



## 2021 – 2026 CORPORATE PLAN

*South Gippsland Water proudly acknowledges Aboriginal people as Australia's first peoples and the local Traditional Owners as the original custodians of the land and water on which we rely.*

*We pay our deepest respects to their Elders, past, present and emerging. We acknowledge the continued cultural, social and spiritual connections that Aboriginal people have with the lands and waters, and recognise and value that the Traditional Owner groups have cared for and protected them for thousands of generations.*

*In the spirit of reconciliation, we remain committed to working in partnership with local Traditional Owners to ensure their ongoing contribution to the future of the water management landscape while maintaining their cultural and spiritual connections.*

## TABLE OF CONTENTS

1. MESSAGE FROM THE CHAIR AND MANAGING DIRECTOR .....	4
2. STATEMENT OF CORPORATE INTENT .....	4
3. BUSINES OBJECTIVES .....	5
<b>OUR SERVICES</b> .....	6
4. OUR OPERATING ENVIRONMENT .....	7
5. FUTURE WAYS OF WORKING INITIATIVES .....	9
6. CORPORATE FOCUS AREAS .....	10
OUR CUSTOMER FOCUS .....	18
<b>OUR SGW VISION 2023</b> .....	20
7. CORPORATE PLAN - AT A GLANCE .....	20
<b>DEMAND</b> .....	21
<i>Water allocation and supply availability</i> .....	22
<b>MAJOR RISKS</b> .....	23
<i>Maintaining the balance - price, service and being sustainable into the future</i> .....	23
<i>Uncertainty of major customer requirements</i> .....	23
<i>Uncertainty about the impacts of climate change</i> .....	24
<i>Attracting, retaining, and resourcing the organisation in the long term</i> .....	26
Material changes from previous 2020/21 corporate plan: .....	26
<b>Financial Details</b> .....	28
Operating Statement .....	28
Cash Flow Statement .....	29
Balance Sheet .....	30
Financial Performance Indicators .....	31
Service Standards .....	31
Customer Responsiveness Indicators .....	32
Environmental Performance Indicators .....	32
APPENDIX A - Financial TABLES .....	33
APPENDIX B - Customer tariffs .....	35

## **1. MESSAGE FROM THE CHAIR AND MANAGING DIRECTOR**

The 2021/22 – 2025/26 Corporate Plan has been developed following a year of operating within the uncertainty of coronavirus (COVID-19). The past twelve months has seen long periods of limited social contact, unprecedented adjustment to our processes and practices, and increased vigilance to protect ourselves and our communities.

Our teams continued to deliver essential services across the region, and as we adapted to our remote ways of working we commenced a process to identify and understand the opportunities and challenges presented. South Gippsland Water's Future Ways of Working project has progressed in order to capture efficiencies gained across the organisation for the long term, and in a planned and structured way.

The 2021/22 period provides an opportunity to incorporate these strategic shifts as we engage and plan for the Central and Gippsland Sustainable Water Strategy, South Gippsland Water's Urban Water Strategy, and the next Price Submission due for submission late 2022.

This Corporate Plan is in the context of our second year of the current 2020 Essential Service Commission (ESC) price determination. Recognising the impacts of COVID-19 across our region, we deferred our first year price increase by four months, to November 2020 and implemented additional support programs for residential and non-residential customers who may be experiencing short or long term financial stress.

The South Gippsland Water team remain committed to the projects, services and prices provided in the price determination. These include increased investment in ageing infrastructure and the price path necessary to meet our customers' expectations, and to continue to provide for a financially sustainable business.

The plan continues our long term vision to find an appropriate balance between service, price and the organisation being sustainable into the future.

On behalf of the Board of Directors and executive team, South Gippsland Water presents its 2021/22 - 2025/26 Corporate Plan.

## **2. STATEMENT OF CORPORATE INTENT**

South Gippsland Water is responsible to the Victorian Minister for Water through the General Statement of Obligations (December 2015), the Emissions Reduction Statement of Obligations (March 2018) and the Minister's Letter of Expectation for all water corporations in Victoria.

In accordance with Section 247 and 248 of the Water Act 1989, this Corporate Plan outlines how South Gippsland Water will deliver its obligations and accountabilities in providing water, sewerage, and associated services to customers for the years 2021/22 to 2025/26.

The Corporate Plan complies with the requirements of the guidelines issued by the Department of Environment Land Water and Planning (DELWP) and the Department of Treasury and Finance.

### **3. BUSINESS OBJECTIVES**

This Corporate Plan builds on works completed during 2020/21 and the outcomes and programs identified in the development of the 2020 Price Submission.

South Gippsland Water deferred implementation of a 5% real price increase from 1 July 2020 to 1 November 2020. South Gippsland Water's Price Determination provides for a further 2% per annum (excluding CPI) increase to be implemented for the 2021/22 and 2022/23 financial years.

South Gippsland Water is continuing with proposed capital and operational programs to meet our customer expectations. The challenges of adjusting to the impacts as a result of COVID-19, climate change, varying rainfall patterns, economic development and population growth remain.

The Corporate Plan represents a balanced approach of managing environmental, social, and economic factors to provide quality water and wastewater services to the communities of South Gippsland.

South Gippsland Water is committed to providing a safe, healthy, diverse, and supportive workplace. The corporate culture of excellence has continued, underpinned by committed leaders throughout the organisation. The safety of our people remains paramount.

With a focus on higher levels of collaboration between water corporations and other local stakeholders such as local government, South Gippsland Water will continue to drive business improvements and efficiencies through its ongoing partnership with Westernport Water, East Gippsland Water, Gippsland Water, and Southern Rural Water. The Gippsland Region Water Alliance represents a unique alliance of regional water businesses that delivers improvement opportunities through collaboration that ultimately benefits staff, customers and the wider Gippsland community.

South Gippsland Water is committed to delivering on the strategic outcomes identified by customers, the state government, other key stakeholders and the Board in the most efficient manner. Operational investment has been subject to a process of thorough internal and external review and assessment and is considered prudent and efficient. Confidence in the capital program is informed by a risk-based approach to prioritising projects and robust asset condition assessment and analysis.

The 2021/22 - 2025/26 Corporate Plan provides a sound framework to achieve South Gippsland Water's primary business objectives.



## OUR SERVICES

The services that South Gippsland Water provides are essential to the economic survival, development, and wellbeing of the region. Accordingly, collaborative programs and activities with other regional agencies provide an integrated regional approach in developing strategies and plans for services, partnerships, and natural resource management.

Figure 1: South Gippsland Water Region Services



## 4. OUR OPERATING ENVIRONMENT

Figure 2: SGW Operating Environment



South Gippsland Water provides a full range of water supply functions for households and major customers. These include environmental stewardship of drinking water catchments, water storage, treatment, delivery, and maintenance of townships' reticulated supplies. The Corporation also collects wastewater, including trade waste for treatment to be released back into the environment or reused for environmental, liveability and/or economic benefit.

The Corporation produces some 4,700ML of potable drinking water from its water treatment plants. It also collects and produces treated waste streams (around 4,700ML) from its sewerage treatment plants. Of the eight water systems some 63% of water customers (14,100) are supplied from one system, Lance Creek, which has strong water security resilience, as it is connected to the Melbourne water supply network. The remaining seven water systems service regional townships with an average customer base of approximately 1,500 per system as demonstrated in the table below.

*Table 1 Small Water Systems Customer Base*

Water System	Agnes River	Battery Creek	Deep Creek	Ruby Creek	Tarra River	Tarwin River	Tarwin River
Township	Toora, Port Franklin, Welshpool, Port Welshpool	Fish Creek	Foster	Leongatha Koonwarra	Yarram, Port Albert, Alberton, Devon North	Meeniyan	Dumbalk
Customers	1,126	210	924	6,100	1,874	277	109

The quality of raw water varies seasonally across the region, because catchments are generally open and diverse, and the storages small. This creates water treatment challenges which are a significant driver of operating costs.

South Gippsland Water has broadly met its operating plans over the past twelve months, but the full extent of the impacts of COVID-19 on our region and the organisation are continuing to be realised. We continue to support vulnerable customers with challenges arising from job losses and business closures by a suite of hardship assistance programs and support mechanisms.

The delivery of water and wastewater services has continued within this environment, while meeting stringent regulatory demands, satisfying customer expectations and meeting the requirement of working safely within a COVID-19 environment. South Gippsland Water operates with a team that is small by industry standards and at an average bill to customers that remains amongst the lowest in the nation.

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



## **5. FUTURE WAYS OF WORKING INITIATIVES**

In developing the 2021/22 – 2026/27 Corporate Plan consideration has been given to the Corporation's Future Ways of Working (FWoW) initiative, as we progress to COVID Normal. The unique experience of working during COVID-19 provided opportunity to consider future efficiencies in work practices.

The process identified an opportunity to review and change our systems and processes to strengthen our Vision 2023 goals of Productive Practices and Achievement Culture. Five streams have been identified for review and development to ensure effective and efficient delivery of our strategic framework and Corporate Plan commitments. These include:

### ***PEOPLE SYSTEMS***

A planned approach to managing hybrid work options. Policies, business rules and employment conditions will be reviewed and updated, new recruitment approaches considered, Future Ways of Working capabilities mapped and training provided.

### ***PROCESSES***

Implement a business planning and reporting framework that enables clearly defined accountabilities, line of sight, and monitoring/reporting processes. The framework will ensure agreed outcomes are clear, autonomy and accountability match, and regular feedback is provided. It will also support workflows that are optimal, meetings that are effective, accommodating positive changes to business practice adopted during the COVID-19 pandemic.

### ***TECHNOLOGY***

Moving towards further collaboration and connection, an easily accessible information hub, improved workflows and response times. Time across workflows reduced through automation, mobility enabled 'down time', reduced travel time and improved data integrity.

### ***FACILITIES***

Flexible, hybrid workspaces and location options enable staff to work from home or remotely or from office hubs. Equipment is provided to enable connection and collaboration, and hybrid work models supported with fit-for-purpose tools and technology. Physical and mental wellbeing will be managed across all work locations.

### ***STRATEGY***

A whole-of-organisation planning and reporting approach, guided by a business strategic framework that is transparent logical and achievable.

## 6. CORPORATE FOCUS AREAS

South Gippsland Water prices and services are governed by an independent regulator, the Essential Service Commission. From 1 July 2021, the Corporation commences year two of a three-year price determination. In dealing with ongoing challenges and emerging issues, short, medium and long term plans have been developed. A key issue for the Corporation remains in the balance of delivering on customer expectations, the prices we charge and being sustainable into the future.

Projects associated with the Corporation's customer outcome focus and corporate vision have been developed to address and deliver on the customer and stakeholder expectations and priorities as identified below.

## Climate Change

*Provide Services that minimise environmental impacts, mitigate climate change and put in place adaption strategies and actions*

Initiatives in place	2021/22 Corporate Plan	2022 and beyond
<ul style="list-style-type: none"> <li>• Stage one and two of the behind the meter solar project complete with over one Megawatt solar capacity installed</li> <li>• Water efficiency awareness and programs in place and ongoing across the region</li> <li>• Collaboration with farmers in Fish Creek for alternate water supplies which reduced the town supply demand by 40%</li> <li>• Completion and delivery of key planning processes such as annual Drought Response plans, the Urban Water Strategy and our Emissions Reduction Pledge</li> </ul>	<p>The Corporation is committed to reducing greenhouse gas emissions by 15% by 2025 and transitioning to zero emissions by 2050. Further South Gippsland Water will:</p> <ul style="list-style-type: none"> <li>• Produce and commence implementation of the 2050 Carbon Emission Strategy</li> <li>• Develop a Circular Economy Strategy and commence “quick wins”</li> <li>• Develop the Urban Water Strategy during 2021/22 which will continue to enhance understanding of climate change/variability and the impacts on the region’s catchments and water supply systems</li> <li>• Commence the Lance Creek Reservoir Health Study with a view to improving raw water quality in Lance Creek Reservoir. A key objective of the project is to mitigate the potential for increased algal bloom as a result of Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>• Identify medium term Circular Economy actions</li> <li>• Continue to install and review renewable energy systems and opportunities</li> <li>• A Biosolids strategy will be developed and implemented to drive activities such as composting to re-use</li> <li>• Revisit Energy Audits and feasible associated activities to ensure energy efficiency such as the potential for wind mixers, microbubble aeration</li> </ul>

## Customer and community outcomes

*All aspects of service delivery will be customer and community centered*

Initiatives in place	2021/22 Business Plan	2022 and beyond
<ul style="list-style-type: none"> <li>• Five Customer Outcomes, approved by customers and adopted by SGW in 2018</li> <li>• Customer Outcomes further reviewed in 2020 with performance monitored by the ESC</li> <li>• A customer focus to listen and respond to our customer's voice is in place via our customer service team and engagement programs</li> </ul>	<p>South Gippsland Water will:</p> <ul style="list-style-type: none"> <li>• Continue to deliver programs to meet and improve on the outcomes measures and targets agreed with customers</li> <li>• Further understand customer aspirations for regional water security with an agreed position to be incorporated into the Corporation's revised Urban Water Strategy</li> <li>• Finalise and commence implementation of our Customer Experience Strategy</li> <li>• Continue to measure customer satisfaction and use results to inform future projects by participating in and learning from: <ul style="list-style-type: none"> <li>○ The Essential Service Commission Customer Satisfaction Survey</li> <li>○ The South Gippsland Water annual survey, in partnership with the Gippsland Region Water Alliance</li> </ul> </li> <li>• Review activities with respect to compliance and enforcement with a view to continuous improvement</li> </ul>	<ul style="list-style-type: none"> <li>• Foster community and stakeholder partnerships and leverage for co-investment and value creation in long term service delivery</li> <li>• Continue implementation of our Customer Experience Strategy</li> </ul>

## Deliver water for Aboriginal cultural, spiritual and economic values

*Recognise and support Aboriginal cultural values and economic inclusion in the water sector*

Initiatives in place	2021/22 Business Plan	2022 and beyond
<ul style="list-style-type: none"><li>• Established connection with communities and conduit to explore integrated services</li><li>• An active member of the Gippsland Environmental Agencies (GEA) and the Gunikurnai Land and Waters Aboriginal Corporation (GLaWAC) partnership</li><li>• Collaboration with the Bunurong Land Council Aboriginal Corporation (BLCAC) via the Rethinking Reservoirs project</li></ul>	<p>South Gippsland Water will:</p> <ul style="list-style-type: none"><li>• Continue to be an active member of the GEA GLaWAC partnership and action plan activities, including a review of progress and establishment of new partner action plan</li><li>• Continue organisational cultural training and review procurement policies and practices in order to increase economic opportunities</li><li>• Further strengthen our partnership with the DELWP program to listen and act in the best interest of Traditional Owners and Aboriginal communities</li><li>• Seek opportunity for regional collaboration via development of the Urban Water Strategy</li></ul>	<ul style="list-style-type: none"><li>• Continue to incorporate critical cultural knowledge, and develop specific agreed actions, about the sites we manage within strategic and planning documentation</li><li>• Foster relationships with Traditional Owners, as practical way to develop a Reconciliation Action Plan</li></ul>

## Resilient and liveable cities and towns

*Contribute to healthy communities by supporting safe, affordable, high quality services and resilient environments*

Initiatives in place	2021/22 Business Plan	2022 and beyond
<ul style="list-style-type: none"><li>• Completion of the Lance Creek to the State Water Grid, securing water services to 63% of the Corporation's customer base</li><li>• An increased asset renewals program to provide long term, reliable services to our customers</li></ul>	<p>South Gippsland Water will:</p> <ul style="list-style-type: none"><li>• Be a leader and collaborator within the Gippsland Region Integrated Water Management (IWM) forum which provides a platform to identify alternative water sources, potable replacement, or demand management projects</li><li>• In developing the Urban Water Strategy, collaborate with key stakeholders on local opportunities and projects with liveability benefits</li><li>• Continue delivering the "Future Ways of Working" Roadmap developed using business learnings and opportunities arising from the COVID-19 pandemic</li></ul>	<ul style="list-style-type: none"><li>• Further optimise State Water Grid and Lance Creek Reservoir blend ratios to deliver optimum taste and odour results for customers connected to the Lance Creek Water Supply System</li><li>• Further develop the Central Towns Strategy and Leongatha Water Supply Strategy with consideration of Integrated Water Management solutions</li></ul>



## Recognise recreational values

*Support the wellbeing for rural and regional communities by considering recreational values in water management (where water storages are accessible for recreation)*

Initiatives in place	2021/22 Business Plan	2022 and beyond
<ul style="list-style-type: none"><li>• Support provided via the Rethinking Reservoirs program for recreational enhancement at the Korumburra Golf Club, and regional value at Ness Gully Reservoir</li><li>• Construction of a Bird Hide at the Meeniyan Wastewater Treatment Plant and Wetlands adjacent to the iconic Great Southern Rail Trail</li><li>• Reuse programs in place at the Toora and Meeniyan recreation reserves, the Stony Creek Racecourse and the Meeniyan Golf Club</li></ul>	<ul style="list-style-type: none"><li>• Continue the Meeniyan Bird Hide program with community for further interpretive signage at the site to enhance Great Southern Rail Trail user experience</li><li>• Partner with the Poowong Landcare group in a program at the Little Bass Reservoir to construct a fish nursery and revegetate the site</li><li>• Work with local groups to permit appropriate recreational benefit at the Corporation's assets</li><li>• Explore further water reuse opportunities and incorporate into the Urban Water Strategy</li></ul>	<ul style="list-style-type: none"><li>• Continue to develop the Rethinking Reservoirs project to understand the future potential of the Little Bass and Bellview Reservoirs</li></ul>

## Leadership and culture

*Water Corporations reflect the needs of our diverse communities*

Initiatives in place	2021/22 Business Plan	2022 and beyond
<ul style="list-style-type: none"> <li>• The Corporation's Equity Inclusion and Diversity Strategic Plan reviewed in line with Government expectations regarding leadership and culture and endorsed by the wider organisation and the Board</li> <li>• Phase two of the Leadership and Development program completed, outcomes assessed informing a 2021 program</li> <li>• Phase two of the Safety Leadership program completed and programs in place for SGW to continue to start safe, work safe and go home safe</li> </ul>	<p>South Gippsland Water will:</p> <ul style="list-style-type: none"> <li>• Implement the Corporation's Equity, Inclusion and Diversity Strategic Plan 2021-2024 in line with Government expectations regarding leadership and culture with a specific focus on implementing the Gender Equality Act and Respectful Workplaces</li> <li>• Deliver the SGW 2021/22 Leadership Program to progress leadership at all levels</li> <li>• Continue to implement the Health, Safety and Wellbeing roadmap for cultural improvement</li> <li>• Produce a Digital Strategy that will identify short, medium and long terms opportunities for the Corporation to simplify the business for customer, stakeholder and employee benefit</li> </ul>	<p>Review and refine the Corporation's initiatives and programs with respect to:</p> <ul style="list-style-type: none"> <li>• Delivery of the Equity, Inclusion and Diversity Strategic Plan 2022-2024 including Gender Equality</li> <li>• Performance and development programs</li> <li>• Start Safe, Work Safe, Home Safe</li> </ul>

## Financial sustainability

*Delivering safe and cost -effective water and wastewater services in a financially sustainable way*

Initiatives in place	2021/22 Business Plan	2022 and beyond
<ul style="list-style-type: none"><li>• Implementation of the 2020 Price Decision providing a path to improve financial sustainability</li><li>• Completion and analysis of the WSAA Benchmarking process to further understand organisational efficiencies and areas for targeted programs</li><li>• Efficiency programs completed under the Gippsland Region Water Alliance (GRWA)</li></ul>	<p>South Gippsland Water will:</p> <ul style="list-style-type: none"><li>• Continue to implement year two of the 2020 Price Determination to improve financial sustainability</li><li>• Use the Gippsland Region Water Alliance (GRWA) as a vehicle to help deliver productivity/efficiencies, including the potential for shared benefit in ICT</li><li>• Be an active member of the Sustainable Strategy Direction Partnership with DELWP</li><li>• Design and implement a major infrastructure review framework to ensure that significant projects are customer and stakeholder focused, innovative and whole of life cycle efficient</li><li>• Implement a 1% operating expenditure efficiency target in line with the Corporation's Price Submission</li><li>• Implementation of the Strategic Asset Management Plan to ensure efficient delivery of wider corporate performance objectives and targets</li></ul>	<ul style="list-style-type: none"><li>• Update the business planning and reporting framework to ensure clearly defined accountabilities</li><li>• Review all major projects/strategies utilising the major infrastructure review framework</li></ul>

## OUR CUSTOMER FOCUS

Together with customers, South Gippsland Water developed Customer Outcome statements, measures of success and programs which will be reported annually to customers and stakeholders via our Customer Scorecard below.

**Reliability:** We will plan for the future, be reliable and minimise unplanned interruptions to services

To manage the risks associated with reliable services we will:

- Renew high risk pump stations, wastewater and water pipes
- Ensure timely communication of planned and unplanned interruptions
- Optimise preventative maintenance via proactive wastewater cleaning and inspections to manage blockages, spills and interruptions
- Manage the most effective and economical balance between proactive and reactive maintenance
- Improve information and technology systems to monitor and identify when systems fail

**Water:** We will provide safe, clean drinking water

In order to do this we will:

- Improve water treatment plant treatment processes during algae outbreaks and for disinfection
- Invest to renew aging water treatment plants and treated water storages
- Continue scheduled maintenance programs to prevent discolored water

**Wastewater:** We will provide a safe wastewater service that contributes to the liveability of our communities

In order to do this, we will:

- Invest in sewer system upgrades and expansion to ensure compliance and cater for growth areas
- Undertake preventative maintenance programs to reduce wastewater network blockages and spills
- Upgrade wastewater treatment assets

**Environment:** We will be environmentally sustainable and adapt to a future impacted by climate variability

In order to do this, we will:

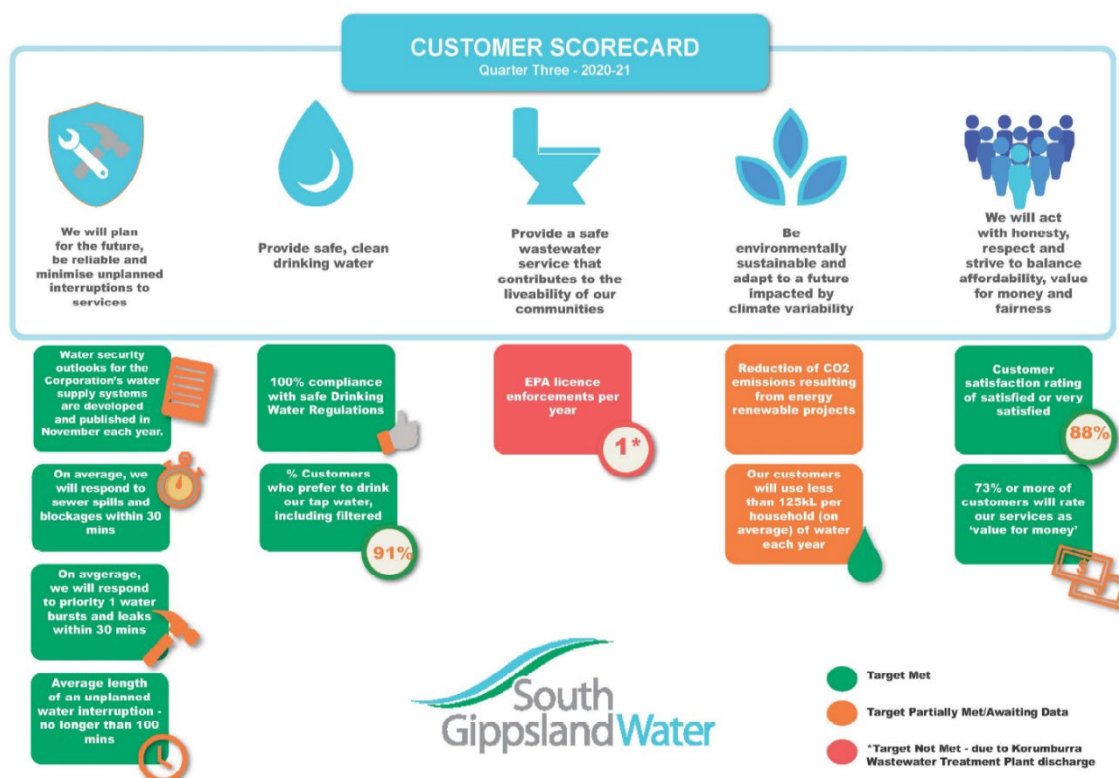
- Continue the SGW greenhouse gas emissions reduction program
- Continue to operate within, and build on, our social procurement strategy
- Promote water efficiency across the region and actively participate in water reuse programs
- Actively participate in catchment management programs

**Customer Integrity:** We will act with honesty, respect and strive to balance affordability, value for money and fairness

In order to do this, we will:

- Provide a range of programs to strengthen our support for customers by implementation of our Hardship Policy
- Provide open and honest communications as identified in our vulnerability study

Figure 3 SGW Customer Scorecard – 2020/21 Quarter Three



## OUR SGW VISION 2023

The Corporate Plan is articulated through the corporate Purpose and Vision statements, Vision 2023.

**Purpose** - We provide sustainable water services that are essential to the prosperity and wellbeing of our communities and natural environments

**Vision** - 2023 Our customers value the services and outstanding experience proudly delivered by our capable, committed teams

Our Achievement Culture and Productive Practices deliver Outstanding Customer Experiences and Valued Services, that contribute to thriving communities and a healthy environment.

## 7. CORPORATE PLAN - AT A GLANCE

- Implement the remaining Price Determination increases in tariffs (real) of:
  - 2% 2021/22
  - 2% 2022/23
- 13% real increase in tariffs over Regulatory Period 5 2022/23 – 2027/28 (subject to regulatory assessment)
- 1.80% per annum residential customer growth
- 0.75% per annum non-residential growth
- Average annual household water consumption of 121kL
- Inflation rates of:
  - 1.5% 2021/22
  - 1.75% 2022/23
  - 2.0% 2023/24 onwards
- Wage inflation of 2.5% per annum
- 0.5% annual increase in the superannuation guarantee from 2021/22 to 2025/26
- Borrowing forecast rates include 1.17% weighted average for the Financial Accommodation Levy (FAL), plus average interest rate of 2.43%



## DEMAND

Demand analysis recently completed for the Corporation's Price Submission has been adopted for the 2021/22 Corporate Plan.

Residential property connections are forecast to grow at 1.80% per annum for water and wastewater. South Gippsland Water has used the Victoria in Future Small Areas (VIFSA) growth rate forecast as at 30 June 2021.

Non-residential water and wastewater property connection growth is expected to be 0.75% per annum.

A residential water consumption of 121kL per year (reflecting the ten-year average) has been forecast to continue. Historical residential water consumption has remained relatively stable and is amongst the lowest in the State.

Non-residential and major customer water consumption has been based on recent trends and direct customer forecasts. Non-residential consumption is difficult to predict due to the current environment and could still evolve. The recent volatile nature of the economic environment has added considerable risk to demand forecasting. The Corporation has assumed demand forecasts consistent with the recent Price Submission and will monitor fluctuations with a view to absorbing any downside risk for 2021/22.

The table below provides an overview of historic and forecast water consumption trends.

*Table 2 Water consumption trends 2015/16 - 2025/26*

Water Volume Consumption (Megalitre)	Actual					Est	Forecast				
	2015/16	2016/17	2017/18	2018/19	2019/20		2021/22	2022/23	2023/24	2024/25	2025/26
Residential	2,124	2,034	2,067	2,090	2,044	2,141	2,182	2,225	2,268	2,313	2,359
Non-Residential	556	588	576	611	563	570	611	616	620	625	630
Concessional Agreement	445	340	354	347	351	355	381	384	387	389	392
Standpipe	246	236	238	240	231	234	236	237	239	241	243
	33	17	35	40	28	28	28	28	28	28	28
<b>Sub-total</b>	<b>3,404</b>	<b>3,215</b>	<b>3,271</b>	<b>3,329</b>	<b>3,217</b>	<b>3,329</b>	<b>3,438</b>	<b>3,489</b>	<b>3,542</b>	<b>3,596</b>	<b>3,652</b>
Saputo	259	193	189	176	983	940	1,000	1,000	1,000	1,000	1,000
Burra Foods	217	309	343	326	362	350	390	390	390	390	390
Other Majors	890	896	727	811	155	120	161	161	161	161	161
<b>Sub-total</b>	<b>1,367</b>	<b>1,398</b>	<b>1,259</b>	<b>1,313</b>	<b>1,500</b>	<b>1,410</b>	<b>1,551</b>	<b>1,551</b>	<b>1,551</b>	<b>1,551</b>	<b>1,551</b>
<b>Total</b>	<b>4,771</b>	<b>4,613</b>	<b>4,530</b>	<b>4,642</b>	<b>4,717</b>	<b>4,739</b>	<b>4,989</b>	<b>5,040</b>	<b>5,093</b>	<b>5,147</b>	<b>5,203</b>

### ***Water allocation and supply availability***

South Gippsland Water's Urban Water Strategy contains a detailed analysis of demand and supply options, across the region, including growth, demand reduction initiatives, water delivery efficiency and augmentation options for the next 50 years. A process to review and update the Urban Water Strategy is being completed during 2021/22. Key components of these works include:

- A robust customer and stakeholder engagement process to inform key elements of the strategy
- Updated water supply and demand modeling
- Water supply options development and assessment for systems deemed to be at risk
- Wastewater system capacity assessment and planning

An Annual Water Security Outlook, based on water resource modelling, is developed each year, and shared with customers, and stakeholders.

The Lance Creek Supply system services approximately 63% of the Corporation's customer base. The Lance Creek system is connected to the Melbourne Supply System utilising a Bulk Entitlement to access up to 1 GL of water. The current water security outlooks suggest that by 2023/24 the Corporation will need to supplement current yield. Subject to the 2022 Price Submission process and customer support, South Gippsland Water proposes to purchase an additional 2GL Bulk Entitlement in 2023/24.

A significant number of variables may alter demand forecasting and water security analysis. During 2021/22 South Gippsland Water will complete further demand analysis on the non-residential customer's cohort including hardship outcomes from COVID-19.

## **MAJOR RISKS**

### ***Maintaining the balance - price, service and being sustainable into the future***

Implementation of the South Gippsland Water 2020 Price Decision commenced a path to improved organisational financial sustainability, while delivering on programs required to achieve customer outcomes. COVID-19 has resulted in further complexity in managing impacts of tariff increases for customers impacted by the pandemic, as well as continued service delivery and planning through these unprecedented times.

The Corporation will continue to participate in initiatives to understand and achieve a balance between price, services and being sustainable into the future. These include:

- Continuing targeted support programs and initiatives to assist customers who may be experiencing financial difficulties
- Use the Gippsland Region Water Alliance (GRWA) as a vehicle to help deliver productivity/efficiencies, including the potential for shared benefit in ICT and the Victorian Procurement Board purchasing reform
- Design and implement a major infrastructure review framework to ensure that significant projects are customer and stakeholder focused, innovative and whole of life cycle efficient
- Implement a 1% operating expenditure efficiency target in line with the Corporation's Price Submission
- Implement the Strategic Asset Management Plan to provide a clear framework for strategic asset decision making that aligns with achievement of wider corporate performance objectives and targets
- On-going participation in the Water Services Australia Association (WSAA) operating cost benchmarking process. Participation in the program provides an understanding of our cost base relative to peer corporations and identify areas where cost savings may be possible.

### ***Uncertainty of major customer requirements***

Non-residential water usage, including six major customers, equates to approximately 30% of South Gippsland Water's water consumption. The Corporation's two largest major customers, Saputo and Burra Foods, alone provide approximately 25% of total demand.

Long-term industrial growth is difficult to predict due to short planning horizons and a range of external impacts. While both Saputo and Burra Foods are currently operating at strong levels of production, international market risks remain due to the impacts of COVID-19, particularly in some Asian markets.

Saputo's water demand (from the Ruby Creek / Leongatha system) has fluctuated over the last five years. Previously, Saputo's business has been impacted by international market factors, influencing production volumes and milk prices. Advice from Saputo is that demand and supply is expected to be constant.

Treated wastewater from Saputo is transferred via the Venus Bay Outfall (VBO). The VBO is scheduled for a significant upgrade. The renewal costs have been updated in this Corporate Plan from \$14.5M identified in 2020/21 to \$25.3M in 2021/22 based on the increased compliance risk. The 2021 Corporate Plan now assumes the pipeline serving the Leongatha major customer will be renewed in three stages over a ten-year period starting in 2023/24.

Burra Foods, located in Korumburra, are predicting a growth phase over the next three years. Burra Foods water demand over the last five years has fluctuated considerably. Wastewater demands generated from Burra Foods are also under review in order to deliver a secure long-term solution that benefits the region and the environment.

South Gippsland Water maintains close relationships with major customers in order to understand and respond as best as possible to their needs. However, the volatile nature of the Corporation's two major customers adds considerable risk to demand forecasting and recovery of past capital investment.

### ***Uncertainty about the impacts of climate change***

Climate science indicates that Victoria will become warmer and drier in the coming decades, with more extreme events including drought, floods, and heatwaves. The Urban Water Strategy to be completed in 2021/22 will include updated analysis of the impacts of climate change including lower rainfall and reduced demand.

Our previous Urban Water Strategy, completed in 2017, indicated average annual streamflow reductions of around 50 per cent could occur in some catchments by the year 2065.

South Gippsland Water operates eight separate water supply systems, the majority are annual fill and spill systems. Four of South Gippsland Water systems, supplying fourteen towns, require water supply augmentation projects in the short to medium term. The Corporation monitors water security by continuously tracking inflows, storage volumes and demand.

Table 3 below provides an overview of identified at-risk systems that will be further reviewed and updated as part of the Urban Water Strategy process.

*Table 3 Water Supply System Risks*

<b>System</b>	<b>Towns Service</b>	<b>Risk</b>	<b>Management</b>
Lance Creek	Wonthaggi Inverloch Cape Paterson Korumburra Poowong Loch Nyora	Low Security of Supply  2020 and 2025	Purchase additional Bulk Entitlement (BE) under existing agreement with state government
Ruby Creek	Leongatha Koonwarra	Low Security of Supply  2019 - onwards	Options investigated and strategy to augment water supply is being further reviewed and updated in partnership with community
Battery Creek	Fish Creek	Low Security of Supply  2019 - onwards	Options under investigation
Agnes River	Toora Welshpool Port Welshpool Port Franklin	Low Security of Supply  2030 - onwards	Options under investigation include an off-stream storage and potential interconnection to neighboring water systems

In addition, South Gippsland Water endeavors to better understand and monitor the potential impacts of climate change/variability via active involvement in assessing climate developments together with experts and other bodies, i.e. BOM, CSIRO, DELWP, VicWater, etc. The understanding will help the Corporation in planning water availability across its region and to proactively manage water storages for the benefit of customers.

## ***Attracting, retaining, and resourcing the organisation in the long term***

The remote location and size of the Corporation presents challenges with respect to attracting and retaining skilled staff. South Gippsland Water's current People and Culture Plan includes a number of strategies to continue addressing these challenges, including:

- Ensuring attraction and recruitment methods reach and appeal to a diverse range of high quality, skilled candidates
- The Corporation has implemented a range of equity, diversity and inclusion priorities. Results to date include improved gender diversity. Sourcing diverse high-quality candidates will continue to be a priority. Next stage work will focus on broadening inclusion of Aboriginal community members in Corporation decision-making, and employment opportunities
- Continuing work to position the Corporation locally and regionally to be recognised as an employer of choice including prioritising support for flexible work arrangements
- Ensuring staff have access to appropriate learning and development opportunities that address future workforce requirements and enhance current succession planning strategies, with a focus on building the capacity of current and future leaders
- Further formalising systems, processes, and practices to ensure staff are recognised and rewarded and promoting a safe, healthy, motivated, engaged and innovative workforce
- Continuing to build partnerships within the Gippsland Region Water Alliance partners and other industry networks to investigate innovative ways of working together and resourcing our needs in an innovative and efficient manner

## ***Material changes from previous 2020/21 corporate plan:***

The 2021/22 – 2025/26 Corporate Plan is largely based on previous planning assumptions. Material changes from the previous 2021 Corporate Plan are:

- In the 2020/21 financial year there was a \$0.4M revenue impact due to the postponement of tariff increases from July 2020 to November 2020
- Service charges and volume charges have been negatively impacted by the forecast CPI, which reduced from 2.3% to 1.5% in 2020/21, to 1.75% in 2021/22 and 2.0% over the remainder of the forecast period.
- The impact of the two above points total approximately \$1.9M over the plan period
- The Corporation is expecting a favourable capital income variance resulting from gifted assets in FY2021, which improves the 5 year result to 2025/26 by \$2.4M



- Operating costs are approx. \$1.4M higher over the 5-year period with additional salaries and compliance costs. 2021/22 was impacted by additional salary costs in working from home allowances and increased leave provisions
- Capital expenditure forecasts have increased from \$12.0M to \$15.0M during 2021/22, also increasing in later years, with increased costs for sewage reticulation mains, the Venus Bay Outfall, a CRM billing system upgrade and previously delayed vehicle replacements being completed
- The loans forecast has increased from \$125.8M to \$142.2M in 2025/26. This represents an additional \$16.4M over 5 years to 2025/26, primarily driven by the higher capital expenditure forecast
- The gearing ratio has increased by 2.4% to 28% as a result of increased borrowings

There is the potential for further variations as a result of refined development of major strategic capital projects primarily driven by compliance and growth. These include:

- Venus Bay Outfall Renewal
- Foster Waste Water Treatment Plant Compliance Upgrade
- Wonthaggi, Inverloch, Cape Paterson Waste Water Treatment Plant
- Baxters Beach Outfall Upgrades

As such, one of the key initiatives for the Corporation will be to design and implement a major infrastructure review framework to ensure that significant projects are customer and stakeholder focused, innovative and whole of life cycle efficient.

## Financial Details

### Operating Statement

The table below details the projected operating statement for 2020/21 to 2025/26. Refer to Appendix A for a quarterly breakdown of the 2021/22 financial year.

Table 4 SGW Operating Statement 2020/21 – 2025/26

<b>PROFIT AND LOSS</b> <b>\$'000</b>	<b>2020/21 forecast</b>	<b>FY21/22</b>	<b>FY22/23</b>	<b>FY23/24</b>	<b>FY24/25</b>	<b>FY25/26</b>
Service Charges	16,475	17,608	18,586	19,862	21,229	22,695
Volume Charges	9,244	10,570	11,120	11,805	12,493	13,224
Trade Waste	3,949	4,051	4,166	4,311	4,463	4,622
Capital Income	6,529	4,158	4,169	4,503	3,921	3,980
Other	1,039	1,123	989	1,284	1,305	1,326
<b>TOTAL REVENUE</b>	<b>37,237</b>	<b>37,510</b>	<b>39,030</b>	<b>41,765</b>	<b>43,411</b>	<b>45,847</b>
Salary and Oncosts	11,428	11,712	12,064	12,425	12,798	13,182
Financing Costs	3,053	3,213	3,461	4,221	5,015	5,919
Depreciation	12,456	12,024	12,565	12,862	13,648	13,944
Other Expenses	11,591	11,540	11,738	12,202	12,312	12,523
<b>TOTAL COSTS</b>	<b>38,528</b>	<b>38,489</b>	<b>39,828</b>	<b>41,710</b>	<b>43,773</b>	<b>45,568</b>
<b>SURPLUS/(DEFICIT)</b>	<b>(1,290)</b>	<b>(979)</b>	<b>(799)</b>	<b>55</b>	<b>(362)</b>	<b>279</b>
Tax expense	Budget 335 Forecast	255	200	(14)	90	(70)
<b>NET PROFIT/(LOSS) AFTER TAX</b>	<b>(955)</b>	<b>(725)</b>	<b>(599)</b>	<b>41</b>	<b>(271)</b>	<b>209</b>

## Cash Flow Statement

Table 5 Cash Flow Statement 2020/21 - 2025/26

CASHFLOW \$'000	2020/21 forecast	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26
Total Cash Receipts from Operations	36,947	37,337	39,140	42,671	45,788	47,927
Total Cash Payments from Operations	(27,986)	(27,098)	(28,039)	(29,411)	(31,565)	(33,638)
<b>Net Cash provided/(used) by Operating Activities</b>	<b>8,961</b>	<b>10,239</b>	<b>11,101</b>	<b>13,260</b>	<b>14,224</b>	<b>14,289</b>
Proceeds from Sale of Assets	165	248	83	385	385	385
Payments for Non-Current Assets	(22,641)	(18,058)	(17,389)	(25,157)	(33,611)	(30,356)
<b>Net Cash provided/(used) in Investing Activities</b>	<b>(22,476)</b>	<b>(17,810)</b>	<b>(17,307)</b>	<b>(24,772)</b>	<b>(33,226)</b>	<b>(29,971)</b>
Proceeds/(Repayments) from Borrowings	14,600	7,600	6,200	11,500	18,900	15,700
Proceeds from Government Equity Cont.		0	0	0	0	0
Contractors deposits	(1,039)	(52)	(1)	79	77	(41)
<b>Net Cash provided/(used) from Financing Activities</b>	<b>13,561</b>	<b>7,548</b>	<b>6,199</b>	<b>11,579</b>	<b>18,977</b>	<b>15,659</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>46</b>	<b>(24)</b>	<b>(6)</b>	<b>67</b>	<b>(26)</b>	<b>(23)</b>
<b>Beginning Cash</b>	<b>508</b>	<b>554</b>	<b>531</b>	<b>525</b>	<b>592</b>	<b>566</b>
<b>ENDING CASH</b>	<b>554</b>	<b>531</b>	<b>525</b>	<b>592</b>	<b>566</b>	<b>542</b>

## Balance Sheet

Table 6 Balance Sheet 2020/21 - 2025/26

BALANCE SHEET \$'000	2020/21 forecast	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26
Cash and Bank	554	531	525	592	566	542
Receivables	1,784	1,897	1,995	2,120	2,250	2,389
Other current assets	3,199	3,479	3,579	3,708	3,846	3,994
<b>Total Current Assets</b>	<b>5,537</b>	<b>5,907</b>	<b>6,099</b>	<b>6,420</b>	<b>6,662</b>	<b>6,926</b>
Receivables-Long term	273	243	213	183	153	123
Fixed Assets	423,619	430,430	435,096	445,507	462,328	476,645
WIP	4,455	3,479	4,075	6,183	7,687	7,258
Deferred Tax Assets	23,128	23,382	23,582	23,568	23,659	23,589
<b>Total Non-Current Assets</b>	<b>451,475</b>	<b>457,535</b>	<b>462,966</b>	<b>475,442</b>	<b>493,827</b>	<b>507,616</b>
<b>TOTAL ASSETS</b>	<b>457,011</b>	<b>463,442</b>	<b>469,065</b>	<b>481,862</b>	<b>500,489</b>	<b>514,541</b>
Provisions	5,517	5,517	5,517	5,517	4,648	3,211
Other payables	3,414	2,856	2,883	3,759	4,614	4,181
<b>Total Current Liabilities</b>	<b>15,229</b>	<b>9,671</b>	<b>9,698</b>	<b>10,574</b>	<b>10,560</b>	<b>8,691</b>
Loans - Non-Current	77,120	89,720	95,920	107,420	126,320	142,020
Provision - Non-Current LSL	751	864	858	1,238	1,251	1,264
Deferred Tax Liabilities	74,035	74,035	74,035	74,035	74,035	74,035
<b>Total Non-Current Liabilities</b>	<b>151,906</b>	<b>164,618</b>	<b>170,813</b>	<b>182,693</b>	<b>201,605</b>	<b>217,318</b>
<b>TOTAL LIABILITIES</b>	<b>167,135</b>	<b>174,289</b>	<b>180,511</b>	<b>193,267</b>	<b>212,165</b>	<b>226,009</b>
<b>NET ASSETS</b>	<b>289,876</b>	<b>289,153</b>	<b>288,554</b>	<b>288,595</b>	<b>288,324</b>	<b>288,533</b>
Government Equity Contributions	95,333	95,333	95,333	95,333	95,333	95,333
Asset Revaluation Reserve	142,490	142,490	142,490	142,490	142,490	142,490
Accumulated Funds (Losses)	52,043	51,319	50,720	50,761	50,490	50,699
<b>TOTAL EQUITY</b>	<b>289,866</b>	<b>289,142</b>	<b>288,543</b>	<b>288,584</b>	<b>288,313</b>	<b>288,522</b>

## Financial Performance Indicators

The table below details the projected financial performance indicators for 2020/21 to 2025/26.

Table 7 Financial Performance Indicators 2020/21 – 2025/26

KEY RATIO'S	2020/21 forecast	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26
Current Ratio	0.36	0.61	0.63	0.61	0.63	0.80
Quick Ratio	0.75	0.93	0.96	0.79	0.67	0.77
Gearing Ratio	18.5%	19.9%	21.0%	22.9%	25.8%	28.2%
Internal Financing Ratio	39.9%	57.5%	64.1%	53.5%	42.8%	47.7%
Interest Cover (EBIT)	0.58	0.70	0.77	1.01	0.93	1.05
Interest Cover (Cash)	3.93	4.19	4.21	4.14	3.84	3.41
Return on Assets	0.4%	0.5%	0.6%	0.9%	0.9%	1.2%
Return on Equity	-0.3%	-0.3%	-0.2%	0.0%	-0.1%	0.1%
EBIDTA margin	38.2%	38.1%	39%	41%	42%	44%
Debt / Equity	29%	31%	34%	38%	44%	50%

## Service Standards

Table 8 Service Standards for the period of 2019/20 – 2025/26

Service Standard	2019-20 Actual	2020-21 Forecast	2022/23 Target	2023/24 Target	2024/25 Target	2025/26 Target
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### Water

Number of customers experiencing more than 5 unplanned water supply interruptions in the year (number)	0	0	0	0	0	0
Average time taken to attend bursts and leaks (priority 1) (minutes)	21	25	30	30	30	30
Average time taken to attend bursts and leaks (priority 2) (minutes)	15	30	35	35	35	35
Average time taken to attend bursts and leaks (priority 3) (minutes)	309	350	500	500	500	500
Average duration of unplanned water supply interruptions (minutes)	90	100	110	110	110	110
Average duration of planned water supply interruptions (minutes)	121	180	240	240	240	240

### Wastewater

Customers receiving more than 3 sewer blockages in the year (number)	0	1	0	0	0	0
Average time to attend sewer spills and blockages (minutes)	30	30	30	30	30	30
Average time to rectify a sewer blockage (minutes)	86	120	120	120	120	120
Spills contained within 5 hours (per cent)	94%	100%	95%	95%	95%	95%

## Customer Responsiveness Indicators

Table 9 Customer Responsiveness Performance Indicators

Indicator	Measure	2019/20 Result	2020/21 Forecast	2021/22 Target
Water quality complaints	No. Complaints per 100 Customers	3.3	4	6
Billing and account complaints	No. Complaints per 100 Customers	0	1	2

## Environmental Performance Indicators

Table 10 Environmental Performance Indicators

Indicator	Measure	2019/20 Result	2020/21 Forecast	2021/22 Target
Effluent re-use (end use)	% recycled	2.7%	3%	4%
Total Net CO2 Emissions	Net tonnes Co2 equivalent	8,875	8,600	8,700



## APPENDIX A - Financial TABLES

Table 11 2021/22 Operating Statement - quarterly breakdown

	September quarter	December quarter	March quarter	June quarter	Corporate Plan Budget
	Budget	Budget	Budget	Budget	
<b>PROFIT AND LOSS '\$000</b>					
<b>Income</b>					
Service charges	4,374	4,388	4,409	4,437	17,608
Volume charges	3,167	3,318	3,577	3,156	13,219
Tradewaste and cisterns	330	352	390	328	1,401
Capital income	1,039	1,039	1,039	1,040	4,158
Other	281	281	281	281	1,123
<b>Total income</b>	<b>9,192</b>	<b>9,379</b>	<b>9,697</b>	<b>9,243</b>	<b>37,510</b>
<b>Expenditure</b>					
Salary and oncosts	2,898	2,905	2,834	3,075	11,712
Financing costs	803	803	803	803	3,213
Depreciation	3,006	3,006	3,006	3,006	12,024
Other expenses	2,884	2,885	2,885	2,886	11,540
<b>Total expenditure</b>	<b>9,591</b>	<b>9,600</b>	<b>9,528</b>	<b>9,770</b>	<b>38,489</b>
<b>Total surplus (deficit)</b>	<b>(400)</b>	<b>(221)</b>	<b>168</b>	<b>(527)</b>	<b>(979)</b>

Table 12: 2021/22 Cash Flow Statement - quarterly breakdown

	Quarter 1 - Septemeber	Quarter 2 - December	Quarter 3 - March	Quarter 4 - June	Corporate Plan Budget
	Budget	Budget	Budget	Budget	
<b>CASHFLOW '\$000</b>					
Service and Usage Charges Income	7,598	5,048	9,597	9,487	31,731
Developer Contributions	521	521	521	521	2,084
Other income	832	1,278	550	862	3,522
Payments to Suppliers and Employees	(6,354)	(5,462)	(5,607)	(6,462)	(23,885)
Interest and Other Costs of Finance Paid	(217)	(1,317)	(167)	(1,513)	(3,213)
<b>Net cashflow from operations</b>	<b>2,380</b>	<b>68</b>	<b>4,895</b>	<b>2,895</b>	<b>10,239</b>
Proceeds from sale of assets	62	62	62	62	248
Payments for non-current assets	(5,691)	(5,862)	(3,267)	(3,238)	(18,058)
<b>Net cashflow from investing activities</b>	<b>(5,629)</b>	<b>(5,800)</b>	<b>(3,205)</b>	<b>(3,176)</b>	<b>(17,810)</b>
Net proceeds from borrowing	3,000	6,000	(2,000)	600	7,600
Government contributions	-	-	-	-	
Contractor deposits	(13)	(13)	(13)	(13)	(52)
<b>Net cashflow from financing activities</b>	<b>2,987</b>	<b>5,987</b>	<b>(2,013)</b>	<b>587</b>	<b>7,548</b>
<b>Net increase (decrease) in cash</b>	<b>(262)</b>	<b>256</b>	<b>(323)</b>	<b>306</b>	<b>(24)</b>
Cash held at the beginning of the period	554	292	548	225	554
<b>Cash held at the end of the period</b>	<b>292</b>	<b>548</b>	<b>225</b>	<b>531</b>	<b>531</b>

Table 13: 2021/22 Balance Sheet - quarterly breakdown

	Closing Balance- 30 Sept 2021	Closing Balance- 31 Dec 2021	Closing Balance- 31 Mar 2022	Closing Balance- 30 June 2022	Corporate Plan Budget
	Budget	Budget	Budget	Budget	
<b>BALANCE SHEET '\$000</b>					
Cash at bank	100	100	100	100	100
Short term investments	192	448	125	431	431
Receivables	1,505	1,876	2,060	1,930	1,930
Other current assets	2,885	2,375	6,254	3,446	3,446
<b>Total current assets</b>	<b>4,683</b>	<b>4,799</b>	<b>8,539</b>	<b>5,907</b>	<b>5,907</b>
Receivables - long term	266	258	251	243	243
Fixed assets	425,623	428,870	428,739	430,430	430,430
Capital works in progress	6,063	9,295	978	3,468	3,468
Deferred tax assets	23,232	23,289	23,245	23,382	23,382
<b>Total non-current assets</b>	<b>455,183</b>	<b>461,713</b>	<b>453,213</b>	<b>457,524</b>	<b>457,524</b>
Short term loans	1,298	1,298	1,298	1,298	1,298
Provisions	3,236	3,261	3,286	3,211	3,211
Other current liabilities	5,866	6,669	3,739	5,162	5,162
<b>Total current liabilities</b>	<b>10,400</b>	<b>11,228</b>	<b>8,323</b>	<b>9,671</b>	<b>9,671</b>
Long term loans	85,120	91,120	89,120	89,720	89,720
Provisions - long term	603	603	603	603	603
Other	139	119	139	261	261
Deferred tax liabilities	74,035	74,035	74,035	74,035	74,035
<b>Total non-current liabilities</b>	<b>159,896</b>	<b>165,877</b>	<b>163,897</b>	<b>164,618</b>	<b>164,618</b>
<b>Net assets</b>	<b>289,571</b>	<b>289,407</b>	<b>289,532</b>	<b>289,142</b>	<b>289,142</b>
<b>Total equity and reserves</b>	<b>289,571</b>	<b>289,407</b>	<b>289,532</b>	<b>289,142</b>	<b>289,142</b>

## APPENDIX B - Customer tariffs

Table 14 Customer Tariffs

		Price as at	Approved	Approved	Proposed	Proposed	Proposed
Tariffs are expressed in nominal \$	Frequency of charge	1 Nov 2020	1 July 2021	1 July 2022	1 July 2023	1 July 2024	1 July 2025
1.1 Water access fees (per annum)							
Access fee – Developed	Tri-annual	328.05	339.63	352.49	370.32	389.06	408.75
Access fee – Undeveloped	Tri-annual	328.05	339.63	352.49	370.32	389.06	408.75
Access fee – Agreements	Tri-annual	295.20	305.62	317.19	333.24	350.10	367.81
Access fee – Concessional	Tri-annual	263.10	272.39	282.70	297.00	312.03	327.82
1.2 Water usage charges (per kL)							
Volumetric fee – Murray Goulburn	Monthly	2.40	2.51	2.63	2.77	2.88	3.00
Volumetric fee – Other Majors	Monthly	1.98	2.05	2.13	2.24	2.35	2.47
Volumetric fee – All others	Tri-annual	1.98	2.05	2.13	2.24	2.35	2.47
1.3 Sewerage access fees (per annum)							
Residential and non-residential							
Access fee – Developed	Tri-annual	509.10	527.07	547.02	574.70	603.78	634.33
Access fee – Undeveloped	Tri-annual	288.00	298.17	309.45	325.11	341.56	358.84
1.4 Cistern access fees (per annum)							
1-2 Cisterns	Tri-annual	173.25	179.37	186.15	195.57	205.47	215.87
3-5 Cisterns	Tri-annual	456.00	472.10	489.97	514.76	540.80	568.17
6-10 Cisterns	Tri-annual	883.20	914.38	948.99	997.00	1,047.45	1,100.45
11-15 Cisterns	Tri-annual	1,414.20	1,464.12	1,519.54	1,596.43	1,677.21	1,762.07
16-20 Cisterns	Tri-annual	2,358.00	2,441.24	2,533.64	2,661.84	2,796.53	2,938.03
21-26 Cisterns	Tri-annual	3,375.00	3,494.14	3,626.39	3,809.89	4,002.67	4,205.20
27-35 Cisterns	Tri-annual	4,136.70	4,282.73	4,444.83	4,669.73	4,906.02	5,154.27
36–Greater Cisterns	Tri-annual	4,726.95	4,893.81	5,079.04	5,336.04	5,606.05	5,889.71
Volume Charge – (per kL)							
Volume Charge	Tri-annual	1.98	2.05	2.13	2.24	2.35	2.47

		1 Nov 2020	1 July 2021	1 July 2022	1 July 2023	1 July 2024	1 July 2025
<b>1.6 Minor trade waste fees</b>							
<b>Application fees (per application)</b>							
Category 1	Tri-annual	127.55	130.48	133.48	135.49	137.86	140.62
Category 2	Tri-annual	203.45	208.13	212.92	216.11	219.89	224.29
Category 3	Tri-annual	272.50	278.77	285.18	289.46	294.52	300.41
<b>Access fees (per annum)</b>							
Category 1 – Access fee	Tri-annual	703.65	728.49	756.06	794.32	834.51	876.74
Category 2 – Access fee	Tri-annual	934.80	967.80	1,004.43	1,055.25	1,108.65	1,164.75
Category 3 – Access fee	Tri-annual	1,159.65	1,200.59	1,246.03	1,309.08	1,375.32	1,444.91
<b>Volumetric fees (per kL)</b>							
All Categories	Tri-annual	0.9477	0.9812	1.0183	1.0698	1.1239	1.1808
<b>Quality fees (per kg)</b>							
BOD	Tri-annual	0.7036	0.72	0.7363	0.7474	0.7605	0.7757
SS	Tri-annual	0.6639	0.68	0.6948	0.7052	0.7176	0.7319
Nitrogen	Tri-annual	2.9719	3.04	3.1102	3.1568	3.2121	3.2763
Phosphorus	Tri-annual	16.9312	17.32	17.7190	17.9848	18.2995	18.6655
<b>Additional sampling (per sample)</b>							
All Categories	Per occasion	At cost	At cost	At cost	At cost	At cost	At cost
<b>Exceedence fees (per kg)</b>							
Oil & Grease	Per occasion	0.1060	0.11	0.1109	0.1126	0.1146	0.1169
Sodium	Per occasion	0.1060	0.11	0.1109	0.1126	0.1146	0.1169
TOS	Per occasion	0.7586	0.78	0.7939	0.8058	0.8199	0.8363

		1 Nov 2020	1 July 2021	1 July 2022	1 July 2023	1 July 2024	1 July 2025
<b>Asset protection fee</b>							
<i>Alternate annual fee available to customers that do not elect to install a grease trap (cost prohibitive).</i>	Per annum	1,488.72	1,522.96	1,557.99	1,581.36	1,609.03	1,641.21
<b>Treatment violation fee</b>							
<i>Fee imposed for customers that do not fill in a trade waste application; or do not maintain their pre-treatment apparatus (e.g. do not pump out their grease trap.)</i>	Per occasion	305.2	312.22	319.40	324.19	329.87	336.46
<b>1.7 New customer contributions (per lot)</b>							
<b>Water &amp; Sewer (all customers)</b>		2,369.25	2,404.79	2,446.87	2,495.81	2,545.73	2,596.64
<b>1.8 Miscellaneous fees and charges</b>							
<b>Property information statements</b>		59.00	59.89	60.93	62.15	63.39	64.66
<i>Fee imposed for providing a certificate issued in accordance with Section 158 of the, Water Act 1989.</i>							
<b>Special meter readings</b>		45.35	46.03	46.84	47.77	48.73	49.70
<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>							
<b>As constructed charge</b>		71.50	73.14	74.83	75.95	77.28	78.82
<i>As constructed charge</i>							

	1 Nov 2020	1 July 2021	1 July 2022	1 July 2023	1 July 2024	1 July 2025
<b>20mm Tapping Fee</b> <i>Fee imposed for meter and labour associated in providing a tapping to the water main.</i>	407.80	413.92	421.16	429.58	438.18	446.94
<b>Plumbing Industry Commission (PIC) Fee</b> <i>Fee imposed for providing sewer plans and processing applications to connect or modify plumbing.</i>	228.95	232.38	236.45	241.18	246.00	250.92
<b>Standpipe Water Sales (per kL)</b> <i>Fee imposed for the sale of water via a metered standpipe.</i>						
- Registered Users	6.41	6.64	6.89	7.24	7.60	7.99
- Unregistered Users	8.54	8.84	9.18	9.64	10.13	10.64
<b>Septic Tank Waste Receival (per kL)</b> <i>Fee imposed on septic tank waste carters, for the disposing of sewage and/or other acceptable waste.</i>	26.95	27.57	28.20	28.63	29.13	29.71
<b>Non Core Miscellaneous Services</b> <i>Non core miscellaneous services</i>	At cost	At cost	At cost	At cost	At cost	At cost

Table 25 Customer Pricing Impacts

	Water Tariffs		Sewer Tariffs		Total	% Nominal change from previous year
Customer impact	Fixed	Variable	Fixed	Variable	Tariffs	
Residential - 200 kL p.a.						
2020/21	328.05	396.62	509.10		1,233.77	
2021/22	339.63	410.62	527.07		1,277.32	3.5%
2022/23	352.49	426.16	547.02		1,325.67	3.8%
2023/24	370.32	447.73	574.70		1,392.75	5.1%
2024/25						
2025/26	389.06	470.38	603.78		1,463.22	5.1%
Non-residential - 200 kL p.a.						
2020/21	328.05	396.62	509.10		1,233.77	
2021/22	339.63	410.62	527.07		1,277.32	3.5%
2022/23	352.49	426.16	547.02		1,325.67	3.8%
2023/24	370.32	447.73	574.70		1,392.75	5.1%
2024/25						
2025/26	389.06	470.38	603.78		1,463.22	5.1%
Tenants - 200 kL p.a.						
2020/21		396.62			396.62	
2021/22		410.62			410.62	3.5%
2022/23		426.16			426.16	3.8%
2023/24		447.73			447.73	5.1%
2024/25						
2025/26		470.38			470.38	5.1%
Residential - 121 kL p.a. (Average use)						
2020/21	328.05	239.96	509.10		1,077.11	
2021/22	339.63	248.43	527.07		1,115.13	3.5%
2022/23	352.49	257.83	547.02		1,157.33	3.8%
2023/24	370.32	270.87	574.70		1,215.90	5.1%
2024/25						
2025/26	389.06	284.58	603.78		1,277.42	5.1%

***“Contributing to thriving communities and a healthy environment”***

