



CORPORATE PLAN

2009/10 TO 2013/14

1. Introduction

South Gippsland Water has prepared this five year Corporate Plan for 2009/10 to 2013/14 in compliance with Section 247 and 248 of the Water Act 1989.

2009/10 is the second year of South Gippsland Water's five year Water Plan (2008/09 to 2012/13) and this Corporate Plan is primarily aligned with the Essential Services Commission's final determination.

This plan incorporates the Corporation's key goals, objectives, strategies and performance targets in order to meet regulatory compliance and deliver quality water and wastewater services to its customers. It ensures the day to day needs of customers and stakeholders are met, and sets out the medium and long term strategies and actions to ensure the sustainable management of the regions key resources.

The Government's Victorian Water Plan, incorporating the establishment of a \$3.1 billion desalination plant to be located in the Wonthaggi region, continues to significantly affect the fundamentals underlying this Corporate Plan in the medium to long term.

South Gippsland Water will be connecting to the desalination plant in order to provide water for construction purposes (up to 2ML/day). With government assistance the pipeline will be upgraded to allow for it to be reversed on completion of the desalination plant and provide for 10ML/day of desalinated water into the Corporation's Lance Creek system.

Options, including costs and logistics, for utilising desalinated water for a number of other supply districts are currently being assessed. Finalisation of this project, in order to understand how desalinated water will impact long term water supply demand strategies, will be a key outcome of the 2009/10 priorities.

In terms of sustainable management obligations, South Gippsland Water has set itself an objective to protect the environment by conducting all operations in accordance with the principles of its Sustainability and Environmental Management System, operating licences and environmental legislation and regulations.

South Gippsland Water has set itself a goal for ensuring sustainability in every aspect of its operation and in the implementing this Corporate Plan, environmental management will continue to be a key strategic driver.

To deliver our vision "to be widely recognised as an exemplary service provider and valued as an essential contributor to regional development and resource sustainability" we are focused on four key sustainability priorities. These are:

1. Water and wastewater services
2. Water and wastewater quality
3. Natural environment
4. Climate change

These four key sustainability priorities are supported by the Sustainability and Environmental Management System which provides enabling pillars to deliver the desired outcomes. These pillars are a key aspect to realising the four key sustainability priorities and assist in delivering the objectives, goals and targets.

As an example, faced with major upgrades works at its Foster Wastewater plant, rather than pursue customary engineering options, including mechanical plant, the Corporation has identified a duckweed and wetlands solution encompassing reuse and community outcomes. While this will result in non-compliance with our Environmental Protection Authority (EPA) licence in the short to medium term, the long term outcomes will include environmental benefits, (the long term decommissioning of the Foster outfall into Corner Inlet), and improved community amenity via the creation of a nature asset.

The Corporation is dedicated to maintaining and improving services to customers, while at the same time taking account of its responsibilities to:

- protect the environment;
- provide sound economic management;
- meet our social responsibilities

With extreme dry conditions again being experienced in the region and the unknown extent and impact of climate change into the future, Drought Response has continued to be at the front of South Gippsland Water's thinking.

The successful development of interconnecting pipe network, combined with water extracted from the Tarwin and Powlett Rivers through qualification of rights, has ensured supply systems are in a far better position to deal with any future prolonged period of drought conditions. In addition, a temporary bore water treatment plant in Yarram has been commissioned.

This Corporate Plan recognises the extra operating costs associated with these, and other supplementary systems throughout the region. South Gippsland Water is currently in the process of obtaining approval for a permanent extraction from the Tarwin River. This process will continue as a part of its strategy towards sustainable water supply systems into the future, however, the Corporation recognises the environmental responsibility that comes with maintaining its bulk water entitlements.

Major capital expenditure over the planning period focuses on:

- Construction of sewerage schemes for the towns of Poowong, Loch, Nyora and Meeniyan under the Country Towns Water Supply and Sewerage Program;
- Dams safety rectification works;
- Improving security of water supply to cater for growth:
 - Finalising water security infrastructure for Toora and Yarram areas
 - Providing a connection to the proposed Wonthaggi desalination plant
- Further improvement in water quality via targeted treatment works;
- Wastewater quality improvement works for Foster;
- Investment in new technologies to improve service performance and operational efficiency;
- Improved water and wastewater service network reliability through priority renewal works;

Major Initiatives

South Gippsland Water, in dealing with ongoing challenges and emerging issues, has set out major initiatives that will be implemented over the planning period.

These initiatives will ensure the organisation is able to deliver a sustainable and reliable water supply and operate effective, complying wastewater systems.

The initiatives will focus on:

- Reviewing and implementing a sustainable water strategy which will ensure future demand will be met taking into consideration the possible impacts of Climate Change.

South Gippsland Water will continue to enhance its understanding of Climate Change, and its impacts on the Region's catchments and water supply systems.

- Securing and developing reliable new water sources while continuing to develop water conservation and further demand management.

South Gippsland Water will finalise the role that desalinated water may play as a new water source.

- Ensuring wastewater compliance is maintained while moving towards reducing the organisation's dependence on ocean outfalls.

South Gippsland Water will further develop and implement its plan to target the removal of all its domestic sewerage outfalls by 2018.

The Corporation will secure and develop appropriate resources to ensure the effective delivery of its major initiatives including the associated capital and operating imperatives.

With respect to water security, the Corporation will be securing further water entitlements and/or providing capital works in order to ensure continuing supply in its systems:

Supply System	Towns Serviced	Water security Actions during Corporate Plan
Agnes River	Port Franklin, Port Welshpool, Toora, Welshpool	Construction of an off stream storage scheduled for completion 2011/12. Secure further bulk water entitlement.
Battery Creek Reservoir	Fish Creek	No action this Plan period. Raising Battery Creek reservoir scheduled for completion 2014/15.
Coalition Creek storages	Korumburra	Raising Coalition Creek reservoir scheduled for completion 2011/12. Secure further bulk water entitlement.
Deep Creek / Foster Dam	Foster	No action this Plan period. – system secure
Lance Creek Reservoir	Inverloch, Cape Paterson, Wonthaggi	Continue temporary augmentation via Powlett river to maintain system at peak capacity. Design and construct connection to proposed Wonthaggi desalination plant.
Little Bass Reservoir	Loch, Nyora, Poowong	Commence design works for raising Little Bass reservoir scheduled for completion 2014/15. Secure further bulk water entitlement.
Ruby Creek storages	Koonwarra, Leongatha	Various pipe upgrades. Secure 1,000 ML bulk water entitlement from Tarwin River and 980 ML groundwater license. Preliminary design of Wilkur Creek weir and pipeline. Weir and pipeline construction scheduled for completion 2016/17.
Tarra River	Alberton, Devon North, Port Albert, Yarram	Construction of off stream storage scheduled for completion 2012/13. Secure further bulk water entitlement.
Tarwin River – East Branch	Dumbalk	No action this Plan period. – system secure
Tarwin River – West Branch	Meeniyan	No action this Plan period. – system secure

While works are being progressed, South Gippsland Water will continue to manage systems via interim measures, including augmentation pipeline networks and temporary treatment plants, already established.

With respect to wastewater services, the Corporation will be constructing 2 significant sewerage schemes for the towns of Poowong, Loch, Nyora and Meeniyana under the Country Towns Water Supply and Sewerage Program. These schemes will provide for the health and safety of the local communities and address environmental concerns with current septic systems. In addition, they provide for regional growth opportunities.

Significant wastewater works include:

Wastewater System	Towns Serviced	Actions during Corporate Plan
Meeniyana Country Towns Sewerage Scheme	Meeniyana	Construct and commission sewerage scheme.
Poowong/Loch/Nyora Country Towns Sewerage Scheme	Poowong/Loch/Nyora	Design, construct and commission sewerage scheme.
Corner Inlet	Foster	Long term strategy to construct natural wetlands treatment process with reuse options.
Foster Creek	Korumburra	Construct sludge dewatering facilities
Little Ruby Creek	Leongatha	Construct sludge dewatering facilities
Baxter's Beach	Wonthaggi	Reticulation augmentations to allow for growth.
Other	Other	Improved wastewater service network reliability through priority renewal works.

Finally, South Gippsland Water, in this Corporate Plan, is concentrating efforts to meet the significant challenges and uncertainties that lie ahead. This will ensure the continued delivery of sustainable water and sewerage services to meet the needs of the communities in South Gippsland.

2. South Gippsland Water

South Gippsland is located around 2 hours drive from the south eastern suburbs of Melbourne, and is well known for its coastal resorts and National Parks such as Wilson's Promontory and Tarra Bulga. The Corporation is acutely aware that the region's "natural capital" has a high public profile. South Gippsland is predominantly an agricultural area, with the main emphasis on dairy farming. The region seeks to maximise its strength as a leading Victorian dairy farming and dairy products producer with two major dairy companies located in the area. Tourism is also an industry of significant importance to the region.

The Corporation demonstrates its commitment to the stewardship of the region's "natural capital" through initiatives based on continuous improvement at all our operational facilities, together with programs aimed at raising community awareness. South Gippsland Water supports and participates in local activities with a wide range of community groups involved in broader environmental programs that address the interconnection of all of the elements of the region's ecosystems. South Gippsland Water is fully aware that the services it provides are essential to the economic survival, development and well-being of the region. Accordingly, South Gippsland Water takes into account the programs and activities of other regional agencies in developing its strategies and plans, in so doing, contributing to an integrated regional approach to natural resource management.

The demographics of the region are also undergoing change due to the continuing public demand for coastal residential real estate. Wonthaggi, Inverloch, Cape Paterson and Waratah Bay are examples with dramatically rising residential real estate prices and the influx of a new socio-economic segment of customers to the region.

The Corporation produces potable drinking water product from its water treatment plants. It also produces treated waste streams from its sewerage treatment plants. These processes are undertaken while meeting stringent environmental demands and satisfying customer expectations at a cost that is sustainable and a price to consumers that is ratified by the economic regulator. All this is achieved with a team that is small by industry standards.

2.1 Services Provided by South Gippsland Water

South Gippsland Water employs a multi skilled workforce that covers the disciplines of planning, administration, finance, customer services, engineering operations, maintenance, and construction management. Most engineering design is outsourced.

The Corporation has a skills-based, seven member Board, appointed by the Minister for Water. The Corporation is managed by an executive team, led by the Managing Director, who also is a Board member.

South Gippsland Water provides the full range of water supply functions, including water harvesting and storage, water treatment, urban water supply, as well as wastewater collection, treatment, disposal and reuse, and major trade waste services.

Whilst reuse is limited by climate and logistics, 100% (118 ML) of the wastewater from South Gippsland Water's Tarraville wastewater treatment plant is currently used for pasture irrigation. Strategic emphasis on environmentally beneficial re-use is expected

to result in an increase in the re-use of treated wastewater over the medium to long term.

South Gippsland Water's core functions are to provide secure water and wastewater services to around 18,600 assessments across approximately 4,000 square kilometres of South Gippsland. The base population of serviced towns is approximately 28,000, a figure that may increase in peak holiday periods by as much as 100%.

South Gippsland Water services a substantial Regional Urban Water Corporation (RUWC) area, but is amongst the smallest in the state when based on number of customers. South Gippsland Water's service area includes 23 towns, including the major centres of Wonthaggi, Inverloch, Leongatha and Korumburra as illustrated in Map 2.2.

Table 2.1: South Gippsland Water & Sewerage Service Localities
South Gippsland Water's service area covers 23 towns and 4,000 square kilometres. The towns supplied and the services the Corporation provides are summarised in the following table.

Centre	Population Served (Permanent)	Water		Sewerage	
		Assessments	Supply	Assessments	Discharged
Port Franklin	124	104	Agnes River	Not Serviced	N/A
Port Welshpool	200	263	Agnes River	237	Corner Inlet
Toora	688	508	Agnes River	281	Corner Inlet
Welshpool	150	204	Agnes River	126	Corner Inlet
Fish Creek	176	213	Battery Creek Reservoir	Not Serviced	N/A
Korumburra	3,211	1,910	Coalition Creek storage network	1,613	Foster Creek
Foster	1,061	787	Deep Creek / Foster Dam	692	Corner Inlet
Inverloch	4,406	4,005	Lance Creek Reservoir	3,961	Baxter's Beach/ Private Crop Irrigation
Cape Paterson	717	1,072	Lance Creek Reservoir	1,068	Baxter's Beach
Wonthaggi	6,947	3,872	Lance Creek Reservoir	3,616	Baxter's Beach
Loch	185	146	Little Bass Reservoir	Not Serviced	N/A
Nyora	552	324	Little Bass Reservoir	Not Serviced	N/A
Poowong	292	180	Little Bass Reservoir	Not Serviced	N/A
Koonwarra	147 (estimate)	71	Ruby Creek storage network	Not serviced	N/A
Leongatha	4,567	2,772	Ruby Creek storage network	2,567	Little Ruby Creek
Leongatha	Dairy Factories	N/A	N/A	N/A	Venus Bay
Alberton	166	147	Tarra River	Not Serviced	N/A
Devon North	78 (estimate)	123	Tarra River	Not Serviced	N/A
Port Albert	256	382	Tarra River	320	Private Pasture Irrigation
Yarram	1,772	1,156	Tarra River	1,040	Private Pasture Irrigation
Dumbalk	166	106	Tarwin River – East Branch	Not Serviced	N/A
Meeniyah	434	254	Tarwin River – West Branch	Not Serviced	N/A
Waratah Bay See note 3	147	Not Serviced	N/A	108	Pasture irrigation by Corporation

Notes:

1. Population Served based on ABS 2006 Census* updated with ABS Cat. No.3218.0 Regional Population Australia, 2006-07 obtained from Spatial Analysis and Research Unit, Department of Planning and Community Development.
 2. Water and Sewerage Assessments = Number of Rated Properties at 31 March 2009.
 3. The Waratah Bay figures are an estimate only – it is not possible to isolate them from the ABS Fish Creek collection district, which also includes Sandy Point as well as the township of Fish Creek.
- *ABS method of publication of figures has changed from enumerated population, (where people are counted on census night), to usual place of residence.

2.2 South Gippsland Water Infrastructure

South Gippsland Water has significant headworks assets with 13 reservoirs and 18 service storages. The quality of water sources varies significantly across South Gippsland Water's region leading to specific water quality control challenges.

South Gippsland Water's total operation comprises:

- A headworks function comprising:
- Water catchments with a total area of 1,234 square kilometres
- 13 reservoirs and 18 service storages

A Water Services Function comprising:

- 10 separate water supply systems
- 10 water treatment plants
- 626km of water mains
- 17 water pump stations
- servicing some 18,600 assessments over 21 towns with around 4,744ML (2007/08) annual volume of metered water

A Sewerage Services Function comprising:

- 11 conventional wastewater collection systems
- 1 vacuum wastewater system
- 10 sewerage treatment plants
- 1 dedicated saline tradewaste system
- 373km of wastewater mains
- 45 wastewater pump stations
- 5 marine environment outfalls
- 2 inland water discharge points
- servicing some 14,900 wastewater assessments over 12 towns collecting and treating around 3,685ML (2007/2008) of wastewater.

South Gippsland Water's service area (shown in the Map below) extends from Wonthaggi and Nyora in the west to Yarram in the east, and from the coastal centres facing Bass Strait in the south through to the Strzelecki Ranges in the north. The western boundary adjoins Westernport Water, the northern boundaries adjoin South East Water, Gippsland Water and East Gippsland Water.

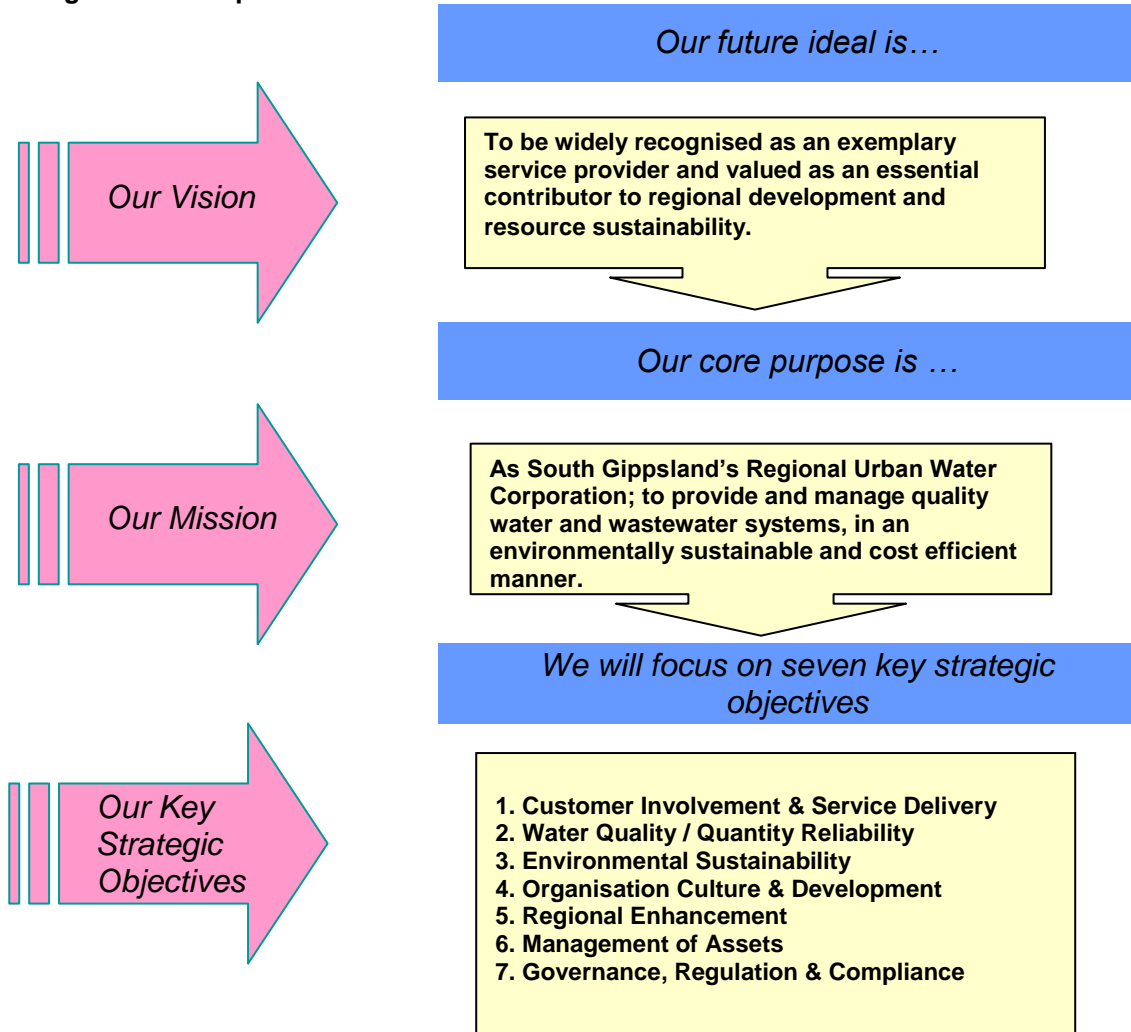
Map 2.2: South Gippsland Water Service Area



3. Mission, Vision and Objectives

The strategic issues facing South Gippsland Water, on which this Corporate Plan is based, are articulated through corporate Vision and Mission statements and through identification of Key Strategic Objectives summarised below.

Diagram 3.1: Corporate Statement



The Key Organisational Strategic Objectives, including priorities are summarised as:

Customer Involvement and Service Delivery

- Continue the high priority and commitment to our customers and maintenance of our service standards.
- Continue to consult with customers.

Water Quality and Reliability of Supply

- Increase customer satisfaction with water quality.
- Meet or exceed water regulations.

Environmental Sustainability

- Better understand and respond to climate change impacts.
- Manage wastewater systems to optimise the link with the integrated water cycle.
- Secure sustainable future water resources for customers.

Organisation Culture & Development

- Support and retain staff by providing information and enhanced knowledge, systems and resources to ensure continued quality performance.
- Continue working with staff to ensure a healthy, safe and rewarding work environment.

Regional Enhancement

- Support regional development and the provision of enabling infrastructure.

Management of Assets

- Utilise the asset management system to improve knowledge and asset performance.

Governance, Regulation & Compliance

- Maintain our commitment to achieve the highest standards of compliance, financial sustainability and performance of the organisation, through sound and prudent governance.

4. Key Assumptions Made in Preparing the Corporate Plan

4.1 Revenue

Revenue included in the Corporate Plan is based on the prices approved by the Essential Services Commission (ESC) in accordance with Clause 8 of the Water Industry Regulatory Order. The prices were approved by the ESC in June 2008. The weighted average price increase for 2009/10 approximates 4.4% in real terms and 7.1% nominally (including inflation of 2.5%). Full pricing details are shown at Table 9.1.

4.2 Customer Growth – Estimated Demand Forecast

The 'Victoria In Future 2004' forecasts of population and housing, together with the Corporation's own historical data have been utilised to provide growth forecasts for new customers and estimate changes in water demand following awareness on climate change, implementation of permanent water savings rules, water savings education and programs and the effects of restrictions from the current drought.

The following customer growth estimates have been utilised in the Corporate Plan:

Table 4.2(a): Customer Growth Assumptions

	Customer Group	2009/10	2010/11	2011/12	2012/13	2013/14
Water	Residential					
	East/West	1.2%	1.2%	1.2%	1.1%	1.1%
	Southern	1.8%	1.8%	1.8%	1.7%	1.7%
	Non Residential					
	East/West	0.7%	0.7%	0.7%	0.7%	0.7%
	Southern	0.9%	0.9%	0.9%	0.9%	0.9%
Wastewater	Residential	1.4%	1.4%	1.4%	1.3%	1.3%
	Non Residential	0.8%	0.8%	0.8%	0.8%	0.8%

While customer growth remains steady, average consumption patterns have steadily declined over the last 6 years evidenced by substantial decreases from 2002/03 to 2007/08. 14.4% (residential) and 9.3% (non-residential).

Further, in response to business continuity risk, major customers have invested in water saving technologies which has been forecast to affect their water consumption in the medium to long term.

Overall, due to residential population growth, and smaller business industrial and commercial expansion, it is forecast that South Gippsland Water will experience a small net increase in demand for water over the plan period.

The resultant customers and water and wastewater volumes from these assumptions are:

Table 4.2(b): Growth and Demand Forecast

	Year 0 2008-09	Year 1 2009-10	Year 2 2010-11	Year 3 2011-12	Year 4 2012-13	Year 5 2013-14
1 Number of assessments						
1.1 Retail Urban: Water Supply						
1.1.1 Residential	15442	15681	15921	16165	16404	16639
1.1.2 Non Residential	3327	3351	3375	3399	3423	3447
1.2 Retail Urban: Wastewater Service						
1.2.1 Residential	14022	14299	14505	14912	15118	15823
1.2.2 Non Residential	1051	1060	1069	1088	1098	1133
1.2.3 Trade Waste by Agreement	189	189	191	193	195	197
1.3 Recycled Water	3	3	3	3	3	3
1.4 Bulk supplies to other Corporations	0	0	0	0	0	0
1.5 Irrigation (pumped)	0	0	0	0	0	0
1.6 Irrigation (gravity)	0	0	0	0	0	0
1.7 Stock and Domestic	0	0	0	0	0	0
1.8 Retail Diversions	0	0	0	0	0	0
2 Volume of urban water supplied (ML)						
2.1 Residential	1786	1919.65	1933	1947.19	1959.08	1970.88
2.2 Non Residential	2944	2905.95	3165	2911.53	2804.63	2807.68
3 Wastewater						
3.1 Total volume of effluent produced (ML)	3435	3483	3531	3580	3628	3675
3.3 % of effluent reused	3%	2%	2%	2%	2%	2%

4.3 Climate conditions / yields assumed for the Corporate Plan

South Gippsland, similar to many other parts of south-east Australia, has over the last ten years experienced the worst prolonged drought on record with even more extreme dry conditions in the last three years.

In its Water Supply Demand Strategy, South Gippsland Water has planned its demand reduction and supply enhancement measures on the assumption of medium climate change conditions over the next 50 years, based on CSIRO's climate change projections.

However, this Corporate Plan has been predicated on the assumption that the extreme low flows of the last three years (2005/06, 2006/07 and 2007/08) will continue and therefore it includes measures to access a diversity of water sources.

These sources have largely been provided for via the drought contingency works of 2006/07 and 2007/08 and include a number of permanent groundwater bores, an interconnecting pipe network combined with water extracted from the Tarwin and Powlett Rivers through qualification of rights. In addition, a temporary bore water treatment plant has been commissioned in Yarram.

Planned further works include design and construction of a 10ML/day connection to the proposed Wonthaggi desalination plant in order to provide for extra water security, from 2012, for the Lance Creek system (nearly 50% of the Corporation's customer base).

It is planned that some 4,826 ML's will be delivered to customers during 2009/10 with no restrictions envisaged over the Corporate Plan period given the water supply options available to the Corporation.

South Gippsland Water has, and will continue to rely on a combination of water sources including, groundwater and river/stream flows (subject to qualification of rights) in order to ensure continued water services to customers in ongoing drought conditions. Desalinated water may play a part in the future sources.

Associated extra operating costs have been incorporated into planning in order to replenish record low water reserves and possible continuation of drought conditions.

Extra Costs for Drought Contingency Planning are:

- Groundwater and river extraction/transfer costs - \$177,000 pa
- Operation of the temporary Yarram Water Treatment Plant for 2009/10 - \$30,000

4.4 Environmental Contribution

The Corporation is required to collect an environmental contribution through fees levied on customer water and wastewater accounts. The contribution was an initiative of the Victorian Government's White Paper 'Securing Our Water Future Together'.

The Corporate Plan includes the collection of revenue and the payment of the Environmental Contribution (\$754,000 p.a.).

4.5 Government Contributions

An estimated \$2,920,000 of contributions has been assumed to be received from the desalination project consortium and has not been included as equity contributions. This funding applies to the design and construction of water and wastewater service connections to the proposed Wonthaggi desalination plant.

4.6 Forecast Inflation Rates

An inflation rate of 2.5% p.a. has been assumed for each year of the plan.

4.7 Interest on Investment

Interest used to calculate investment revenue has been estimated at 3.2%.

4.8 Borrowings

The Corporate Plan assumes that borrowings will be required to provide for capital expenditure projects. The interest rate charge also incorporates the Financial Accommodation Levy (FAL) and is estimated at 7.5% of future loan funds. Borrowings predicted for the Corporate Plan period will bring overall Corporation loans to \$59.2M by June 2014.

4.9 Dividend Calculation

No dividend payments have been forecast during the period of the Corporate Plan.

4.10 Taxation Payments

No taxation payments have been forecast during the period of the Corporate Plan.

5. Outcomes for 2008/09

5.1 Introduction

As a part of the Corporate Planning process, South Gippsland Water reviews its progress in achieving its previous Corporate Plan objectives and outcomes and these are summarised below.

5.2 Core Service standards

South Gippsland Water committed to meet approved targets for a core set of service standards. Table 5.2 below details the Corporation's delivery of the service standards for 2006/07, 2007/08 and forecast achievement for 2008/09.

Table 5.2: Delivery of Service Standards

Service Standards

Water

	2006/07 Actual			2007/08 Actual			2008/09 Estimate		
	Actual	Target	Var.	Actual	Target	Var.	Forecast	Target	Var.
Unplanned water supply interruptions (per 100km)	26.3	37.0	28.9%	36.9	37.0	0.3%	27.5	28.0	1.8%
Average time taken to attend bursts and leaks (priority 1)	13.6	30.0	54.7%	18.2	30.0	39.3%	19.0	30.0	36.7%
Average time taken to attend bursts and leaks (priority 2)	28.7	40.0	28.3%	24.1	40.0	39.8%	23.0	40.0	42.5%
Average time taken to attend bursts and leaks (priority 2)	38.0	50.0	24.0%	35.3	50.0	29.4%	380.0	1440.0	73.6%
Unplanned water supply interruptions restored within 5 hours (per cent)	98.0	99.0	-1.0%	99.0	99.0	0.0%	99.0	99.0	0.0%
Planned water supply interruptions restored within 5 hours (per cent)	98.0	99.0	-1.0%	100.0	99.0	1.0%	90.0	99.0	9.1%
Average unplanned customer minutes off water supply	29.6	36.5	18.9%	36.4	36.2	-0.6%	32.5	33.0	1.5%
Average planned customer minutes off water supply	63.5	158.7	60.0%	98.5	158.8	38.0%	40.0	150.0	73.3%
Average unplanned frequency of water supply interruptions	0.26	0.37	29.7%	0.36	0.36	0.0%	0.30	0.30	0.0%
Average planned frequency of water supply interruptions	0.25	0.50	50.0%	0.36	0.50	28.0%	0.20	0.50	60.0%
Average duration of unplanned water supply interruptions (minutes)	115.9	100.0	-15.9%	101.5	100.0	-1.5%	102.0	100.0	-2.0%
Average duration of planned water supply interruptions (minutes)	255.4	320.0	20.2%	273.9	320.0	14.4%	270.0	300.0	10.0%
No. of customers experiencing more than 5 unplanned water supply interruptions in the year	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Unaccounted for water	14.0	14.0	0.0%	14.0	14.0	0.0%	14.0	14.0	0.0%

Sewerage

Sewerage blockages (per 100km)	16.8	20.5	18.0%	11.8	20.5	42.4%	17.5	18.0	2.8%
Average time to attend sewer spills and blockages (minutes)	24.2	30.0	19.3%	22.6	30.0	24.7%	20.0	30.0	33.3%
Average time to rectify a sewer blockage (minutes)	113.0	120.0	5.8%	108.8	120.0	9.3%	65.0	120.0	45.8%
Spills contained within 5 hours (per cent)	100.0	100.0	0.0%	100.0	100.0	0.0%	100.0	100.0	0.0%
No. of customers receiving more than 3 sewer blockages in the year	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%

Customer service

Complaints to EWOV	1.1	1.1	0.0%	0.9	1.1	18.2%	1.1	1.1	0.0%
Telephone calls answered within 30 seconds	99.0	98.0	1.0%	99.0	98.0	1.0%	99.0	98.0	1.0%

Minimum flow rates

20mm	20
25mm	35
32mm	60
40mm	90
50mm	160

Additional service standards

Recycled water target (% reused)	n/a	n/a		n/a	n/a		2.0	3.0	33.3%
Biosolids reuse (% reused)	n/a	n/a		n/a	n/a		0.0	0.0	0.0%
Small Town Sewerage Scheme connections (no. of)	n/a	n/a		n/a	n/a		0.0	0.0	0.0%
Environmental discharge indicator (per cent)	n/a	n/a		n/a	n/a		100.0	95.0	-5.3%
Drinking water quality indicators (per cent)	n/a	n/a		n/a	n/a		100.0	100.0	0.0%

The table shows that South Gippsland Water has performed relatively well in meeting its regulatory service standards with some three non-complying results forecast for 2008/09.

5.3 Drinking Water Quality

South Gippsland Water monitors and manages the quality of drinking water supplied to customers with the aim of ensuring its potential health, aesthetic and economic impacts are appropriately managed. With respect to health impacts, these may result from the presence of microorganisms such as bacteria and viruses due to, for example, the faecal contamination of source water or from the presence of chemicals that are in the water as a result of water treatment (such as aluminium, chlorine), natural occurrence (such as minerals) or agricultural and/or mining activities (such as pesticides).

Forecast percentage compliance is shown below for the 2008/09 financial year and is based on the total number of drinking water samples complying with requirements of the Safe Drinking Water Regulation 2005. Further details of drinking water compliance for each distribution system are reported annually to the Department of Human Services.

100% full compliance is forecast.

Table 5.3: Drinking Water Compliance

Parameter	Forecast 2008/09
E.coli (<1 E.coli in 98% of samples taken)	100.0%
Turbidity (95% upper confidence limit of the mean <=5 NTU)	100.0%
Aluminium (<=0.2 mg/L)	100.0%
Trihalomethanes (<=250ug/L)	100.0%
Chloroacetic Acid (<=150ug/L)	100.0%
Dichloroacetic Acid (<=100ug/L)	100.0%
Trichloroacetic Acid (<=100ug/L)	100.0%

5.4 Environmental Performance

Table 5.4 below illustrates South Gippsland Water's EPA forecast 2008/09 licence compliance at its wastewater systems.

Table 5.4: EPA Licence Compliance

Sewerage Treatment Licence Compliance	Forecast 2008/09
Foster	50.0% ^{1.}
Korumburra	100.0%
Leongatha (Domestic)	100.0%
Leongatha (Trade Waste)	100.0%
Toora	100.0%
Welshpool	100.0%
Wonthaggi/Cape Paterson/Inverloch	100.0%
Yarram	100.0%

1. Faced with major upgrades works at its Foster Wastewater plant, rather than pursue customary engineering options, including mechanical plant, the Corporation has identified a duckweed and wetlands solution encompassing reuse and community outcomes. While this will result in non-compliance with our Environmental Protection Authority (EPA) licence in the short to medium term, the long term outcomes will include environmental benefits, (the long term decommissioning of the Foster outfall into Corner Inlet), and improved community amenity via the creation of a nature asset

5.5 Urban Water Consumption

The following table summarises total water consumption against forecast for 2008/09.

Table 5.5: Comparative Analysis of Forecast vs. Actual Water Consumption

	Unit	2008/2009		
		Actual	Corp Plan	Variance
Urban Water Consumption				
Murray Goulburn	kL's	980,000	768,000	212,000
Other Major Customer	kL's	420,000	467,000	(47,000)
Residential	kL's	1,786,000	2,086,000	(300,000)
Non-residential	kL's	1,544,000	1,706,000	(162,000)
Total	kL's	4,730,000	5,027,000	(297,000)

It is forecast that total water consumption for 2008/09 will be lower than the budget by some 5.9%. This is a result of the previous prolonged drought conditions and the subsequent affects on customer behaviour.

Significant customer engagement and education, in particular with major customers, will result in continuing lower consumption patterns going forward. By illustration total metered water peaked at 5,550 ML's in 2004/05 reducing to 4,730 ML's (estimated) in 2008/09.

5.6 Revenue and Operating Expenditure

Estimated revenue (\$21.083M) for 2008/09 is forecast to be within \$0.316M (1.5%) of budget. Trade waste revenue will be below budget by some \$300,000 due to delays by Murray Goulburn in finalising their new trade waste management regime which in turn has impacted in the Corporation's ability to implement a revised Trade Waste Agreement, including the fee structure. Water consumption revenue is below target by around \$200,000 due to lower residential and non-residential consumption. Minor favourable variations have resulted from fees and charges and growth in customer connections.

With respect to expenditure, total costs (\$21.051M) are expected to be \$0.234M (1.1%) under budget despite continuing expenditure in coping with the drought conditions. This deferral of a number of operational projects and savings in other areas has assisted in curbing expenditure.

The resultant forecast profit of \$0.032M is \$0.082 unfavourable compared to budget due to revenue shortfalls as above.

5.7 Capital expenditure

South Gippsland Water's 2008/09 Corporate Plan identified a number of key capital projects that the Corporation proposed to deliver. The following table outlines progress in the delivery of those major capital projects.

Table 5.7: Progress of major projects

Reason	Project Description	Result / Progress
<p>Poowong/Loch/Nyora Sewerage Scheme SGW's region has a number of small towns without adequate wastewater management facilities. Unsuitable soil types and smaller size allotments mean that current septic systems are unable to retain effluent on these individual allotments. In many locations, grey water finds its way directly to the street drainage system with resultant health, environment and amenity issues.</p>	<p>Domestic wastewater will be delivered via a trunk main from the reticulation network within each town to a centrally located wastewater treatment plant. A new treatment facility that will have sufficient capacity to ensure compliance with relevant discharge licence limits and a capability to accommodate growing population levels.</p>	<p>Detail design to commence in 2009. Construction to commence in June 2010 which will include reticulated sewerage system for each town, trunk sewer main and common wastewater treatment plant sewer facility. Preliminary Geotechnical Investigation of possible WWTP site completed. Site recommendation report completed and submitted to management. Design brief completed, Tenders invited, closing May 1st 2009</p>
<p>Tarra River Construction of Off Stream Storage A new 200 ML storage reservoir is required to prevent ongoing and regular water restrictions and to provide for growth and development within the Yarram area.</p>	<p>Acquisition of private land site near Tarra River off take, community consultation, construction of embankment wall, provision of power supply, vehicle access track, pump station and transfer delivery pipeline to Water Treatment Plant.</p>	<p>Off stream storage on hold while investigating alternate bore supply option. To be fully dimensioned and commenced during 2009/10.</p>
<p>Meeniyah Sewerage Scheme SGW's region has a number of small towns without adequate wastewater management facilities. Unsuitable soil types and smaller size allotments mean that current septic systems are unable to retain effluent on these individual allotments. In many locations, grey water finds its way directly to the street drainage system with resultant health, environment and amenity issues.</p>	<p>Domestic wastewater will be delivered via a trunk main from the reticulation network within each town to a centrally located wastewater treatment plant. A new treatment facility that will have sufficient capacity to ensure compliance with relevant discharge licence limits and a capability to accommodate growing population levels.</p>	<p>Detail design completed. Construction commenced in April 2009. Three contracts have been awarded for the construction of the Rising Main, Pump Station and Reticulation Pipework. Works have commenced on the Rising Main and the Reticulation Pipework. The Pump Station is scheduled to commence work in May 2009.</p>
<p>Vehicle Replacement South Gippsland Water's vehicle fleet must be kept current with replacement carried out on a optimised policy position.</p>	<p>Replacement of the SGW vehicle fleet in line with vehicle replacement policy.</p>	<p>Replacement of the SGW vehicle fleet in line with vehicle replacement policy.</p>
<p>Battery Creek Dams Risk (Rehab-Augmentation) The dam embankment wall at Battery Creek reservoir requires upgrading to meet current and future development supply demands and comply with current design standards and ANCOLD guidelines for dam safety.</p>	<p>Rehabilitate embankment to achieve required dam safety design standards. Raising the embankment and spillway to provide an additional storage capacity of 150 ML.</p>	<p>Detail design to commence in 2011/12. Construction to commence in 2012/13. Upgrade of dam embankment wall at Battery Creek reservoir for dam safety and augmented storage.</p>
<p>Coalition Creek Dams Risk (Rehab-Augmentation) When the water level within the Coalition Creek reservoir reaches a certain level, well below full supply level, the embankment is observed to leak at several locations. The embankment requires upgrading to comply with current design standards and ANCOLD guidelines for dam safety. The upgrade will assist in meeting current and future development supply demands.</p>	<p>Reconstruction of leaking embankment crest and raising of embankment wall to achieve an additional storage capacity of 100 ML.</p>	<p>Upgrade of dam embankment wall at Coalition Creek reservoir for dam safety and storage augmentation on hold pending outcome as part of overall Desalination supply business case study, cost evaluation and assessment of long term water strategy.</p>
<p>Water Renewals/Replacement To rehabilitate/replace inefficient water mains.</p>	<p>Water main replacement program based on agreed established priorities with Operations. Works include the progressive replacement of asbestos cement (AC) pipes installed up to the 1970s.</p>	<p>Ongoing replacement of troublesome water mains within SGW's region. Approximately 12 km of water mains over the Water Plan period. At this stage approximately 70% of budget estimate complete.</p>
<p>Wonthaggi Wastewater Strategy Works The Wonthaggi WWTP requires upgrading to provide additional treatment capacity for effluent to meet Class C irrigation quality standard and control development of odour.</p>	<p>Improvement to treatment process to achieve required standards. Development of effluent standards to achieve a viable wastewater reuse system within a balanced water resource cycle.</p>	<p>Works include construction of winter storage lagoons for reuse, desludging of existing lagoons and purchase of nearby land for reuse irrigation/wet lands. Now scheduled for 2016/17.</p>
<p>Agnes River Augmentation - Construction of Off Stream Storage The existing Agnes River water supply system, due to significant river flow fluctuations, does not provide for the current level of service requirements. A new 50 ML storage reservoir is required to prevent ongoing and regular water restrictions and to provide for growth and development within the Toora/Welshpool area.</p>	<p>Construction of new off stream storage, transfer pipelines and pump station.</p>	<p>Detail design to commence in 2010/11. Construction to commence in 2011/12. Construction of 250ML off stream storage to ensure adequate supply for current and growth demand. Actual storage size being reviewed. Land purchase and Geotechnical Investigations to be now undertaken.</p>
<p>Reticulation Sewer Replacement/Rehabilitation To rehabilitate/replace inefficient water mains.</p>	<p>Reticulation sewer rehabilitation/replacement works including pipeline replacement/relining & manhole repairs/replacement on an agreed established priorities with Operations.</p>	<p>Ongoing rehabilitation/replacement of ageing, cracked and broken reticulation sewer pipelines and manholes. Approximately 3 km of sewer pipelines and manholes over the Water Plan period. Program for 2008/2009 completed.</p>

6. Business Plan Targets

Objectives and Priorities	Strategies and Actions	Performance Target 2009/2010
KEY STRATEGIC OBJECTIVE 1: CUSTOMER INVOLVEMENT AND SERVICE DELIVERY <ul style="list-style-type: none"> Continue the high priority and commitment to our customers and maintenance of our service standards Continue to consult with customers 		
Customer and Community Engagement	<p>Develop & implement a Customer & Community Communication Framework around outcomes of the revised Water Supply Demand Strategy</p> <p>Update on general Customer & Community Engagement Program</p> <p>Continue focus on Demand Management initiatives</p>	<p>Program approved & implemented</p> <p>Report to Board on ongoing consultation as per program</p> <p>Implement more WET schemes in systems with significant rural customers</p>
Customer Service Delivery	<p>Meet Customer Charter service standards</p> <p>ESC Customer Charter Audit</p>	<p>100% compliance to be achieved</p> <p>Audit finds no major compliance issues</p>
KEY STRATEGIC OBJECTIVE 2: WATER QUALITY <ul style="list-style-type: none"> Increase customer satisfaction with water quality Meet or exceed water regulations 		
Compliance with Safe Drinking Water Act	<p>External auditing on compliance with regulations</p> <p>Meet water quality compliance</p>	<p>DHS audit to be finalised with minimal corrective actions</p> <p>100% water quality compliance to be achieved</p>
Advocacy for Catchment management	<p>Liaise with Catchment Management Authorities, to focus on water quality in catchments</p> <p>Promote advocacy with the Environment Protection Authority regarding uncontrolled catchments</p> <p>Develop a revegetation plan for the extended Battery Creek catchment</p>	<p><input type="checkbox"/> Attend GRWMP & Landcare meetings</p> <p><input type="checkbox"/> Proactively evaluate monitoring data</p> <p>Demonstrate outcomes from South Gippsland Water sponsored EPA presence in our catchment areas</p> <p>Plan approved by Board & referred to budget</p>

Objectives and Priorities	Strategies and Actions	Performance Target 2009/2010
KEY STRATEGIC OBJECTIVE 3: ENVIRONMENTAL SUSTAINABILITY <ul style="list-style-type: none"> • Manage wastewater systems to optimise the link with the integrated water cycle • Secure sustainable future water resources for customers 		
Sustainable Management Principles	Sustainable Management Principles	<input type="checkbox"/> Finalise Sustainable Management Policy, Goals & Objectives <input type="checkbox"/> Finalise Sustainable Management Targets <input type="checkbox"/> Implement Sustainability Organisational Structure & Systems as per Strategy
Climate Change	Better understand & respond to climate change <ul style="list-style-type: none"> <input type="checkbox"/> Actively involved in assessing climate change developments via CSIRO, DSE, VicWater, BoM, etc <input type="checkbox"/> Secure further water entitlements for system security <input type="checkbox"/> Establish final position on desalination options for SGW <input type="checkbox"/> Pro-active/conservative management of water systems to recognise changed rainfall patterns Implement & report on CO2 reduction action plan	<input type="checkbox"/> Half yearly update to Board <input type="checkbox"/> Entitlement applications submitted to relevant authorities <input type="checkbox"/> Strategic position endorsed by Board <input type="checkbox"/> Position submitted to government <input type="checkbox"/> Storage optimisation ensures best case capacity heading into drawdown Report to Board with reductions as per program
Long Term Wastewater Strategy - Removal of ocean outfalls by 2018	Develop long term sustainable approach for compliance for Baxter's Beach, Toora & Port Welshpool Implement Phase 1 of Foster wetland concept Implement other works as per agreed program	Finalise long term compliance works including concept designs & stakeholder sign-off Land purchase, duck weed ponds completed with EPA licence compliance achieved Capital works to be completed

Objectives and Priorities	Strategies and Actions	Performance Target 2009/2010
Water Supply Demand Strategy (restriction profile/security of supply)	Contribute to Gippsland Sustainable Water Strategy	Strong representation to responsible committee
	Review WSDS in light of Gippsland Sustainable Water Strategy & options from desalinated water study, new/revised water entitlements. Emphasis on diversity of supply options. Implement works as per agreed program	Final WSDS approved by Board Capital works to be completed
Wastewater quality	Corporate licensing	Negotiate Corporate Licence with EPA & obtain Board approval
	Meet EPA licence compliance	100% licence compliance to be achieved
KEY STRATEGIC OBJECTIVE 4: ORGANISATION CULTURE AND DEVELOPMENT		
<ul style="list-style-type: none"> Support and retain staff by providing information and enhanced knowledge, systems and resources to ensure continued quality performance Continue working with staff to ensure a healthy, safe and rewarding work environment 		
Resourcing – quantity and quality	Resourcing for service delivery	Suitable internal staff & external contract resources engaged on listed projects
	Private sector alliance model to achieve long term security of engineering expertise, including project management	Contractual arrangements finalised & alliance operating
	Investigate options for industry resource sharing, alliances & partnerships	Involvement in at least two alliance projects
Occupational Health and Safety	Develop & implement an accredited OH&S Management System	OH&S accreditation obtained
	Improve staff/contractor OH&S culture	Cultural change to be demonstrated by improved annual survey results
Environmental Mangement	Develop & implement an accredited Environmental Management System (EMS)	EMS accreditation obtained
	Improve staff/contractor EMS culture	Cultural change to be demonstrated by improved annual survey results

Objectives and Priorities	Strategies and Actions	Performance Target 2009/2010
KEY STRATEGIC OBJECTIVE 5: REGIONAL ENHANCEMENT <ul style="list-style-type: none"> Support regional development and the provision of enabling infrastructure 		
Servicing small towns	Managing expectations of Councils & communities for small town sewerage Small Country Towns capital works for Meeniyana & Poowong/Loch/Nyora to be completed	Ongoing Community Consultation to be implemented as per agreed program Implement works as per agreed program
Planning for growth	Planning & influencing incremental growth in existing towns Monitor actual growth against local government forecasts/SGW forecasts Cooperation with CMA's, Shire Councils	Liaise with Council Planners on incremental growth in existing towns Variances identified & factored into long term strategies <input type="checkbox"/> Annual Planning Summit to be arranged <input type="checkbox"/> Liaison meetings with local shires, CMA & Coastal Board to be held
KEY STRATEGIC OBJECTIVE 6: MANAGEMENT OF ASSETS <ul style="list-style-type: none"> Utilise the asset management system to improve knowledge and asset performance 		
Asset Maintenance and Replacement	Move towards full utilisation of asset management systems	Complete review of Asset Management Strategy, including implementation of organisational resources

Objectives and Priorities	Strategies and Actions	Performance Target 2009/2010
KEY STRATEGIC OBJECTIVE 7: GOVERNANCE, REGULATION AND COMPLIANCE <ul style="list-style-type: none"> Maintain our commitment to achieve the highest standards of compliance, financial sustainability and performance of the organisation, through sound and prudent governance 		
Board governance	Train & inform Board & Senior Managers on appropriate & effective governance information Regulatory obligations Water Act review Enhanced Governance to meet compliance & mitigate risk	<input type="checkbox"/> All Directors to undergo Company Director training in line with established program <input type="checkbox"/> Senior Management training plan to be developed & implemented Establish regular Board information briefings with DSE, DTF, etc Understand & respond to the implications of the Water Act review & related legislative changes Implement Board risk management framework/process recommendations
Long Term Planning	Revise planning in light of the Corporation's position on the Desalination plant <input type="checkbox"/> Water Supply Demand Strategy <input type="checkbox"/> Corporate	<input type="checkbox"/> Understand options & revise Water Supply Demand Strategy <input type="checkbox"/> Review as required once long term direction determined
Major compliance issues	Regular Board reporting on compliance with: <input type="checkbox"/> White Paper actions <input type="checkbox"/> Statement of Obligations compliance <input type="checkbox"/> Corporate Plan Meet reporting requirements re: <input type="checkbox"/> Board Performance <input type="checkbox"/> Corporate Plan <input type="checkbox"/> Annual Report	<input type="checkbox"/> Meet standards and timelines for actions <input type="checkbox"/> Meet timelines for actions, with favourable ESC audit re SoO's <input type="checkbox"/> Meet standards and timelines for actions <input type="checkbox"/> Meet standards and timelines for actions <input type="checkbox"/> Meet standards and timelines for actions <input type="checkbox"/> Meet standards and timelines for actions
Capital expenditure	Capital works	Deliver Capex Program within controllable parameters on time & within budget

7. Material Changes from Previous Corporate Plan

Material changes from the 2008/09 to 2012/13 Corporate Plan include:

- Delays by Murray Goulburn in finalising their new trade waste management regime which in turn has impacted in the Corporation's ability to implement a revised Trade Waste Agreement, including the fee structure;
- Continuing reduced revenue from the water volumetric tariff due to lower average consumption, predominately as a result of the behavioural response to the drought from both residential and non-residential customers;
- Lower capital expenditure, as priorities have varied in line with securing water under the continuing drought conditions and due to the Corporation's ongoing assessment of options for use of desalinated water. That is, a number of projects relating to treatment plants and dam safety have been deferred subject to resolution of this issue.

Some slippage has occurred as the continuing drought conditions and difficulties in obtaining new bulk water entitlements will force the Corporation to review previously finalised concepts such as the Tarra off stream storage.

8. Major Risks

8.1 Planning for the affects of the recently announced Wonthaggi Desalination Plant

The construction of the Wonthaggi Desalination Plant could affect the fundamentals underlying this Corporate Plan, although this will be in the medium to longer term. The initiative relates to a \$3.1 billion desalination plant to be located in the Wonthaggi region, including an 85km pipeline to connect the plant to Melbourne's drinking water supplies.

The plant will provide an additional 150 billion litres of water each year by the end of 2011. The additional water will be provided to Melbourne and Geelong, and be available for utilisation by Westernport and South Gippsland, subject to further pipelines being built to allow access to the water.

As part of this Corporate Plan, South Gippsland Water will be constructing an 11km connection pipeline to the desalination plant in order to provide water for construction purposes (up to 2ML/day). With government assistance the pipeline will be upgraded to allow for it to be reversed on completion of the desalination plant and provide a 10ML/day of desalinated water into the Corporation's Lance Creek system.

South Gippsland Water is currently assessing other options, including costs and logistics, for utilising desalination water for a number of its other supply districts. Finalisation of this project, in order to understand how desalinated water will impact on long term water supply demand strategies, will be a key outcome of the 2009/10 priorities.

8.2 Security of Supply and ongoing drought conditions

South Gippsland Water is reviewing its Water Supply Demand Strategy as a part of its input into the Gippsland Region Sustainable Water Strategy. It contains a detailed analysis of demand and supply options, including growth, demand reduction initiatives, water delivery efficiency and augmentation options for the next 50 years.

Significant works have been scheduled as a part of this Corporate Plan, including augmentations for the Toora and Yarram districts.

A number of short term mitigation measures (capital) were delivered during 2006/07 and 2007/08, including construction of an 8km pipeline to allow harvesting of winter flows to assist in the recovery of the Lance Creek system, and establishment of pipes, pump stations and bores to ensure continuing supplies to Leongatha and Korumburra.

Associated extra operating costs have been incorporated into planning in order to replenish record low water reserves and possible continuation of drought conditions.

South Gippsland Water has, and will continue to rely on a combination of groundwater and river/stream flows (subject to qualification of rights) in order to ensure continued water services to customers in ongoing drought conditions, and will continue to work towards securing a permanent bulk entitlement from the Tarwin River.

8.3 Uncertainty about climate change and developing appropriate responses

In response to the uncertainty of climate change, South Gippsland Water will review its Water Supply Demand Strategy as a part of its input into the Gippsland Region Sustainable Water Strategy. It contains a detailed analysis of demand and supply options, including growth, demand reduction initiatives, water delivery efficiency and augmentation options for the next 50 years.

South Gippsland Water will endeavour to better understand and monitor the possible impacts of climate change via active involvement in assessing climate change developments together with expert and other bodies, i.e. CSIRO, DSE, VicWater, etc.

The Corporation will pursue securing additional water entitlements, finalising desalination options and proactively manage water storages for the benefit of customers.

8.4 Reduced revenue due to water restrictions and changes in consumption

The Corporate Plan has assumed a relatively inelastic price for water demand, that is, there will be little affect on customer demand as a result of pricing. However, water reduction strategies such as water efficient shower heads, rebates for water efficient appliances and water tanks may lead to decreased demand and affect revenue over and above expectations. Additionally, extended restriction scenarios could result in a further deterioration of revenue streams.

In response, the Corporation has utilised generally conservative demand estimates in its planning processes. The risk for revenue shortfall is restricted to the length of the regulatory period, i.e. 5 years. The pricing determination process would then recognise permanent demand effects in terms of pricing for future periods.

8.5 Attracting / retaining / resourcing the organisation in the long term

The remote location of the Corporation presents issues with respect to attracting and retaining skilled staff. South Gippsland Water has developed succession planning, staff development and reward models, and recruitment strategies in response.

Activity in the industry and competition for engineering resources generally, continues to pose challenges for the Corporation to deliver capital projects. More specifically, the proposed Wonthaggi desalination plant will impact on internal and external resources at all levels within the organisation. A major Corporate Plan outcome will be the implementation of a Private Sector Alliance Model in order to provide long term security of engineering expertise, including project management.

8.6 Uncertainty of demand for water from Westernport Water and Murray Goulburn

Westernport Water (bulk water) and Murray Goulburn have been major drawers on water resources in recent years. Resource recovery coupled with continuation of existing climatic conditions presents real risks together with the lack of clarity in short to medium options for these two customers.

Given Westernport Water's critical water reserves and their yet unproven augmentation options, it is unclear as to whether they will continue to place demands on bulk water in the short term (the construction of the Wonthaggi desalination plant will potentially remove this risk from 2012 onwards). Murray Goulburn has announced major capital investment into water saving technologies with bold predictions on water reduction, however, the current Global Financial Crisis has impacted on their ability to deliver the later stages of the savings

If neither is able to develop their options as planned, South Gippsland Water's supplies will continue to be pressured to meet demand. This is particularly so for the Lance Creek system which will have the added pressure of meeting the Wonthaggi desalination plants demand from October 2009.

In response, South Gippsland Water has developed winter harvesting options in terms of addressing these relative unknowns in 2009/10 and beyond. In addition the Corporation is currently assessing other options, including costs and logistics, for utilising desalination water for a number of its supply districts.

8.7 Damage to relationships with natural resource partners

South Gippsland Water has recognised that stress has been placed on relationships with natural resources partners, in its efforts to meet customer water demands during the extended drought conditions.

The Corporation has clearly identified that continuing to build understanding and strengthening these partnerships is a key component in its long term planning.

9. Financial Details

9.1 Summary of Financial Projections

The Corporation's financial projections are largely consistent with those approved by the ESC in the 2008 Water Plan process. That is, modest profits as South Gippsland Water continues to implement a significant capital expenditure program.

South Gippsland Water will continue to look to minimise operating costs and achieve operating efficiencies in line with the commitments made in its Water Plan. The current Enterprise Bargaining process is assisting in identifying further areas for focus. These include:

- Commitments to absorb customer growth;
- After Hours response improvements;
- Telemetry improvements; and
- Asset Management initiatives

9.2 Sensitivity analysis around climate conditions and yields

As a part of prudent planning, the Corporation has undertaken sensitivity analysis around differing climate condition scenarios. As mentioned previously, this Corporate Plan has assumed that the extreme low flows of the last three years (2005/06, 2006/07 and 2007/08) will continue over the planning period.

Sensitivities have been undertaken for the following further inflow scenarios:

- a continuation of low inflows experienced from 1997/98; and
- a continuation of the long term average adjusted for medium climate change.

The following broadly summarises the results of the analysis:

Scenario 1 - A continuation of low inflows experienced from 1997/98

4,826 ML's to be delivered to customers during 2009/10 with no restrictions envisaged over the Corporate Plan period given the water supply options available to the Corporation, via capital works previously commissioned.

There are some minor operating costs savings due to the baseline Corporate Plan being premised on more extreme drought conditions resulting in a more favourable financial position.

These are:

2009/10	\$27,000
2010/11	\$24,000
2011/12	\$22,000
2012/13	\$20,000
2013/14	\$18,000

Scenario 2 - A continuation of the long term average adjusted for medium climate change

4,826 ML's to be delivered to customers during 2009/10 with no restrictions envisaged over the Corporate Plan period given the water supply options available to the Corporation, via capital works previously commissioned.

There are some minor operating costs savings due to the baseline Corporate Plan being premised on more extreme drought conditions resulting in a more favourable financial position. These savings are marginally more than those in Scenario 1 above.

These are:

2009/10	\$41,000
2010/11	\$38,000
2011/12	\$36,000
2012/13	\$34,000
2013/14	\$32,000

Overall, the savings under the two sensitivity analyses are so marginal that there is little or no impact on the fundamental financials of the Corporation.

9.3 Operating Statement

Table 9.3(a): Revenue & Expense Details

South Gippsland Water		(\$000s)					
Financial projections		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
		2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
REVENUE & EXPENSES DETAIL							
Revenue from core business							
Bulk Water Sales to other Corporations							
Urban water							
Service							
residential		4,126	4,498	4,790	5,102	5,431	5,743
non-residential		789	854	910	969	1,032	1,097
Usage/volumetric							
residential		3,619	4,348	4,794	5,238	5,719	6,068
non-residential		1,900	1,847	2,362	2,185	2,198	2,297
Wastewater							
Service							
residential		5,047	5,529	5,847	6,183	6,534	6,853
non-residential		2,515	2,957	3,117	3,229	3,295	3,611
Usage/volumetric							
residential							
non-residential							
Trade Waste Revenue by Agreement							
Recycled Water							
Retail diversions							
Gravity irrigation (retail)							
Pumped irrigation (retail)							
Stock and domestic							
Drainage							
TOTAL REVENUE FROM CHARGES		17,996	20,033	21,820	22,906	24,209	25,669
Operating, maintenance and administration expense							
<i>(enter all lines as +ve)</i>							
Operating and Maintenance Expense		9,215	9,395	10,201	10,022	10,265	10,300
Administration Expense		3,500	3,631	3,767	3,909	4,055	4,207
TOTAL OMA EXPENSES:		12,715	13,026	13,968	13,931	14,320	14,507
Total OMA Expenses breakdown for:							
Bulk water		1,409	1,443	1,548	1,544	1,587	1,607
Urban water - Treatment		3,876	3,971	4,258	4,247	4,365	4,422
Urban water - Reticulation		3,491	3,576	3,835	3,825	3,932	3,983
Wastewater - Reticulation		1,589	1,628	1,746	1,741	1,790	1,813
Wastewater - Treatment		2,350	2,407	2,581	2,574	2,646	2,681
Recycled Water							
Retail diversions							
Gravity irrigation							
Pumped irrigation							
Stock and domestic							
Drainage							
Other							

Table 9.3(b): Operating Statement

South Gippsland Water Financial projections	(\$000s)					
	Year 0 2008-09	Year 1 2009-10	Year 2 2010-11	Year 3 2011-12	Year 4 2012-13	Year 5 2013-14
OPERATING STATEMENT						
Revenues						
Service Charges	12,477	13,839	14,664	15,484	16,292	17,304
Usage Charges	5,519	6,194	7,156	7,422	7,917	8,365
Developer Contributions	450	600	616	630	646	662
Developer Contributions - Gifted Assets	1,696	1,000	1,025	1,051	1,077	1,104
Government Contributions / Grants	22	2,920				
Investment Interest	28	15	15	15	15	15
Profit (Loss) from Disposal of Assets	-	-	-	-	-	-
Other Revenue	527	443	453	635	915	489
Total Revenues	20,719	25,011	23,929	25,237	26,862	27,939
Expenses						
Operations and Maintenance Expenses	9,215	9,395	10,201	10,022	10,265	10,300
Administration Expenses	3,500	3,631	3,767	3,909	4,055	4,207
Environmental Contributions	754	754	754	754	754	904
Borrowing Costs / Interest Expense	1,440	1,777	2,504	3,457	4,098	4,448
Depreciation and Amortisation	5,778	5,971	6,225	6,644	6,985	7,152
Other Expenses						
Total Expenses	20,687	21,528	23,451	24,786	26,157	27,011
EARNINGS BEFORE TAX	32	3,483	478	451	705	928
Income Tax Expense						
NET PROFIT (LOSS)	32	3,483	478	451	705	928
Dividends Expense						
Transfers to/from Reserves						
Other adjustments						
Retained Profit (Loss) carried forward	68,537	68,569	72,052	72,530	72,981	73,686
Closing Retained Profit (Loss)	68,569	72,052	72,530	72,981	73,686	74,614
ASSET VALUATION RESERVE						
Revaluation of Assets Inc (+) or Dec (-)	-	-	-	-	-	-

9.4 Balance Sheet

Table 9.4: Balance Sheet

South Gippsland Water Financial projections	(\$000s)					
	Year 0 2008-09	Year 1 2009-10	Year 2 2010-11	Year 3 2011-12	Year 4 2012-13	Year 5 2013-14
BALANCE SHEET						
Current Assets						
Cash and Cash Equivalents	2,482	1,456	1,518	1,456	1,531	1,455
Receivables	487	500	516	533	550	566
Less Doubtful Debts	(12)	(12)	(13)	(14)	(15)	(16)
Inventories	270	278	286	295	304	313
Prepayments	223	287	351	300	251	259
Other Current Assets	274	282	291	299	308	318
Total current assets	3,724	2,791	2,949	2,869	2,929	2,895
Non Current Assets						
Infrastructure	263,270	278,072	295,750	312,356	325,028	334,584
less Accumulated Depreciation (-)	(123,970)	(129,210)	(134,636)	(140,237)	(146,022)	(152,024)
Infrastructure (written down value)	139,300	148,862	161,114	172,119	179,006	182,560
Capital Works in Progress	7,377	7,715	9,872	10,943	9,693	10,347
Land and Buildings	6,489	6,518	6,547	6,827	7,108	7,390
Plant, Equipment and Motor Vehicles	2,010	2,056	2,102	2,149	2,215	2,262
Deferred Tax Assets						
Non Current Investments						
Intangible Assets	1,559	700	500	300	100	100
Other Non-Current Assets	95	95	434	267	706	706
Total non-current assets	156,830	165,946	180,569	192,605	198,828	203,365
TOTAL ASSETS	160,554	168,737	183,518	195,474	201,757	206,260
Current Liabilities						
Bank Overdraft						
Payables	2,155	2,218	2,282	2,348	1,885	1,919
Borrowings	4,251	5,171	8,011	10,291	11,491	12,191
Finance Lease Liabilities (PPP)						
Other Lease Liabilities						
Employee Benefit Provision	1,035	1,066	1,098	1,131	1,165	1,200
Other Provisions	500	500	500	500	500	500
Other Current Liabilities	85	87	89	91	93	95
Total current liabilities	8,026	9,042	11,980	14,361	15,134	15,905
Non Current Liabilities						
Borrowings	17,005	20,685	32,045	41,165	45,965	48,765
Finance Lease Liabilities (PPP)						
Other Lease Liabilities						
Employee Benefit Provision	140	144	149	153	158	162
Deferred Tax Liabilities						
Other Non-Current Liabilities						
Total non-current liabilities	17,145	20,829	32,194	41,318	46,123	48,927
TOTAL LIABILITIES	25,171	29,871	44,174	55,679	61,257	64,832
NET ASSETS	135,383	138,866	139,344	139,795	140,500	141,428
EQUITY						
Government Equity Contributions	63,217	63,217	63,217	63,217	63,217	63,217
Asset Revaluation Reserve	3,597	3,597	3,597	3,597	3,597	3,597
Other Reserves						
Accumulated Funds (Losses)	68,569	72,052	72,530	72,981	73,686	74,614
TOTAL EQUITY	135,383	138,866	139,344	139,795	140,500	141,428

9.5 Statement of Cash Flows

Table 9.5: Cash Flow Statement

South Gippsland Water Financial projections	(\$000s)					
	Year 0 2008-09	Year 1 2009-10	Year 2 2010-11	Year 3 2011-12	Year 4 2012-13	Year 5 2013-14
STATEMENT OF CASH FLOWS						
CASH FLOWS FROM OPERATIONS						
Receipts						
Service and Usage Charges	20,677	22,960	25,323	26,444	26,957	28,407
Other Customer Revenue	527	443	453	465	476	489
Receipts from Government						
Developer Contributions	450	600	616	630	646	662
GST Refunds from ATO	71	73	74	75	77	80
Investment Income	28	15	15	15	15	15
Other cash receipts		2,920				
Total Cash Receipts from Operations	21,753	27,011	26,481	27,629	28,171	29,653
Payments						
Payments to suppliers and employees	(13,540)	(13,853)	(14,797)	(14,760)	(15,152)	(15,491)
Interest and other costs of finance paid	(1,440)	(1,785)	(2,487)	(3,400)	(4,010)	(4,327)
GST Paid to ATO	(1,927)	(2,158)	(2,758)	(2,548)	(2,049)	(1,922)
Income Tax Payments						
Environmental Contributions	(754)	(754)	(754)	(754)	(754)	(904)
Other Payments						
Total Cash Payments for Operations	(17,661)	(18,550)	(20,796)	(21,462)	(21,965)	(22,644)
Net Cash Inflow (Outflow) from Operating Activities:	4,092	8,461	5,685	6,167	6,206	7,009
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from Redemption of Investments						
Payments for Property, Plant & Equipment	(12,202)	(14,452)	(20,197)	(18,012)	(12,524)	(10,988)
Payments for Intangible Assets						
Proceeds from Sale of Assets	364	365	374	383	393	403
Net Cash Inflow (Outflow) for Investing Activities:	(11,838)	(14,087)	(19,823)	(17,629)	(12,131)	(10,585)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from Borrowings	5,886	4,600	14,200	11,400	6,000	3,500
Proceeds from Equity Contributions from Government	1,450	-				
Repayment of Borrowing / Overdraft						
Payment of Dividends						
Net Cash Inflow (Outflow) from Financing Activities:	7,336	4,600	14,200	11,400	6,000	3,500
NET INCREASE (DECREASE) IN CASH	(410)	(1,026)	62	(62)	75	(76)
Cash held at the beginning of the year	2,892	2,482	1,456	1,518	1,456	1,531
Cash held at the end of the year	2,482	1,456	1,518	1,456	1,531	1,455

9.6 Financial Performance Indicators

Table 9.6: Financial Performance Indicators

South Gippsland Water Financial projections	(\$'000s)					
	Year 0 2008-09	Year 1 2009-10	Year 2 2010-11	Year 3 2011-12	Year 4 2012-13	Year 5 2013-14
FINANCIAL PERFORMANCE INDICATORS						
P1. Short Term Liquidity Indicators						
Current Assets	3,724	2,791	2,949	2,869	2,929	2,895
Current Liabilities	8,026	9,042	11,980	14,361	15,134	15,905
Working Capital (\$'000s)	(4,302)	(6,251)	(9,031)	(11,492)	(12,205)	(13,010)
Working Capital Ratio (%)	46.4%	30.9%	24.6%	20.0%	19.4%	18.2%
P2. Profitability Indicators						
Earnings Before Interest and Tax	1,444	5,245	2,967	3,893	4,788	5,361
Total Revenue	20,719	25,011	23,929	25,237	26,862	27,939
Total Assets at start of reporting period	156,752	160,554	168,737	183,518	195,474	201,757
Total Assets at end of reporting period	160,554	168,737	183,518	195,474	201,757	206,260
Average Total Assets	158,653	162,014	167,390	173,007	177,799	181,865
Profit Margin (%)	7.0%	21.0%	12.4%	15.4%	17.8%	19.2%
Return on Assets (%)	0.9%	3.2%	1.8%	2.3%	2.7%	2.9%
P3. Owners Return Indicator						
Net Profit after Tax	32	3,483	478	451	705	928
Total Equity at start of reporting period	133,867	135,383	138,866	139,344	139,795	140,500
Total Equity at end of reporting period	135,383	138,866	139,344	139,795	140,500	141,428
Average Total Equity	134,625	136,039	136,865	137,451	137,959	138,455
Return on Equity (%)	0.0%	2.6%	0.3%	0.3%	0.5%	0.7%
P4. Long Term Viability Indicators						
Total Debt	23,411	22,903	34,327	43,513	47,850	50,684
Total Assets	160,554	168,737	183,518	195,474	201,757	206,260
Total Equity	135,383	138,866	139,344	139,795	140,500	141,428
Gearing ratio (%)	14.6%	13.6%	18.7%	22.3%	23.7%	24.6%
Internal Financing Ratio (%)	33.5%	58.5%	28.1%	34.2%	49.6%	63.8%
Debt Serviceability (%)	19.3%	32.7%	14.2%	12.0%	10.8%	11.5%
Debt to Equity (%)	17.3%	16.5%	24.6%	31.1%	34.1%	35.8%
P5. Debt Servicing Indicators						
Earnings Before Net Interest and Tax	1,444	5,245	2,967	3,893	4,788	5,361
Net Interest Expense	1,412	1,762	2,489	3,442	4,083	4,433
Net Cash from Operations Before Net Interest and Tax	5,504	10,231	8,157	9,552	10,201	11,321
Net Interest Payments	1,412	1,770	2,472	3,385	3,995	4,312
Cash Interest Coverage (times)	4	6	3	3	3	3
Interest Coverage (times)	1	3	1	1	1	1
P6. Efficiency Indicators						
Total Sales	18,446	20,633	22,436	23,536	24,855	26,331
Accounts Receivable at start of period	459	487	500	516	533	550
Accounts Receivable at end of period	487	500	516	533	550	566
Average Accounts Receivable	473	482	491	499	508	516
Net Cash from operations	4,092	8,461	5,685	6,167	6,206	7,009
Total Cash Receipts	21,753	27,011	26,481	27,629	28,171	29,653
Accounts Receivable Turnover (days)	9	9	8	8	7	7
Cash Flow Efficiency (%)	18.8%	31.3%	21.5%	22.3%	22.0%	23.6%

9.7 Capital Expenditure Forecasts

Table 9.7: Capital Expenditure Forecasts

South Gippsland Water											
Capital Program											
\$ millions											
<i>(excluding Developer Contributions - Gifted Assets)</i>											
Capital Expenditure:	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
All Projects	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
TOTAL	12.202	14.452	20.197	18.012	12.524	10.988	18.589	17.475	15.745	7.435	3.666
Wholesale Headworks	3.262	2.595	4.439	7.485	3.542	4.830	8.160	8.400	10.150	1.500	0.000
Retail Urban											
water resources	0.196	0.164	0.900	0.000	0.000	0.475	0.350	0.000	0.000	0.000	0.000
reticulation	0.556	0.870	0.742	0.894	0.896	1.944	2.087	1.191	0.891	0.891	0.891
treatment	0.215	0.314	0.660	0.270	0.325	0.590	4.570	5.200	0.150	0.150	0.150
Sewerage											
treatment	3.369	6.237	6.860	3.925	2.430	0.450	0.050	0.110	1.950	2.200	0.000
reticulation	2.558	2.590	4.935	3.825	3.680	1.050	1.740	0.950	0.950	0.950	0.950
Recycled Water											
Irrigation - Gravity											
Irrigation - Pumped											
Diversions											
Domestic & Stock											
Drainage											
Corporate	2.046	1.682	1.661	1.613	1.651	1.649	1.632	1.624	1.654	1.744	1.675
Intangibles											

Capital Expenditure:	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Replacement or Renewal	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
TOTAL	3.53	7.44	8.82	5.29	3.63	8.76	16.34	13.66	9.24	4.68	3.06
Wholesale Headworks	0.0	0.3	3.7	1.9	0.5	4.2	6.8	4.9	6.2	1.5	0.0
Retail Urban											
water resources	0.1	0.1	0.9	0.0	0.0	0.0	0.3	0.4	0.0	0.0	0.0
reticulation	0.6	0.9	0.6	0.7	0.6	1.7	1.9	1.2	0.9	0.9	0.9
treatment	0.2	0.3	0.3	0.3	0.2	0.4	4.6	5.2	0.2	0.2	0.2
Sewerage											
treatment	0.6	3.8	0.9	0.2	0.0	0.5	0.1	0.1	0.1	0.2	0.0
reticulation	0.8	1.0	0.9	1.0	1.1	0.8	1.5	0.7	0.7	0.7	0.7
Recycled Water											
Irrigation - Gravity											
Irrigation - Pumped											
Diversions											
Domestic & Stock											
Drainage											
Corporate	1.2	1.2	1.4	1.1	1.2	1.2	1.3	1.3	1.3	1.3	1.3
Intangibles											

9.8 Core Service Standards

Table 9.8: Service Standards

SOUTH GIPPSLAND WATER - Service Standards 1 July 2009 to 30 June 2014

	2008-09 Est.	2009-10	2010-11	2011-12	2012-13	2013-14
Water						
Unplanned water supply interruptions (per 100km)	27.5	28.0	28.0	28.0	28.0	28.0
Average time taken to attend bursts and leaks (priority 1)	19.0	30.0	30.0	30.0	30.0	30.0
Average time taken to attend bursts and leaks (priority 2)	23.0	40.0	40.0	40.0	40.0	40.0
Average time taken to attend bursts and leaks (priority 3)	380.0	1440.0	1440.0	1440.0	1440.0	1440.0
Unplanned water supply interruptions restored within 5 hours (per cent)	99.0	99.0	99.0	99.0	99.0	99.0
Planned water supply interruptions restored within 5 hours (per cent)	90.0	99.0	99.0	99.0	99.0	99.0
Average unplanned customer minutes off water supply	32.5	33.0	33.0	33.0	33.0	33.0
Average planned customer minutes off water supply	40.0	150.0	150.0	150.0	150.0	150.0
Average unplanned frequency of water supply interruptions	0.30	0.33	0.33	0.33	0.33	0.33
Average planned frequency of water supply interruptions	0.20	0.50	0.50	0.50	0.50	0.50
Average duration of unplanned water supply interruptions (minutes)	102.0	100.0	100.0	100.0	100.0	100.0
Average duration of planned water supply interruptions (minutes)	270.0	300.0	300.0	300.0	300.0	300.0
No. of customers experiencing more than 5 unplanned water supply interruptions in the year	0.0	0.0	0.0	0.0	0.0	0.0
Unaccounted for water	14.0	14.0	14.0	14.0	14.0	14.0
Sewerage						
Sewerage blockages (per 100km)	17.5	18.0	18.0	18.0	18.0	18.0
Average time to attend sewer spills and blockages (minutes)	20.0	30.0	30.0	30.0	30.0	30.0
Average time to rectify a sewer blockage (minutes)	65.0	120.0	120.0	120.0	120.0	120.0
Spills contained within 5 hours (per cent)	100.0	100.0	100.0	100.0	100.0	100.0
No. of customers receiving more than 3 sewer blockages in the year	0.0	0.0	0.0	0.0	0.0	0.0
Customer service						
Complaints to EWOV	1.1	1.1	1.1	1.1	1.1	1.1
Telephone calls answered within 30 seconds	99.0	98.0	98.0	98.0	98.0	98.0
Minimum flow rates						
20mm		20				
25mm		35				
32mm		60				
40mm		90				
50mm		160				
Additional Service Standards						
Recycled water target (% reused)	3.0	2.0	2.0	2.0	2.0	2.0
Biosolids reuse (% reused)	0.0	0.0	0.0	2.0	5.0	5.0
Small Town Sewerage Scheme connections (no. of)	0.0	0.0	206.0	2.0	2.0	2.0
Environmental discharge indicator (per cent)	95.0	100.0	100.0	100.0	100.0	100.0
Drinking water quality indicators (per cent)	100.0	100.0	100.0	100.0	100.0	100.0

9.9 Statement of Prices & Tariffs as determined by the ESC - 1 July 2009 – 30 June 2014

Table 9.9: Prices & Tariffs

Tariff and Price Component \$, 1/1/10	Price (1 July 2009)	PPM Year 1	CPI Year 1	PPM Year 2	CPI Year 2	PPM Year 3	CPI Year 3	PPM Year 4	CPI Year 4
1.1 Water access fees (per annum)									
East/West District									
Access fee – Developed	251.35	4.0%	2.5%	4.0%	2.5%	4.0%	2.5%	0.0%	2.5%
Access fee – Undeveloped	251.35	4.0%	2.5%	4.0%	2.5%	4.0%	2.5%	0.0%	2.5%
Access fee – Agreements	228.44	4.0%	2.5%	4.0%	2.5%	4.0%	2.5%	0.0%	2.5%
Access fee – Concessional	207.83	3.7%	2.5%	3.7%	2.5%	3.7%	2.5%	0.0%	2.5%
Southern District									
Access fee – Developed	318.50	1.1%	2.5%	1.1%	2.5%	1.1%	2.5%	0.0%	2.5%
Access fee – Undeveloped	318.50	1.1%	2.5%	1.1%	2.5%	1.1%	2.5%	0.0%	2.5%
Access fee – Agreements	286.10	1.1%	2.5%	1.1%	2.5%	1.1%	2.5%	0.0%	2.5%
Access fee – Concessional	207.83	3.7%	2.5%	3.7%	2.5%	3.7%	2.5%	0.0%	2.5%
1.2 Water usage charges (per kL)									
Volumetric fee – Murray Goulburn	1.5461	6.1%	2.5%	6.1%	2.5%	6.1%	2.5%	0.0%	2.5%
Volumetric fee – All others	1.2706	6.1%	2.5%	6.1%	2.5%	6.1%	2.5%	0.0%	2.5%
1.3 Sewerage access fees (per annum)									
Residential and non-residential									
Access fee – Developed	398.14	1.7%	2.5%	1.7%	2.5%	1.7%	2.5%	0.0%	2.5%
Access fee – Undeveloped	233.76	1.7%	2.5%	1.7%	2.5%	1.7%	2.5%	0.0%	2.5%
1.4 Cistern access fees (per annum)									
1-2 Cisterns	128.97	1.7%	2.5%	1.7%	2.5%	1.7%	2.5%	0.0%	2.5%
3-5 Cisterns	339.50	1.7%	2.5%	1.7%	2.5%	1.7%	2.5%	0.0%	2.5%
6-10 Cisterns	657.03	1.7%	2.5%	1.7%	2.5%	1.7%	2.5%	0.0%	2.5%
11-15 Cisterns	1,052.01	1.7%	2.5%	1.7%	2.5%	1.7%	2.5%	0.0%	2.5%
16-20 Cisterns	1,754.25	1.7%	2.5%	1.7%	2.5%	1.7%	2.5%	0.0%	2.5%
21-26 Cisterns	2,510.70	1.7%	2.5%	1.7%	2.5%	1.7%	2.5%	0.0%	2.5%
27-35 Cisterns	3,077.33	1.7%	2.5%	1.7%	2.5%	1.7%	2.5%	0.0%	2.5%
36–Greater Cisterns	3,516.25	1.7%	2.5%	1.7%	2.5%	1.7%	2.5%	0.0%	2.5%
Volume Charge – (per kL)									
Volume Charge	1.2706	6.1%	2.5%	6.1%	2.5%	6.1%	2.5%	0.0%	2.5%

* Year 4 (2013/14) Price Movement (PPM) is outside ESC Price Determination and has been held at 2012/13 real prices

Tariff and Price Component \$, 1/1/10	Price (1 July 2008)	PPM Year 2	PPM Year 1	PPM Year 3	PPM Year 1	PPM Year 4	PPM Year 1	PPM Year 4	PPM Year 1
1.5 Minor trade waste fees									
Application fees (per application)									
Category 1	102.50	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%
Category 2	164.00	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%
Category 3	300.33	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%
Access fees (per annum)									
Access fee – Category 1	371.76	14.0%	2.5%	14.0%	2.5%	14.0%	2.5%	0.0%	2.5%
Access fee – Category 2	493.75	14.0%	2.5%	14.0%	2.5%	14.0%	2.5%	0.0%	2.5%
Access fee – Category 3	612.59	14.0%	2.5%	14.0%	2.5%	14.0%	2.5%	0.0%	2.5%
Volumetric fees (per kL)									
All Categories	0.4901	15.6%	2.5%	15.6%	2.5%	15.6%	2.5%	0.0%	2.5%
Quality fees (per kg)									
BOD	0.3819	14.3%	2.5%	15.0%	2.5%	13.0%	2.5%	0.0%	2.5%
SS	0.3558	15.2%	2.5%	13.2%	2.5%	14.0%	2.5%	0.0%	2.5%
Nitrogen	1.6166	13.5%	2.5%	14.3%	2.5%	14.1%	2.5%	0.0%	2.5%
Phosphorus	9.2078	14.0%	2.5%	14.0%	2.5%	14.0%	2.5%	0.0%	2.5%
Additional sampling (per sample)									
All Categories	Actual Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Exceedence fees (per kg)									
Oil & Grease	0.0871	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%
Sodium	0.0871	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%
TOS	0.6099	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%
1.6 New customer contributions									
Water									
Category One Lot < 450 sq m	563.75	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%
Category Two Lot 450 - 1350 sq m	1,127.50	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%
Category Three Lot size > 1350 sq	2,255.00	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%
Sewer									
Category One Lot < 450 sq m	563.75	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%
Category Two Lot 450 - 1350 sq m	1,127.50	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%
Category Three Lot size > 1350 sq	2,255.00	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%

* Year 4 (2013/14) Price Movement (PPM) is outside ESC Price Determination and has been held at 2012/13 real prices

Tariff and Price Component \$, 1/1/10	Price (1 July 2008)	PPM Year 2	PPM Year 1	PPM Year 3	PPM Year 1	PPM Year 4	PPM Year 1	PPM Year 4	PPM Year 1
1.7 Miscellaneous fees and charges									
Property information statements <i>Fee imposed for providing a certificate issued in accordance with Section 158 of the, Water Act 1989.</i>	42.54	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%
Special meter readings <i>Fee imposed for providing a certificate which indicates water usage charges up to a specified date. Generally provided, on application, for property sales.</i>	21.53	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%
As constructed charge <i>As constructed charge</i>	58.84	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%
20mm Tapping Fee <i>Fee imposed for meter and labour associated in providing a tapping to the water main.</i>	322.88	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%
Plumbing Industry Commission (PIC) Fee <i>Fee imposed for providing sewer plans and processing applications to connect or modify plumbing.</i>	181.43	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%
Standpipe Water Sales (per kL) <i>Fee imposed for the sale of water via a metered standpipe.</i>									
- Registered Users	300% of volumetric fee	6.1%	2.5%	6.1%	2.5%	6.1%	2.5%	0.0%	2.5%
- Unregistered Users	400% of volumetric fee	6.1%	2.5%	6.1%	2.5%	6.1%	2.5%	0.0%	2.5%
Septic Tank Waste Receptival (per kL) <i>Fee imposed on septic tank waste carters, for the disposing of sewage and/or other acceptable waste.</i>	21.83	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%	0.0%	2.5%
Non Core Miscellaneous Services <i>Non core miscellaneous services</i>	Actual Cost	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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