



Gippsland
Water

Corporate Plan

2024 - 29



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Aboriginal acknowledgement

We acknowledge the Traditional Owners of the land we work on, the Gunaikurnai people and the Bunurong people, and recognise their strong cultural connection to the land and waterways. We pay our respect to their Elders, past and present.

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 our entire organisation, we're pleased to present our 2024-29 Corporate Plan.

This year's plan has been developed following the approval of our 2023-28 Price Submission. As such, our continued focus is on things our customers told us were most important to them during the engagement process.

They include strengthening our infrastructure, supporting regional development, and bolstering the overall resilience of our systems.

Projects like stage one of the Warragul Wastewater Treatment Plant upgrade and Drouin West water main extension respond directly to the major population growth occurring in the western part of our region.

A new water basin adjoining our existing Clarkes Storage, as well as the Traralgon-Tyers interconnect and connecting Traralgon and Morwell water networks will assist with resilience and future reliability in the Latrobe Valley.

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 waste to energy generation capabilities.

Climate resilience is an increasingly important area of focus for our customers and us, with the impacts of extreme weather events already being felt. Our 2024 Climate Change Strategy will assist in addressing the climate resilience of our infrastructure, reducing our emissions and exploring additional renewable energy production across our sites.

We're on track to become 100% renewable energy powered by 2025 and to reach net zero emissions by 2030. This year, we've switched on floating solar array at Drouin Wastewater Treatment Plant and will be switching on the hydro turbine at Traralgon Water Treatment Plant.

The implementation of our Climate Change Strategy will also include the delivery of a program to reduce water losses across our network using enhanced detection processes and implementing strategies to protect water quality for future generations, including revegetation works.

We've worked hard to become a more customer-centric organisation and this work will continue with the delivery of a customer app. Key features will include flexible payment options, the ability to monitor household water use and outage notifications.

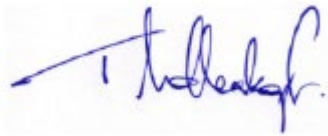
Our work on Country is critically important to us, as are our relationships with Traditional Owners and our First Nations community.

We will continue to work closely on partnership initiatives including seeking opportunities to use local Aboriginal artwork on our major infrastructure and developing long-term employment pathways and development opportunities for local First Nations people.

We will also work with Traditional Owners to enrich the visitor experience at the Moondarra picnic area at Moondarra Reservoir including additional Aboriginal art, a First Peoples acknowledgement and celebrating the history of the area and work collaboratively with

GLaWAC to increase access to water through participation in reviewing the Merriman's Creek bulk water entitlement.

At the centre of all these initiatives are our customers and community. With this mind, we'll continue to involve them in the things that impact them through our industry-leading Customer Sounding Board and Customer Reference Group, to ensure a healthy and sustainable Gippsland for generations to come.



Tom Mollenkopf AO
Board Chair



Sarah Cumming
Managing Director

Our vision

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

Our values



SAFETY AND WELLBEING

'Go home safe'

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



CUSTOMER FOCUSED

'Customer first'

Customers are at the heart of everything we do.



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.

What we do

Core business

We supply water and wastewater services to residential, commercial, and industrial customers across central Gippsland.

Our operational area spans from Drouin in the west to Loch Sport in the east, and from Briagolong in the north to Mirboo North in the south. This covers approximately 5,000 square kilometres in the municipalities of Latrobe City, Baw Baw, South Gippsland and Wellington shires.

With 359 employees, we are a major local employer, serving a population of over 164,000 people.

We supply clean drinking water to over 76,100 households and businesses, and wastewater services to more than 68,000 households and businesses, across 43 towns. Our customers include major industries, some of state and national significance.

We maintain a \$1.7B infrastructure network which includes more than 2,200 kilometres of water mains, 15 water treatment plants, two ocean outfalls, over 1,800 kilometres of sewer mains and 14 wastewater treatment plants.

Commercial businesses

We also operate two commercial businesses that are an integral part of what we do.

Our Gippsland Regional Organics and Gippsland Regional Agribusiness are important contributors to the state's agricultural industry and organic recycling capacity and place us as a leader in the circular economy.

They support our core business and provide benefit for us, our customers, and the state.

Our commercial business profits help to reduce our borrowings and ultimately contribute positively to our long-term financial sustainability.

You can read more about our commercial businesses on pages 26-27.

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 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 applicable State and Commonwealth law.

Strategic context

This plan outlines our business direction for the next five years, with a particular focus on the 2024-25 financial year. It aims to ensure we deliver on our vision, community expectations and statutory obligations. This plan aligns with and references the customer promises and commitments outlined in our 2023-28 Price Submission.

Our priorities are informed by a range of factors including feedback and engagement with our customers, and consultation with and direction from our stakeholders.

Our priorities are informed by legislative obligations and the direction provided in the Letters of Expectation (LOE) for the priority areas outlined by the Minister for Water. We also regularly assess emerging risks and opportunities, including through an annual environmental and industry scan, to ensure we respond to a constantly changing environment.

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, in areas like health, recreation, liveability, traditional ownership, and economic development.

We're committed to supporting the government on this journey and this plan outlines the actions we will take to do so, alongside our obligations, as outlined in our Ministerial Letter of Expectations.

Climate change and energy

Preparing for, mitigating, and adapting to climate change has been a big strategic focus for us and will continue to be this year and moving forward. This year we will progress actions described in our Climate Change Strategy, which outlines how we will minimise our emissions and offset residual Scope 1 emissions¹ to achieve net-zero by 2030. We will also deliver actions in our Energy Management Strategy, which outlines how we will reduce our carbon footprint with alternative energy sources.

We are seeing significant impacts on our operations and infrastructure from climate related events, including an increase in the prevalence and severity of weather-related incidents requiring a coordinated response. Our actions through the Sustainable Water Strategy and our Urban Water Strategy (pages 14-15) are helping us prepare for and respond to such incidents.

For financial year 2024-25, we expect our greenhouse gas emissions (total scope 1 and scope 2²) to be less than 32,080 tCO₂-e. Over the remainder of the corporate planning period (2023-28) we expect to have reduced our emissions to approximately 13,000 tCO₂-e.

¹ Scope 1: Defined as per the Victorian Financial Reporting Directions 24 as direct emissions from owned or controlled sources (such as combustion of fuels in vehicles and back-up generators, medical gases, and wastewater treatment).

² Scope 2: Defined as per the Victorian Financial Reporting Directions 24 as indirect emissions from the generation of electricity, steam, heating, and cooling purchased by the entity.

Projected Total Net Emissions – Scope 1 and 2.

Reporting Year	Emissions in tonnes CO ₂ -e Total scope 1 and 2
2023-24	41,332
2024-25	32,080
2025-26	12,669
2026-27	12,533
2027-28	12,784
2028-29	13,000

Implementation of our Energy Management Strategy is progressing through ongoing investment in renewables, increased awareness of energy consuming equipment, and incentives for procurement of more efficient equipment options to reduce energy use, lower operating costs, and reduce emissions.

We've recently revised our Climate Change Strategy, outlining a suite of actions that will allow us to meet and sustain net zero emissions into the future. In the year ahead, we will work with industry partners to continue to reduce emissions by strengthening accounting and reporting methods for greenhouse gas emissions. This will further increase the accuracy of our forecasts and improve decision making.

In alignment with our climate preparedness strategic driver, we will be taking important steps to further enhance the resilience of our business and services to the effects of a changing climate by continuing to assess the risk of impacts to inland assets from wet and dry climate events. We will commence development of a wildfire threat assessment tool that can be used for all current and future assets within designated bushfire prone areas (BPA) of our region. As part of this we will continue to integrate the assessment of risks and requirements to upgrade water infrastructure to manage increased demand due to climate change.

We will continue to investigate additional renewable energy generation opportunities, including at our Dutson Downs property, with a view to further reducing emissions and putting downward pressure on customer bills.

Customer, community, and engagement

Customer insights are at the heart of our planning and decision-making. Our best practice engagement framework provides a blueprint for involving customers in decisions ranging from strategic deliberations to major projects and service improvements.

We have developed our new Customer Experience Strategy and Roadmap 2024-27. The strategy focuses on enhancing customer-centricity and delivering exceptional customer experience. This year we will build on the existing foundation, establish improved processes and align the organisation and our people to be customer centric. The actions identified as part of this roadmap will be incorporated into workgroup plans as well as the annual Customer Insight Report which is reviewed before corporate planning commences.

Now in its second three-year term, our Customer Reference Group will continue to play a key role in overseeing our approach to community engagement. They'll provide critical

insights to ensure customer priorities and expectations are understood and reflected in the decisions we make. Our customers have and will continue to influence our engagement approach for key 2023-28 Price Submission initiatives, and we'll ask them to help us assess our performance.

Our Customer Sounding Board will continue to play a broad role in keeping us informed of evolving community views and sentiment. With 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.

This year we'll engage with our customers on the design of our customer app. This will inform the design to ensure its accessible and easy for customers to use.

We'll measure customers' perception of our performance through three key research activities: annual Customer Satisfaction Survey, the Essential Services Commission (ESC)'s Customer Perceptions Surveys (quarterly robocalls) and a biennial Customer Perceptions Study conducted by the Water Services Association Australia (WSAA). All three studies track our customers' perceptions of us with focus on four key areas - trust, reputation, value for money and overall satisfaction.

We'll carry out a pulse survey twice per year, which invites our community to reflect on the six customer outcomes that underpin our Price Submission and share their ideas and feedback with us. This will allow us to respond to emerging issues or changes in our community's priorities. We'll gain further insights from other industry research commissioned by the WSAA and the Department of Energy, Environment and Climate Action (DEECA) on behalf of the sector.

Insights from this research will help us develop performance goals and community education and engagement programs. We'll share customer insights across the organisation to keep the customer focus central to all aspects of business planning and service delivery.

We'll maintain our focus on community education and continue to deliver engaging annual campaigns on the topics our customers told us they value most. These include environmental sustainability, water efficiency, the benefits of tap water, and encouraging customers to reach out if they're having difficulty keeping up with their bills. We'll use the findings from our evaluation of the first year to enhance our campaign delivery to have an even greater impact in our community.

Our customers have told us that they expect to be able to transact with us and access information about our services and activities when it suits them, online. We'll continue to refine our new website based on real customer data so it meets their needs, and they can find what they need easily. We'll expand our online services including online accessible forms for customers and for 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. This includes providing flexible payment options, referrals to no-cost independent financial counsellors and government assistance programs.

Our sponsorship program will be enhanced so that we can focus on supporting local initiatives and causes that build trust and demonstrate our commitment to being an active, engaged valued member of the communities we serve. We'll also continue to support events in the region through supplying drinking fountains and our water trailer to keep people hydrated.

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

Our Communications and Engagement Framework is published on our website.

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 maintain and improve service offerings to support these businesses, which are of vital importance to our region.

Our long-term planning is informed by known and anticipated changes to industry across our service area. We are entering a period of transition and over the coming years it is anticipated several of our major customers may close or reduce their level of activity.

We'll engage closely with these businesses and local and State Government stakeholders to manage the impacts of traditional natural resource-based sectors transitioning or reducing services.

We've already invested in additional resourcing to help plan for and offset forecast revenue fluctuation by proactively attracting new customers and investment to the region.

Managing infrastructure that is specific to major customers whilst they are undergoing transition has been a challenge this year and will continue. The recent reconfiguration of Opal Australian Paper's Maryvale mill is an example of this.

The anticipated decommissioning of Esso Longford's oil producing assets as well as the announced closure dates for the coal fired power stations in the Latrobe Valley have the capacity to significantly impact us.

The change to service demands from some of our major customers will also allow for new investment in our region for water-intensive industries and the capacity of our organisation to provide water and wastewater services for them.

While major customers are critically important to our region and our business, it's important that fees and charges are fairly attributed across our entire customer population. With this in mind, we will look to renegotiate any expiring contracts so that they can better reflect the cost of the service we deliver them.

We will continue to explore new industries and businesses looking to establish themselves in the region.

We are investing in business development resources to support the transition of the wider Gippsland region away from industries that have historically supported the local community and economy and towards industries of the future.

Recognising Aboriginal values

We continue to walk with First Peoples towards self-determination by supporting the implementation of Traditional Owner priorities identified in the *Water is Life: Traditional*

Owner Access to Water Roadmap.

We remain committed to the Gippsland Environmental Agencies (GEA) partnership agreement with the Gunaikurnai Land and Water Aboriginal Corporation (GLaWAC).

In partnership with GLaWAC and the State Government's Integrated Water Management Program we've delivered on our commitment for the provision of reticulated water and drinking fountains to the culturally significant Knob Reserve. We have also progressed priority areas identified by GLaWAC in the *Water is Life Part B Nation Statement* to increase access to water through participation in reviewing the Merriman's Creek bulk water entitlement.

We are working to remove barriers to water ownership and access for Traditional Owners as well as strengthening the role of Traditional Owners in water resource planning and management.

We have progressed implementation of our Inclusion Plan which has supported us to further collaborate with Traditional Owners in rolling out cultural awareness training to improve understanding and promote a sense of pride in local Aboriginal culture.

Initiatives planned for the year ahead include applying Aboriginal art to prominent infrastructure we manage and enriching the visitor experience at the Moondarra picnic area by celebrating the history of the area and featuring a First Peoples acknowledgment.

We have created more opportunities for Aboriginal employment within our organisation including through the appointment of a new position (Healthy Country Lead), and the awarding of an Indigenous Scholarship to our inaugural recipient.

Recognising recreational values

We are supporting the wellbeing of communities by considering recreational values in our business operations and delivery of our services.

We have completed construction and opened a publicly accessible bird hide adjacent to the Drouin wastewater treatment plant. The hide overlooks the treatment lagoons that not only provide an essential community service but are also home to abundant and rare birdlife.

We will continue to provide access to parts of land we manage for activities like hiking, walking, jogging and picnics. We will offer educational tours through our treatment plants and continue to financially contribute to Southern Rural Water for the provision of recreational facilities in Gippsland, namely Blue Rock Reservoir, Cowwarr Weir and Lake Glenmaggie.

We have also invested in resources to assess land and infrastructure we manage to identify and realise further recreational opportunities for our community to enjoy.

Resilient and liveable cities and towns

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

Metropolitan and regional urban water corporations also published Urban Water Strategies (UWS) in 2022. UWS are prepared every five years but also take a 50-year outlook and set actions to ensure the provision of reliable water supplies and wastewater treatment in the future.

We will be working closely with government, regional and water sector stakeholders and our customers and community to implement initiatives outlined in the SWS and our 2022 Urban Water Strategy.

The SWS places a significant focus on using water more efficiently and 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 (IWM), seeks to deliver improved community and environmental outcomes across a range of objectives, enhancing the resilience and livability of our towns and region.

We contribute to this approach through our active participation and ongoing commitment to the Gippsland Integrated Water Management Forum.

Through a joint funding initiative by partner organisations and the Victorian Government, an Integrated Water Management Coordinator has been appointed and is working out of our Traralgon office. The coordinator has a primary focus on working with all participating agencies to identify and deliver collaborative whole-of-water-cycle initiatives that benefit our community and environment.

One of the specific IWM initiatives we will move forward in 2024-25 is our ongoing work with the Baw Baw Shire Council and Southern Rural Water to progress land revegetation works at Willow Grove that better manage stormwater and protect water quality in Blue Rock Reservoir.

To improve water efficiency across our supply system, we're progressing with a multifaceted program of reducing water losses across our networks. This program directly delivers on an UWS action and supports government policy set out in the SWS. Our business wide approach to reducing losses includes using best practice technologies to locate leaks, automation of leak detection, and improved life cycle management of water meters.

We're also continually working to help our customers to improve their water efficiency, with our face-to-face education sessions on water efficiency reaching 536 students from 12 schools and kindergartens in the region last year. Twenty-eight schools from our region are 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 extended the water efficiency focus to non-residential users. The Department of Energy, Environment and Climate Action (DEECA) has created and funded the WaterSmart program which helps commercial customers to better understand and improve their water efficiency. Since the program's inception last year, we've assisted several of our customers to join this program and access funding.

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 ongoing, with a focus on continually evolving our employee experience for positive culture and engagement outcomes. These outcomes ultimately impact our delivery, customer interactions and staff satisfaction.

Commencing in 2024, we will be centralising our learning and development function with a focus on scalable and targeted learning outcomes for our people. We will also be focusing on the development of internal leadership skills, and in harnessing the capabilities for a culture of inclusivity and connection.

The delivery of our Belonging Plan 2024-26, which focuses on continuing to shift the diversity and inclusion needle will be front of the agenda. It also complements other organisation wide initiatives, including our health and wellbeing programs, Gender Equality Action Plan 2022-25, flexible work options, and our Aboriginal Inclusion Plan – Managing Country Together.

The Belonging Plan outlines our commitment to continuing to create systemic change and has dedicated actions aimed at fostering an inclusive work culture for the benefit of everyone.

All our staff will participate in our Tier 1 cultural awareness training in 2024-25. Our senior leaders and people in roles with connection to country, will also participate in Tier 2 and 3 cultural awareness training, which is facilitated in-person through a partnership with the Gunaikurnai Land and Water Aboriginal Corporation (GLaWAC).

Gender equity outcomes will be driven through mentoring, targeted leadership development and the active management of internal talent. We'll also be gaining traction on our early careers pathways initiatives and working with our educational connections and industry to generate long term employment outcomes and sustainable change for both us and the young people in our community.

Our Health, Safety and Wellbeing Strategic Roadmap 2022-25 guides our safety initiatives. The roadmap focuses on four key pillars - discipline and alignment of control of our fatal risk, lead for safety and wellbeing, improve our systems and governance and embed the health, safety, and wellbeing culture. Across each of these pillars there's a strong emphasis on our employee mental health and wellbeing and how we manage the changing landscape around psychosocial risk.

We will continue our efforts to improve and build upon our strong safety culture through recognising our peoples' contributions and our 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 management

We will continue to focus on realising operating efficiencies and ensuring we are only spending money where it is needed most. We have committed to continue to reduce cost to serve for the five years spanning the 2023-28 Price Submission. We have an ongoing commitment to ensure that all potential operating efficiency and revenue opportunities are identified and monitored throughout the regulatory period.

This includes renegotiating any expiring major customer contracts so that they better reflect the cost of the service we deliver them.

Each of these approaches contributes to our ability to deliver stable and falling customer tariffs^[1] into the future and ensure our long-term financial sustainability.

^[1] Before inflation

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
- Inclusion of capital repatriations to the Department of Treasury and Finance (DTF), to support the sustainability of State Government debt levels.
- A consistent delivery of services; and that,
- Current and future customer charges have a fair degree of stability and predictability.

Customer protection, including the protection from harm of family violence.

Our Cyber Security Framework defines the best practices, guidelines and controls required to help us proactively reduce the risk of a data breach, safeguard against the threat of data loss, and protect our staff and information from cyber security threats.

Protection of customer information is a key foundation of our Cyber Security Framework. The framework places priority on controls that prevent customer data loss and unauthorised access within our systems, as well as enhancements to our incident response procedures in the unlikely event of a data breach.

Our Cyber Security Strategy spans across the organisation with a wide range of technology, policies and procedures that aim to restrict and protect access to customer data. All while adhering to the principle of minimum access of information required for either an employee or contractor to perform the work. The guiding principle follows “The Five Step Action Plan” recommended under the Victorian Protective Data Security Framework - identify information assets, determine their value, identify any risks to the information, apply security measures to protect the information and manage risks across information cycle.

We adhere to mandatory regular reporting obligations to Office of the Victorian Information Commissioner under part four of Privacy and Data Protection Act (PDP). We also conduct regular audits on how customer data is handled both internally and externally, to verify compliance with the recommended standards and controls. This allows us to identify any improvements to protect our customer data and help us enhance our capability to respond in the event of a breach.

Our Customer Care Team has policies and procedures that ensure the safety of victims of family violence are at the centre of decision making. Our team is specially trained to assist customers who have been affected by family violence, financial difficulties, and vulnerabilities, and have processes in place to protect customer safety, privacy, and confidentiality. Ongoing training and support are a priority for our staff who are supporting customers that are experiencing family violence.

We have updated our Customer Charter, Customer Support Policy, and Family Violence Policy to reflect recent changes made to Water Industry Standards.

Cyber security

The cyber threat landscape is continually evolving and as such our cyber security program is developed through the adoption of a plan, do, check, act methodology. The implementation of controls is a priority to provide the best protection in response to a changing threat landscape.

We have programs planned to proactively assess vulnerability of our infrastructure, improve our ability to withstand attack and prevent compromises affecting the availability, confidentiality, and integrity of our systems.

We meet our obligations under the Cyber Security Framework administered by the National Institute of Standards and Technology. We use a combination of self-assessment, third party vulnerability assessments, and targeted audits to help inform and track progress and shape the programs which are delivered.

Our Cyber Security Programs include:

- Executive programs which improve our ability to monitor and report our cyber security maturity.
- Strategic programs which improve the capability of our systems and people.
- Tactical programs, including scenario testing, which improve our ability to assess and protect against threats to our information systems.

The key planning objectives which support these programs include:

- Standards – continual increasing of our maturity against Victorian Protective Data Security Standards.
- Standards - increasing our maturity rating against the Essential Eight Maturity Model governed by the Australian Cyber Security Centre.
- People – increase the capability of our people to prevent and respond to cyber events.
- Systems – increase the capability of our technology systems to detect, protect, remediate, and respond to cyber events.

Housing

We recognise that we are part of the critical process for the growth of our communities through our various roles in the delivery of new housing. We play an important role in enabling and facilitating guidance for the design and installation of critical infrastructure and the connection of new dwellings and building.

We are involved in processes from responding to planning permit applications, management and engagement in developer works and arranging for connection of water and sewer service for new houses, units, and commercial/industrial developments.

We manage, track, and adhere to statutory timeframes in our statutory planning responses which we always aim to meet or exceed. We work closely with local councils, applicants, and

developers to ensure our planning conditions are practical and well understood. We also meet with local councils on a regular basis to review and ensure our goals and outcomes are aligned which helps to ensure good community outcomes.

Through our developer works team, we engage directly with design consultants and developers to ensure the assets required for new housing are delivered efficiently and in a fair and reasonable manner.

When new housing is ready for connection, we ensure our work to supply water and sewer services is completed in a timely fashion so we can support the new owners. We recognise that new connections are a critical component of our business model and work actively to support connections being tracked and managed.

Risk management

Our risk management framework is a key part of our strategic and corporate planning processes. In simple terms, it empowers our people to identify and control uncertainties that could impact our ability to achieve our vision and strategic priorities.

Our approach is consistent with the Australian/New Zealand Risk Management Standard (AS/NZS 31000) and the requirements of the Victorian Government Risk Management Framework.

Our risk profile is reviewed annually by our Board and Executive, and our Audit and Risk Committee provides oversight to ensure we're complying with our legislative and regulatory obligations.

We are reviewing and reframing our Strategic Risk profile, building on the work undertaken in developing our 2023-28 Price Submission, and incorporating macro and local environmental scanning. We're also implementing the Bow Tie Risk Management methodology to provide a visual representation of the linkages between risk factors, consequences, and controls.

Asset management

Our water and wastewater infrastructure requires consistent maintenance, renewal, and replacement to ensure we can meet customer service expectations.

Our capital renewal program emphasises the efficient management of service-delivery risks to protect our customers from loss of service due to asset failure or deterioration in performance, as well as preventing funding shocks associated with managing aging assets.

We will continue to hold ourselves to account on customer outcomes, including 'planning for the future' and 'doing our job well' through the management of these programs and continued monitoring of the level of risk we carry across our network.

Our Asset Management Strategy supports business sustainability with a business wide focus on strategic investing and making evidence-based decisions that secure our future and deliver value for money.

Over the next two years we will continue to invest significantly to improve our operational intelligence. By providing better visibility of asset data and works history we will deliver efficiency benefits to customers through improved planning outcomes.

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

Significant projects

As our customer base grows, one of our highest priorities is renewing ageing assets and creating 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 for our service region.

In developing our 2023-28 Price Submission, we focused on identifying projects early to allow for stakeholder and customer input to enable 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.

Top 10 projects outlined in our Price Submission include:

- The Warragul Sewer North-East Branch Augmentation, which will meet the needs of the rapidly growing north-east area of Warragul and reduce the risk of potential spills, and
- The Drouin West Water Main Extension, which will increase the capacity and reliability of water in the Drouin region.

This year we will commence a portfolio of technology related projects to replace or upgrade our core technology solutions to deliver a material uplift in our operational capability. This includes the delivery of new and enhanced systems to support our delivery of services, including our SCADA³, human resources, finance, occupational health and safety, and project management systems. Which are underpinned by our 2023-28 Price Submission commitment to deliver lower bills and mature as a digital utility to ensure business sustainability, enable our people, support clever thinking, and deliver efficiencies.

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) Commencing 2025	Staged construction of 18km 600mm pipe to replace high risk sections by 2028 to continue to service major industry.	Plan for the future	Asset Renewals

³ Supervisory control and data acquisition

Proposed major capital projects	Description	Customer outcome	Regulatory cost driver
<p>Factory Road, Yarragon sewer pump station and rising main upgrade</p> <p>Commencing 2025-26</p>	<p>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.</p>	Plan for the future	Growth
<p>Connect Traralgon and Morwell Water Networks</p> <p>Commencing 2025-26</p>	<p>Duplication of 4.9km of major water main in Traralgon by 2028 to protect 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.</p>	Plan for the future	Improvements / compliance
<p>Warragul Wastewater Treatment Plant upgrade (Stage 1)</p> <p>Commencing 2023-24</p>	<p>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.</p>	Plan for the future	Growth
<p>Greater Yarra System – Thomson River Pool Bulk Water Entitlement</p> <p>Completed 2023-24</p>	<p>Purchase of 3.33GL per annum in the Greater Yarra System – Thomson River Pool to secure water suppliers for Warragul and Drouin.</p>	Plan for the future	Growth
<p>New Treated Water Basin at Clarkes Rd Storage, Traralgon</p> <p>Commencing 2024-25</p>	<p>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.</p>	Plan for the future	Growth
<p>Traralgon – Tyers Interconnect</p> <p>Commencing 2024-25</p>	<p>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.</p>	Plan for the future	Improvements / compliance
<p>Warragul Sewer North-East branch Augmentation</p> <p>Commencing 2023-24</p>	<p>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.</p>	Plan for the future	Growth

Proposed major capital projects	Description	Customer outcome	Regulatory cost driver
Drouin West Water Main Extension Commencing 2025-26	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
SCADA replacement Commencing 2023-24	Replacement of our SCADA ⁴ system (front-end software) to future proof our operations by 2026.	Do your job well	Asset Renewals
Tyers Water Treatment Plant Treated Water Basin cover and liner replacement Commencing 2026	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	Asset Renewals
Regional Outfall System replacement at Tyers and Crosses Roads, Traralgon Commencing 2024	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	Asset Renewals

Price Submission 2028-29 – 2032-33

We are looking beyond the current pricing period in preparing for the future, including consideration of predicted growth in demand for water and wastewater services in our region. Projects under consideration for Price Submission 2028-29 – 2032-33 period, and for consultation with our customers and the community, include:

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

⁴ Supervisory control and data acquisition

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	Asset Renewals

Our current challenges

Climate change is impacting our environment

The frequency and severity of weather events has increased considerably in the last few years.

These events are dynamic and challenging in ways we haven't seen before with the impacts already being felt through our infrastructure and resources.

While we have already undertaken significant planning and invested in preparing for these increased severe weather events, further work will be needed to ensure our infrastructure, systems and resourcing arrangements remain resilient to these events. Our normal business services must be maintained while we are responding to severe weather events.

We're investing in further developing our emergency management capabilities including reviewing and updating our emergency management framework to reflect contemporary weather events. We will create and implement the Community Emergency Support Fund to support the community in times of emergency, and we have increased our emergency management resourcing with funding through our Price Submission.

Attracting and retaining skilled and qualified people in a competitive labour market

The current labour market is very competitive and attracting skilled people is a challenge we're actively managing. We're thinking differently about talent attraction and engagement, using social media creatively and employing active participation in regional opportunities to connect with our community and future workers.

We'll continue to proactively assess our future needs and resources through regular intakes in our graduate and traineeship programs, allowing us to bolster our future business resilience.

Jobseekers' priorities have shifted since the pandemic, making employee value proposition more important than ever. According to the Australian Bureau of Statistics, flexibility is a leading incentive for those looking for work. So, we'll continue to harness flexible work models, which contribute to our position as a great place to work. Through highlighting this flexibility in our talent attraction campaigns, we will continue to attract new talent.

We've recently acquired a LinkedIn Life Page, which provides a platform to showcase our brand and position us as an employer of choice. We'll continue to harness this page moving forward, and are already seeing results, with the traffic to our LinkedIn page having doubled since our Life Page was activated.

Economic and social transition

Our community is adjusting to a transitioning economy.

Our traditional industries, including coal, oil and gas, and timber, represent some of the largest employers in the region and some of our major customers. As these industries change and in some cases are phased out, we will potentially need to replace lost revenue.

For this reason and others, we must take advantage of the renewable energy potential in Gippsland and our role within it.

We will also need to continue to work collaboratively with industry and our state and local government partners to ensure our actions are aligned with initiatives such as the Latrobe Valley and Gippsland and Latrobe Valley Transition Plan and the Latrobe Valley Regional Rehabilitation Strategy.

Keeping bills affordable

We have an ongoing focus and challenge to ensure our customers pay a fair price for water and waste-water services, which reflects the cost to efficiently provide services to the standards our customers expect. This includes the pursuit of opportunities to help customers manage and reduce their water bills, and to deliver efficiencies that help put downward pressure on customer bills. We are investing in technology and intelligent network solutions to enable us to deliver cost-efficient water to our customers.

Our Strategic Priorities Framework

Our Strategic Priorities Framework (see diagram 1) outlines the strategic drivers and organisational values that inform the strategic priorities for our business.

Diagram 1

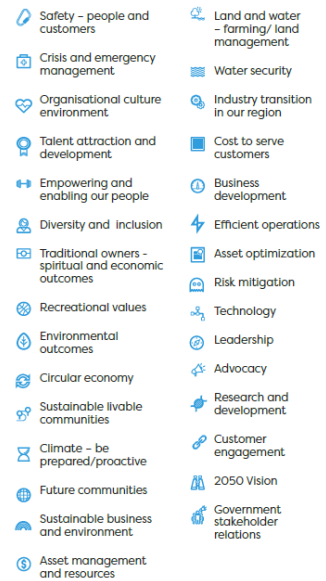
Strategic Priorities Framework.



Our values



Our focus areas



Our strategic priorities

Our strategic priorities represent the highest order initiatives we will focus on in the coming five-year period. Our priorities are informed by customer expectations and align with our obligations as set out by the Victorian Government.

We review our strategic priorities annually to ensure we are responding to a constantly changing environment. Our review includes an environmental and industry scan to assess emerging risks and opportunities.

Our 2024-29 Strategic Priorities Plan outlines priorities including:

Healthy country

- Embedding of the requirements of the new EPA General Environmental Duty and subordinate legislation throughout our business.
- Delivery of education and awareness campaigns that focus on water conservation and sustainability.

Climate preparedness

- Delivery of our Energy Management Strategy which will outline how we reduce our carbon footprint with alternative energy sources and achieve 100% renewable energy by 2025.
- Delivery of our Climate Change Strategy which outlines how we will minimise our emissions and offset our residual Scope 1 to achieve net-zero emissions by 2030.

Affordable bills

- Engagement with customers to shape our Urban Water Strategy for the delivery of sustainable and affordable water supplies to meet current and future demand.
- Refreshing of our long-term predictions in our Asset Strategy to inform medium/long term asset decisions, including the impacts on business sustainability and customer affordability.
- Delivery of an App for Gippsland Water customers to have greater control over their bill and water usage.
- Replacement of 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

- Undertaking 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.

Safety and wellbeing

- Delivery of an enhanced Occupational Health and Safety Management system to enable the right safety systems and behaviours across our business.
- Development of a sustainable accommodation strategy for the Traralgon office for the short, medium, and long term.

Customer focused

- Delivery of a developer portal to improve our customer experience.

Accountability

- Delivery of an Enterprise Project Management tool to support our delivery of major projects.
- Delivery of the Top 10 projects outlined in our 2023-28 Price Submission to schedule and in line with our latest infrastructure plans.
- Establishment and maintenance of a Regulatory Reporting Framework to plan and track the delivery of customer commitments and promises in our 2023-28 Price Submission.

Collaboration

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

Innovation

- Replacement of our end-of-life SCADA⁵ system (Rubicon), which is the technology that facilitates our remote management of operational assets, systems, and processes.

Integrity and respect

- Uplifting and enhancing the human resources system that supports us in growing our people, providing purposeful leadership, and fostering an enabling employee experience.

⁵ Supervisory control and data acquisition

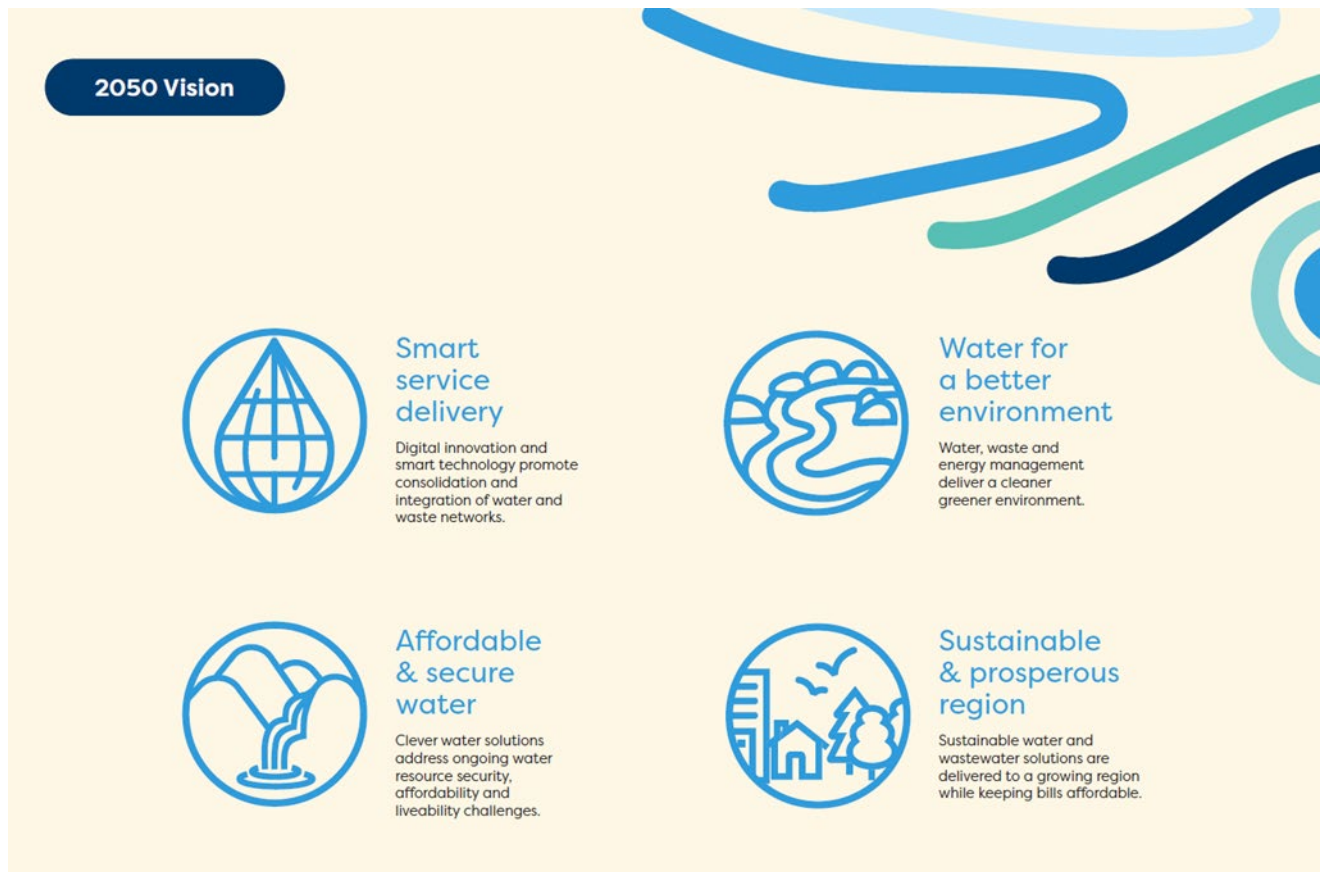
Our 2050 Vision

Our 2050 Vision, released in late 2023, offers a long-term focus looking to 2050. It charts potential pathways towards a future state where responsible water management is integrated to support the wellbeing of our people, Country, and economy.

This long-term exploration and creation of the vision is the first within the Victorian water sector. Our 2050 vision has four 'long views' at its core (see diagram 2). Each of these views are supported by several end states, describing how we see our business interacting with our customers and stakeholders in or before 2050.

Our 2050 Vision will continue to inform our plans as we adapt to a changing world.

Diagram 2



Our commercial businesses

Our Gippsland Regional Organics and Gippsland Regional Agribusiness are important contributors to the state's agricultural industry and organic recycling capacity and place us as a leader in the circular economy.

Gippsland Regional Organics

Gippsland Regional Organics is our organics recycling business. Each year, it transforms approximately 180,000 tonnes of organic waste into valuable, nutrient rich Australian Standard certified compost.

The business saves our customers in the vicinity of \$2.5m 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 22 local people.

Gippsland Regional Organics expansion

Gippsland Regional Organics is undergoing a significant expansion. The project is currently in the planning and design phase, with completion scheduled for late 2024.

As one of the biggest organic waste recycling facilities in the state, this expansion will help to respond to unmet industrial demand for organics disposal. It will reaffirm our position as a state leader in the circular economy by increasing organic processing capacity at the site and introducing the opportunity for waste to energy generation capabilities. It will also help to enable new and expanded revenue streams, which will ultimately benefit our customers.

Phase one of the expansion is expected to inject up to \$9M value into the local economy. It's also expected to 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 as well.

The expansion is jointly funded by our organisation and co-contributions of \$4.8M from the Victorian and Federal governments. The allocation of government funding, under the Victorian 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.

Gippsland Regional Agribusiness

Gippsland Regional Agribusiness manages 12 farming sites across the region and employs seven people. It produces a combination of beef, crops, and plantation timber with our largest farm at Dutson Downs spanning approximately 8,500 hectares.

The business supports our wastewater services by enabling treated wastewater to be responsibly discharged through irrigation of farming crops and pastures and providing nutrient management and removal.

It 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 to help offset the costs of managing the land.

Each year, the business irrigates approximately 1.2 gigalitres of treated wastewater to grow grain and fodder crops. The business saves our customers approximately \$1.5M a year by safely reusing treated wastewater that would otherwise be treated by mechanical facilities and discharged to waterways.

Our agribusiness operations enable valuable resources to be reused, and land to be managed in a cost effective and efficient way, helping to put downward pressure on customer bills.

Financial projections

1. Financial projections overview

The financial projections factored into this plan for 2024-25 to 2028-29 continue to deliver the efficiencies embedded in our 2023-28 Price Submission. There have been several changes in the macroeconomic conditions since our Price Submission and our previous 2023-28 Corporate Plan. While the inflation rate remains largely unchanged, other economic assumptions underpinning our 2024-2029 plan have changed, including residential growth rates in our service area, interest rates payable on our borrowings and assumed Enterprise Agreement (EA) salary increases.

Revenue

Prior to our 2023-28 Price Submission a major review of our tariff structures embedded a user pays principle. New Customer Contributions (NCCs) commenced in 2023-24 and continue in the 2024-25 plan. Growth in our service area has been slightly down overall on our previous assumption, although non-residential connections are above previous plan. This has now been reflected within our main revenue streams of service and usage charges going forward.

Tariffs in the fifth year of this plan are influenced by construction costs escalating faster than inflation thereby increasing our asset base, and a higher cost of debt due to high interest rates. This has led to a forecast real tariff increase in 2028-29 in this plan. Our asset base continues to expand as we invest capital to support growth in our service area and undertake works on our pipelines and treatment plants, this ensures they are fit for purpose and so that the cost does not burden future generations.

Costs

Our approach to cost management remains diligent as we look to spend our money only where it is necessary. We work to identify new or more efficient ways to operate so we can redirect funds to areas of new or increasing costs where needed the most. In this plan we have participated in Water Services Association of Australia benchmarking and begun to leverage measures to identify improvements. We have embedded reductions within this plan to mitigate any cost increases we have experienced.

Costs are being impacted by increases in materials along with escalating maintenance costs on our infrastructure as it ages and experiences changing climatic conditions. While every effort is made to offset these costs, in some cases, small budget increases have occurred so we can ensure we provide reliable services to our customers and so the safety of our community and employees is assured.

This Corporate Plan now reflects our more mature digital transformation program which utilises software as a service, thus reducing our need for large scale capital investment cost and an associated transfer to our operating costs. This new technology enables us to take advantage of the latest automation and artificial intelligence techniques, enabling us to build business resilience and to improve scalability of systems as our organisation changes.

Depreciation has increased significantly since our last five-year plan due to the impact on the plan of a management revaluation of our infrastructure. This was required under government Financial Reporting Directions at the end of 2022-23 and led to a \$196M increase in asset value.

We are supporting the Victorian State Government debt management initiatives which commenced in 2023-24. Both cost reductions and additional revenues have been incorporated into the full five years of this plan as well as the annual capital repatriations we will make to government.

Capital Investment Program

The continued efficient use of our capital across the remaining four years of 2023-28 Price Submission remains front of mind, while in the short term our capital plan continues to be impacted by increasing construction and materials costs. We mitigate this by continuing to develop cost saving strategies, by closely managing project design and scope as well as refining the timing of our overall capital program.

We have worked with government on funding and support for projects including Warragul and Neerim South UV disinfection, our renewable energy development program and the Sustainability Victoria supported GRO expansion project. Over the five-year program we have added some additional capital for mitigation of risks and a reconfiguration of Yallourn North water system due to the energy transition away from coal-fired generation.

Financing

Our borrowings are expected to grow by \$107M over the plan period, growing to \$445.5M by 30 June 2029. The increase in our borrowings is driven by our planned capital expenditure of circa \$383.6M for the same period. Borrowings due to mature within the period will be refinanced as required.

Debtors

Customer bill affordability has remained a focus as we expect inflation and higher interest rates to continue to increase cost of living pressures throughout 2024-25. This will further impact our customers and may lead to an increase in overdue customer receivables. We are working with customers experiencing difficulties to reach out early and provide tailored support such as assisting with access to government utilities support payments. This empathetic and supportive approach for those doing it tough, helps our more vulnerable Gippsland Water community members to manage their essential day to day living costs.

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

Chart 1. Net profit/(loss) before tax

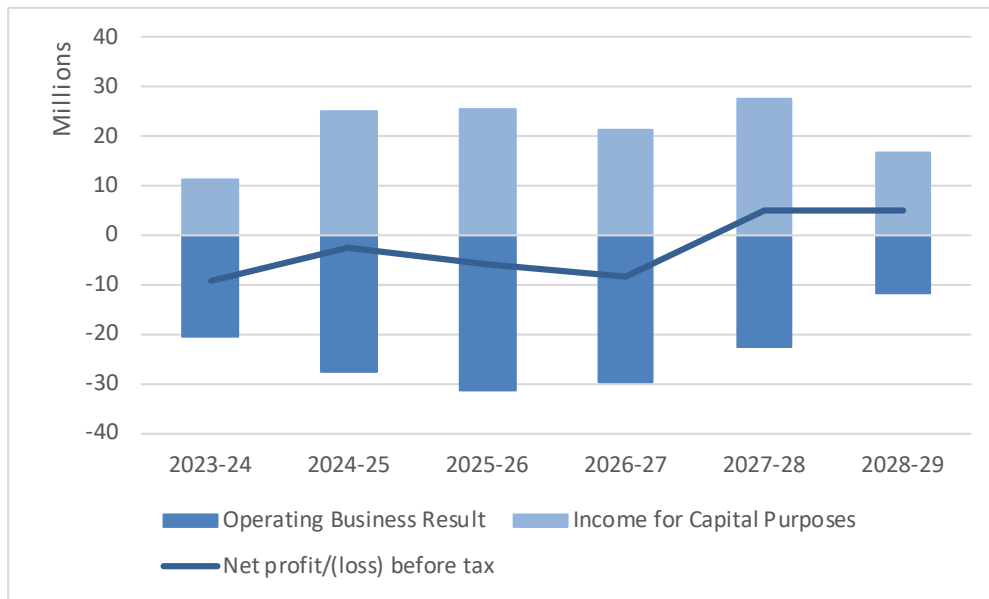


Table 1: Financial sustainability results using Victorian Auditor-General's Office indicators

Risk	2024-25	2025-26	2026-27	2027-28	2028-29
Net Result	-1.1%	-2.3%	-3.3%	1.8%	1.7%
Liquidity	1.18	1.15	1.19	1.23	1.22
Internal Financing	71.8%	56.7%	67.6%	109.7%	84.8%
Capital Replacement	1.12	1.40	1.12	0.88	1.13
Interest Cover	4.4	3.9	3.3	3.7	3.5
Debt Service Cover	5.1	4.5	3.8	3.9	3.8
Debt to Assets	0.2	0.2	0.2	0.2	0.2

Table 1 contains **amber** indicators across four of the five 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 2022-23 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 current regulatory period. **Amber** indicators across the first three years for net result are also impacted by the increased depreciation following the 2022-23 revaluation.

2. Financial statements

a. Statement of Financial Performance

Our Statement of Financial Performance for the five-year period to 30 June 2029 is detailed in Table 2 below.

Table 2: Statement of Financial Performance 2024-25 – 2028-29

Statement of Financial Performance Nominal \$'s	2024-25 (\$000's)	2025-26 (\$000's)	2026-27 (\$000's)	2027-28 (\$000's)	2028-29 (\$000's)
Revenue					
Bulk Charges	0	0	0	0	0
Service Charges					
- Residential	71,063	74,412	77,896	81,519	89,503
- Non Residential (including Major Customers)	28,659	29,398	30,160	30,944	32,156
Usage Charges (Volumetric)					
- Residential	28,201	29,484	30,799	32,183	35,283
- Non Residential (including Major Customers)	20,169	21,086	22,019	23,128	25,469
Investment Revenue	216	205	216	216	216
Other Revenue	6,052	6,107	5,333	5,787	6,173
Non Regulated Revenue					
- Organics	7,004	10,157	10,431	10,714	11,005
- Agribusiness	3,323	3,000	3,178	3,254	3,509
Total Revenue	164,685	173,849	180,032	187,744	203,315
Expenses					
Cost of Supply					
- Staff Costs	28,420	30,498	31,656	32,894	34,207
- Maintenance Costs	17,472	17,928	18,369	18,887	19,513
- Other Operating Costs	22,633	24,627	25,555	26,472	27,173
- Overhead Costs	4,313	4,285	3,858	4,120	4,500
- Fleet Costs	1,215	1,251	1,289	1,327	1,367
Total Cost of Supply	74,052	78,589	80,727	83,700	86,760
Administrative Expenses					
- Staff Costs	17,103	17,645	18,159	18,746	19,416
- Maintenance Costs	1,756	1,821	1,880	1,937	1,994
- Other Operating Costs	4,165	3,182	3,192	3,495	3,600
- Overhead Costs	7,604	10,830	10,352	6,834	6,740
- Fleet Costs	193	209	215	221	228
Total Administrative Expenses	30,820	33,687	33,797	31,233	31,978
Environmental Contribution	6,500	6,500	6,500	6,500	6,500
Total Cost of Supply & Admin	111,372	118,776	121,024	121,433	125,238
Operating Result before Depn & Borrowings	53,313	55,073	59,008	66,311	78,076
Depreciation & Amortisation	65,513	67,978	66,956	65,359	65,241
Borrowing Costs Expense	15,507	18,448	21,668	23,596	24,680
Other Expenses	0	0	0	0	0
Total Depn & Borrowings	81,021	86,426	88,624	88,955	89,921
Business Operating Result	(27,708)	(31,352)	(29,616)	(22,644)	(11,845)
Income for Capital Purposes					
Government Contributions	5,294	413	0	0	0
Non-Govt Contributions (Assets)	11,654	8,402	8,655	8,914	9,182
Non-Govt Contributions (Cash)	8,243	16,856	12,453	18,546	7,614
Total Income for Capital Purposes	25,191	25,671	21,108	27,460	16,795
Net Profit/(Loss) Before Income Tax	(2,517)	(5,681)	(8,509)	4,816	4,951
Income Tax Expense (Revenue)	(752)	(1,701)	(2,550)	1,448	1,488
Net Profit/(Loss)	(1,765)	(3,980)	(5,959)	3,368	3,462

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 2024-25 – 2028-29

Statement of Financial Position Nominal \$'s	2024-25 (\$000's)	2025-26 (\$000's)	2026-27 (\$000's)	2027-28 (\$000's)	2028-29 (\$000's)
Current Assets					
Cash	4,704	4,844	4,476	4,348	4,611
Short Term Investments	0	0	0	0	0
Interest Receivable	0	0	0	0	0
Debtors (Receivables)	16,598	17,615	18,550	19,438	20,720
Other current assets	17,791	17,321	16,835	16,276	15,768
Tax Assets	0	0	0	0	0
Total Current Assets	39,093	39,779	39,861	40,062	41,099
Non Current Assets					
Long Term Investments	1,000	1,000	1,000	1,000	1,000
Infrastructure	1,532,746	1,515,754	1,515,670	1,540,138	1,575,291
Land, Buildings, Structures & Facilities	71,189	73,166	74,183	73,816	73,455
Plant, Equipment & Vehicles	42,145	42,928	44,121	39,956	38,487
Capital Works in Progress	76,899	127,244	141,603	122,549	108,191
Intangible Assets	4,761	5,433	4,646	3,856	3,166
Other non-current assets	7,229	7,629	7,638	7,613	7,591
Deferred Tax Assets	12,095	2,823	0	0	0
Total Non Current Assets	1,748,063	1,775,975	1,788,862	1,788,928	1,807,182
Total Assets	1,787,155	1,815,755	1,828,723	1,828,990	1,848,280
Current Liabilities					
Trade Creditors (incl. Purchase Accruals)	1,359	1,454	1,473	1,436	1,468
Accruals	10,690	10,732	10,760	10,791	10,824
Provisions	9,084	9,063	9,075	9,119	9,196
Retentions	3,691	4,933	3,791	2,934	3,833
Short Term Borrowings	9,500	9,500	9,500	9,500	9,500
Other current liabilities	8,423	8,423	8,423	8,423	8,423
Total Current Liabilities	42,748	44,105	43,022	42,202	43,244
Non Current Liabilities					
Borrowings	350,000	395,000	423,000	421,000	436,000
Provisions	4,615	4,210	3,993	4,664	5,362
Deferred Tax Liabilities - Booked (Asset Reval)	229,710	229,710	229,710	229,710	229,710
Deferred Tax Liabilities	33,932	22,959	17,587	19,034	20,523
Total Non Current Liabilities	618,258	651,879	674,290	674,408	691,595
Total Liabilities	661,006	695,985	717,312	716,611	734,839
Net Assets	1,126,150	1,119,770	1,111,411	1,112,379	1,113,441
Equity					
Contributed Capital	253,570	251,170	248,770	246,370	243,970
Fixed Assets Revaluation Reserve	548,350	548,350	548,350	548,350	548,350
Retained Earnings - Opening Balance	325,994	324,229	320,249	314,290	317,658
Retained Earnings - Current Year	(1,765)	(3,980)	(5,959)	3,368	3,462
Total Equity	1,126,150	1,119,770	1,111,411	1,112,379	1,113,441

c. Statement of Cash Flows

Our Statement of Cash Flows for the five-year period to 30 June 2029 is detailed in Table 4 below.

Table 4: Statement of Cash Flows 2024-25 – 2028-29

Statement of Cash Flows Nominal \$'s	2024-25 (\$000's)	2025-26 (\$000's)	2026-27 (\$000's)	2027-28 (\$000's)	2028-29 (\$000's)
Operating Cash Flow					
Cash Inflows					
Cash Receipts from Debtors	168,106	176,672	183,896	191,205	206,285
Investment Income (Interest)	216	205	216	216	216
Developer Income	13,627	17,359	12,543	18,636	7,704
Other Receipts	0	0	0	0	0
Cash Outflows					
Cash Payments to Creditors (-ve)	(61,467)	(66,684)	(67,849)	(65,948)	(67,694)
Cash Payments Wages & Salaries (-ve)	(44,780)	(47,356)	(49,038)	(50,849)	(52,814)
Interest and other finance costs (-ve)	(15,507)	(18,448)	(21,668)	(23,596)	(24,680)
Environmental Contribution (-ve)	(6,500)	(6,500)	(6,500)	(6,500)	(6,500)
Bioremediation Pond Rehab (-ve)	(1,171)	(1,171)	(955)	(45)	0
Net Cash from Operating Activities	52,522	54,077	50,645	63,120	62,517
Investing Cash Flow					
Movement in Investments	0	0	0	0	0
Payment for Non Current Assets (-ve)	(75,162)	(97,424)	(76,964)	(59,528)	(75,754)
Proceeds: Disposal of Assets	937	886	351	680	900
Net Cash from Investing Activities	(74,226)	(96,538)	(76,612)	(58,848)	(74,854)
Financing Cashflow					
Proceeds: Borrowings	21,000	45,000	28,000	0	15,000
Payment Govt Capital Repatriation	(1,600)	(2,400)	(2,400)	(2,400)	(2,400)
Repayment Borrowings & Overdraft (-ve)	0	0	0	(2,000)	0
Payment Govt Dividend (-ve)	0	0	0	0	0
Net Cash from Financing Activities	19,400	42,600	25,600	(4,400)	12,600
Net Increase/(Decrease) in Cash	(2,303)	140	(368)	(128)	263
Cash held at the beginning of the year	7,007	4,704	4,844	4,476	4,348
Cash held at the end of the year	4,704	4,844	4,476	4,348	4,611
Cash per Balance Sheet	4,704	4,844	4,476	4,348	4,611
Difference	0	0	0	0	0



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