

2024-25 Corporate Plan

2024 TO 2029

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Acknowledgement of Country

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

We pay our deepest respects to their Elders, past and present. 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.



*This artwork proudly featured on our Yarram Water Tower.
It is designed by Gunaikurnai Elder Sandra Pattern.
It is a visual expression of "Sitting On Country" where she feels at home and connected.*

1. Message from the Chair and Managing Director

South Gippsland Water's Corporate Plan reflects our priorities, key initiatives, and financial forecasts. It demonstrates our commitment to realising our future vision and aligns to the seven key priority areas in the Minister for Water's Letter of Expectations for 2024-25.

The 2024–25 Corporate Plan will be delivering on the second year of our 2023 Price Submission commitments, our newly adopted 2040 Vision and Strategy and implementation of our Transformation Roadmap. Our 2040 Vision and Strategy were developed over a 12-month period in which we challenged ourselves to consider the driving force behind our people's passion for achieving great outcomes. Making our community and environment better together is at the heart of why we care and our driving purpose. We recognise our role in making our community and environment better is through the delivery of our services and our vision for 2040 is that we are a trusted partner, advancing water services to support customer and community aspirations.

Our people are committed to demonstrating our values and our stand on safety. We are proud and appreciative of the commitment and loyalty shown by people across the organisation, who understand our customers and prioritise their needs. Our people are dedicated to delivering exceptional quality services to our customers and the broader community.

A revitalised leadership team, with the support of the Board, will deliver the 2040 Vision and Strategy, recognising both the Minister's Expectations and our organisation's priorities. Horizon one focuses on our priorities for the next five years including (or covering) our people and culture, improving our facilities, modernising our technology, and strengthening our partnerships with Traditional Owners. We are building our organisation foundations in order to deliver the Minister's Expectations, meet our customers' and community's aspirations, and continue to keep prices affordable.

We recognise our responsibility to engage and partner with our Traditional Owners, the Bunurong and Gunaikurnai. We are committed to working with the Gunaikurnai Land and Waters Aboriginal Corporation and Bunurong Land Council Aboriginal Corporation and the implementation of the Water is Life Roadmap.

We are continuing to deliver our capital investment program identified in the 2023 Price Submission, providing long-term reliable services, and reducing the risk to the environment. Our work continues with the Central and Gippsland Regional Sustainable Water Strategy and Gippsland Regional Integrated Water Management Plan, recognising our role in a broader network to ensure sustainable and affordable services.

On behalf of the Board of Directors and the executive team, we are pleased to present South Gippsland Water's 2024–25 Corporate Plan.



Philip Clark
Chair



Robert Murphy
Managing Director



2. South Gippsland Water

South Gippsland Water is a Victorian Government water corporation, proudly providing water and wastewater services to the thriving South Gippsland region. Located in south-eastern Victoria, low rolling green hills descend to picturesque coastal areas and townships. The region is a rich agricultural area and has some of Victoria's prime dairy land. The region is also known for tourism, with two internationally recognised national parks – Tarra-Bulga and Wilsons Promontory.

Servicing 21 townships, from Wonthaggi, meaning “windy place” in the Bunurong language, in the West to Yarram, meaning “plenty of water” in the East, South Gippsland Water operates eight separate water systems and 11 wastewater treatment plants. Our customers are largely residential. They also consist of large and small rural industries and a range of farming and horticultural enterprises.

As a regional service provider, we support our region and customers by providing reliable, environmentally sustainable water and wastewater services with the aim of enabling strong, resilient communities.



3. Our Services

Our service area covers some 4,000 square kilometres and includes \$442 million of infrastructure.

Water supply

Our customers value the safe, clean drinking water we provide. To continue this, we have committed to:

- Continue to renew and update our water delivery systems across the region
- Invest to renew aging water treatment plants with a focus on water taste and odour
- Invest in initiatives to provide long-term water security
- Continue scheduled maintenance programs for our pipes to prevent discolouration

Wastewater services

Our customers value our safe wastewater service that protects the environment and contributes to the liveability of our community. To continue provide this service, we have committed to:

- Cater for growth areas and continue our sewer systems upgrade and renewal programs
- Undertake preventative maintenance programs to reduce wastewater blockages and spills
- Upgrade wastewater treatment plants and assets

Key statistics for our service area:

Water supply

Connected water customer properties

- Residential 19,160
- Non-residential 3,166

Annual volume supplied 6,000 ML

Wastewater services

Connected wastewater customer properties

- Residential 17,800
- Non-residential 2,000

Wastewater collected 4,600 ML

Figure 1. South Gippsland Water region services

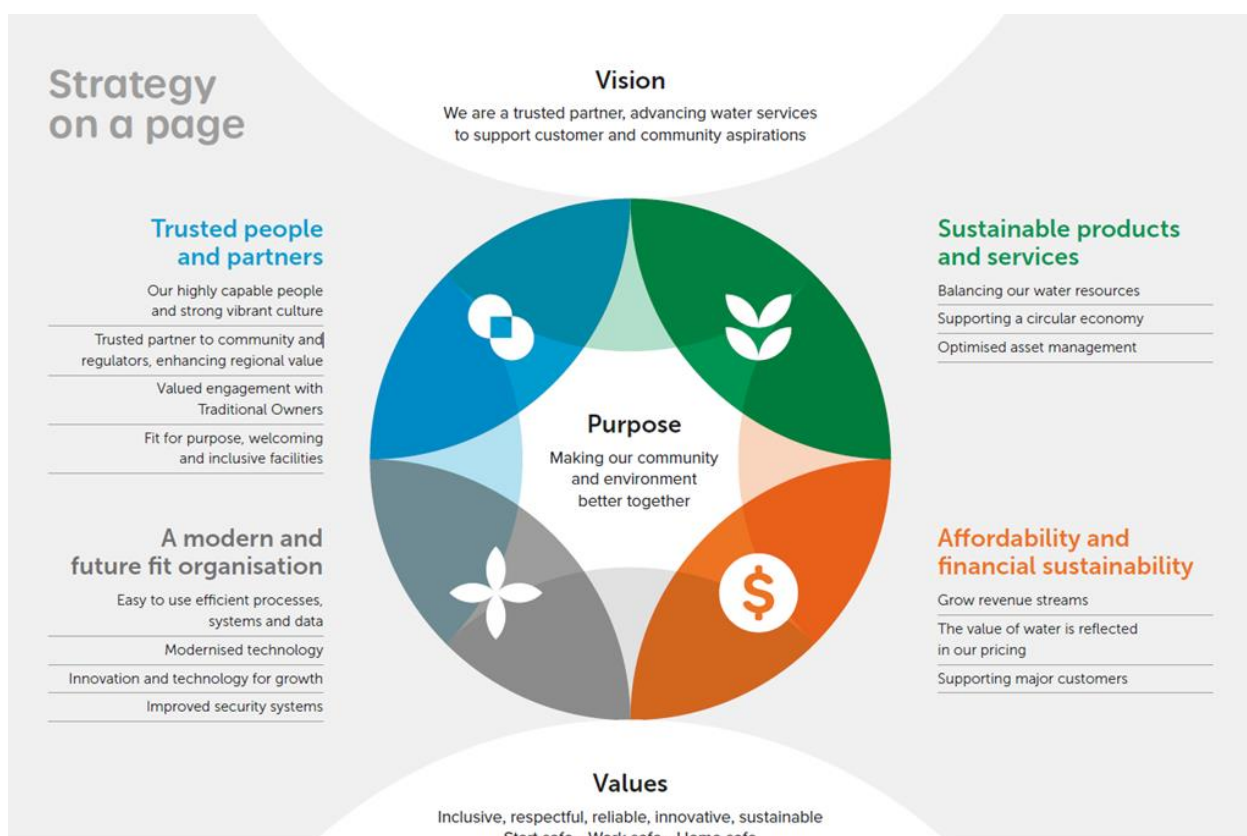


4. 2040 Vision and Strategy

Our vision for 2040 is that we are a trusted partner, advancing water services to support customer and community aspirations. Our purpose is making our community and environment better together and is demonstrated by the values our people display in proudly providing safe and sustainable water and wastewater services.

Our Four Strategic Focus areas enable us to communicate our strategic priorities, align our strategic actions to the Minister's LoEs and ensure we are delivering for our staff, customers, and stakeholders.

Figure 2. 2040 Vision and Strategy on a page



Our 2040 Vision and Strategy is underpinned by our organisation values of:

- **Inclusive:** We embrace diversity and foster collaboration
- **Respectful:** We treat people with dignity, kindness, consideration, and honour Traditional Owners
- **Reliable:** We deliver on our commitments
- **Innovative:** We are curious and creative, seeking ways to improve and adapt
- **Sustainable:** We prioritise the environment, our well-being, and financial sustainability
- **Start Safe, Work Safe, Home Safe**

5. Our operating environment

We operate in a complex environment, requiring a range of solutions and capabilities to deliver a consistent, safe water supply, treat wastewater and maintain dispersed infrastructure across long distances. As a Victorian Government entity, we operate in a highly regulated environment. We are required to meet numerous legal obligations and deliver on government policies and direction.

Figure 3. Our complex and layered operating environment



Our global environment is rapidly evolving. We are constantly identifying, mitigating, and monitoring our risks via our strategic and operational risk programs. Our ten strategic risks are provided below. We have identified three key areas of our global environment that may present challenges for South Gippsland Water over the next five years.

Climate change

We expect climate changes to continue. The impacts for South Gippsland Water in the short-term will be increased frequency and severity of storms, bushfires, and droughts. These threaten our infrastructure, water resources, the health and safety of our people, and, ultimately, our financial sustainability. Additional expenditure is likely to be required to both mitigate against these events, and to respond and recover when they occur. The short-term and medium-term impact is also to our catchment health and our ability to treat water to drinking level standards. The change in climate is likely to negatively impact the ecological health of our catchments, placing strain on water availability and security.

In the long-term, the frequency and severity of droughts are projected to increase. These will impact the availability and security of water and may require augmentation of our systems to allow for a range of water resources to be available.

Inflation and the cost-of-living

The cost-of-living has increased substantially over the last 12 months. We may see more of our customers impacted negatively by cost-of-living and affordability pressures. We are aware of our need to keep our tariffs affordable and are committed to supporting our customers in financial hardship. For South Gippsland Water, key operating costs including chemicals, electricity and insurance have increased above the inflation rate of 3.6% and continue to put pressure on our

financial sustainability. We will continue to identify opportunities to minimise the impact of these costs that are out of our control.

Rapid rate of technology change

Technology is changing at a rapid pace. In modernising our technology, South Gippsland Water will address the risk of protecting our data. We will focus on technology to deliver on our commitment to customers to provide quick, accurate and self-selected communications, using modern communication platforms such as SMS. Modern cloud-based platforms are expected to deliver efficiencies that help minimise our price increases and support efficient, safe, and flexible service delivery.

Our 10 strategic risks are driving our priorities and are captured in the table below.

Table 1. South Gippsland Water's Strategic Risks as at March 2024

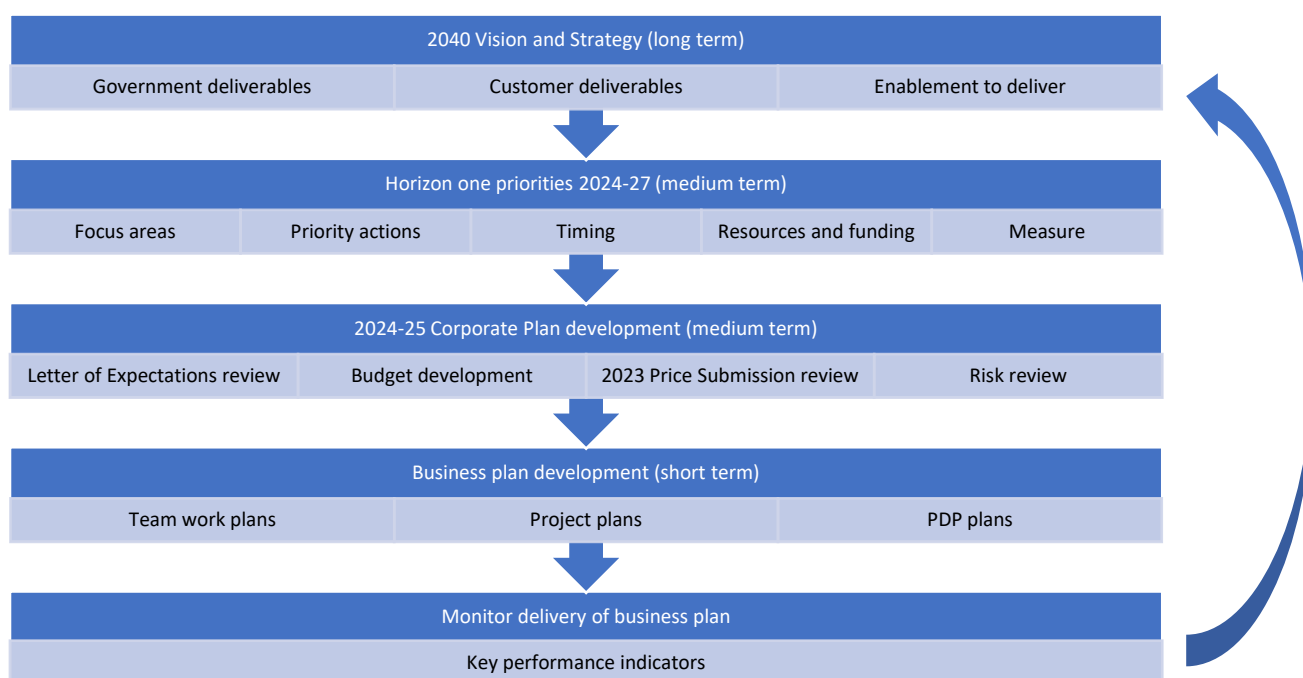
South Gippsland Water Strategic Risks
Unsafe work practices or workplaces cause or could cause physical or psychological harm to an employee, contractor, or member of the public.
Failure to appropriately protect ICT leads to critical system(s) penetration resulting in data security impacts or adversely impacts the delivery of safe, reliable, and environmentally sustainable services and leads to significant reputational damage.
Failure to attract, retain or develop skilled people and to embed an ethical, high performance workplace culture and management practices adversely impacts the delivery of safe, reliable, and environmentally sustainable services.
Failure to maintain financial sustainability results in an inability to fund the delivery of safe, reliable, and environmentally sustainable services.
Failure to evolve, innovate and keep pace with external drivers required to deliver on our strategic priorities results in sub-optimal and/or inefficient delivery of safe, reliable, and environmentally sustainable services.
Inadequate asset planning and investment causes an inability to deliver safe, reliable, and environmentally sustainable services.
Inadequate operation and maintenance of asset systems result in the failure to protect the environment and deliver safe, reliable, and environmentally sustainable services.
Failure to prepare and act for climate change results in inability to deliver safe, reliable, and environmentally sustainable services.
Failure to implement effective governance and culture results in unintended, fraudulent or corrupt practices that lead to poor decision making, reputational damage or financial loss.
Inadequate engagement and communication with our customers, community and/or key stakeholders leads to a loss of trust in the organisation or reputational damage.



6. Our priorities 2024–25

Our 2040 Vision and Strategy identified priority actions for horizon one, 2024-2027, and a detailed business plan was developed to deliver our strategic objectives. The priority actions have been reviewed against the Minister's Letter of Expectations indices handbook to ensure we are also delivering on our obligations to the Victorian Government. Under our business planning framework, our actions for 2024-25 are tracked and measured to ensure they are meeting the desired outcomes in our 2040 Vision and Strategy. **We recognise that to continue to meet the Ministers expectations, our customers expectations and keep downward pressure on prices, our focus will need to remain on transforming our organisation over the next three years.**

Figure 4. South Gippsland Water's business planning framework



The financial plan forecasts real price increases of 4 per cent in 2028-29. The transformation plan has been established to reduce this real price increase and to counter the impact of the rising cost of living on our operations. The transformation will enable us to continue to deliver our valued services to our customers and community efficiently, safely and to our customers' expectations. The changes encompass where we work, how we work and the tools we use to do our jobs.

The replacement of the billing and customer system and the facilities strategy were two key transformational projects identified in the 2023 Pricing Submission. The implementation of these two projects is a priority for 2024-25. The billing and customer system will enable SGW to improve our engagement with our customers and community including during emergency events, improve the protection of our customer data, and reduce costs now and into the future. Our current facilities are not fit for purpose. New facilities will accommodate and support a diverse workforce, improve our resilience to business disruptions, provide spaces for our people to connect and collaborate and safe spaces for us to work with the community, including Traditional Owners and vulnerable customers.

7. Letter of Expectations

We are committed to continue fulfilling the Minister for Water's key expectations as detailed in the Letter of Expectations while we undergo change. Projects to deliver on the performance areas are demonstrated below meeting the Letter of Expectations indicator handbook.

Letter of Expectation 1 – Climate Change and Energy

Our 2040 Vision and Strategy addresses the challenges South Gippsland Water faces in relation to climate risks. Our responses include reducing our greenhouse gas emissions, adapting to climate change, and integrating climate change adaption into our planning and decision making. Our key plans include our Net Zero Emissions Plan, review of our Strategic Asset Management Plan and our Risk Reduction program, building climate change resilience across SGW. Our planned actions and measures are captured below.

Table 2. LoE 1 Handbook indicators and measures

Indicator	SGW Response
Emissions Reductions	
Qualitative explanation of projects or initiatives to reduce Scope 1 and/or 2 emissions	SGW will deliver the Net Zero Emissions Plan with the 24/25 focus on: <ul style="list-style-type: none"> - Undertaking an assessment of the energy efficiency of SGW's operations - Undertaking an assessment of further behind-the-meter options - Procuring Large-Scale Generation Certificates (LGCs) - Exploration of options for procuring Australian Carbon Credit Units (ACCUs)
Increasing Renewable Energy	
Qualitative explanation of projects or initiatives to increase renewable electricity consumption and/or generation	SGW will undertake an assessment of further behind-the-meter options SGW will work towards carbon neutrality for new office facilities, which may include solar power
Adapting to Climate Change	
Demonstration of reasonable progress in integrating climate change adaptation and risk into planning and decision- making across all aspects of the business	SGW will continue to deliver the Risk Reduction Program to build power and climate change resilience across critical assets. SGW will undertake a review of the current Strategic Asset Management Plan to ensure priorities and organisational effort aligns to climate change and energy needs. SGW will deliver the Power resilience project to further our ability to maintain services through power outages.

Measures	FY25	FY26	FY27	FY28	FY29
Projected total annual emissions tCO ₂ e	6480	3900*	3750	3400	3200

**note the significant drop in emissions from FY26 is due to purchasing 100% green energy from July 2025 onwards.*

Letter of Expectation 2 – Customer, Community and Engagement

Our customers are central to the services we provide. Understanding what is important to them and responding proactively under normal operations and reactively when events occur are crucial. Leveraging our Customer Advisory Committee and Customer Engagement Strategy, we will work to identify tangible actions SGW can take to ensure continued customer satisfaction.

SGW has already invested in improving technology that enables SMS and emails to be sent in a timely manner during planned and unplanned events. We will continue to identify and invest in opportunities to modernise our technology to enable additional communication channels, customer self-direction and service, and build effective feedback loops to enhance the delivery of services to our customers.

Value-for-money, along with water quality, are two key customer priorities. We understand our pricing has a direct and material impact on our customer's finances and keeping our prices low through efficient and prudent decision making on how we use our funds now and in the future is a key focus.

SGW works with community groups across the region to progress our planned projects. Activities include meetings, site visits, public awareness of projects via the website and social media. Following the success of the collaboration with the Yarram Community and Gunaikurnai to paint the Yarram Water Tower as part of the district "arts trail", SGW is working with the relevant community group for the Port Albert water tower to develop it as a tourist attraction. Our planned actions and measures are captured below.

Table 3. LoE 2 Handbook indicators and measures

Indicator	SGW Response
Customer Satisfaction	
Narrative describing how water corporation's target for customers' rating of 'Overall Satisfaction' will be met over the planning period	<p>The SGW Customer Advisory Committee (CAC) will continue to advise and support SGW to identify and action service delivery improvements that impact their perception and overall satisfaction.</p> <p>The SGW Community Engagement Strategy, published on our website, will provide the framework for communicating and engaging with customers during planned and unplanned events, which impact the delivery of their services.</p> <p>SGW will progress the replacement of the customer and finance systems and implementation of a customer self-service portal. This will include the development of a Customer Experience Plan and we will seek input and advice from our customers on their needs and expectations and develop a customer communication plan to ensure we effectively communicate changes that will impact them.</p>
Bills and Support	
Efforts to manage pricing impacts for urban water services	The delivery of the SGW Transformation Roadmap will initially focus on building efficiencies through modernising our core systems, identifying process and operational efficiencies for cost avoidance over time.
Any significant variations to the most recent Pricing Decision projections	There are no significant variations identified
Customer and Community Engagement	

How will the water corporation measure the Customer Engagement outcomes	A Customer Experience Plan will be developed with measures that reflect the organisation's commitment to delivering on our customer engagement outcomes identified during the development of the 2023 Price Submission.
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Measures	FY25	FY26	FY27	FY28	FY29
Annual target for customer rating of 'Overall Satisfaction'	6.5	6.5	6.5	6.5	6.5
Customer responsiveness – water quality complaints	0.6 *				
Customer responsiveness – number of payment issue complaints target	0.1 *				
Customer responsiveness – total complaints target	2 *				

**note – FY25 targets only required*

Billing	FY24	FY25	FY26	FY27	FY28	FY29
Residential bill – owner occupier (real \$)	1,264	1,295	1,340	1,386	1,434	1,491
Percentage change from prior year		2.5%	3.5%	3.5%	3.5%	4%
Residential bill – tenant (real \$)	289	296	306	317	327	341
Percentage change from prior year		2.5%	3.5%	3.5%	3.5%	4%
Residential bill – typical water use (kL)	121	121	121	121	121	121
Non-residential bill – business 3ML per annum (real \$)	7,552	7,742	8,025	8,310	8,594	8,942
Percentage change from prior year		2.5%	3.5%	3.5%	3.5%	4%

Letter of Expectation 3 – Recognise Aboriginal Values

At the centre of our work is furthering our recognition and engagement with Traditional Owners, enabling self-determination on who and how they engage with us. We will be flexible and recognise that through the processes of Treaty and Water is Life Plan implementation we will need to adapt and partner with the Bunurong and Gunaikurnai peoples.

South Gippsland Water has a draft Memorandum of Understanding with Bunurong. This has assisted in our process to develop a Reconciliation Action Plan which will be submitted in June 2024.

The SGW and Gunaikurnai relationship is facilitated by the Gippsland Environmental Action Group (GEA). During 2024–25 we will continue working with our traditional owner groups and associated community-controlled organisations to build our relationships, communication channels and develop formal plans.

South Gippsland Water will continue to be an active member of the GEA. Alongside other GEA members and Gunaikurnai, our action plan has been developed. The plan sits alongside Traditional Owners' aspirational whole-of-country plan, to best deliver on employment opportunities in a culturally safe and meaningful way. South Gippsland Water will also continue to be an active member of the Bass Coast Reconciliation Network. Our planned actions and measures are captured below.

Table 4. LoE 3 Handbook indicators and measures

Indicator	SGW Response
Partnership with Traditional Owners	
Describe the nature of the formal partnership agreements entered into with Traditional Owner Groups for water planning and management.	SGW will finalise our draft MOU with Bunurong Traditional Owners SGW will finalise and publish our Reconciliation Action plan, which tangibly reflects our commitment and actions for engagement with the Bunurong and Gunaikurnai peoples on the use of their lands and the formalising of partnerships.
Demonstrate that Traditional Owners had the opportunity to review and/or endorse, all sections of the most recent annual report that included specific reference to Traditional Ecological Knowledge, values, and well-being.	SGW will finalise and implement our Reconciliation Action Plan to progress the relationship with Traditional Owners to enable opportunities for Traditional Owners to be engaged in the Annual Report process.
Demonstrate how water corporations have informed relevant Traditional Owners of opportunities to access water entitlements or allocation within their Country	SGW will work with the Gunaikurnai Land and Waters Aboriginal Corporation and Bunurong Land Council Aboriginal Corporation to understand their expectations on how we communicate access to water entitlements SGW will support the Central and Gippsland Region Sustainable Water Strategy Traditional Owners statement and Water Justice actions
Supporting Aboriginal Self-Determination	
Describe the nature of the partnership agreements with Aboriginal Community Controlled Organisations for water planning and management.	SGW will work with the Gunaikurnai Land and Waters Aboriginal Corporation and Bunurong Land Council Aboriginal Corporation to understand their expectations on how we partner with them on water planning and management
Provide commentary on strategies implemented to provide procurement opportunities to Aboriginal Enterprises to supply goods and services to water corporations, including addressing any procurement barriers.	The SGW Social Procurement Strategy identifies processes and expectations for procurement opportunities for Aboriginal Enterprises SGW commits to the monitoring of procurement activities for compliance with the Social Procurement Strategy

Measures	FY25	FY26	FY27	FY28	FY29
Number of formal partnership agreements with Traditional Owners/ Traditional Owner Groups for water planning and management	2	2	2	2	2
Number of formal partnership agreements with Aboriginal Community Controlled Organisations	2	2	2	2	2



Letter of Expectation 4 – Recognise Recreational Values

Delivering water services across 4,000 square kilometres places South Gippsland Water in a position to support community well-being by considering recreational values in water management on both our own sites and in partnering with community on their use and access.

We currently support various recreational activities at our sites including fishing at Coalition Creek and bird watching from the purpose-built bird hide at our treatment plant in Meeniyan. We recognise there is a need to strengthen how we engage and manage recreational value and opportunity across our region. Our 2024-25 activities are focused on developing our approach and understanding of where we can contribute to the recreational value using our assets and sites and ensuring compliance with the Water (Recreational Area) Regulations 2023. Our planned actions and measures are captured below.

Table 5. LoE 4 Handbook indicators and measures

Indicator	Our 24/25 activities
Consideration of recreational values in business operations	
Site-based projects planned/delivered to improve recreational enjoyment of water storages.	SGW will develop a framework to recognise and assess the recreational value of SGW locations and assets by considering existing recreational use, opportunities for future use and decommissioning if necessary. SGW will continue to work with the Port Albert community to develop and deliver the Port Albert water tower mural.
Water storage recreational areas with Recreational Area Management Plans in place.	SGW will develop a Recreational Area Management Plan for the existing locations, and any subsequent locations, where recreational use is currently in place and publish on our website.
Engagement processes with community and stakeholders	
Provide evidence of community engagement processes that identified and considered recreational objectives relating to: - waterway health and environmental land - water planning and management.	A published Community Engagement Plan and stakeholder mapping will provide information and clear processes for internal staff on community engagement when undertaking capital planning and site improvements.
Improvement to information sources	
Provide evidence of actions taken to improve information sources to help recreational users plan their activities	As part of the SGW website upgrade a section on recreational access of SGW locations, the Recreational Area Management Plan, will be published to support community planning and access.
Collaboration with stakeholders	
Provide evidence of actions taken to collaborate with other organisations and government agencies to explore and progress opportunities to support recreational objectives.	SGW will maintain current Community Engagement Plan and stakeholder mapping, which will enable SGW to actively participate in community collaboration on recreational objectives. South Gippsland Water will continue to support community led projects to progress opportunities to support recreational objectives.



Target Measures	FY25	FY26	FY27	FY28	FY29
Number of site-based projects planned/delivered to improve recreational enjoyment of water storages.	3				
Number of water storage recreational areas with Recreational Area Management Plans in place	1				

**note – FY25 targets only required*

Letter of Expectation 5 – Resilient and Liveable Cities and Towns

Our organisational purpose statement of *making our community and environment better together* reinforces our commitment as a regional water service provider to:

- supporting safe, affordable, and high-quality services
- supporting resilient and liveable environments
- improving resilience against future risks and emergency events.

Through our capital program, SGW is committed to delivering resilient and liveable towns in our service region. We collaborate on the liveability of our towns via the Central and Gippsland Regional Sustainable Water Strategy (CGRSWS), the Gippsland Region Integrated Water Management (IWM) Forum and the Westernport IWM Forum. Our planned actions and measures are captured below.

Table 6. LoE 5 Handbook indicators and measures

Indicator	SGW Response
Water efficiency and Water recycling	
Please provide commentary on non-revenue water attributed to leakages	<p>South Gippsland Water will establish a leakage target, agreed by the business and Board in line with the CGRSWS</p> <p>SGW will established a per capita water use target in line with the CGRSWS.</p> <p>SGW will commence a program to install additional distribution system meters to validate leakage data in key networks.</p>
Projects to deliver water recycling, reporting should have regard to the statutory obligations of water corporations and water efficiency initiatives to promote the integrated and sustainable use of water resources in their region	<p>As part of the plans to upgrade the Wonthaggi WWTP and Baxters Beach outfall, SGW will complete detailed investigations on the feasibility of new reuse schemes for Inverloch, Cape Paterson and Wonthaggi.</p> <p>SGW will undertake upgrades at Meeniyan WWTP to increase the proportion of reuse from this site.</p>
Other projects to deliver water conservation, reporting should have regard to the statutory obligations of water corporations and water efficiency initiatives to promote the integrated and sustainable use of water resources in their region	<p>SGW will work with DEECA to benchmark water usage across the business and industry in line with CGRSWS action 2-7.</p> <p>SGW will work with DEECA and other urban water corporations to reintroduce Water Management Action Plans in line with the CGRSWS.</p>
Projects to deliver sustainable and resilient water services systems, reporting should have regard to the statutory obligations of water	SGW will complete power resilience upgrade projects at four water supply sites.

corporations and water efficiency initiatives to promote the integrated and sustainable use of water resources in their region	SGW will continue to support the DEECA led South Central reforms process to improve water sharing between urban water corporations connected to the south-central pool.
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Integrated Water Management

Progress on actions taken in the development and implementation of Sustainable Water Strategies applicable to the region.	SGW will work with the Gippsland Region IWM Forum and the Westernport Region IWM Forum to progress projects in the Strategic Directions Statements.
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Progress towards the implementation of priority IWM projects and plans as applicable	SGW will continue to be an active participant and contributor in the Gippsland Region IWM Forum and the Westernport IWM Forum to support the development of Strategic Direction Statements, outcomes and targets in urban water, sustainable water, waterways, and catchment management strategies and plans. SGW will work with the Gippsland Region IWM Forum to identify at least one new IWM project for the region.
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Circular economy outcomes

Provide commentary on projects or initiatives that adopt circular economy principles and/or contribute towards identified targets in "Recycling Victoria: A New Economy".	SGW will complete a feasibility study for the Wonthaggi resource recovery facility to incorporate a holistic recycling facility into our planned upgrade for the Wonthaggi Wastewater Treatment Plant
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Environmental Statutory Obligations

Water corporations should manage impacts to water quality in their operations.	SGW will complete an implementation plan for the Lance Creek Water Quality Strategy. SGW will liaise with Gippsland Region IWM forum members on the Lance Creek Water Quality Strategy.
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Water Corporations should demonstrate compliance with the Obligations for Managers of Land or Infrastructure (Water) (OMLI) under the Environmental Protection Act 2017	SGW will complete upgrades to emergency storage capacity at two WWTPs to reduce the likelihood of future spills to waterways. SGW will progress community and customer engagement for upgrades at Wonthaggi and Foster WWTPs to reduce impact of treated reuse water discharged to the environment. SGW will complete planning and design for upgrades to Meeniyar WWTP to reduce potential impacts to Stony Creek.
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Water Corporations to undertake specific actions that deliver targeted outcomes to satisfy water corporations' environmental obligations consistent with the actions and intended outcomes.	SGW will continue to work with the West Gippsland Catchment Management Authority, South Gippsland Landcare, and local councils in implementing programs to manage and protect catchment areas. South Gippsland Water H2O Grants are in place to support riparian fencing and revegetation of gullies and slips. SGW will continue to proactively ensure that compliance with our Bulk Entitlements and Environmental Watering Program is consistent with the Victorian Waterway Management Strategy and the West Gippsland Waterway Strategy 2014 to 2022. Ecological outcomes are supported through programs such as the availability of passing flows from reservoirs, as well as supporting the economic values of waterways, community use, participation, advocacy, and stewardship in the region's waterways.
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Sustainable Water Used



Progress on actions taken in the development and implementation of Sustainable Water Strategies applicable to the region.

SGW will progress or complete the CGRSWS priority actions as agreed.

Measures	FY25	FY26	FY27	FY28	FY29
Percentage of biosolids mass reused.	100	100	100	100	100

Letter of Expectation 6 – Leadership, Diversity and Culture

Our Board and senior leaders have identified our people and culture as a priority focus for Horizon 1 of our 2040 Vision and Strategy. Building on our existing values and safety commitments, we will work on continuously improving the working experience for our people. We will achieve this through the facilities masterplan which will improve the physical environment in which they work and improving their health and wellbeing by being a high reliability organisation, that is a culturally safe workplace that welcomes diversity. Our planned actions and measures are captured below.

Table 7. LoE 6 Handbook indicators and measures

Indicator	SGW Response
Diversity and Inclusion	
Equity Inclusion and Diversity Plan	SGW will continue to deliver on our 2021-2024 Equity Inclusion and Diversity Strategic Plan SGW will develop our 2025-2028 Equity Inclusion and Diversity Strategic Plan In developing our Facilities Masterplan, we will consider spaces which are culturally safe and inclusive
Gender Equality Action Plan	SGW will continue to deliver on our 2022-2025 Gender Equity Action Plan SGW will develop and publish our 2025-2028 Gender Equity Action Plan
Actions taken to improve participation by Traditional Owners and Aboriginal Victorians in Board committees and other organisational committees	SGW will recruit an Independent Aboriginal Delegate to our Board for the purpose of providing independent advice to the Board and to actively participate in Board meetings without voting The SGW Board and executive team will undertake cultural awareness training provided by Gunaikurnai
Leadership	
Summary of progress against LOE Priority Area Leadership, diversity, and culture	SGW continues to focus on developing leaders and a culture that is safe and inclusive. Progress on actions within the Equity, Inclusion and Diversity Strategic Plan and Gender Equality Action Plan demonstrate some of the improvements that have been made.

Measures	FY25	FY26	FY27	FY28	FY29
Diversity Inclusion Plan/s published on entity website	Yes				
Gender Equality Action Plan published on entity website	Yes				

Provide the number of executive officers who identify as female.	2/4	2/4	2/4	2/4	2/4
Percentage of all the staff who complete the VPSC people matter survey	86				
Number of staff within the water entity who have undertaken a cross-cultural training course facilitated by accredited personal.	20				
Number of Aboriginal staff employed target	1				

**note – FY25 targets only required*

Letter of Expectation 7 – Performance and Financial Management

We are a trusted customer and community service provider. Our customers rate us highly on the perceived value of the services we provide. Our customers also expect that we are financially responsible and apply prudent oversight of our procurement, expenditure, and maintenance of our assets. We will ensure value-for-money for our customers, by efficient use of resources and by continually looking for opportunities to grow our revenue beyond residential and business water and sewage use.

The attached financial plan addresses the SGW actions in relation to Letter of Expectation 7.

Additional Areas of Interest

Customer protection, including the prevention of harm from family violence

We recognise that protection of our customers data is a core expectation of both our customers and the Minister. Protection of our customers includes all customers of South Gippsland Water with additional focus on our customers most at risk of experiencing family violence, financial hardship, or discrimination.

Our priorities for 2024-25 include improving the data security maturity of our organisation, ensuring we are meeting core maturity under the Victorian Data Security Framework by 30 June 2025. The implement our new customer and billing system will ensure that our customer data is protected, and we are building customer protection into our new system design.

We will continue our proactive approach of contacting and working with customers who are experiencing payment difficulties or have higher than usual water usage to set up payment plans, hardship grants, utility relief grant applications and help identify any potential water leaks.

Table 7. Customer protection SGW response to LoE

SGW Response
<p>SGW is upgrading the customer, billing and contact center technology to include system and process barriers and structures to protect customer data.</p> <p>System rules and processes will be put in place to manage family violence risks including ensuring customer identity validation and family violence risk flags.</p> <p>SGW will work collaboratively with DEECA on family violence governance guidelines and consider development of Key Performance Indicators</p>

Cyber Security

Improving the security of our assets, both physical and data is a key focus area of our 2040 Vision and Strategy. We are committed to the development and delivery of our Cyber Security Action Plan, our roadmap to reducing our cyber security risk in alignment with the 'Essential Eight' Maturity Model.

The improvement of our physical security will be a key outcome of our facilities masterplan.

Table 8. Cyber Security SGW response to LoE

SGW Response
SGW will develop and deliver our Cyber Security Action Plan SGW will review and update physical security across our sites SGW will participate in sector cybersecurity forums All staff will attend Cyber Security training to improve their understanding of their responsibility for the cyber and physical safety of SGW data and assets.

Housing Statement

We recognise our role in getting Victorians into their new homes faster through speeding up connections as our towns and cities grow. We have established relationships with our local developers and local councils, and we will continue to regularly engage with all parties involved throughout the permit process to ensure there are clear timelines for completing applications.

Table 9. Housing Statement SGW response to LoE

SGW Response
SGW will baseline the number of days taken to respond to new housing and estate applications and work with developers to identify any barriers to timely approvals.
SGW will work with DEECA to develop indicators by June 2024 to measure performance



8. Our financial plan

At a glance

This Corporate Plan represents the second year of the Essential Services Commission's Regulatory Period Five, 2023–24 to 2027–28. The 2023 Price Submission continues our long-term plan to secure the future of our services, region, environment, and the resilience of our business and communities. The transformation program that commenced this year provides not only a focus on driving efficiency in delivering our programs, but also assists to reduce the risks associated with the impacted areas of the organisation.

In the 2023 Price Submission, we committed to a \$7 million gap in our revenue requirement, over the five-year regulatory period, in order to keep our prices as low as possible. This revenue gap has not shifted in this Corporate Plan period as we continue to manage the impacts of the shifting environment we operate in, with continuing uncertainty in economic activity and climate impacts. Price increases of 2.5% (real) this financial year and increases of 3.5% each year for the subsequent three years of the Corporate Plan period have been approved by the Essential Services Commission.

On the balance sheet, there is a noticeable increase in the non-current loan amount from 2024-25 to 2025-26 and then again from 2027-28 to 2028-29 financial years in line with the capital program. This is also reflected in the operational expenditure lines of depreciation and financing costs.

A summary of the key financial drivers behind our Corporate Plan is listed below. South Gippsland Water carries the risk should unfavourable performance be realised in one or all of these areas:

- Approval of 2.5%, 3.5%, 3.5%, and 3.5% real increases in tariffs to 2027-28. The increase in 2028-29 has been forecast at 4% with any real increase established as part of the 2028 Price Submission (subject to regulatory assessment)
- 1.80% per annum water and wastewater residential customer growth
- Non-residential property connection growth of 0.53% per annum for water and 0.37% per annum for wastewater
- Average annual household water consumption of 121kL
- Wage inflation of 2.0% per annum
- 0.5% annual increase in the superannuation guarantee 2022–23 to 2025–26
- Borrowing forecast rates include 1.15% weighted average for the Financial Accommodation Levy (FAL), plus an escalating interest rate in line with Treasury Corporation Victoria forecast.
- Victorian State Budget Efficiency Savings payments of 2% of controllable Opex to be paid in the 2024-25 financial year, and 3% in each of the following years of the Corporate Plan.

Our capital programs

The 2024–25 capital program is building on prudent capital planning program used to identify priority projects for the 2023 Price Submission. We are continuing to deliver renewal and upgrade projects to support growth in our changing climate 'just-in-time'. We have experience cost increases in our capital projects and using our adaptive planning approach, we have reviewed our capital program and have delayed projects in line with our risk appetite to reduce or counter cost increases in the projects we can't delay. The proposed capital expenditure in comparison to the 2023 Price Submission is listed in Table 10.



Table 10. Capital investment comparison 2024–25 Corporate Plan vs 2023 Price Submission

	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Corporate Plan	\$29.0M	\$29.2M	\$36.0M	\$25.4M	\$23.9M	\$143.5M
Price Submission	\$36.2M	\$40.1M	\$21.7M	\$20.3M	\$18.7M	\$136.9M

Changes between the 2024–25 Corporate Plan and the 2023 Price Submission are largely due to:

- Some growth-driven investment has been rescheduled from 2023-24 to 2024-25 (and beyond) due to the rate of development slowing in some towns and the rate of residential lot sales - for example, growth-driven investment on sewer pump station upgrades in Wonthaggi.
- Rescheduled investment to renew the Venus Bay Outfall, which is a major asset used to provide services to a single major industrial customer. The investment has been rescheduled due to protracted negotiations on a new Trade Waste Agreement with a major customer.
- A number of projects have been reprioritised to fund budget increases for sewer network upgrades in Korumburra and construction of the emergency storage lagoon at Wonthaggi WWTP. Reprioritised projects have been deferred to later years in the capital plan.

Planned investment over the Corporate Plan period is shown in the table below.

Table 11. Capital investment 2024-25 to 2028-29

	2024-25	2025-26	2026-27	2027-28	2028-29	Total
24-25 Corporate Plan	\$29.2M	\$36.0M	\$25.3M	\$23.9M	\$36.0M	\$150.5M

A significant increase in investment in the 2028-29 financial year is due to the start of the Wonthaggi Wastewater Treatment Plant upgrade project. This project is necessary infrastructure to support the approved Wonthaggi North-East Precinct which will double the size of Wonthaggi in the decades to come.

Demand, water allocation and supply availability

The demand analysis recently completed for our 2023 Price Submission has been generally adopted for the 2024–25 Corporate Plan and captured in our key financial drivers.

Residential water consumption of 121 kL per year (reflecting the 10-year average) has been forecast to continue. Consumption has fluctuated over recent years, dropping to a low of 116 kL/pa in 2021–22. South Gippsland Water's historic residential water consumption is consistently amongst the lowest in the state. This is due to the number of holiday homes and higher rainfall.

The recent volatile nature of the economic environment has added considerable uncertainty to demand forecasting. **Our two major customers account for 21% of water consumption and 15% of regulated revenue.** Our major customers' water consumption has been tested against recent trends and direct customer data. Forecasts for our largest customer in Leongatha are a moderate 970 ML for the 2024 to 2029 price period. This was at the top end of their long-term historical consumption and reflective of the three-year trend. Actual usage in the current financial

year to February 2024 has seen consumption drop 23% compared to budget, to an average of 58 kL per month.

To assist in offsetting the decline, a new major customer has taken over a previous customer's site and they are increasing production each month. Their forecasts look strong into next financial year. We will continue to monitor fluctuations closely, but a continuation of this downward trend would have a significant impact on our planning assumptions for future years, with fixed operating costs related to the consumption of water not declining synchronously.

To ensure water security and supply for our customers, we are continuing to implement our Urban Water Strategy and deliver the projects identified in the 2023 Price Submission.

Customer bills

During Price Submission engagement we tested our proposed price path and bill impacts with customers. Customers and their advocates, particularly those already experiencing financial hardship, preferred a gradual price increase rather than a step change in pricing. We adopted this approach in our 2023 Price Submission, adopting a price path of 2.5%, 2.5%, 3.5%, 3.5%, 3.5% for 2024 to 2028 price period.

The current economic climate continues to put pressure on household spending. This means that strengthening supports for customers experiencing vulnerability is vital. Building on our existing programs, in 2024–25 we will continue our customer support program to residential customers, non-residential customers and small businesses. Our co-payment program, in which we match vulnerable customers payments after a successful payment plan, commenced in 2023-24 and will continue as part of our proactive support for vulnerable customers.

9. Financial details and performance

Material changes from previous 2023–24 Corporate Plan:

Material changes from the previous 2024 Corporate Plan for the five-year period from 2024–25 to 2028–29:

Revenue

An increased CPI uplift of 3.6% has been assumed for 2024-25, in line with the Reserve Bank of Australia's actual CPI for the 12 months to March 2024.

The 2023–24 consumption for our two largest customers has been tracking consistently below budget and the latest 2023–24 forecast of 807 ML has further reinforced this subdued position. For the 2024–25 budget we have assumed this downward trend will continue, resulting in a 18% reduction in annual volumes as compared to the 2023–24 Corporate Plan and 2023 Price Submission. Offsetting this is a new major customer, which will continue to increase its volumes since opening production in October 2023.

With new trade waste agreements coming into effect in 2024-25, the immediate financial year will see a net increase of \$0.6 M from the 2023-24 Corporate Plan and \$3.6 M over the rolling five-year period.

SGW is expecting a \$2.4 M reduction in capital income from gifted assets over the forecast period as a result of updates to developers' plans for water and sewer asset construction on new subdivisions, due to a noticeable downturn in building and land development activity.



Operating Costs

Salaries and oncosts will increase in 2024–25 by \$0.6 M as a result of the 2% required under the EBA and statutory increases such as superannuation, and the cost of the organisational restructure as part of the transformation program.

The Melbourne Bulk Water entitlement in 2024–25 has been reduced from the assumptions in the 2023–24 Corporate Plan, as the additional requirement from the Melbourne system has been pushed out again to 2025–26. This has resulted in a \$0.8M reduction in 2024–25 Opex.

Financing costs are expected to remain steady compared to the last Corporate Plan for the 2024-25 financial year, but adjustments to the long-term capital program creating an increased level of debt, coupled with increased interest rates, the result for the rolling five-year period is an increase of \$7.95 M.

Depreciation is forecast to reduce by \$1.7 M compared to the 2023-24 Corporate Plan, due largely to a decrease in capital investment in the 2024-25 period, and \$5.1 M over the five-year rolling period.

Operating Statement

The table below details the projected operating statement for 2024–25 to 2028–29. Refer to Appendix A for a quarterly breakdown of the 2024–25 financial year.



Table 12 SGW operating Statement 2024-25 to 2028-29

PROFIT AND LOSS \$'000	FY23/24 Forecast Dec23	FY24/25 Budget	FY25/26	FY26/27	FY27/28	FY28/29
Service Charges	21,000	21,982	23,787	25,801	27,953	30,431
Volume Charges	11,435	12,430	12,882	14,484	15,661	17,060
Trade Waste	4,408	4,983	5,136	5,453	5,710	5,990
Capital Income	4,463	5,124	4,682	4,576	4,992	5,245
Other	1,111	1,098	1,004	1,043	1,084	1,128
TOTAL REVENUE	42,418	45,617	47,492	51,357	55,399	59,855
Salary and Oncosts	13,652	14,555	14,991	14,978	15,427	15,890
Financing Costs	4,945	6,367	7,703	8,718	9,631	11,435
Depreciation	15,035	15,329	15,815	15,978	16,549	17,498
Other Expenses	14,770	15,410	15,587	15,310	15,719	16,821
TOTAL COSTS	48,402	51,661	54,096	54,984	57,326	61,644
SURPLUS / (DEFICIT)	(5,984)	(6,044)	(6,604)	(3,628)	(1,927)	(1,789)
Tax expense	1,496	1,511	1,651	907	482	447
NET PROFIT / (LOSS) AFTER TAX	(4,488)	(4,533)	(4,953)	(2,721)	(1,445)	(1,342)

Cash Flow Statement

Table 13 SGW Cash Flow Statement 2024–25 to 2028–29

CASHFLOW \$'000	FY23/24 Forecast Dec23	FY24/25 Budget	FY25/26	FY26/27	FY27/28	FY28/29
Total Cash Receipts from Operations	44,222	47,431	50,343	53,246	57,199	63,494
Total Cash Payments from Operations	(34,994)	(37,162)	(39,469)	(40,248)	(41,981)	(45,387)
Net Cash provided/(used) by Operating Activities	9,228	10,269	10,873	12,998	15,218	18,107
Proceeds from Sale of Assets	55	275	55	55	55	55
Payments for Non-Current Assets	(31,267)	(37,410)	(42,223)	(29,315)	(28,076)	(49,801)
Net Cash provided/(used) in Investing Activities	(31,212)	(37,135)	(42,168)	(29,260)	(28,021)	(49,746)
Proceeds/(Repayments) from Borrowings	19,736	27,600	32,100	17,200	13,700	32,300
Efficiency Savings Payment	(300)	(548)	(850)	(840)	(866)	(892)
Contractors deposits	(387)	54	43	(135)	3	219
Net Cash provided/(used) from Financing Activities	19,048	27,105	31,293	16,224	12,837	31,627
Net Increase / (Decrease) in Cash	(2,935)	239	(2)	(37)	34	(12)
Beginning Cash	3,189	253	493	491	454	488
ENDING CASH	253	493	491	454	488	476

Balance Sheet

Table 14. SGW Balance Sheet Statement 2024–25 to 2028–29

BALANCE SHEET \$'000	FY23/24 Forecast Dec23	FY24/25 Budget	FY25/26	FY26/27	FY27/28	FY28/29
Cash and Bank	253	493	491	454	488	476
Receivables	2,388	2,367	2,545	2,743	2,953	3,193
Other current assets	4,095	4,254	4,305	4,666	4,906	5,195
Total Current Assets	6,737	7,114	7,342	7,863	8,346	8,863
Receivables-Long term	155	125	95	65	35	5
Fixed Assets	508,821	528,388	551,644	565,718	576,710	603,406
WIP	7,059	8,082	9,504	6,434	6,124	11,078
Deferred Tax Assets	21,847	23,358	25,009	25,916	26,398	26,845
Total Non-Current Assets	537,882	559,953	586,253	598,133	609,267	641,334
TOTAL ASSETS	544,619	567,068	593,594	605,995	617,613	650,198
Loans - Current	2,225	2,225	2,225	2,225	2,225	2,225
Provisions	6,177	5,379	5,086	5,366	5,522	5,583
Other payables	4,537	5,266	5,788	4,271	4,343	6,800
Total Current Liabilities	12,939	12,870	13,099	11,861	12,090	14,608
Loans - Non-Current	124,736	152,336	184,436	201,636	215,336	247,636
Provisions	417	417	417	417	417	417
Deferred Tax Liabilities	78,876	78,876	78,876	78,876	78,876	78,876
Total Non-Current Liabilities	204,029	231,629	263,729	280,929	294,629	326,929
TOTAL LIABILITIES	216,968	244,498	276,828	292,790	306,719	341,537
NET ASSETS	327,652	322,569	316,766	313,205	310,894	308,661
TOTAL EQUITY	327,652	322,569	316,766	313,205	310,894	308,661



Financial Performance Indicators

Table 15. Key Performance Indicators 2024–25 to 2028–29

KEY RATIOS	FY24/25 Budget	FY25/26	FY26/27	FY27/28	FY28/29
Interest Cover (Cash)	2.61	2.41	2.49	2.58	2.58
Gearing Ratio	27.3%	31.4%	33.6%	35.2%	38.4%
Debt Cover (Cash)	10.8%	10.0%	10.7%	11.4%	11.8%
Internal Financing Ratio	27.7%	25.8%	44.4%	54.3%	36.4%
Current Ratio	0.55	0.56	0.66	0.69	0.61
Quick Ratio	0.59	0.57	0.81	0.85	0.59
Interest Cover (EBIT)	0.05	0.14	0.58	0.80	0.84
Debt / Equity	48%	59%	65%	70%	81%
Return on Assets	0.1%	0.2%	0.8%	1.3%	1.5%
Return on Equity	-1.4%	-1.5%	-0.9%	-0.5%	-0.4%

Operational Performance

Table 16. Service Standards 2024–25 to 2028–29

Water and Sewerage Network Reliability	2024/25 Target	2025/26 Target	2026/27 Target	2027/28 Target	2028/29 Target
Water Service – minutes off supply (planned and unplanned) how many minutes on average a customer was without water supply during a year	110	110	110	110	110
Unplanned water supply interruptions percentage of customers receiving (5) unplanned interruptions in the year	0.0%	0.0%	0.0%	0.0%	0.00%
Sewerage Service – sewer blockages number of sewer blockages reported per 100 kilometres of sewer main	18	18	18	18	18
Sewerage Service – sewer spills number of sewer spills reported per 100 kilometres of sewer main	28	28	28	28	28
Sewerage Service - containment of sewer spills Sewer spills from reticulation and branch sewers contained within 5 hours	95%	95%	95%	95%	95%
Customer Responsiveness	2024/25 Target	2025/26 Target	2026/27 Target	2027/28 Target	2028/29 Target
Water bills – customers on flexible payment plans No. of customers with instalment plans	620	640	660	680	680
Water bills – customers awarded hardship grants No. of customers awarded hardship grants	20	20	20	20	20
Customer Responsiveness - water quality complaints No. of complaints per 100 customers	0.6	0.6	0.6	0.6	0.6

Customer Responsiveness – number of payment issue complaints No. of complaints per 100 customers	0.1	0.1	0.1	0.1	0.1
Customer Responsiveness - total complaints No. of complaints per 100 customers	2	2	2	2	2
Water Reuse	2024/25 Target	2025/26 Target	2026/27 Target	2027/28 Target	2028/29 Target
Recycled water – effluent treatment and reuse proportion of water recycled as a percentage of the volume of effluent produced	4%	4%	4.5%*	4.5%	4.5%

*Completion of planned works Foster Wastewater Treatment Plant 2025–26



Table 17. Customer Tariff Schedule 2023-24 to 2028-29

Tariffs are expressed in nominal \$	Frequency of charge	Approved					Proposed
		FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
1.1 Water access fees (per annum)							
Access fee – Developed	Tri-annual	382.13	391.68	405.39	419.58	434.27	451.64
Access fee – Undeveloped	Tri-annual	382.13	391.68	405.39	419.58	434.27	451.64
Access fee – Agreements	Tri-annual	343.95	352.55	364.89	377.66	390.88	406.51
Access fee – Concessional	Tri-annual	306.52	314.18	325.18	336.56	348.34	362.27
1.2 Water usage charges (per kL)							
Volumetric fee – Saputo	Monthly	2.90	2.97	3.08	3.19	3.30	3.43
Volumetric fee – Other Majors	Monthly	2.90	2.97	3.08	3.19	3.30	3.43
Volumetric fee – All others	Tri-annual	2.39	2.45	2.54	2.63	2.72	2.83
Unmetered Fee							
Based on 15kL per bill at the new volume fee		98.52	100.98	104.52	108.18	111.96	116.44
1.3 Sewerage access fees (per annum)							
Residential and non-residential							
Access fee – Developed	Tri-annual	593.05	607.88	629.15	651.17	673.96	700.92
Access fee – Undeveloped	Tri-annual	335.54	343.93	355.97	368.42	381.32	396.57
1.4 Cistern access fees (per annum)							
1-2 Cisterns	Tri-annual	201.92	206.97	214.21	221.71	229.47	238.65
3-5 Cisterns	Tri-annual	531.20	544.48	563.54	583.26	603.67	627.82
6-10 Cisterns	Tri-annual	1,028.65	1,054.37	1,091.27	1,129.46	1,168.99	1,215.75
11-15 Cisterns	Tri-annual	1,647.11	1,688.29	1,747.38	1,808.54	1,871.83	1,946.71
16-20 Cisterns	Tri-annual	2,746.42	2,815.08	2,913.61	3,015.58	3,121.13	3,245.98
21-26 Cisterns	Tri-annual	3,930.88	4,029.15	4,170.17	4,316.13	4,467.19	4,645.88

27-35 Cisterns	Tri-annual	4,818.11	4,938.56	5,111.41	5,290.31	5,475.47	5,694.49
36–Greater Cisterns	Tri-annual	5,505.47	5,643.11	5,840.62	6,045.04	6,256.61	6,506.88
Volume Charge – (per kL)							
Volume Charge	Tri-annual	2.40	2.46	2.55	2.64	2.73	2.84
1.5 Minor trade waste fees							
Application fees (per application)							
Category 1	Tri-annual	153.84	157.69	163.21	168.92	174.83	181.82
Category 2	Tri-annual	245.43	251.57	260.37	269.48	278.92	290.07
Category 3	Tri-annual	449.29	460.52	476.64	493.32	510.59	531.01
Access fees (per annum)							
Access fee – Category 1	Tri-annual	819.64	840.13	869.54	899.97	931.47	968.73
Access fee – Category 2	Tri-annual	1,088.78	1,116.00	1,155.06	1,195.49	1,237.33	1,286.82
Access fee – Category 3	Tri-annual	1,350.68	1,384.45	1,432.90	1,483.05	1,534.96	1,596.36
Volumetric fees (per kL)							
All Categories	Tri-annual	1.15	1.18	1.22	1.26	1.31	1.36
Quality fees (per kg)							
BOD	Tri-annual	0.85	0.87	0.90	0.93	0.96	1.00
SS	Tri-annual	0.80	0.82	0.85	0.88	0.91	0.95
Nitrogen	Tri-annual	3.58	3.67	3.80	3.94	4.07	4.24
Phosphorus	Tri-annual	20.42	20.93	21.67	22.42	23.21	24.14
Additional sampling (per sample)							
All Categories	Per occasion	At cost	At cost	At cost	At cost	At cost	At cost
Exceedance fees (per kg)							
Oil & Grease	Per occasion	0.13	0.13	0.14	0.14	0.15	0.15



Sodium	Per occasion	0.13	0.13	0.14	0.14	0.15	0.15
TOS	Per occasion	0.91	0.94	0.97	1.00	1.04	1.08
Asset protection fee							
Alternate annual fee available to customers that do not elect to install a grease trap (cost prohibitive).	Per annum	1,795.70	1,840.59	1,905.01	1,971.69	2,040.70	2,122.33
Treatment violation fee							
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.)	Per occasion	368.10	377.30	390.51	404.18	418.32	435.05
1.6 Backflow (SGW Supplied)							
20mm		406.91	417.08	431.68	446.79	462.43	480.92
25mm		448.21	459.42	475.49	492.14	509.36	529.74
32mm		536.23	549.64	568.87	588.78	609.39	633.77
40mm		560.20	574.21	594.30	615.10	636.63	662.10
50mm		691.35	708.63	733.44	759.11	785.67	817.10
80mm		1,140.20	1,168.71	1,209.61	1,251.95	1,295.76	1,347.59
100mm		1,456.68	1,493.10	1,545.36	1,599.44	1,655.42	1,721.64
150mm		1,507.30	1,544.98	1,599.06	1,655.02	1,712.95	1,781.47
Backflow Application Fee		331.37	339.65	351.54	363.85	376.58	391.64
1.7 New customer contributions (per lot)							
Inspection Fee		92.29	94.60	97.91	101.33	104.88	109.08
20mm		92.29	94.60	97.91	101.33	104.88	109.08
25mm		92.29	94.60	97.91	101.33	104.88	109.08
32mm		92.29	94.60	97.91	101.33	104.88	109.08
40mm		92.29	94.60	97.91	101.33	104.88	109.08
50mm		92.29	94.60	97.91	101.33	104.88	109.08
80mm		92.29	94.60	97.91	101.33	104.88	109.08



100mm		92.29	94.60	97.91	101.33	104.88	109.08
150mm		92.29	94.60	97.91	101.33	104.88	109.08
Reseal Fee		299.03	306.51	317.23	328.34	339.83	353.42
Additional Meter		25.72	26.36	27.29	28.24	29.23	30.40
1.8 New customer contributions (per lot)							
Water & Sewer (all customers)		2,694.35	2,761.71	2,858.37	2,958.41	3,061.96	3,184.43
1.8 Miscellaneous fees and charges							
Property information statements		67.09	68.77	71.17	73.67	76.24	79.29
Fee imposed for providing a certificate issued in accordance with Section 158 of the Water Act 1989.							
Special meter readings		51.57	52.86	54.71	56.62	58.61	60.95
Fee imposed for providing a certificate which indicates water usage charges up to a specified date. Generally provided, on application, for property sales.							
As constructed charge		84.15	86.25	89.27	92.40	95.63	99.46
20mm Tapping Fee		463.76	475.35	491.99	509.21	527.03	548.11
Fee imposed for meter and labour associated in providing a tapping to the water main.							
Plumbing Industry Commission (PIC) Fee		260.37	266.88	276.22	285.89	295.89	307.73
Fee imposed for providing sewer plans and processing applications to connect or modify plumbing.							
Sewer cut-in		830.87	851.64	881.45	912.30	944.23	982.00
Standpipe Water Sales (per kL)							
Fee imposed for the sale of water via a metered standpipe.							
- Registered Users		7.76	7.95	8.23	8.52	8.82	9.17
- Unregistered Users		10.35	10.61	10.98	11.36	11.76	12.23
Septic Tank Waste Receival (per kL)		32.48	33.29	34.46	35.66	36.91	38.39
Fee imposed on septic tank waste carters, for the disposing of sewage and/or other acceptable waste							



Non-Core Miscellaneous Services							
Non-core miscellaneous services		At cost	At cost	At cost	At cost	At cost	At cost



APPENDIX A: Supporting Financial Information

Table 18. Customer Pricing Impacts

Indicator \$2023/24 (real)	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
C1.2.1 Residential bill – owner occupier (\$2023/24 (real))	1,264	1,295	1,340	1,386	1,434	1,491
Percentage Increase from prior year		2.5%	3.5%	3.5%	3.5%	4%
C1.2.2 Residential bill – tenant (\$2023/24 (real))	289	296	306	317	327	341
Percentage Increase from prior year		2.5%	3.5%	3.5%	3.5%	4%
Typical (average) water use (kL) assumed in owner-occupier calculations		120.82	120.82	120.82	120.82	120.82
Typical (average) water use (kL) assumed in tenant bill calculations		120.82	120.82	120.82	120.82	120.82

Table 19. 2024–24 Operating Statement - quarterly breakdown

PROFIT AND LOSS \$'000	Q1 FY24/25	Q2 FY24/25	Q3 FY24/25	Q4 FY24/25	Total FY24/25
Service Charges	5,460	5,478	5,504	5,540	21,982
Volume Charges	2,911	3,140	3,504	2,875	12,430
Trade Waste	1,246	1,246	1,246	1,246	4,983
Capital Income	1,281	1,281	1,281	1,281	5,124
Other	274	274	274	274	1,098
TOTAL REVENUE	11,172	11,419	11,810	11,216	45,617
Salary and On-costs	3,639	3,639	3,639	3,639	14,555
Financing Costs	1,592	1,592	1,592	1,592	6,367
Depreciation	3,832	3,832	3,832	3,832	15,329
Other Expenses	3,852	3,852	3,852	3,852	15,410
TOTAL COSTS	12,915	12,915	12,915	12,915	51,661
SURPLUS / (DEFICIT)	(1,743)	(1,496)	(1,105)	(1,699)	(6,044)
Tax expense	436	374	276	425	1,511
NET PROFIT / (LOSS) AFTER TAX	(1,307)	(1,122)	(829)	(1,274)	(4,533)

Table 20. 2024–25 Cash Flow Statement – quarterly breakdown

CASHFLOW \$'000	Q1 FY24/25	Q2 FY24/25	Q3 FY24/25	Q4 FY24/25	Total FY24/25
Total Cash Receipts from Operations	12,289	7,549	13,037	14,556	47,431
Total Cash Payments from Operations	(9,211)	(8,083)	(9,207)	(10,660)	(37,162)
Net Cash provided/(used) by Operating Activities	3,077	(534)	3,830	3,896	10,269
Proceeds from Sale of Assets	69	69	69	69	275
Payments for Non-Current Assets	(8,983)	(8,522)	(8,343)	(11,562)	(37,410)
Net Cash provided/(used) in Investing Activities	(8,914)	(8,453)	(8,274)	(11,494)	(37,135)
Proceeds/(Repayments) from Borrowings	6,000	9,000	4,400	8,200	27,600
Efficiency Savings Payment	0	0	0	(548)	(548)
Contractors deposits	13	13	13	13	54
Net Cash provided/(used) from Financing Activities	6,013	9,013	4,413	7,665	27,105
Net Increase / (Decrease) in Cash	177	26	(31)	67	239
Beginning Cash	253	430	456	425	253
ENDING CASH	430	456	425	493	493

Table 21. 2023–24 Balance Sheet – quarterly breakdown

BALANCE SHEET \$'000	Q1 FY24/25	Q2 FY24/25	Q3 FY24/25	Q4 FY24/25	Total FY24/25
Cash and Bank	430	456	425	493	493
Receivables	4,796	14,029	3,143	2,367	2,367
Other current assets	6,700	4,403	10,091	4,254	4,254
Total Current Assets	11,926	18,888	13,659	7,114	7,114
Receivables-Long term	148	140	133	125	125
Fixed Assets	509,176	512,800	510,146	528,388	528,388
WIP	6,235	4,345	10,633	8,082	8,082
Deferred Tax Assets	22,283	22,657	22,933	23,358	23,358
Total Non-Current Assets	537,842	539,942	543,845	559,953	559,953
TOTAL ASSETS	549,768	558,830	557,504	567,068	567,068
Loans - Current	2,225	2,225	2,225	2,225	2,225
Provisions	5,268	5,491	5,506	5,379	5,379
Other payables	6,459	7,648	3,787	5,266	5,266
Total Current Liabilities	13,952	15,365	11,518	12,870	12,870
Loans - Non-Current	130,736	139,736	144,136	152,336	152,336
Provision	417	417	417	417	417
Deferred Tax Liabilities	78,876	78,876	78,876	78,876	78,876
Total Non-Current Liabilities	210,029	219,029	223,429	231,629	231,629
TOTAL LIABILITIES	223,980	234,394	234,947	244,498	244,498
NET ASSETS	325,787	324,437	322,557	322,569	322,569
TOTAL EQUITY & RESERVES	325,787	324,437	322,557	322,569	322,569

APPENDIX B: Sensitivity analysis

Water consumption fluctuations increased operational costs and increased capital expenditure have the greatest impact on operating surplus/(deficit), cash flows, and the ESC indicator benchmarks.

Sensitivity analysis has been undertaken on the following scenarios:

- Lower water consumption – water consumption is reduced by 5% per annum over the forecast period
- Higher water consumption – water consumption is increased by 5% per annum over the forecast period
- Higher operational expenditure – costs are increased by 10% per annum
- Higher capital expenditure – capital expenditure is increased by 20% per annum

The impact of these scenarios on surplus/(deficit) before tax and the ESC benchmark indicators over the forecast period are provided in the table below:

Table 22. Sensitivity analysis

Surplus / (Deficit) Before Tax \$000's	FY24/25 Budget	FY25/26	FY26/27	FY27/28	FY28/29
Base	(6,044)	(6,604)	(3,628)	(1,927)	(1,789)
Lower residential water consumption	(6,704)	(7,592)	(4,518)	(2,927)	(2,884)
Higher residential water consumption	(5,832)	(6,634)	(3,378)	(1,641)	(1,472)
Higher operational expenditure	(7,261)	(9,524)	(8,025)	(8,490)	(10,937)
Higher capital expenditure	(7,728)	(9,878)	(7,521)	(6,721)	(8,047)

Interest Cover (Cash)	FY24/25 Budget	FY25/26	FY26/27	FY27/28	FY28/29
Base	2.61	2.41	2.49	2.58	2.58
Lower residential water consumption	2.53	2.27	2.37	2.45	2.46
Higher residential water consumption	2.63	2.41	2.52	2.61	2.61
Higher operational expenditure	2.44	2.03	1.96	1.86	1.73
Higher capital expenditure	2.23	1.86	1.85	1.86	1.83

Gearing Ratio	FY24/25 Budget	FY25/26	FY26/27	FY27/28	FY28/29
Base	27.3%	31.4%	33.6%	35.2%	38.4%
Lower residential water consumption	27.4%	31.7%	34.1%	35.8%	39.1%
Higher residential water consumption	27.3%	31.5%	33.6%	35.2%	38.3%
Higher operational expenditure	27.5%	32.1%	34.9%	37.4%	41.8%
Higher capital expenditure	28.3%	33.7%	36.9%	39.4%	43.8%






Internal Financing Ratio	FY24/25 Budget	FY25/26	FY26/27	FY27/28	FY28/29
Base	27.7%	25.8%	44.4%	54.3%	36.4%
Lower residential water consumption	26.2%	23.5%	41.4%	50.8%	34.2%
Higher residential water consumption	28.0%	25.8%	45.2%	55.3%	37.0%
Higher operational expenditure	24.7%	19.2%	29.9%	31.6%	18.5%
Higher capital expenditure	21.4%	17.3%	28.8%	34.4%	22.8%



APPENDIX C: Delivering our Price Submission 2028 Customer Outcomes

We place customers at the centre of our business. Our plans are derived from the areas our customers value most. These customer priorities and commitments are the cornerstone of our 2023 Price Submission. The commitments are delivered in parallel to the Minister's Letter of Expectations.

Delivering on our 2023 Price Submission

Customer Outcome	Our commitment
 <p>Water</p> <p>Provide safe, clean drinking water</p>	<ul style="list-style-type: none"> • Continue to renew and update our water delivery systems across the region • Invest to renew aging water treatment plants with a focus on water taste and odour • Invest in initiatives to provide long-term water security • Continue scheduled maintenance programs for our pipes to prevent discolouration
 <p>Reliability</p> <p>We will plan for the future, be reliable and minimise unplanned interruptions to services</p>	<ul style="list-style-type: none"> • Continue our infrastructure renewals program for wastewater and water reticulation systems • Implement programs for water security • Continue to build maturity in our ICT SCADA program • Review performance and adapt as required to continue to provide reliable services
 <p>Wastewater</p> <p>Provide a safe wastewater service that contributes to the liveability of our communities</p>	<ul style="list-style-type: none"> • Cater for growth areas and continue our sewer systems upgrade and renewal program • Undertake preventative maintenance programs to reduce wastewater blockages and spills to ensure compliance • Upgrade wastewater treatment plants and assets
 <p>Environment</p> <p>Be environmentally sustainable and adapt to a future impacted by climate variability</p>	<ul style="list-style-type: none"> • Implement our Carbon Neutrality Roadmap • Work with industry partners on emissions reduction and environmental programs • Promote water efficiency across the region • Actively participate in water re-use programs • Assist customers to save water through our Community Rebate Scheme
 <p>Integrity</p> <p>We will act with honesty, respect, and strive to balance affordability, value-for-money, and fairness</p>	<ul style="list-style-type: none"> • Extend our support policy and programs to support residential and non-residential customers • Increase proactive engagement with community support agencies • Introduction of a new Water Quality Guaranteed Service Level • Introduction of a new SMS communication process