise be transferred to an external disposal facility. We are a leader in using this process, which has environmental benefits 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 undergoing a significant expansion of its major processing facility at Dutson Downs, near Sale. The expansion is currently in the planning and design phase, with completion scheduled for late 2024.

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, introduce the opportunity for waste to energy generation capabilities, and cement us as a State leader in the circular economy.

The first phase of the expansion is expected to inject up to a further \$9M value into the local economy, and create up to five direct new ongoing jobs and 10 indirect ongoing jobs. Another 20 jobs are expected to be created during the construction period for this project.

The expansion is funded by us, with Victorian and Federal Government co-contributions of \$4.788M. The allocation of government funding, under the Victoria Government's Circular Economy Organics Sector Transformation Fund, and the Commonwealth Government's Good Waste for Healthy Soils Fund, represent a significant milestone for the business.

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 not-for-profit regional water corporation operating under a Board of Directors appointed by our shareholder, the Victorian State Government. The Hon Harriet Shing MP, Minister for Water, was 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*

Risk management

Our risk management framework aims to promote a culture that assists our people to effectively identify and manage risk, uncertainty, and opportunity particularly in the areas of innovation and our commercial business. Opportunity risk, or the risk associated with not pursuing activities, is an increasing focus for us as new commercial opportunities arise in our region.

The risk framework is integrated with our strategic and corporate planning processes, with our strategic risks aligned to our strategic drivers. We see this alignment as a critical component of delivering sustainable and quality outcomes to our customers, ensuring business activities are prioritised to address known risks. Our Board and Executive Team work together to review our risk profile annually, and our Audit and Risk Committee receives and assesses reports providing evidence to verify we're meeting legislative and regulatory requirements.

We'll continue to review our strategic risks to ensure we remain current in identifying and managing existing and emerging risks. In the year ahead, we will undertake further work to review and refresh our strategic risk profile to reflect the ever-changing environment we operate in. We will optimise risk management processes within our business, refining our risk framework and the systems we use to manage risk.

As part of our Price Submission, we have identified, reviewed, and mitigated our regulatory risks to ensure there is no inappropriate risk transfer customer bills. We are actively monitoring these risks and we're developing management plans and reporting to track, monitor and mitigate the impact of these risks on our business.

We participate in State and National initiatives and risk exercises to increase our knowledge and provide support across the industry. Cyber security is a current focus, including through our membership in the VicWater facilitated Victorian Water Industry Cyber Governance Steering Committee.

We'll continue to foster a positive risk culture within the organisation by clarifying and embedding management processes to create and protect value for the people, places and systems in our care.

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 evidence-based capital renewal program emphasises the efficient management of service-delivery risks to protect our customers from loss of service due to asset failure and preventing funding shocks associated with cohorts of aging assets. We will be holding ourselves to account for delivering on our customer outcomes of 'planning for the future' and 'doing our job well' through the management of these programs and continued monitoring of the level of risk we're carrying in our network.

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.

From this strategy, we'll implement and roll out an end-to-end process for scheduling and undertaking field-based activities. A five-year program of works has been included in this plan for us to transform and digitise our activities for business units and external contractors. This work will see continued development and ownership of intellectual property in a consistent and maintainable way into the future.

We'll measure our success through an external review of our progress of asset maturity against the mandatory criteria of the Asset Management Accountability Framework. This framework sets aspirational asset management maturity targets, and we report triennially on our progress achieving these targets in our Annual Report.

Strategic context

This plan outlines our business direction for the next five years, with a particular focus on the 2023-24 financial year. It aims to ensure we deliver on our statutory obligations, strategic vision, and community expectations.

This year we will implement and commence delivery of the customer promises and commitments outlined in our 2023-28 Price Submission. 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 have also refreshed our Strategic Priorities Framework. Under the framework, strategic actions are aligned to one of four strategic drivers - Healthy country, Climate preparedness, Affordable bills, and Future solutions. We are also emphasising the importance of our organisational values in a strategic sense by aligning strategic actions to them.

In 2023-24 we'll finalise a 2050 vision for our organisation. The development of this vision has built on the strategic capabilities of the organisation and its leaders through exploration of the alternative futures we may confront in the long term to 2050. This work has examined the risks, challenges, and opportunities, to chart the potential paths toward more desirable future states, to articulate actions the organisation can take now to support a positive future state.

In preparing for, mitigating, and adapting to climate change, we will be reducing our carbon footprint with alternative energy sources, as outlined in our Energy Management Strategy. We are moving towards achievement of our 100% renewable energy goal by 2025 and continuing our journey to deliver on our 2030 net zero climate pledge commitment.

We will also be working closely with government, regional and water sector stakeholders and our customers and community to implement initiatives outlined in our Urban Water Strategy and the Victorian Government's Central and Gippsland Region Sustainable Water Strategy. These actions include the acquisition of a significant annual entitlement to access water in Tarago Reservoir, and the construction of a deep bore and associated treatment process to secure water for Briarolong.

Our Gippsland Regional Organics business is a key contributor to the circular economy in our region. We are embarking on a significant expansion of its major processing facility at Dutson Downs, near Sale, with completion scheduled for late 2024. The expansion project will enable increased organic processing capacity at the site and introduce the opportunity for waste to energy generation capabilities. The first phase of the expansion is expected to inject up to a further \$9M value into the local economy and deliver jobs to the region.

Our major customers include some of the state's largest industrial water consumers, and wastewater producers. As we see some of these customers close or reduce their usage of our services, we are investing in business development resources to support the transition of the wider Gippsland region away from the traditional industries that have supported the local community and economy. This includes assessing

opportunities that arise from state government strategies such as the Central and Gippsland Region Sustainable Water Strategy and Latrobe Valley Regional Rehabilitation Strategy implementation.

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 and energy

We're taking strong action to limit our negative impact on the environment, and to improve our preparedness for changing climate.

In the coming year we will deliver a number of renewable energy and security projects and will continue the purchasing of green energy to help us reach our 100% renewable energy by 2025 target, and our goal of achieving net zero emissions by 2030. These projects will also enhance our operational resilience by improving our ability to respond to extreme weather events.

We are contracted to purchase 19,521 MWh of electricity from the national electricity market in the 2023-24 financial period, with another 7,000 MWh to be consumed from our own on-site renewable generation.

We'll continue installing large-scale solar power systems, plan to increase hydroelectric generation, and install biodiesel-ready back-up generators at key operational sites to have service resilience during times of extreme weather events or supply disruption, and to support electricity network demand response.

These renewable energy projects we're installing at our operational facilities over the next five years will ultimately generate up to 5,000 MWh of electricity per year. By 2028, we'll generate 30-40% of our annual electricity needs through behind-the-meter renewable electricity installations at our sites.

These systems will not only protect our operations from unplanned outages but will contribute stability to the grid for other customers during periods of high electricity demand.

To reduce vehicle fleet emissions in a measured and responsible way, we've started transitioning to electric and hybrid petrol-electric vehicles. We'll fast track this transition along by renewing petrol and diesel vehicles every three years instead of five.

This year, we'll plan for our second self-managed carbon offset project with planting to occur in the 2024-25 year. We'll also continue to partner with other Victorian Water corporations to develop the industry-wide, long-term approach to carbon offsetting.

For financial year 2023-24, we expect our greenhouse gas emissions to be less than 40,000 tCO₂-e. Over the remainder of the corporate planning period, we expect to have reduced our emissions to approximately 13,000 tCO₂-e.

The vast majority of these reductions will be achieved by converting to renewable electricity by 1 January 2025, with further reductions in Scope 1 emissions expected to contribute incrementally over the remainder of the corporate planning period.

As part of looking for new ways limit our negative impact on the environment, we are engaging the community and our customers to determine what they think about the idea of a wind farm on the property we manage. Early research shows that a wind farm could help us meet our renewable energy commitments, reduce our operating costs, and put downward pressure on customer bills.

Customer and community outcomes

This year, we'll be focused on embedding our extensive customer and community program across the business to keep customer insights at the heart of our planning and decision-making.

Established over the last three years, our best practice engagement framework provides a blueprint for involving customers in decisions ranging from strategic deliberations to major projects and service improvements.

Our Customer Reference Group will continue to play a key role in overseeing our approach to community engagement and ensuring customer priorities, issues and expectations are understood and reflected in the decisions we make. We'll also invite them to help us assess our performance.

Our recently established Customer Sounding Board will play a broader role in helping us to keep up to date with evolving community sentiment by taking part in engagement activities throughout the year including surveys, focus groups and other online and in-person discussions.

Comprising over 450 customers from across our service area, this group of highly engaged customers will be asked to share their ideas and suggestions to influence our services and the way we contribute to our community. They'll also help us identify changing and evolving customer views, particularly in relation to our customer outcomes.

We'll deliver a significant uplift in our community education campaigns, focusing on topics our customers have told us they value most. These include environmental sustainability, the benefits of tap water, water efficiency and encouraging people to reach out to us when they're experiencing financial or other personal difficulties that might make it difficult for them to keep up with their bills.

Our customers have told us that they expect to be able to transact with us and get information about our services and activities when it suits them, online. We're currently upgrading our website to reflect, with the new platform due to be fully operational 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.

Our sponsorship program will be further developed to reflect the increasingly important role we play in the local community. This year we'll partner with other local organisations to support major events such as the Gippsland New Energy Conference and inaugural Festival of Big Ideas and offer scholarship opportunities to local Aboriginal and female students through the Federation University Gippsland Water scholarship.

Deliver water for Aboriginal cultural, spiritual, and economic values and support economic inclusion in the water sector

We recognise and support self-determination of Aboriginal cultural values and economic inclusion in the water sector. We aim to do this through effective and genuine engagement of Traditional Owners and First Nations community leaders in our strategic planning; provide greater access and connection to water and land on Country; and support Aboriginal employment and economic development opportunities.

Our ongoing education and engagement program is contributing to raising the level of cultural awareness in our people and customers. We've recommitted to the Gippsland Environmental Agencies (GEA) partnership agreement with the Guinaiurnai Land and Waters Aboriginal Corporation (GLaWAC) and are helping our people to keep learning through rollout of First Nations Cultural Awareness training.

In the year ahead, we'll continue to work closely with Traditional Owners and regional partners to establish employment pathways, including the creation of a new role for an Aboriginal person to commence from 1 July 2023; continue to foster cultural recognition and learning activities; and focus on integrating traditional Aboriginal knowledge with contemporary environmental management practices.

Recognising recreational values

We have a focus on engaging with local communities to develop a better understanding of the shared benefits of water, including recreational benefits, in planning and decision-making. This forms part of our 2022 Urban Water Strategy, and our involvement in local Integrated Water Management forums will help us achieve it.

We will continue to provide access to parts of land we manage for hiking, walking, jogging and picnics, and to offer educational tours through our treatment plants.

The newly commissioned Drouin Wastewater Treatment Plant has been identified as a fantastic bird watching location, with design underway to provide community access to watch birdlife visiting our lagoons.

We continue to provide significant financial contributions to Southern Rural Water to support the cost of maintaining recreational facilities in Gippsland, namely Blue Rock Reservoir, Cowwarr Weir and Lake Glenmaggie. These locations provide opportunities for kayaking, fishing, swimming and picnicking, and attract visitors from outside our service area.

We will increase awareness about recreational access to sites we manage via our website and social media and continue to look for new ways to provide recreational benefits for the community.

Resilient and liveable cities and towns

The Victorian Government's Central and Gippsland Region Sustainable Water Strategy (SWS) released in 2022 is a ten-year strategy that adopts a 50 year outlook to address challenges such as climate change, and sustainably share available water resources across the needs of agriculture, environment, Traditional Owners, urban cities, towns and industry.

Alongside our support for the development of the SWS, we have delivered our 2022 Urban Water Strategy (UWS). Our UWS sets out our plan to provide reliable water supplies and wastewater treatment over next 50 years.

The SWS and our UWS contain a number of critical actions, which we will implement over the coming years, including:

- Acquiring a 3.33 giga-litre per-year water entitlement to access water in Tarago Reservoir, securing the water supply and liveability of our Warragul and Drouin communities well into the next decade; and
- Constructing a deep bore and associated treatment process to improve water security for Briagolong.

The SWS also places a significant focus on using water more efficiently, as well as on working collaboratively with partner organisations to identify and consider all sources of water for a range of fit for purpose uses. This approach, known as Integrated Water Management, seeks to deliver improved community and environmental outcomes across a range of objectives, enhancing the resilience and liveability of our towns and region.

Through the Gippsland Integrated Water Management Forum, and with the assistance of co-funding from the Victorian Government, we're currently working with:

- Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) to connect drinking water to the Knob Reserve at Stratford, a place of great cultural significance to the Gunaikurnai community. This initiative will help support greater use of this reserve for cultural activities and reduce the need for bottled water during events; and
- Latrobe City Council to investigate the feasibility of using treated wastewater from our Morwell Wastewater Treatment Plant, to irrigate recreation reserves in the Waterhole Creek corridor in Morwell.

To improve water efficiency across our supply system, we're actively focussing on both our own networks, as well as helping our customers to improve their water use efficiency and identify leaks.

We currently have 27 schools in our region actively involved in the Schools Water Efficiency Program, and we will be working to expand this program in line with SWS targets.

The SWS has also extended the water efficiency focus to non-residential users, and we have been actively working with the Department of Energy, Environment and Climate Action on shaping this program. Initial rollout is set to target large water users and public facilities with initiatives we will be facilitating to help these customers improve their water efficiency.

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 new investment for the benefit of the communities we serve.

Our long-term planning is informed by known and anticipated changes in industry in our region. As some of our major customers close or reduce their services, we'll work with them and engage local and State Government stakeholders to manage the impacts on our service, supplies, the environment, and the local economy.

Industry changes, such as the recent closure of Saputo's Maffra factory, and the partial closure of Opal Australian Paper's Maryvale mill, can impact us significantly as we have infrastructure built specifically to service our major customers.

We are investing in business development resources to support the transition of the wider Gippsland region away from the traditional industries that have supported the local community and economy. We continue to work with our regional partners to maximise the economic value of available water through facilitating and attracting new investment into our region. This includes assessing opportunities that arise from state government strategies such as the Central and Gippsland Region Sustainable Water Strategy and Latrobe Valley Regional Rehabilitation Strategy implementation.

Leadership, diversity and culture

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

Delivery of our 2022-25 People Strategy is in full swing, with a focus on supporting positive employee experience and engagement. Commencing in 2023, we will work to replace our human resource information system. Our focus is also on the development internal leadership skills, which are particularly important in times of change and transition.

The strategy works alongside our Gender Equity Plan and our Diversity and Inclusion Plan. These frameworks provide an integrated approach across our priority areas of Leadership and culture, Career support and progression, and Talent attraction.

Our Diversity and Inclusion Committee will help drive cultural change across the business. We'll build on our workplace culture, which is supportive of employees from all cultural backgrounds, those who identify as LGBTIQ+, Aboriginal and Torres Strait Islander, and employees with a disability.

Gender equity outcomes will be driven through mentoring and management of internal talent. We'll adjust our policies and processes, such as recruitment, to launch early career pathways at primary, secondary and tertiary levels. These pathways include education programs, scholarships, traineeships and graduate employment and are a key way we'll create sustainable change.

Our Health, Safety and Wellbeing Strategic Roadmap 2022-25 guides our safety initiatives. The roadmap focuses on employee mental health and wellbeing and managing the changing landscape around psychosocial risk.

We will continue our efforts to improve and build upon our strong safety culture through continued monitoring of our performance against established lead and lag key performance indicators. We'll track employee engagement for physical and psychological safety in the People Matters Survey.

Performance and financial sustainability

Over the past four years, we have focused on realising operating efficiencies and ensuring we are only spending money where it is most needed. Our cost to serve customers has reduced for each of those years, and we have committed to continue that reduction for the five years of 2023-28 Price Submission. As part of that commitment, we will be establishing tools to track and monitor our performance in delivering value for our customers.

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 outcomes.

Each of these approaches contributes to our ability to deliver stable and falling customer tariffs into the future and ensure our long term financial sustainability.

Our plan embeds actions and innovations to create further efficiencies to meet customer expectations and legislative obligations, and to fulfil our Ministerial obligations.

Our plan ensures:

- The efficient use of capital through the timely maintenance, replacement and upgrade of assets to maintain expected levels of service to the community
- Investment 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 and constructing more capacity in our systems 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.

In developing our 2023-28 Price Submission, we focussed on identifying projects early to allow for stakeholder and customer input for the development of more accurate project scopes. This resulted in more accurate cost estimates, more efficient project procurement and delivery methodologies to mitigate unforeseen project risks and cost overruns.

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

Price Submission 2023-24 – 2027-28

In preparing our 2023-28 Price Submission, we engaged extensively with our customers and the community to understand their needs and priorities. Our major projects are key contributors to ensuring we deliver two of the six outcomes our customers wanted us to achieve – do your job well and plan for the future.

Proposed major capital projects	Description	Customer outcome	Regulatory cost driver
Saline Waste Outfall Pipeline (SWOP)	Staged construction of 18km 600mm pipe to replace high risk sections by 2028 to continue to service major industry.	Plan for the future	Renewals
Factory Road, Yarragon sewer pump station and rising main upgrade	Construction of a new four meter diameter, 10 meter deep pump station and 8.5km of rising main to Eight Mile Road pump station by 2028 to meet the needs of Yarragon's growing population and reduce the likelihood of wastewater spills during wet weather events.	Plan for the future	Growth
Connect Traralgon and Morwell Water Networks	Duplication of 4.9km of major water main in Traralgon by 2028 to protect	Plan for the future	Improvements / compliance

Proposed major capital projects	Description	Customer outcome	Regulatory cost driver
	customer service and to increase capacity for growth and supply security, while providing the first stage of long-term infrastructure between the Traralgon and Morwell systems to support long term growth and operational flexibility.		
Warragul Wastewater Treatment Plan upgrade (Stage 1)	Renewal of the existing eight bioreactor surface aerators, installation of four supplementary 22kW jet aeration and replacement of the dewatering system by 2026 to improve the efficiency of the plant to meet the needs of Warragul's expanding population.	Plan for the future	Growth
Greater Yarra System – Thomson River Pool Bulk Water Entitlement	Purchase of 3.33GL per annum in the Greater Yarra System – Thomson River Pool to secure water suppliers for Warragul and Drouin.	Plan for the future	Growth
New Treated Water Basin at Clarkes Rd Storage, Traralgon	Construction of 50 mega-litre water storage on existing land including liner, floating cover and underdrain system by 2027 to meet the needs of the Traralgon growth population.	Plan for the future	Growth
Traralgon – Tyers Interconnect	Construction of a 4.3km pipeline along Traralgon-Maffra Road by 2027 to link the Traralgon and Tyers water systems to provide resilience, reliability and operational efficiencies to the Tyers water system.	Plan for the future	Improvements / compliance
Warragul Sewer North East branch Augmentation	1.5 km of 525mm gravity sewer main installed by 2026 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.	Plan for the future	Growth
Drouin West Water Main Extension	Increase the capacity and reliability of water supply in the Drouin region by constructing a new 1.86km 375mm watermain to connect to the future Drouin West Basin.	Plan for the future	Growth

Proposed major capital projects	Description	Customer outcome	Regulatory cost driver
SCADA replacement	Replacement of our SCADA system (front-end software) to future proof our operations by 2026.	Do your job well	Renewals
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 by 2028.	Do your job well	Renewals
Regional Outfall System replacement at Tyers and Crosses Roads, Traralgon	Replace 600 metre section of this critical pipeline which in places runs through the back of customer properties to avoid environmental damage and major customer disruptions.	Do your job well	Renewals
Financial and Human Resources system upgrades	Upgrade core enterprise systems to improve decision making capabilities and efficiencies.	Do your job well	Improvements / compliance

Throughout the planning and construction phases, customer will be updated on the progression of the project at the appropriate times to keep them informed.

Price Submission 2028-29 – 2032-33

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

Proposed major capital projects	Description	Customer outcome	Regulatory cost driver
Warragul Wastewater Treatment Plant upgrade (Stage 2)	Continued upgrades at the Warragul wastewater treatment plant to meet the future needs of the town.	Plan for the future	Growth
New water basin at Warragul Water Treatment Plant	Supporting the urban growth in Warragul and Drouin.	Plan for the future	Growth
New Morwell water basin	Supporting the urban growth in Morwell and surrounding townships.	Plan for the future	Growth
Trafalgar township Sewer Pump station	Ensuring we meet the needs of Trafalgar's growing population.	Plan for the future	Growth

Proposed major capital projects	Description	Customer outcome	Regulatory cost driver
Drouin West basin	Construction of a new basin in the western region of Drouin to support growth in the North.	Plan for the future	Growth
New clarifier at Maffra Water Treatment Plant	Replacement of aging infrastructure at the plant and improve operational efficiency.	Do your job well	Renewals

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. Our challenge is to continue to maintain affordable bills and provide the level of service our customers expect from us.

We continue 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.

Our Energy Management Strategy, which aims to reduce the costs associated with electricity and also reduce our carbon emission, was refreshed in 2022-23.

In our Price Submission 2023-28 we have committed to a \$2M per year program for specific renewable energy and resilience investments.

Climate preparedness

Our climate preparedness has a focus on investing to build 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.

In recent years our customers have increasingly been impacted by such events, including through power outages and impacts to infrastructure and services.

Actions planned for 2023-24 include:

Description	Customer outcome
Investigation of alternative water sources at Briagolong to build resilience to drought.	Plan for the future
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.	Plan for the future
Identification of key sites that would benefit from the addition of generators, reducing the reliance on power supply, to deal with unexpected weather events.	Plan for the future
Ongoing review of our Emergency Management Framework in consideration of changes in major climate event patterns.	Be environmentally responsible
Automation of reporting for the Environmental Protection Agency (EPA) as data becomes even more critical for decision making and planning.	Do your job well
Utilising the Moe-Warragul interconnect for security of supply during asset upgrade and extreme climate events.	Plan for the future
Continuing to optimise our chemical treatment processes to increase our resilience to weather events.	Do your job well
Tarago water resources agreement for security of water for the Warragul Drouin region.	Plan for the future
Continued planning of the Traralgon-Tyers interconnect to reduce Tyer's systems exposure to high turbidity events.	Plan for the future

Our community continues to change both socially and economically.

Cost of living pressures and inflation are impacting our community. We have recognised these challenges in delivering our Price Submission 2023-28, with a goal of achieving reducing or stable prices.

We are also in a region experiencing a significant shift in industry demographics, a change that impacts our entire customer base. More specifically it also impacts the forward projections for some of our major customers, including Opal Australian Paper and Saputo.

We are working collaboratively with State and local planning authorities, and regional partners, to ensure our actions are aligned with initiatives such as the Latrobe Valley and Gippsland Transition Plan 2035.

Our supply chains have been impacted in recent years, increasing the costs of supplies and labour. We have also seen an increase in severe weather events, putting more demand on our operations to respond to such climate related events. Both of these challenges are expected to continue and have been factored into our operational and financial plans.

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

Our Strategic Priorities Framework

Our Strategic Priorities Framework underpins the highest order initiatives we will focus on in the coming five year period.

Our strategic priorities are informed by our customer expectations and are updated annually to align with our obligations as set out by the Victorian Government.

Informed by the development of our Price Submission 2023-28, we have reviewed and refreshed our Strategic Priorities Framework. Under our refreshed Strategic Priorities Framework, the strategic actions we take are aligned to our strategic drivers and organisational values.

The strategic drivers that inform our priorities are:

1. Healthy country
2. Climate preparedness
3. Affordable bills; and
4. Future solutions.

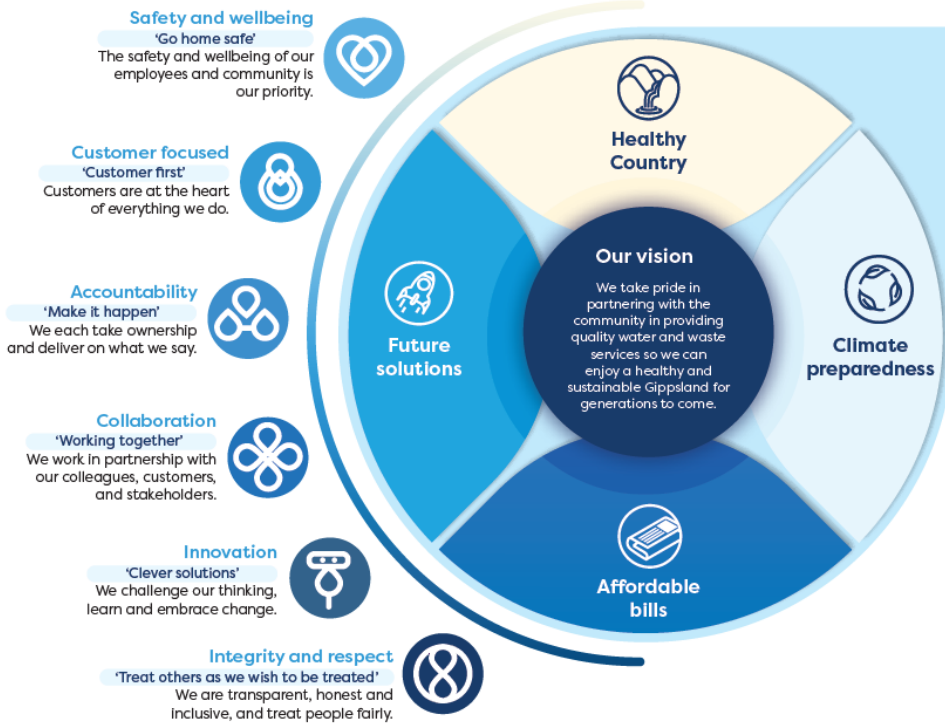
The organisational values on which we continue to build our strategic capability are:

1. Safety and wellbeing
2. Customer focused
3. Accountability
4. Collaboration
5. Innovation; and
6. Integrity and respect.

2023-24 Strategic Priorities Framework.



Our values



Our focus areas

- Safety – people and customers
- Crisis and emergency management
- Organisational culture environment
- Talent attraction and development
- Empowering and enabling our people
- Diversity and inclusion
- Traditional owners - spiritual and economic outcomes
- Recreational values
- Environmental outcomes
- Circular economy
- Sustainable livable communities
- Climate – be prepared/proactive
- Future communities
- Sustainable business and environment
- Asset management and resources
- Land and water – farming/ land management
- Water security
- Industry transition in our region
- Cost to serve customers
- Business development
- Efficient operations
- Asset optimization
- Risk mitigation
- Technology
- Leadership
- Advocacy
- Research and development
- Customer engagement
- 2050 Vision
- Government stakeholder relations

Strategic priorities aligned to our four strategic drivers

Healthy country

Our current strategic priorities under this strategic driver are:

- Embed the requirements of the new EPA General Environmental Duty and subordinate legislation throughout our business; and,
- Deliver education and awareness campaigns that focus on water conservation and sustainability

Climate preparedness

Our current strategic priorities under this strategic driver are:

- 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; and,
- Develop and implement a detailed plan to deliver on our 2030 net zero climate pledge commitment.

Affordable bills

Our current strategic priorities under this strategic driver are:

- Acquire a share of water in the Tarago Reservoir to secure more affordable and sustainable water supplies for our customers for generations to come.
- Refresh our long-term predictions in our Asset Strategy to inform medium/long term asset decisions, including the impacts on business sustainability and customer affordability.
- Deliver a customer app for water usage and billing.
- Replace our finance system, implementing generational technological change to inform our delivery of efficiencies in the business and support our goal of affordable bills for customers.

Future solutions

Our current strategic priorities under this strategic driver are:

- Undertake phases one and two of the Gippsland Regional Organics expansion plan to deliver increased processing capacity.
- Digitise our works management practice to transform how we schedule and engage with infrastructure work orders.

Strategic priorities aligned to our six organisational values

Safety and wellbeing

Our current strategic priorities under this organisational value are:

- 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.

Customer focused

Our current strategic priorities under this organisational value are:

- Replace our corporate website to make it easier for customers to deal with us and to promote our brand essence.
- Develop a Customer Experience Strategy.

Accountability

Our current strategic priorities under this organisational value are:

- Deliver an Enterprise Project Management tool to support our delivery of major projects.
- Develop Dashboard Reports across the business to provide readily available and accurate data for decision making.

Collaboration

Our current strategic priorities under this organisational value are:

- Redesign and rollout a new intranet platform that allows our employees to find the right information at the right time.

Innovation

Our current strategic priorities under this organisational value are:

- Replace our SCADA² system, which is the technology that facilitates our remote management of operational assets, systems and processes.

² Supervisory control and data acquisition

Integrity and respect

Our current strategic priorities under this organisational value are:

- Replace 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.

Financial projections overview

Aiming to deliver stable or falling pricing for our customers whilst maintaining our financial sustainability is a key principle that shapes 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 2023-24 to 2027-28 factored into our plan, build on the assumptions underpinning Price Submission 2023-28. It includes a year-on-year bill reduction (before inflation) made possible by savings found in core and non-core delivery areas, additional revenue from development activities, as well as fees and charges based on customer recommendations.

We'll invest more resources into our customer care team, employing and upskilling more staff to reach out early and provide tailored support for those customers doing it tough.

Our online financial support processes will be upgraded to make it quicker and easier for people to access support when they need it.

Our customers have collaborated with us on a major review of our tariff structures to embed a user pays principle. Major changes include the re-introduction of New Customer Contributions and a rebalancing of miscellaneous fees and charges.

We accepted our customer mandate to renegotiate any expiring major customer contracts to cover the cost of service, and advocate for a fairer contribution to the cost of maintaining recreational facilities at waterways we take water from, but don't own or manage.

In our Price Submission 2023-28, we adopted an ambitious, but achievable, efficiency commitment of 1.7% per annum

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).

Other major industrial customers have announced they are exiting our system with Energy Australia Yallourn, now expected to close in 2028, and Saputo Dairy Australia Maffra plant has closed in March 2023. Opal Australian Paper has ceased production of white paper resulting in a reduction of revenue from raw water usage and wastewater discharges. 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.

Having a reliable and accurate understanding of the profile of population and dwellings growth across the towns that we service, helps us to understand and plan for our future water and wastewater infrastructure needs. It is also a key determinant of residential and non-residential service charges and our new customer contributions.

We have experienced unprecedented increases in growth over the current period. Actual new residential connections have grown from 64,861 in 2018-19 to 68,712 in 2021-22. This is a 2.44% increase in total residential water connections on what we anticipated in the 2018 price review.

This plan forecasts connections for residential water customers to grow at an average annual rate of 1.66% per annum over the 2023-24 to 2027-28 period. Wastewater connections growth is constant with water connections growth.

In addition to our regulated business, this plan includes our non-regulated businesses Gippsland Regional Agribusiness (GRA) and Gippsland Regional Organics (GRO). Both are an integral part of what we do and provide complementary 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 waste management and 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. This includes a project approved in 2022-23, valued at \$11.6M partially funded by \$4.8M grants from Sustainability Victoria (SV) and the Federal Government Organics for Healthy Soils Fund to expand capacity of the GRO's Dutson Downs facility to the maximum volume under the EPA licence. This will drive the value of the circular economy and reduce landfill. This project will be delivered in 2023-24.

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 below.

Coronavirus (COVID-19) changed the way we work and service our customers.

During 2018-23 we made a number of improvements to our business, to support our staff and our customers through the global pandemic. These occurred at no additional expense to our customers.

In considering how we will be working with and servicing our customers in the future, we have assumed the continuation of our current service levels, including our empathic and proactive approach to customer support, which represents good ongoing practice.

We have also assumed our hybrid working arrangements will remain in place and expenditure that declined sharply during the height of the pandemic such as employee training, travel and motor vehicle fuel costs will recover back to historic trends, as we slowly change our working arrangements to balance safety, compliance, and good business practice.

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.

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.

We expect inflation to remain high in 2023-24, which will further impact cost of living pressures our customers are facing. We'll invest more resources into our customer care team, employing and upskilling more staff to reach out early and provide tailored support for those doing it tough.

Our plan forecasts a net profit before tax in 2023-24 of \$0.68M and a profit of \$20.67M in 2027-28. A breakdown of our yearly net profit/(loss) before tax is provided in the following Chart 1.

Our borrowings are expected to grow by \$51.0M over the plan period, growing to \$380.5M by 30 June 2028. The increase in our borrowings is driven by our planned capital expenditure of circa \$352.8M for the same period. Borrowings due to mature within the period will be refinanced as required.

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

Chart 1. Net profit/(loss) before tax

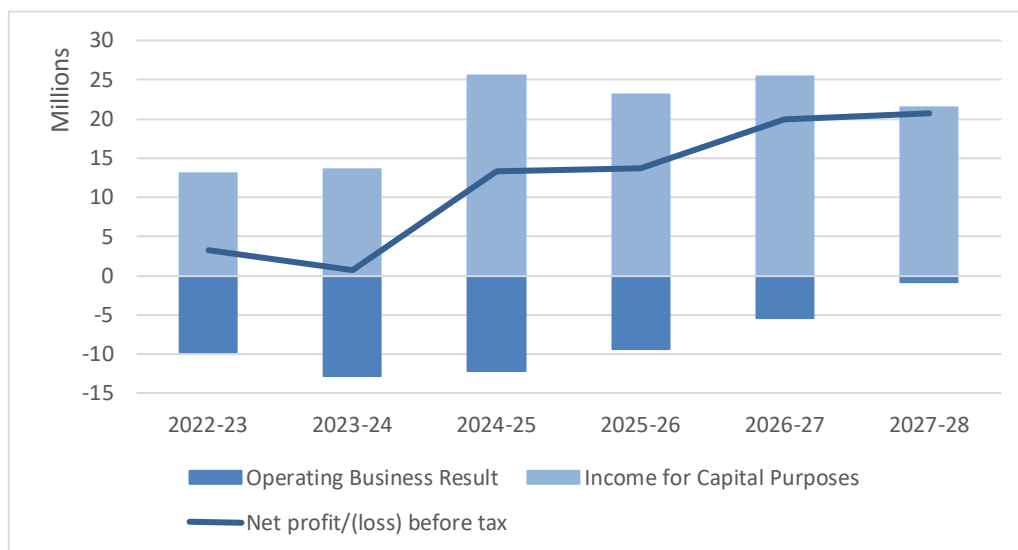


Table 1: Financial sustainability results using Victorian Auditor-General's Office indicators

Risk	2023-24	2024-25	2025-26	2026-27	2027-28
Net Result	0.3%	5.6%	5.5%	7.7%	7.7%
Liquidity	1.38	1.43	1.42	1.46	1.55
Internal Financing	61.4%	79.4%	77.7%	93.2%	132.7%
Capital Replacement	1.34	1.30	1.41	1.31	0.94
Interest Cover	4.3	5.0	5.0	5.0	5.0
Debt Service Cover	5.1	5.5	5.2	5.1	5.0
Debt to Assets	0.2	0.2	0.2	0.2	0.2

Table 1 contains **amber** indicators across the first four 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. The **red** indicator for capital replacement risk in 2027-28 is due to the planned lower capital investment in the final year of the plan.

Financial statements

A. Statement of Financial Performance

Our Statement of Financial Performance for the five-year period to 30 June 2028 is detailed in Table 2 below.

Table 2: Statement of Financial Performance 2023-24 – 2027-28

Statement of Financial Performance					
Nominal \$'s	2023-24	2024-25	2025-26	2026-27	2027-28
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
Revenue					
Bulk Charges	0	0	0	0	0
Service Charges					
- Residential	68,143	72,022	75,367	78,845	82,459
- Non Residential (including Major Customers)	27,825	28,775	29,516	30,280	31,066
Usage Charges (Volumetric)					
- Residential	27,094	28,581	29,869	31,188	32,577
- Non Residential (including Major Customers)	19,855	20,587	21,157	21,745	22,318
Investment Revenue	79	75	73	84	84
Other Revenue	5,953	5,633	5,725	5,504	5,808
Non Regulated Revenue					
- Organics	6,087	7,142	9,576	9,616	9,730
- Agribusiness	2,785	3,480	3,707	3,927	4,117
Total Revenue	157,820	166,294	174,990	181,189	188,158
Expenses					
Cost of Supply					
- Staff Costs	26,752	28,194	29,904	30,747	31,697
- Maintenance Costs	16,647	17,333	17,907	18,347	18,864
- Other Operating Costs	20,390	22,372	23,746	24,672	25,293
- Overhead Costs	3,215	2,828	2,809	2,623	2,462
- Fleet Costs	1,142	1,151	1,244	1,148	1,269
Total Cost of Supply	68,147	71,878	75,609	77,537	79,584
Administrative Expenses					
- Staff Costs	15,563	16,275	16,860	17,419	17,918
- Maintenance Costs	2,158	1,967	2,093	2,098	2,142
- Other Operating Costs	2,980	3,921	3,178	3,197	3,336
- Overhead Costs	8,250	8,095	8,195	8,934	8,502
- Fleet Costs	180	192	192	181	227
Total Administrative Expenses	29,131	30,450	30,517	31,829	32,125
Environmental Contribution	5,952	6,500	6,500	6,500	6,500
Total Cost of Supply & Admin	103,229	108,828	112,626	115,866	118,208
Operating Result before Depn & Borrowings	54,591	57,467	62,364	65,323	69,950
Depreciation & Amortisation	54,077	55,371	56,211	54,185	53,892
Borrowing Costs Expense	13,387	14,308	15,534	16,601	16,914
Other Expenses	0	0	0	0	0
Total Depn & Borrowings	67,464	69,679	71,744	70,787	70,806
Business Operating Result	(12,873)	(12,212)	(9,380)	(5,463)	(856)
Income for Capital Purposes					
Government Contributions	1,952	6,072	413	0	0
Non-Govt Contributions (Assets)	11,247	11,697	8,433	8,686	8,947
Non-Govt Contributions (Cash)	348	7,798	14,258	16,712	12,584
Total Income for Capital Purposes	13,548	25,567	23,105	25,398	21,531
Net Profit/(Loss) Before Income Tax	675	13,354	13,725	19,935	20,674
Income Tax Expense (Revenue)	205	4,009	4,120	5,983	6,205
Net Profit/(Loss)	470	9,345	9,604	13,951	14,469

B. Statement of Financial Position

Our Statement of Financial Position for the five-year period to 30 June 2028 is detailed in Table 3 below. The Statement of Financial Position includes the recognition of tax-effect accounting.

Table 3: Statement of Financial Position 2023-24 – 2027-28

Statement of Financial Position Nominal \$'s	2023-24 (\$'000's)	2024-25 (\$'000's)	2025-26 (\$'000's)	2026-27 (\$'000's)	2027-28 (\$'000's)
Current Assets					
Cash	4,506	4,899	4,289	4,179	4,525
Short Term Investments	0	0	0	0	0
Interest Receivable	0	0	0	0	0
Debtors (Receivables)	15,435	16,512	17,587	18,533	19,413
Other current assets	17,766	17,622	17,414	17,220	16,971
Tax Assets	0	0	0	0	0
Total Current Assets	37,706	39,032	39,291	39,932	40,908
Non Current Assets					
Long Term Investments	1,000	1,000	1,000	1,000	1,000
Infrastructure	1,356,993	1,339,857	1,334,441	1,336,089	1,366,608
Land, Buildings, Structures & Facilities	79,496	92,788	92,527	95,679	95,203
Plant, Equipment & Vehicles	23,955	25,101	26,217	24,442	24,371
Capital Works in Progress	75,616	103,294	140,068	162,487	133,197
Intangible Assets	4,094	6,509	5,639	4,694	8,116
Other non-current assets	6,640	6,718	6,802	6,893	6,992
Deferred Tax Assets	19,675	8,378	0	0	0
Total Non Current Assets	1,567,469	1,583,646	1,606,693	1,631,285	1,635,485
Total Assets	1,605,175	1,622,679	1,645,984	1,671,217	1,676,394
Current Liabilities					
Trade Creditors (incl. Purchase Accruals)	1,272	1,333	1,360	1,403	1,416
Accruals	5,742	5,775	5,811	5,834	5,859
Provisions	8,585	8,542	8,543	8,570	8,621
Retentions	3,769	3,664	4,066	3,591	2,550
Short Term Borrowings	9,500	9,500	9,500	9,500	6,500
Other current liabilities	7,904	7,904	7,904	7,904	7,904
Total Current Liabilities	36,772	36,717	37,185	36,803	32,849
Non Current Liabilities					
Borrowings	346,000	362,000	380,000	386,000	374,000
Provisions	6,105	5,605	5,096	4,777	5,233
Deferred Tax Liabilities - Booked (Asset Reval)	176,286	176,286	176,286	176,286	176,286
Deferred Tax Liabilities	40,253	32,965	28,708	34,691	40,897
Total Non Current Liabilities	568,644	576,857	590,090	601,754	596,415
Total Liabilities	605,416	613,574	627,275	638,557	629,265
Net Assets	999,759	1,009,104	1,018,709	1,032,660	1,047,129
Equity					
Contributed Capital	255,970	255,970	255,970	255,970	255,970
Fixed Assets Revaluation Reserve	410,592	410,592	410,592	410,592	410,592
Retained Earnings - Opening Balance	332,727	333,197	342,542	352,146	366,098
Retained Earnings - Current Year	470	9,345	9,604	13,951	14,469
Total Equity	999,759	1,009,104	1,018,709	1,032,660	1,047,129

C. Statement of Cash Flows

Our Statement of Cash Flows for the five-year period to 30 June 2028 is detailed in Table 4 below.

Table 4: Statement of Cash Flows 2023-24 – 2027-28

Statement of Cash Flows Nominal \$'s	2023-24 (\$000's)	2024-25 (\$000's)	2025-26 (\$000's)	2026-27 (\$000's)	2027-28 (\$000's)
Operating Cash Flow					
Cash Inflows					
Cash Receipts from Debtors	160,247	168,835	177,704	184,538	191,490
Investment Income (Interest)	79	75	73	84	84
Developer Income	2,391	13,960	14,761	16,802	12,674
Other Receipts	0	0	0	0	0
Cash Outflows					
Cash Payments to Creditors (-ve)	(56,692)	(60,070)	(61,658)	(64,005)	(64,808)
Cash Payments Wages & Salaries (-ve)	(41,621)	(43,808)	(46,064)	(47,481)	(48,925)
Interest and other finance costs (-ve)	(13,387)	(14,308)	(15,534)	(16,601)	(16,914)
Environmental Contribution (-ve)	(5,952)	(6,500)	(6,500)	(6,500)	(6,500)
Bioremediation Pond Rehab (-ve)	(500)	(1,171)	(1,171)	(955)	(159)
Net Cash from Operating Activities	44,565	57,013	61,612	65,882	66,943
Investing Cash Flow					
Movement in Investments	0	0	0	0	0
Payment for Non Current Assets (-ve)	(74,129)	(73,378)	(80,911)	(72,298)	(52,038)
Proceeds: Disposal of Assets	937	757	690	306	440
Net Cash from Investing Activities	(73,192)	(72,621)	(80,221)	(71,992)	(51,598)
Financing Cashflow					
Proceeds: Borrowings	26,000	16,000	18,000	6,000	0
Proceeds: Govt Equity Contributions	0	0	0	0	0
Repayment Borrowings & Overdraft (-ve)	0	0	0	0	(15,000)
Payment Govt Dividend (-ve)	0	0	0	0	0
Net Cash from Financing Activities	26,000	16,000	18,000	6,000	(15,000)
Net Increase/(Decrease) in Cash	(2,627)	393	(609)	(110)	346
Cash held at the beginning of the year	7,133	4,506	4,899	4,289	4,179
Cash held at the end of the year	4,506	4,899	4,289	4,179	4,525
Cash per Balance Sheet	4,506	4,899	4,289	4,179	4,525
Difference	0	0	0	0	0



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