



# CORPORATE PLAN

2023/24

# Chair's and Managing Director's Report

This year's Corporate Plan reflects a busy and exciting period at Goulburn-Murray Water (GMW) as we continue to deliver on a number of commitments for our customers and the region. We recognise the important role GMW has as the custodian of the water infrastructure and services that form such an integral component of economic activity in our region, and underpins our vision of **'delivering for our region and our future'**. Overall, we are seeing strong results against our Strategic Objectives and price stability and affordability remains our priority.

Engaging with our customers continues to be a key focus as we prepare our Pricing Submission that will apply from 1 July 2024. The submission will outline the prices we propose for the new regulatory period (2024-28), and set out the service levels and values that customers can expect to receive from us. Engagement is underway across the region as we partner with our customers to understand their needs and identify efficiencies across our business.

It is important to reflect that as the current regulatory period (Pricing Submission 2020/24) enters its final year, we have been able to deliver a fairer deal for all by delivering:

- price reductions for almost all our customers
- efficiencies and cost reductions (without impacting on our level of service to customers)
- re-prioritised expenditure into the areas that provide our customers with the best value for money; and
- tariff reform.

We are continuing to implement our Reconciliation Strategy focusing on building meaningful relationships, inclusion and participation. We are doing this through initiatives to build cultural awareness with our employees, creating opportunities for greater economic participation and collaborative and participative approaches to natural resources.

Through our new Land & on Water (L&oW) Stakeholder Engagement Framework, we will engage with a range of stakeholders on the development of new service standards. These standards will outline the quality, availability, reliability and safety of the L&oW services the public can expect to receive at our storages. Reporting against these service standards will commence in 2023/24.

Climate change remains one of the greatest challenges for our business, our irrigators and the communities we live in. As a warming climate gradually reduces the amount of water available to us, we take the role of providing water to the environment seriously, while ensuring our region continues to prosper.

The Water Efficiency Project (WEP) is a Commonwealth Funded Project providing further water recovery through modernisation and rationalisation opportunities within the Goulburn Murray Irrigation District (GMID). Building on the systems, processes and procedures from the Connections Project, the WEP has now achieved in excess of

12 gigalitres of its targeted 15.9 gigalitres of water savings. The Project will reduce GMW's annual long term whole of life cost liabilities and is expected to generate an estimated regional GDP of \$167.5 million. The WEP is on schedule to achieve the remaining two milestone targets in July 2023 and April 2024.

In 2022, we committed to becoming carbon neutral (net-zero) no later than 1 July 2035. It is an ambitious target, but by acting now and investing smartly we will be well placed to achieve this. In the same year the 40 Casey Street Solar Project saw the installation of a 99.6kw Photovoltaic (PV) solar system at GMW's Tatura office, which is home to more than 200 GMW staff. We also completed the Mitiamo Solar and Battery Project, which enabled the Mitiamo pumps to be powered by a solar power and battery system.

In 2023, GMW's commitment to net zero emissions by 2035 continues, as we took our first steps in transitioning our light fleet to electric vehicles (EV). An electric vehicle fast charging station was installed at our Casey Street office in Tatura, with our first electric fleet vehicle being delivered in March.

While we look forward, we must also pause to recognise the resilience and courage many displayed throughout the 2022 floods as we saw unprecedented rainfall across northern Victoria, causing significant flooding throughout the GMW region. Our staff showed a remarkable dedication to their communities throughout the flooding, with many carrying out critical flood response work while their own properties were threatened or affected. GMW continues to work alongside customers and local communities to support the flood recovery process.

Success is always best shared and this will continue through our valued partnerships with customers, stakeholders, third parties and the communities we live and work in. Our mandate is clear: through strong governance and efficient and effective operations we will continue to deliver crucial services to our customers while being a socially responsible employer across the region.

While there is still much more to achieve, we are looking to the future with confidence and optimism.



*Diane James*

**Diane James AM**  
CHAIR



*C. Quick*

**Charmaine Quick**  
MANAGING DIRECTOR

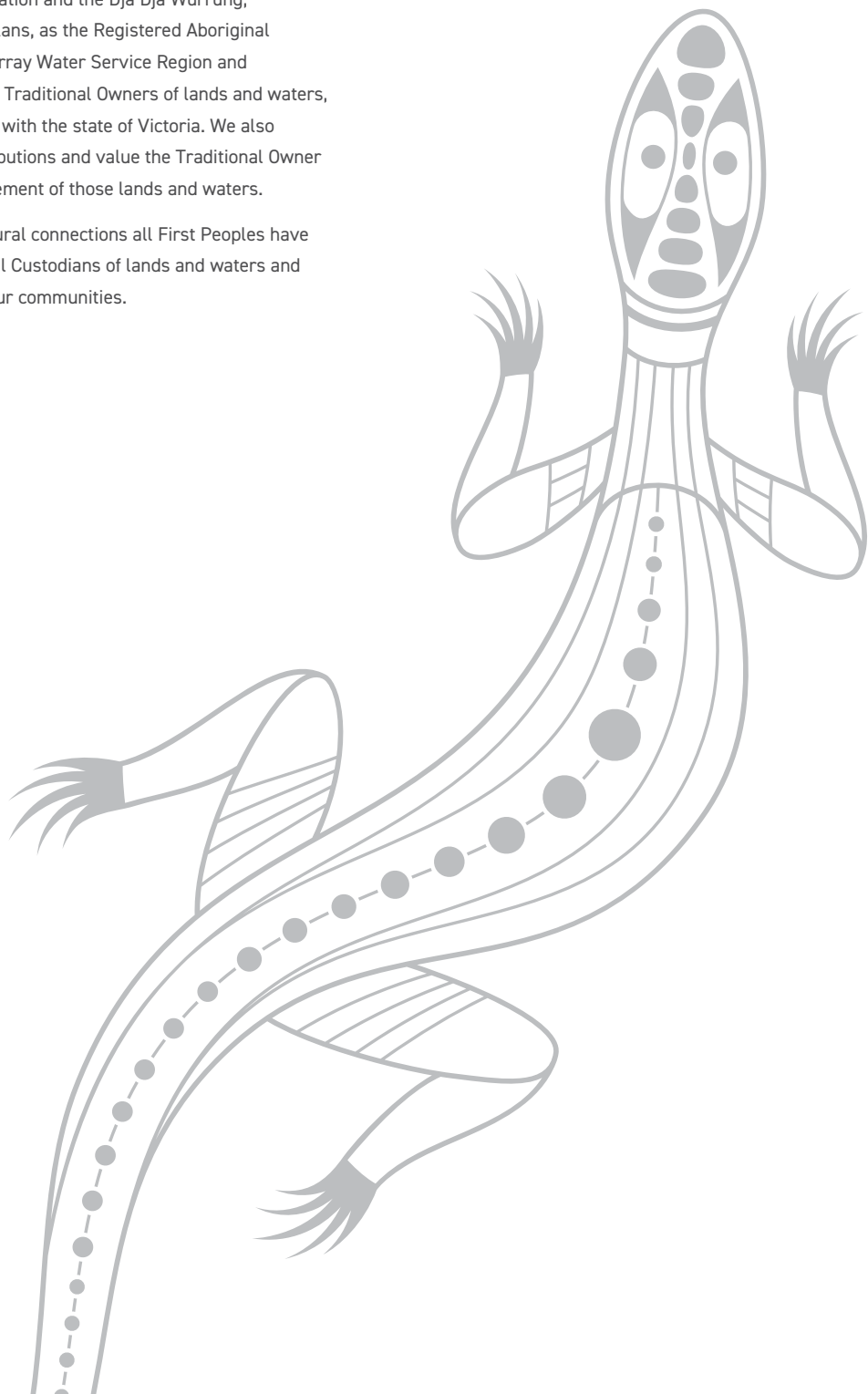
# Acknowledgement to Country

Goulburn-Murray Water acknowledges the Aboriginal and Torres Strait Islander communities of Victoria and pays respect to their Elders past, present and emerging.

We acknowledge Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia and as the proud representatives of the world's oldest, living culture.

We recognise the Yorta Yorta Nation and the Dja Dja Wurrung, Taungurung and Gunaikurnai Clans, as the Registered Aboriginal Parties within the Goulburn-Murray Water Service Region and acknowledge their rights as the Traditional Owners of lands and waters, as outlined in their agreements with the state of Victoria. We also acknowledge the insight, contributions and value the Traditional Owner communities add to the management of those lands and waters.

We also recognise the rich cultural connections all First Peoples have across our region, as Traditional Custodians of lands and waters and the importance of those to all our communities.



# Table of Contents

CLICK to navigate to PAGE

Chair's and Managing Director's Report.....	2
Acknowledgement to Country.....	3

## CORPORATE OVERVIEW

Statement of Corporate Intent.....	5
Vision.....	5
Values.....	5
Customers.....	6
Stakeholders.....	7
Who Are We as a Business?.....	8
Where Do We Operate?.....	8
Prescribed Business.....	10
Complementary Services.....	11
Our Functions.....	11

## Strategic Framework..... 12

Business plan.....	13
People and Culture Strategy.....	13
Safety and Wellbeing Strategy.....	13
Customers and Stakeholders Strategy.....	13
Service Strategy.....	14
Digital Strategy.....	14
Cyber Security Strategy.....	14
Asset Management Strategy.....	14
Financial Sustainability Strategy.....	14
Water Resources Strategy.....	15
Environment Strategy.....	15
Reconciliation Strategy.....	15
Land and On-Water Strategy.....	15

Operating Environment.....	16
COVID-19.....	16
Economic Outlook.....	16
Economic Regulation of GMW.....	17
Embracing Technology, Improving Data and Continuous Improvement.....	17
Planning Assumptions.....	17
Changing Region.....	19
Environmental Water Charges.....	19
Murray-Darling Basin Plan.....	19
Goulburn to Murray Trade Rule Review.....	19
Key Water Savings Projects.....	20
Environmental Works with Catchment Management Authority Partners.....	20

Government Priorities.....	21
Letter of Expectations 2023/24.....	21
Water for Victoria: Key Priority Areas.....	21
Aligning with Government Priorities.....	24
Risk Management.....	25

Capital Expenditure Overview.....	25
Corporate/Central Services.....	26
Water Storage.....	27
Complementary Services Program.....	29
Water Delivery.....	30
Key Water Savings Projects.....	34
Changes from our 2022/23 Corporate Plan.....	34

## FINANCIAL OVERVIEW

Financial Assumptions.....	35
Rate of Return.....	35
Borrowings.....	35
Financing Requirements.....	36
Financial Sensitivity Analysis.....	36

## Consolidated..... 37

Operating Statement – Consolidated.....	37
Operating Statement – Consolidated Quarterly Split.....	38
Balance Sheet – Consolidated.....	39
Balance Sheet – Consolidated Quarterly Split.....	40
Statement of Cash Flow – Consolidated.....	41
Statement of Cash Flow – Consolidated Quarterly Split.....	42
Financial Performance Indicators – Consolidated.....	42

## Water Storage and Delivery..... 43

Operating Statement – Water Storage and Delivery.....	43
Operating Statement – Water Storage and Delivery Quarterly Split.....	44
Balance Sheet – Water Storage and Delivery.....	45
Balance Sheet – Water Storage and Delivery Quarterly Split.....	46
Statement of Cash Flow – Water Storage and Delivery.....	47
Statement of Cash Flow – Water Storage and Delivery Quarterly Split.....	48
Financial Performance Indicators – Water Storage and Delivery.....	49

## Water Savings Projects..... 49

Operating Statement – Water Savings Projects.....	49
Balance Sheet – Water Savings Projects.....	50
Statement of Cash Flow – Water Savings Projects.....	51

## GMW Annual Fees and Charges..... 52

## Forecast Pricing Impacts..... 56

## Appendices..... 57

Appendix A – Disclosure Index.....	57
Appendix B – Strategic Risk Assessment Framework.....	59

# Statement of Corporate Intent

## Vision

GMW's vision of 'Delivering for our region and our future' recognises our role in contributing to our region's prosperity. We have demonstrated a commitment to this vision through pricing reforms, demonstrated by a \$64 million reduction in revenue requirements over the 2020-2024 period, ongoing commitment to achieving board approved strategies and more robust and transparent performance reporting frameworks. We are proud to be custodians of the infrastructure and services which form such an integral component of economic activity in our region. Over the period of this corporate plan we will continue to implement water savings projects, partner with our customers and key stakeholders, including Traditional Owners and monitor and optimise our performance to ensure that we continue to deliver for our region and our future.

Our five Strategic Outcomes, listed below, provide the foundation to ensure that we achieve our vision:

- Safe, skilled, engaged people
- Satisfied customers, trusting partners
- Innovation, data and technology driven services
- Sustainable business, viable customers
- Water security and other water values are recognised

## Values

We have embraced our core values throughout our business. These organisational values build our culture and provide a benchmark and filter for employees to measure their actions and behaviours.



### Excellence

We pursue quality, innovation and continuous improvement in everything we do.



### Honesty

We are truthful and transparent in all our dealings and communications.



### Accountability

We take responsibility and ensure we follow through on all our commitments.



### Courage

We take considered risks and step forward with conviction into a new future.



### Caring

We look out for each other and demonstrate genuine empathy for our customers.

## Customers

We have a diverse range of customers as shown in the table below.

Over the corporate plan period we aim to:

- build trust and strengthen our public image
- expand our engagement and relationships
- increase the ease of doing business with us
- grow our customers' knowledge of GMW and water in general
- partner with regional leadership.

The table below is based on figures for the 2021/22 financial year, and outlines our customers and the types of services they receive.

Primary Service Segment <sup>1</sup>	Example customers	Number of Customers <sup>[1]</sup>	Annual Water Use in GL <sup>2</sup>
Irrigation	• Horticulture, dairy, mixed farming	11,593	1,072.81
Domestic and stock	• Rural residential • Mixed farming • Intensive animal industries (e.g. piggeries)	9,689	25.51
Environmental watering	• Commonwealth and Victorian environmental water holders	2	887.40
Bulk water for urban and rural water supply	• Urban water corporations	12	627.35
Water investment	• Water share only customers	2,754	14.28
Flood protection	• Protection of land and property in flood protection districts	50	0
Recreation	• Houseboat operators • Recreation clubs	1,263	0.5
Commercial leasing and Contract Services	• Livestock graziers • Forestry corporations • Caravan parks • MDBA • Local government and catchment management authorities • Commercial contracts	338	0.42
Power generation	• Hydroelectric power utilities	2	0
Other	• Sundry customers	68	0
<b>TOTAL</b>		<b>25,771</b>	<b>2,628.27</b>

<sup>[1]</sup> The customer segments have been identified using a consolidated customer view methodology that groups customers based on their primary need. For example, if a customer accesses a gravity irrigation service and a domestic and stock service, they are classified as in the irrigation segment if their gravity irrigation charges exceed their domestic and stock charges.

<sup>2</sup> Water use is reported for the 2021/22 financial year

## Stakeholders

We recognise the value of our stakeholders and how working strategically and intentionally with them will ensure better decisions and create a greater level of shared value for our region. Our key stakeholders are shown in the table below.

Stakeholder Category	Stakeholder Groups
Government Departments	Murray-Darling Basin Authority Department of Energy, Environment and Climate Action Department of Health and Human Services Department of Treasury and Finance Department of Agriculture, Fisheries and Forestry Essential Services Commission (ESC) Parks Victoria Regional Development Victoria Safe Transport Victoria Victorian Fisheries Authority
Industry Peak Bodies	Victorian Farmers Federation Fruit Growers Victoria Murray Dairy Dairy Australia Farmers for Climate Action
Catchment Management Authorities (CMA)	North East CMA Goulburn Broken CMA North Central CMA Mallee CMA
Key suppliers	Building, construction and maintenance
Other utility authorities	Energy authorities Urban water authorities Other water authorities Telecommunications
GMW committees and other special interest groups	GMW Water Services Committees (WSC) GMW WSC Chairs and Deputies Forum Community and special interest groups Regional Partnerships Committee 4 Greater Shepparton
Water entitlement holders	Urban water corporations Retail GMW customers Environmental water holders Water allocation holders
Media	Print media Radio media Digital and social media Television media
Environmental groups	Environmental water holders (Victorian and Commonwealth) Environmental peak bodies
Registered Northern Victorian Aboriginal Corporations	Yorta Yorta Aboriginal Corporation Taungurung Aboriginal Corporation Dja Dja Wurrung Clans Aboriginal Corporation Gunaikurnai Land and Waters Aboriginal Corporation
Academic institutions	Universities and TAFE colleges (4) Research foundation (1) Leadership groups (2)
Employee organisations	Unions

## Who Are We as a Business?

Goulburn-Murray Rural Water Corporation (trading as Goulburn-Murray Water) is a statutory corporation constituted by Ministerial Order under the provisions of the *Water Act 1989* (Victoria) (the Act).

We are governed by a board of directors (the Board) appointed by the Minister for Water. The Board operates under Part 6 of the Act and reports annually to the Minister and the Treasurer. The Board comprises nine non-executive directors and a managing director. The

Minister appoints one of the nine non-executive directors to be Chair of the Board.

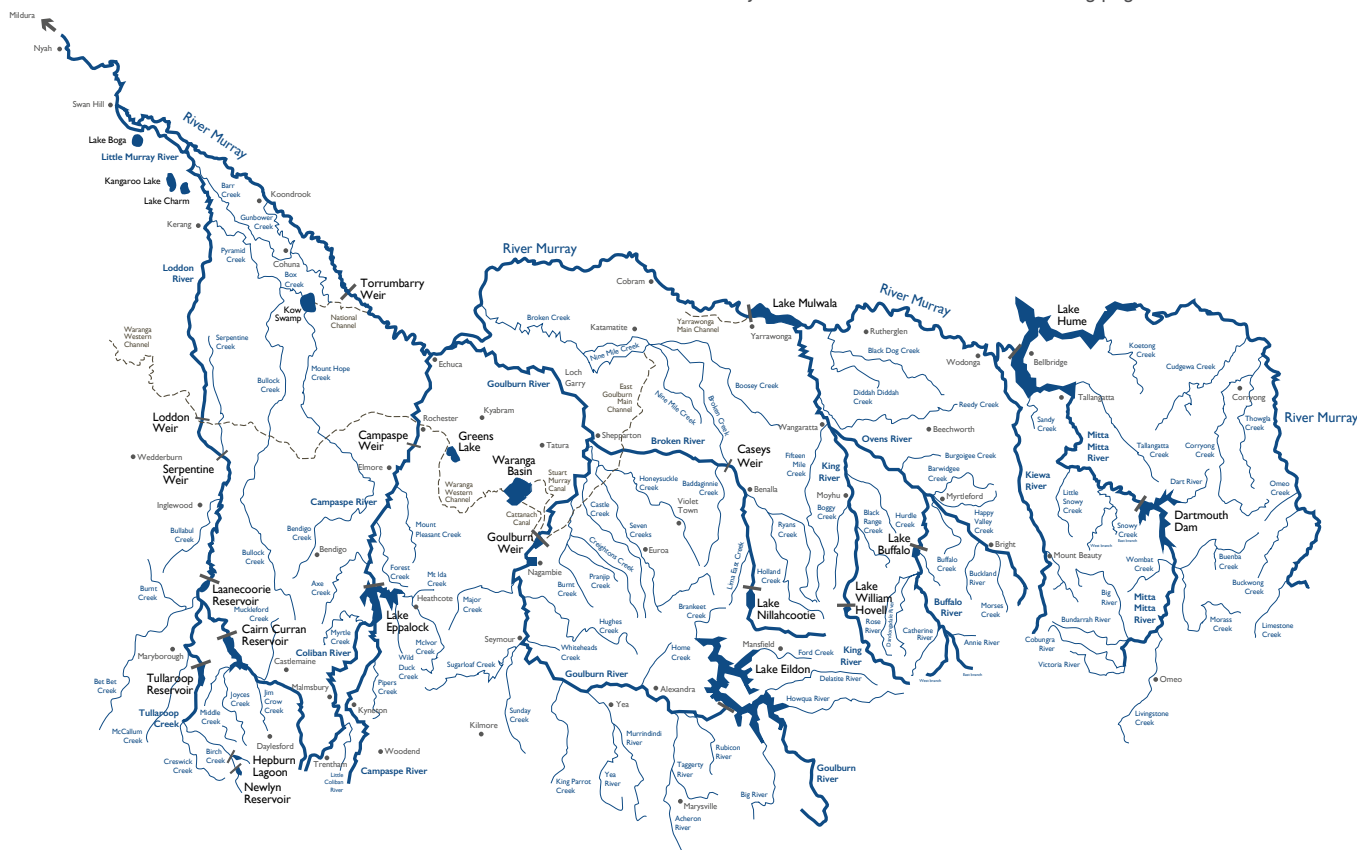
We are ultimately accountable to the Minister for Water and have functions and powers under the Act to provide, manage and operate an irrigation district (pursuant to section 221 of the Act), a water district (pursuant to section 163 of the Act) and waterway management functions (pursuant to section 189 of the Act).

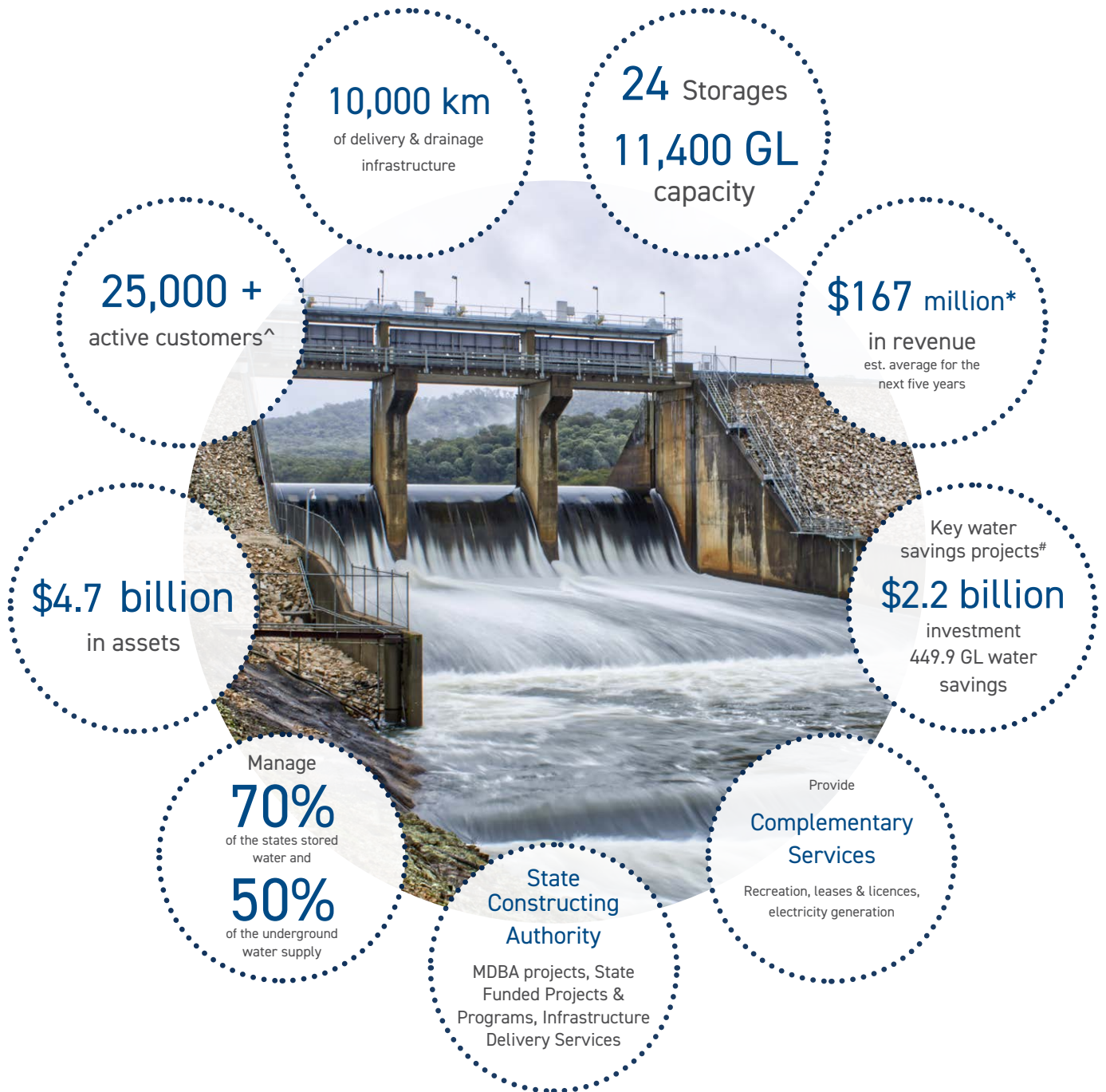
## Where Do We Operate?

We are Australia's largest rural water corporation and manage, store and deliver water to more than 25,000 active customers in northern Victoria. Our operating area, pictured below, is bordered by the Great Dividing Range in the south and the River Murray in the north and stretches from Corryong in the east down river to Nyah in the west. Northern Victoria supports diverse agricultural commodities including dairy, cropping, horticulture, beef and sheep.

We manage 24 water storages that can hold approximately 11,400 GL of water and also have responsibility for managing more than 100,000 hectares of public land surrounding our storages.

We are Victoria's largest inland boating authority and manage boating and recreational activities across the majority of our storages. In addition, we service and supply a diverse range of urban water authorities, catchment management authorities and the Murray-Darling Basin Authority (MDBA). Our operating area is mapped below, and other key metrics can be found on the following page.





\* Revenue is represented by gross fees and charges on average over the corporate plan period and does not include the Connections Project. Values have not been adjusted for accounting requirements and do not represent statutory revenue.

# Key water savings projects: the Connections Project has achieved 433 GL (long-term average annual yield) of water savings, the Mitiamo Pipeline has achieved 1 GL and the Water Efficiency Project is forecast and on track to save 15.9 GL of water.

<sup>^</sup> The customer segments have been identified using a consolidated customer view methodology that groups customers based on their primary need. For example, if a customer accesses a gravity irrigation service and a domestic and stock service, they are classified as in the irrigation segment if their gravity irrigation charges exceed their domestic and stock charges.



## Prescribed Business

Our services are prescribed under the Victorian Water Industry Regulatory Order, regulated by the Essential Services Commission (ESC). The below services are independently regulated and assessed every four years, ensuring the best outcomes for our customers in service levels and value received. These include the following services and activities:

Deliver water services to our region including to:

- provide water harvesting, storage and delivery services in northern Victoria
- provide water to our customers within agreed service standards
- manage customer accounts including fees and charges
- monitor compliance and appropriate usage of water allocation
- act as the Minister's delegate for licensing groundwater and surface water diversions and private dams, and for functions related to water shares, allocation and water use in regulated systems.

Monitor the quality of our water:

- monitor salinity and algae levels for public safety and irrigation use
- ensure developments (proposed planning applications) do not impact the quality and/or quantity of water.

Build and maintain infrastructure:

- build, provide and maintain the infrastructure to support water storage and delivery in compliance with the Australian National Committee on Large Dams (ANCOLD) guidelines
- deliver on the Victorian and Commonwealth Governments' commitment to modernise and maintain water delivery infrastructure to improve water delivery efficiency
- provide and maintain infrastructure to support drainage services to operate within design standards.

Manage our water supply:

- allocate available water resources in accordance with the Victorian entitlements framework as the northern Victorian Resource Manager, making the seasonal determinations for all northern Victorian declared water systems
- provide water registry services for water trading
- plan for the future to safeguard and maximise the diminishing water resource
- support government policy development and implementation regarding water resource management.

Support strong and vibrant communities:

- inform and engage the community on water resource management including resource availability, general operations and emergencies, including flood safety
- educate the community in efficient water use for improved sustainability
- facilitate recreational use on and around our lakes and reservoirs
- provide feedback to governments on their policies and the impacts on the diverse needs of our communities
- support the preservation and improvement of environmental values and the health of water ecosystems across our region
- collaborate with Traditional Owners and Aboriginal Victorians to support self-determination and achieve mutual benefits.

Legislative and reporting requirements:

- comply with legislative requirements under the Act and other relevant governing legislation
- meet reporting obligations to government in accordance with statutory requirements
- set prices to collect revenue for GMW's prescribed services
- comply with the regulator's requirements for setting water prices.

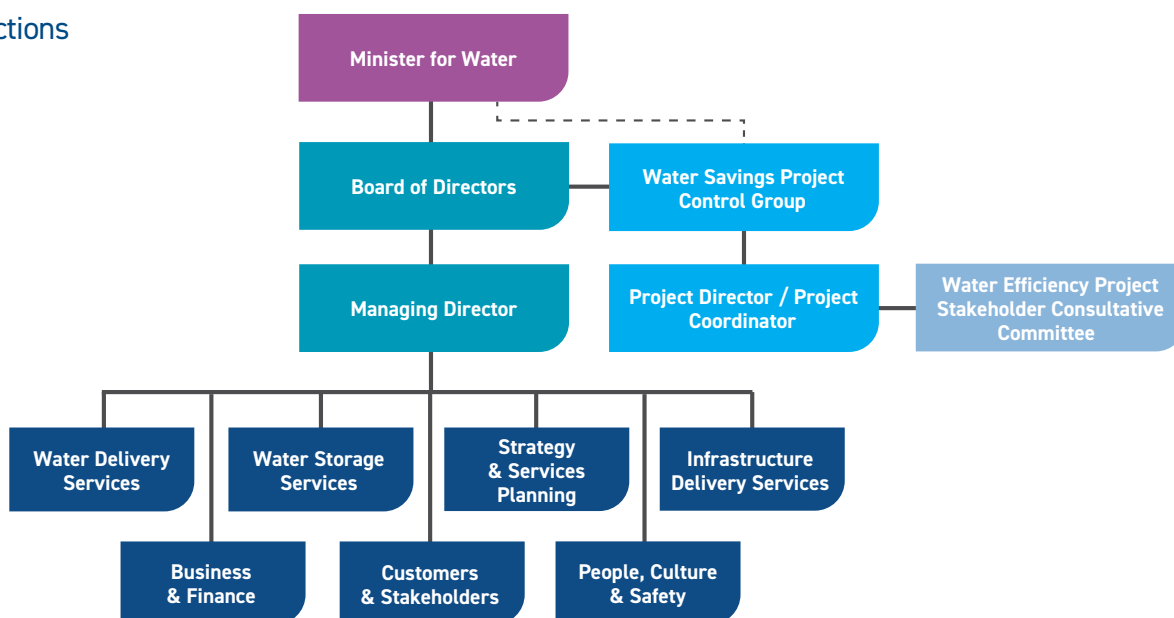
## Complementary Services

GMW provides a range of complementary services which are not regulated by the ESC. These services include:

- facilitating recreational use and events, including licensing recreational assets on storage perimeters
- inland waterways management (for the Minister for Ports)
- Lake Eildon houseboat licensing and oversight
- land management e.g. caravan park leases, grazing licences, etc.
- facilitating hydroelectricity generation
- providing construction and operational services for other government agencies responsible for delivering water (MDBA and Victorian Government).



## Our Functions



Our front line service providers, the **Water Delivery Services** and **Water Storage Services** teams, are focused on delivering efficient and affordable water services. These teams are accountable for transparency in cost allocation through their management and operation of storages, the pumped and gravity irrigation networks and our diversions assets.

The **Customer and Stakeholders** team facilitates strategic engagement and service strategies with our customers, stakeholders and partners. This includes vital engagement through key directional projects such as pricing submissions, service plans, and communications and engagement plans.

The **Strategy and Services Planning** team works collaboratively with all business units to develop core business strategies and plans, respond to sector policy matters, and provide the framework and data for managing our assets, information and the capital planning process. This team also reports on organisational performance and our strategic and operational risk profile.

The **Infrastructure Delivery Services** team provides efficient and effective construction and maintenance services for our two operational divisions (Water Delivery Services and Water Storage Services).

The **Business and Finance** team provides essential support services to the organisation to ensure that our business operations can function effectively and in accordance with various policy and legislation. The support services offered by this team include corporate governance, legal advice, information and technology direction, procurement and financial management and reporting.

The **People, Culture and Safety** team works with the business to ensure we have a learning culture where people are engaged, inspired and supported to take on existing and emerging challenges. Leadership is the greatest attribute for an organisation, but its people are the greatest asset and will be treated as such.

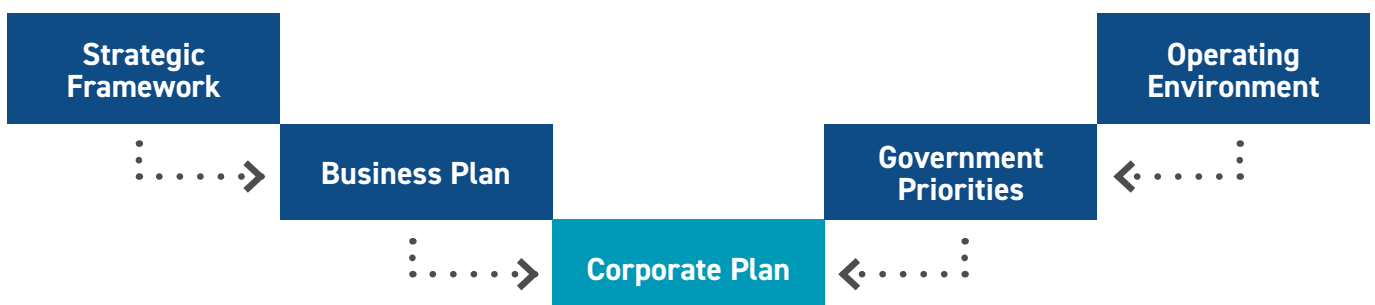
The **Water Savings Projects** team has a dedicated focus on achieving forecast water savings through implementing the Water Efficiency Project. The governance of the projects is demonstrated above. The projects are described in more detail on page 20.

# Strategic Framework

Our strategic framework provides the roadmap that allows us to meet our goals and satisfy customer and stakeholder needs. Our strategic framework centres on our vision of **'Delivering for our region and our future'** and the five Strategic Outcomes that support it. The strategies provide the overarching philosophy of operation and describe real and measurable changes that can be made to ensure that we achieve our goals. The graphic below demonstrates our strategic framework and the alignment of our Vision, Strategic Outcomes and board approved strategies.



In formulating our 2023/24 – 2027/28 Corporate Plan we have considered a range of factors and influences as shown in the diagram below. Each of these are further explored in this document.





## Business plan

We expect to achieve the outcomes of this corporate plan between July 2023 and June 2028. The strategic framework provides the focus for GMW's 2023/24 business plan. Each board approved strategy details a timeframe for implementing key milestones in the coming years.

### People and Culture Strategy

Our *People and Culture Strategy* supports our strategic outcome of 'safe, skilled and engaged people'. It provides the blueprint for us to develop the capability of our people, to ensure that we are well placed to meet the challenges of today and the future. It will do this by focusing on a range of areas including organisational culture and design, leadership, capability, employee experience, diversity and inclusion, and talent attraction and management.

Key initiatives of the *People and Culture Strategy* to be completed in 2023/24 include continuing to implement and embed:

- our Human Resources Information System (HRIS)
- people development and career management, including career pathways and succession planning
- our gender equity action plan and diversity inclusion plan actions.

### Safety and Wellbeing Strategy

Our *Safety and Wellbeing Strategy* supports our strategic outcome of 'safe, skilled and engaged people'. The strategy identifies programs of work and activities to ensure we go above and beyond compliance, by directing the implementation of a safety and wellbeing program that supports the needs of both the individual and the business combined.

Key initiatives of the *Safety and Wellbeing Strategy* to be completed in 2023/24 include continuing to prioritise:

- enhancing fatal risk identification, investigation and minimisation into our business
- our wellbeing program, including mental health initiatives
- our contractor partnering program.

### Customers and Stakeholders Strategy

Our *Customers and Stakeholders Strategy* supports our strategic outcome of 'satisfied customers, trusting partners'. The strategy guides how we use our skills, technology and values to build trust and strengthen our public image, expand our engagement and relationships. It also increases the ease of doing business with us, builds stakeholder and customer knowledge of water and the organisation, and facilitates partnerships with regional leadership.

Key initiatives of the *Customers and Stakeholders Strategy* to be completed in 2023/24 include:

- increasing our accessibility to, and engagement with our customers through targeted engagement, face to face community listening posts and online discussion opportunities
- improving our processes and reviewing our systems to improve the customer experience
- engaging in partnerships with regional leadership on matters that are relevant to GMW and our customers.

## Service Strategy

Our *Service Strategy* supports our strategic outcome of 'satisfied customers, trusting partners'. The strategy provides the direction for us to develop service plans for all our prescribed services. The service plans enable us to effectively consult with our customers, stakeholders and partners, and model potential changes to these services and the resultant impact on the customer.

In 2022/23 GMW will finish developing the remaining service plans. These currently inform the forecasts included in our upcoming Price Submission, due in September 2023.

Key initiatives of the *Service Strategy* to be completed in 2023/24 include:

- finalising the final tranche of service plans
- reviewing our completed prescribed service plans and incorporating updated forecasts
- ongoing customer engagement to continue informed decision making based on customer priorities.

## Digital Strategy

Our *Digital Strategy* supports the strategic outcome of 'innovation, data and technology driven services'. The strategy defines the roadmap to guide our future development and use of technologies to deliver simple, smart and seamless experiences for our customers, stakeholders and employees.

Key initiatives of the *Digital Strategy* to be completed in 2023/24 include:

- continuing to deliver the Maximo Enhancement Project that will see implementing of capital work orders, procurement and contract management in our asset information management system (Maximo)
- continuing to transition to the cloud Software as a Service (SaaS) based systems
- implement the Human Resource Information System (HRIS) to improve the employee experience including workflows, performance management and recruitment
- implementing an improved Customer Relationship System, including improved functionality
- introducing new low cost telemetry sites using new meter hardware and connectivity services, increasing the number of metered sites
- review of the *Digital Strategy*.

## Cyber Security Strategy

Our *Cyber Security Strategy* supports the strategic outcome of 'innovation, data and technology driven services'. This strategy outlines our guiding principles, objectives and priorities to ensure cyber security is maintained and improved, while prioritising the areas of biggest risk. This risk based approach allows GMW to constantly update priorities and remain vigilant to cyber threats.

Key initiatives of the *Cyber Security Strategy* to be completed in 2023/24 include:

- performing an annual cyber security simulation event
- introducing a vulnerability management system and accompanying upgrade programs
- reviewing physical security procedures and installing CCTV software and cameras across all sites
- development of Security Playbooks to assist during incident response
- reviewing and developing OT hardware and software updates in line with current corporate security standards
- upgrade of our Security Information Event Management System
- review of the *Cyber Security Strategy*.

## Asset Management Strategy

Our *Asset Management Strategy* supports the strategic outcome of 'sustainable business, viable customers'. This strategy enables capable people to manage our assets using effective systems. Successfully implementing this strategy will ensure that we have the appropriate systems and processes to manage our asset base to meet short, medium and long term customer requirements.

Key initiatives of the *Asset Management Strategy* to be completed in 2023/24 include:

- further communicate and implement the use of asset management plans
- reviewing and refine use of Channel by Channel pod plans and Dams Portfolio Risk Assessments
- complete the asset management maturity assessment
- review the *Asset Management Strategy*.

## Financial Sustainability Strategy

Our *Financial Sustainability Strategy* supports the strategic outcome of 'sustainable business, viable customers'. The strategy provides the framework for financially sustainable management of assets and services, while maintaining affordable pricing for our customers.

Key initiatives of the *Financial Sustainability Strategy* to be completed in 2023/24 include:

- implementing a process to ensure project benefits are realised
- further enhancement to the modelling of future price paths and financing strategy over the next 25 years
- finalising the 2024 Pricing Submission to the ESC.

## Water Resources Strategy

Our *Water Resources Strategy* supports the strategic outcome of 'water security and other water values are recognised'. This strategy presents our plan for the future management of water availability and its links to our services using the skills of our people and sound science. Combined with the use of technology and communications, we will continue to develop the GMW services needed for our region and our future, while we continue to embed climate change considerations into all our activities.

Key initiatives of the *Water Resources Strategy* to be completed in 2023/24 include:

- implementing actions from the assessment of GMW climate change adaptation preparedness
- reviewing the risk registers for climate change impacts
- implementing the skills, science, and data and tool roadmap programs
- review the *Water Resources Strategy*.

## Environment Strategy

Our *Environment Strategy* supports the strategic outcome of 'water security and other water values are recognised'. This strategy focusses on the four pillars of environmental leadership, biodiversity, energy and waste. This will build a strong foundation for GMW's continued environmental focus.

Key initiatives of the *Environment Strategy* to be completed in 2023/24 include continuing to:

- audit our industrial waste streams across the business and research alternatives to reduce waste
- review solar and alternate energy and storage opportunities to assist in meeting our greenhouse gas emission targets
- implement prioritised environmental procedures to address our significant environmental risks and drive continuous improvement in our environmental management system.

## Reconciliation Strategy

GMW has the privilege of operating on the traditional lands and waters of the Dja Dja Wurrung, Taungurung and Gunaikurnai Clans and the Yorta Yorta Nations. Our *Reconciliation Strategy* supports the strategic outcome of 'water security and other water values are recognised'. This strategy provides a roadmap for GMW's active contribution towards continued reconciliation.

Key initiatives of the *Reconciliation Strategy* to be completed in 2023/24 include:

- supporting employment and other economic opportunities for First Nations People, including through our social procurement process and being a Plan Champion for the Goulburn Murray Regional Prosperity Plan
- building our cultural awareness program of activities in partnership with First Nations People.

## Land and On-Water Strategy

Our *Land and on Water Strategy* supports the strategic outcome of 'water security and other water values are recognised'. This strategy identifies how we will ensure we recognise recreational values to support the health, wellbeing and social fabric of regional communities. It also provides guidance for maintaining financial sustainability and the safe enjoyment of our land and on water services.

Key initiatives of the *Land and on Water Strategy* to be completed in 2023/24 include:

- finalising the development of supporting service plans
- developing a ten year financial model
- developing a plan for managing new and legacy assets
- the first review of the *Land and on Water Strategy*.

# Operating Environment

Recent global experiences have highlighted that the future is uncertain, and that governments, businesses and communities need to be flexible, resilient and adaptable. We face several trends and drivers of change which present both risks and opportunities for the business and our customers. Our ability to respond, adapt and be flexible in the face of challenges now and into the future will improve our long term sustainability and resilience.

We operate in a changing environment influenced by many internal and external forces. To quantify the impact of our changing environment, we completed an environmental scan to examine trends in society and culture, technology, environment, economics, politics and regulation, and resilience and agility.

Working from home, though for most people a response to the Coronavirus (COVID-19) pandemic, has now become an accepted and expected workplace arrangement and appears to be driving a demographic change. The unlinking of more of the population from metropolitan centres presents both opportunities and challenges for natural resources management. This, combined with climate effects on water availability, environmental water recovery, cultural water flows, competition from other regions and changing commodity prices, is driving land use change, and for GMW, a changing customer base.

There is a continued growth in demand for our land and on water recreation activities. This has provided opportunities to upgrade facilities supporting recreation on our assets but also challenges in managing water quality. Technology is helping us realise new opportunities, with trends towards improvements to farm technologies and an increased ability for data-based decision making by GMW and its customers.

The finalization of our service plans for each of our prescribed services and the land and on water complementary service, will model services into the medium term to ensure that we meet the needs of our customers in a financially sustainable manner.

## COVID-19

As the effects of the COVID-19 pandemic ease, GMW will continue monitoring developments and adjust our operations as needed to ensure the ongoing safety of our customers and staff while continuing to provide effective customer service.

## Economic Outlook

Economic trends are mixed. COVID-19, the war in Ukraine and other geo-political uncertainty have dominated the short-term economic outlook. Inflation in supply chains has caused a ripple effect on prices, causing supply chain costs to rise, and leading to more inflation and increased prices. The current inflationary pressures are being caused by increases in production costs, including wages, raw materials, energy, and transportation. Economic growth in Australia is forecast to slow this year as rising interest rates, the higher cost of living and declining real wealth weigh on growth<sup>3</sup>, which will continue to impact on our customers in the medium term. The longer term trajectory of the global economy also remains uncertain. The chances of a swift recovery are considered low given the weakness the global economy was carrying prior to COVID-19.

Australian agricultural production is set to reach a record of \$90 billion in 2022/23. However, together with the forecast end of the La Nina cycle and the return to drier conditions, and a reduction in crop production, a modest decline is forecast for 2023/24, with production expected to reach \$81 billion in Australia<sup>4</sup>. International commodity prices are also forecast to ease, as the global production of key commodities begin to return to normal. Our region's prosperity is underpinned by our agricultural output and depends on continued demand for its quality food and fibre, or adaptation to new prosperous pathways.

There are well known factors driving water allocation and entitlement prices in the southern Murray-Darling Basin. Reduced supply, due to climate change, increased demand and environmental water recovery, is placing long-term upward pressure on water share and allocation prices and therefore input costs for many of our customers. Full storages have resulted in lower allocation prices for several years and this is likely to continue in the immediate future.

The current economic volatility together with the persistent climate risk presents challenges for us, our region and our communities. We recognise our need to be resilient, adaptive and responsive to ensure that we continue to meet the needs of our customers and stakeholders.

<sup>3</sup> RBA, February 2023, Economic Outlook

<sup>4</sup> Australian Government Department of Agriculture, Water and the Environment, [ABARES] 2023, Agricultural Overview

## Economic Regulation of GMW

In accordance with rule 81 (11) of the Water Charge Rules 2010, GMW recently notified the Australian Competition and Consumer Commission (ACCC) that it is no longer a part 6 operator. In doing so, we noted that the Victorian government recently passed legislation that will allow the ESC to continue to regulate our Basin charges (after GMW's transition period expires on 30 June 2024). From 1 July 2024 we will be regulated by the ESC under Victorian legislation, rather than by the ACCC under Commonwealth legislation.

We are preparing the GMW Price Submission 2024-2028 (Pricing Submission) for submission in September 2023. The Pricing Submission will detail our proposed services, revenue requirement, expenditure forecasts, tariff initiatives and proposed prices. It will build on our 2020-2024 submission which included significant cost savings and modifications to our asset management approach, and ensure we can deliver safe and cost-effective water services.

## Embracing Technology, Improving Data and Continuous Improvement

GMW has always relied on technology for advances in our business and this is increasingly the case. In the last 12 months we have continued to explore innovations and the use of technology to support efficient and informed outcomes including:

- using drone technology to survey channels and storages and assist with weed management
- flume gate movement reductions via algorithm improvements
- innovation in meter technology through the Internet of Things (IOT).

We have invested in the business intelligence tool PowerBI to enhance data display. This program enables us to collate data from different programs and create active dashboards, spatial displays and/ or static analyses. Power BI is also used to discover data quality issues within systems and between them, which results in the continuous improvement of our data.

The gravity irrigation network has also undergone a major overhaul and update through the modernisation programs over the last two decades. This has reduced operational labour requirements and provided a demand-responsive system with reliable flow rate delivery at the customer outlet.

Over the next 10-15 years, the business will see the first generation of these assets needing componentry refurbishing or replacing. This includes for example gearboxes, motors, batteries, solar drive boards, radios and sensors at both regulator gates and customer outlets. These are essential to the effective operation of the delivery system and reliable responsive service at the customer connection.

We are also reviewing the strategic direction in aquatic weed control across the GMID. Our current research is focusing on alternative chemicals that will give us more efficient and effective aquatic weed control throughout our irrigation network.

## Planning Assumptions

The following planning assumptions have been made for the 2023/24 financial year. Assumptions for subsequent years of the corporate plan are revised annually and presented in the corporate plan relevant to that year.

### Assumed Demand

In our Pricing Submission we assumed the Goulburn and Murray systems would receive seasonal determinations of 100 per cent of high-reliability water shares (HRWS). The assessment was derived from independent modelling that considered likely decreases in water availability under climate change.

The Pricing Submission modelling reflected recent storage conditions and estimated the volume of water that could trade from the Goulburn-Murray Irrigation District (GMID) to support horticultural demand in the lower Murray region. The modelling also accounted for reductions due to environmental water recovery and changed on farm irrigation practices.

Due to high storage inflows, seasonal determinations in 2022/23 reached 100 per cent of HRWS in all systems in early September and 100 per cent of low-reliability water shares (LRWS) in mid-December. The Goulburn and Loddon seasonal determinations reached maximum availability for the first time since the current entitlement products were introduced in 2007. GMID deliveries for 2022/23 could reach 900 GL, depending on autumn demands and weather patterns.

Using the modelling approach for the 2020-2024 Pricing Submission and considering current water availability, our initial 2023/24 delivery estimate for the GMID is 1,200 GL. Actual deliveries will depend on factors including projected water availability, the allocation market in the southern Murray-Darling Basin, private carryover reserves and weather conditions. Meteorological agencies' climate outlooks favour below average rainfall from April to June. The Bureau of Meteorology issued an El Niño watch on 14 March indicating that there is a 50 per cent chance of El Niño conditions developing in the Pacific Ocean in 2023. Based on current use trends, the volume of allocation carried over into 2023/24 is likely to be higher compared to the start of the 2022/23 season.

## Water Availability

Wet conditions in 2022/23 have established good reserves for seasonal determinations in declared water systems in 2023/24.

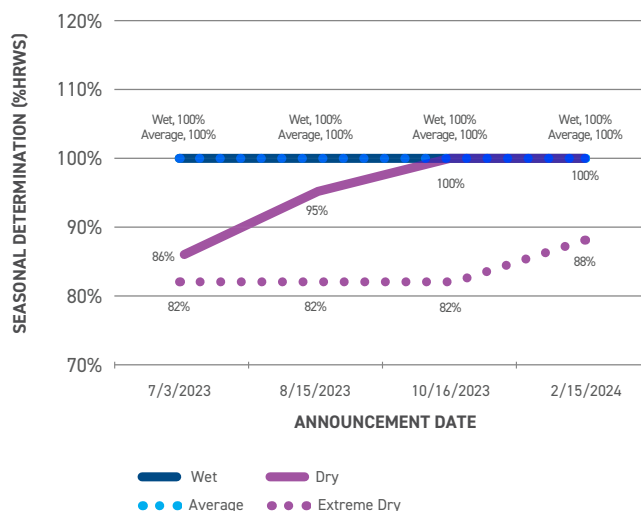
From the 2023/24 seasonal outlook produced in mid-February 2023, if average inflows occur GMW expects 100 per cent HRWS seasonal determinations in the Murray, Goulburn, Loddon and Bullarook systems by mid-August and in the Broken system by mid-October. The Campaspe system has enough resource to allocate 100 per cent HRWS at the start of 2023/24. Once seasonal determinations reach 100 per cent of HRWS in the Murray, Goulburn, Campaspe and Loddon system, resource improvements contribute to reserves (in addition to the early reserve in the Murray and Goulburn systems) for next season. Reserves established for 2023/24 provide a buffer against potential low inflows next season. Recent experience demonstrates significant variability of inflows is possible, making accurate long-term prediction of inflow and availability challenging. GMW operations focus on adaptively managing water availability within this uncertainty, while helping customers to make informed decisions about water use.

With reserves established in 2022/23, we expect Murray system seasonal determinations to start 2023/24 with about 80 per cent of HRWS and about 75 per cent in the Goulburn system.

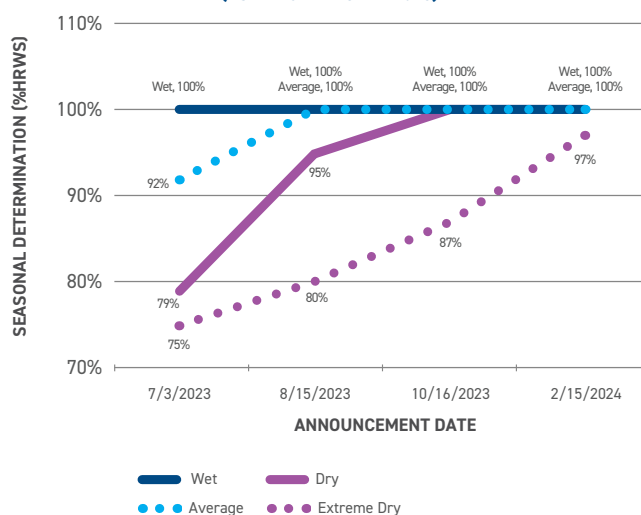
As seasonal determination improvements are reliant on winter and spring inflows and early season water use, potential dry conditions in 2023/24 will slow water availability increases. Customers can be reassured by GMW already confirming that allocation carried over will be available for delivery in all systems from the start of 2023/24.

Groundwater recovery and drawdown levels in northern Victoria are dependent on rainfall recharge and groundwater extraction. The predicted below average groundwater use in 2022/23, coupled with above average rainfall across the region, is expected to cause groundwater level recovery in the Loddon and Campaspe catchments, as well as the Katunga Water Supply Protections Area (WSPA). Groundwater levels in other areas in northern Victoria are expected to remain stable. Groundwater levels in the Lower Campaspe Valley WSPA and Katunga WSPA will be closely monitored to determine the impact of allocations on the resource.

### MURRAY SYSTEM OUTLOOK (AS AT 15 FEBRUARY 2023)



### GOULBURN SYSTEM OUTLOOK (AS AT 15 FEBRUARY 2023)



## Changing Region

GMW and our customers face significant sustainability challenges. These arise from a changing climate, reduced water availability, environmental water recovery programs, and water market competition that is progressively transferring water away from our operating area. A significant customer demographic change is occurring that is creating challenges for natural resource managers and is resulting in changing customer needs. There is predicted to be an increase in customers not focused on primary production within our service area, typically in locations with high amenity and lifestyle attributes (e.g. the alpine valleys of the north east). The agricultural enterprise mix is also changing. Predictions are that dairying will continue to transition away from smaller farms towards more intensive farms using cut and carry fodder systems. Perennial and annual horticulture is expanding and a more diverse range of irrigated crops is being grown. Meeting the more diverse needs of a changing customer base requires a nimble business approach.

## Environmental Water Charges

GMW expects to start implementing an updated Victorian Government policy on environmental water headworks charging from 2024/25.

The Victorian Government has not finalised its environmental water delivery charges policy. We will work with the Department of Energy, Environment and Climate Action (DEECA) to seek a fair tariff and price for all under our pricing principles. This will include establishing, with DEECA and the VEWL as the lead environmental water delivery manager, a pilot framework and work plan for implementing the policy.

## Murray-Darling Basin Plan

The Murray-Darling Basin Plan 'Bridging the Gap' water recovery target for surface water of 2,750 GL from consumptive diversions to support a sustainable river system is close to completion. No further water entitlement buyback is required from Victoria to deliver its contribution to the Bridging the Gap target. The Connections Project recovered 433 GL (long-term average annual yield) from the GMID through asset modernisation and improved customer service delivery. Some 279 GL of the total savings contribute to the Basin Plan target via entitlements created for the VEWL (75 GL) and the Commonwealth Environmental Water Office (CEWO) (204 GL).

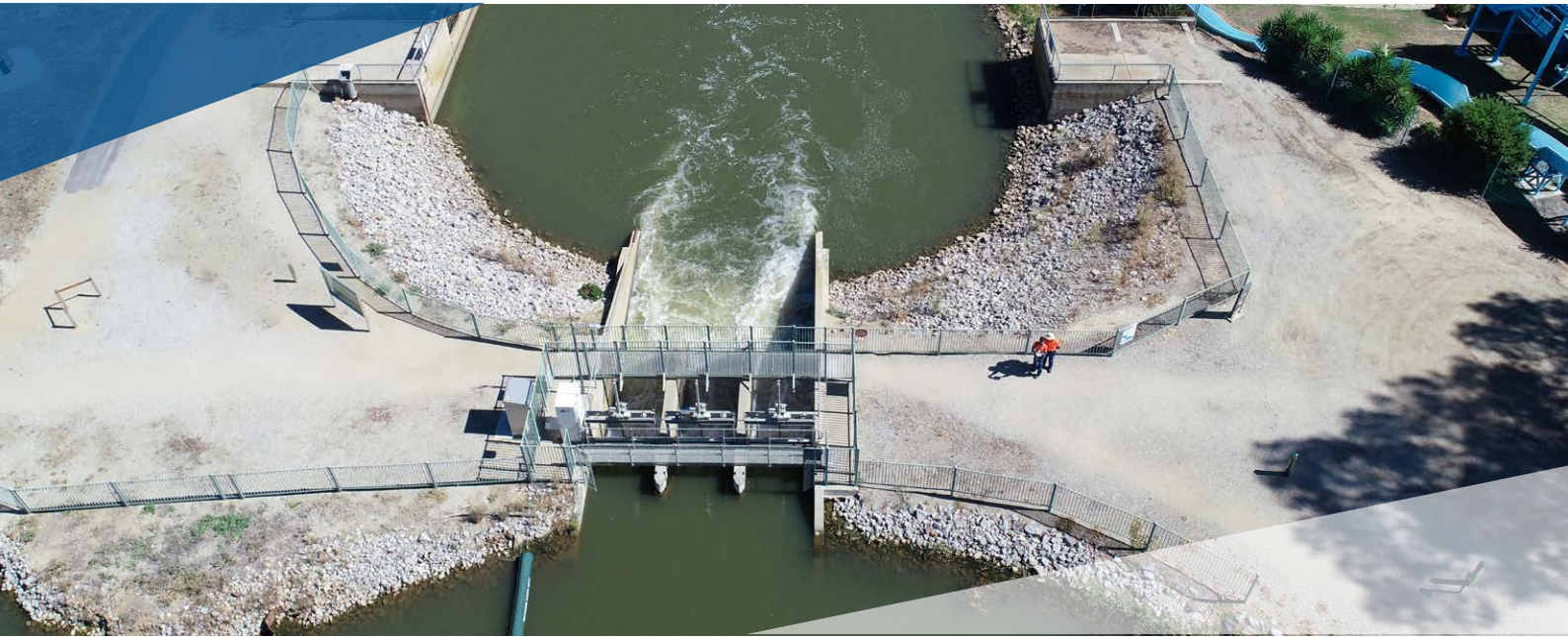
The Commonwealth Government is funding the Water Efficiency Project (WEP), which involves further modernisation and service improvement in GMID irrigation areas. WEP is due for completion in 2023 and expects to recover an additional 15.9 GL from the non-consumptive pool for the environment.

GMW support continues for the environmental works and measures of the Victorian Murray Floodplain Restoration Project, an action under the Sustainable Diversion Limit Adjustment Mechanism.

## Goulburn to Murray Trade Rule Review

The Victorian Government trialled the interim trade rule for Goulburn to Murray trade from 1 July 2021 to 30 June 2022. This allowed monitoring and operational experience to inform the enduring trade rule. GMW provided expert advice on the impacts of the new rules on customers, deliveries and river operations.

The new trade rule has been implemented since 1 July 2022. We will continue to work with our customers, DEECA and the MDBA to ensure appropriate administration of the Goulburn Inter-Valley Trade (IVT) account, river operations and customer accounts in line with the new rules, while minimising impact on service delivery.



## Key Water Savings Projects

### Water Efficiency Project

The Water Efficiency Project (WEP) is a Commonwealth Government funded project providing further water recovery through modernisation and rationalisation opportunities within the GMID. Building on the systems, processes and procedures from the Connections Project, the WEP has achieved its first four milestone targets of water savings (subject to audit and verification) and assets treated. The WEP is on schedule to achieve the remaining two milestone targets in July 2023 and April 2024.

The WEP is generating beneficial outcomes including:

- rationalising up to 150 km of channel, reducing GMW's long term whole of life cost liabilities by approximately \$1 million per year
- generating up to 15.9 GL of water savings
- installing over 800 accurate national metering standard compliant meters on outlets using more than 10 ML/year
- providing enhanced service standards to approximately 1,000 GMW customers supplied from channels, including primary producers with consequential beneficial agricultural output and flow-on economic impacts
- providing a stimulus to the regional GMID economy during planning and construction, creating an estimated 928 Full Time Equivalents (FTEs) in the region (direct and indirect employment) and generating an estimated regional GDP increase of \$167.5 million.

## Environmental Works with Catchment Management Authority Partners

GMW will continue to partner with Catchment Management Authorities (CMA), subject to available project funding, to deliver a range of environmental projects in the GMW area. We are well positioned to provide Engineering, Procurement, and Construction Management (EPCM) services to support agreed project objectives and timelines. The following environmental studies and projects are underway:

### Goulburn Broken CMA

- Drainage structures are being designed and constructed as part of the Drainage Course Declaration (DCD) program
- We are completing designs for a new regulator at Kynmer Creek near Barmah, and pipelines / outlet structures at Moodies Swamp and Kinnards Wetland, near Numurkah.

### North Central CMA

- We are currently delivering a vertical slot fishway at Taylors Regulator, near Cohuna. Ertech Pty Ltd has been awarded the contract to deliver the works
- Project planning is being completed for upgrade works at Dehnes Regulator, near Ghow Swamp.

### North East CMA

- We are completing a rock ramp fishway on the Ovens River at Tea Garden Creek.

# Government Priorities

## Letter of Expectations 2023/24

The Minister for Water's Letter of Expectation (LoE) was issued on the 9 March 2023 to all water corporation Boards, and contains prescribed key performance indicators (KPIs) for each of the priority areas in Water for Victoria which are described below.

## Water for Victoria: Key Priority Areas

### Water for Agriculture

A changing climate, leading to a warmer and drier future, means that GMW needs to take action to ensure that our water management arrangements will enable farmers to maximise the value of agricultural production with changing water availability. We will partner with agricultural customers, key stakeholders and the Victorian Government in response to the changing needs of the sector, to ensure that the water industry can continue to support agriculture in the region. We will continue to support the Agricultural Redevelopment Coordinator Pilot Project to ensure investment in our region is streamlined and efficiently supported. We will contribute to implementing the Goulburn- Murray Resilience Strategy with other regional stakeholders to support regional resilience.

### Climate Change and Energy (LoE 1)

Reducing our net carbon footprint is one of the goals of GMW's *Environment Strategy*. We continue our commitment to minimising our impact on a changing climate through implementing adaptation strategies and actions. In 2017, GMW pledged to reduce CO2 emissions by 20 per cent from our five-year average (to 2015/16) to approximately 10,399 tCO2 -e by 30 June 2025. Victoria's Climate Change Strategy describes the requirements for achieving net-zero emissions by 2050 and a climate-resilience state. These steps include a commitment for Scope 2 emissions in government operations to be 100 per cent renewable by 2025. GMW has committed to achieving 721 tCO2 -e of Scope 1 and 2 emissions by 2030. This represents a 93 per cent reduction compared to the 2021/22 actual emissions. One of the ways we are progressing towards these targets is through the solar system installation at our head office in Tatura, and commencement of movement to an electric vehicle fleet.

With growing pressure to secure water supplies in our increasingly challenging environment, GMW is taking various actions to ensure a sustainable future for our customers and the region. Guided by the *Water Resources Strategy* we are preparing initiatives intended to improve the awareness and resilience options as climate change occurs, with our customers and stakeholders. This will provide us with a readiness for climate change impacts on water sources, floods and drainage. To adapt to the impacts of climate change we will rely on science and improving the skills of our people. This will involve personal development opportunities and the application of better technology to forecast and manage water availability. Data and its analysis will be critical. We will also work within the recommendations and actions from the Water Sector Climate Change Adaptation Action Plan. More information can be found on page 15.

### Customer and Community Outcomes (LoE 2)

Our customers, stakeholders and regional communities are at the forefront of everything we do. Our *Customer and Stakeholder Strategy* 2024 embeds engagement into how we do business. This will help us to build trust with our customers and streamline systems and processes so that it is easy for customers to do business with us. We show empathy to customers in all our activities. In particular, we work with customers who are experiencing financial hardship and consider the range of options available to all customers, to enable them to meet their payment responsibilities. Over the period of this corporate plan, we will endeavour to further understand the needs of our customers and improve our relationships with both customers and stakeholders through active engagement.

GMW has used the International Association for Public Participation's IAP2 Public Participation Spectrum to set a primary engagement goal for collaboration as part of our ongoing Pricing Submission engagement. We have upgraded our online engagement platform to improve equity of access to information and interactive engagement opportunities for the upcoming Pricing Submission and beyond. We also redesigned our website to achieve an AA accessibility rating. Our online engagement will continue to be complemented by a wide range of face-to-face activities, including one-on-one meetings where appropriate. GMW has also reached out to rural financial counselling services to ensure they are aware of our engagement opportunities. Customer satisfaction is measured through a pulse survey and customer satisfaction survey that alternate biennially. The next pulse survey is scheduled for late 2023. More information can be found on page 13.

### Deliver Water for Aboriginal, Cultural, Spiritual and Economic Values (LoE 3)

GMW values the ongoing contribution of Traditional Owners to our region, and we are increasing our efforts to engage with these communities to achieve mutual benefits. These efforts are led by working collaboratively with Australia's First Nations Peoples of our region to implement initiatives outlined in the *Reconciliation Strategy* and to support Registered Aboriginal Parties to achieve their goals regarding the cultural, social and economic values of water. This strategy provides the formal recognition and the mechanism to extend connections between GMW and Traditional Owners up to the strategic level and into all areas of the business. Throughout the engagement process for our Pricing Submission, we have been working with Traditional Owners on a wide range of specific issues including protection declaration orders and land use activity agreements. Over the life of the *Reconciliation Strategy*, GMW will seek to implement actions under the goals of reconciliation, participation in GMW, opportunities from water and Traditional Owner rights. More information can be found on page 15.

### Recognise Recreation Values (LoE 4)

Whilst the majority of GMW's functions are essential rural water services, we also perform a number of complementary functions such as providing recreational facilities. With such a vast and expansive network of storages and waterways, we understand the advantage of supporting recreational activities for the economic and social benefit of Victorians. Our *Land & on Water Strategy* outlines how we will deliver on our obligations and partner with key stakeholders to

ensure recreational values are recognised, while maintaining financial sustainability. GMW will partner with local communities to ensure that consistent and reliable information is provided for our recreational sites. We will seek funding opportunities and make targeted investment to ensure the safety, functionality and sustainability of these sites. More information can be found on page 15.

### Resilient and Liveable Cities and Towns (LoE 5)

GMW is a vital part of life in northern Victoria. Our role in delivering reliable and affordable water drives a regional economy underpinning our collective prosperity and improving the wellbeing and daily lives of hundreds of thousands of people. Our services to regional urban water corporations and to customers in peri-urban settings are important to regional towns and cities. We are partnering with the Goulburn-Murray Resilience Strategy project in supporting the Agricultural Redevelopment Coordinator (ARC) Pilot Project. The strategy is bringing together various regional leaders in an effort to strengthen the region, making it more resilient to a range of possible futures.

GMW worked with the Goulburn Broken CMA and North Central CMA, among others, to deliver the *GMID Drainage Management Strategy*. The strategy promotes effective, fit for purpose surface and subsurface drainage for sustainable irrigated agriculture, and has formed the basis of our GMW Drainage Service Plan. We continue to collaborate with our customers to co-develop a plan for the drainage service into the future. GMW will continue to work with our water partners to continue delivering the best outcomes for our catchments and region.

We understand that some of our customers are facing challenging times and we are committed to doing all we can to support our customers. We know that every situation is unique and financial stress impacts our customers in different ways. In 2023/24 we will continue to work with our customers to develop a plan based on their individual circumstances to help manage payment of their accounts. Some of these options include:

- flexible payment plans
- payment extensions
- direct debit instalments.

### Leadership, Diversity and Culture (LoE 6)

The culture of an organisation begins with effective leadership. Leaders need a broader capability and insight to embrace change and manage talent with commercial acumen, emotional intelligence and the ability to build a healthy and safe work culture and environment. GMW will continue to build our employee experience and performance with a culture that attracts, rewards and retains our high performing talent, to enable us to achieve our strategic outcome of 'safe, skilled, engaged people'.

Practical actions that GMW will take to enhance our leadership and culture are detailed in our *People and Culture Strategy*. More information can be found on page 13.

Through our *People and Culture Strategy*, we have established workplace diversity targets which we will continue to work towards.

Our targets ensure equitable gender balance, diversity and inclusion of all groups including but not limited to lesbian, gay, bisexual,

transgender, intersex, queer and asexual (LGBTQIA+), people with a disability and indigenous peoples. Achievement against these targets is shown in the table below.

Targets	GMW Achievement
<b>Gender in senior leadership roles (Senior Leadership Team/ Executive Leadership Team)</b>	
40% either male or female /60% all other gender identity	36%
<b>Diversity Targets across all of GMW</b>	
3% First Nation	2%
10% Disability	7%
8% LGBTQIA+	3%

Targets were set for our 2024 *People and Culture Strategy* and actions to achieve our targets continue, however we are happy to have made great progress in our gender ratios in senior roles and in representation by people with a disability.

The health, safety and wellbeing of our staff is of paramount importance to us. We focus on three key areas of personal safety, asset safety and safety systems and processes. The *Safety and Wellbeing Strategy* outlines practical actions that we undertake to ensure the safety of our staff. More information can be found on page 13.

### Performance and Financial Sustainability (LoE 7)

This corporate plan signals to our stakeholders our planned intent for the business. We will use this corporate plan to ensure that organisational resources are aligned to delivering our commitments in a financially sustainable manner. Our *Financial Sustainability Strategy* outlines practical actions that we are completing to achieve this. More information can be found on page 14.

To provide assurance that we are delivering on actions that contribute to achieving our Vision and Strategic Outcomes, GMW has implemented a performance reporting framework that is clear and consistent across the organisation. This reporting framework includes key performance indicators, timelines and strategic initiatives that align with our strategic framework and continuous improvement.

We share mutual obligations with our customers to ensure that agreed standards of service can be achieved. In providing these services in accordance with our approved service standards, we:

- operate and maintain the system to achieve approved service standards
- are responsive to requests in accordance with service standards
- minimise unplanned interruptions to service
- provide effective communication systems to and from customers.

The following KPIs are required by the Victorian Water Industry Corporate Planning and Reporting Guidelines 2023-2024. We have established the relevant targets based on organisational history, customer feedback and best practice.

## Financial Performance

Key Performance Indicator	Target for 2023/24 <sup>5</sup>
<b>Cash Interest Cover</b> Net operating cash flows before net interest and tax/net interest payments	(0.4x)
<b>Gearing Ratio</b> Total Debt (including finance leases)/total assets*100	1.5%
<b>Internal Financing Ratio</b> Net operating cash flows less dividends/net capital expenditure*100	-10%
<b>Current Ratio</b> Current assets/current liabilities (excluding long-term employee provisions and revenue in advance)	1.9x
<b>Return on Assets</b> Earnings before net interest and tax/average assets*100	-1.8%
<b>Return on Equity</b> Net profit after tax/average total equity*100	-1.5%
<b>EBITDA Margin</b> Earnings before interest, tax, depreciation and amortisation/total revenue*100	12.3%
<b>Credit Rating</b>	A

<sup>5</sup>Financial Performance targets are developed for consolidated financials including WDS and WEP.

## Water Service Performance

Key Performance Indicator	Target for 2023/24
<b>Rural Water Supply Deliveries</b> (Number of orders delivered/total number of orders)*100	Gravity is 95% Pumped is 98%
<b>Transfer of Water Shares - Applications completed within agreed timeframes</b> (Number of applications completed/total number of applications)*100	Water share applications is 95%
<b>Unavailability of Domestic and Stock supply</b> (Duration that domestic and stock service is unavailable in excess of on-property storage requirement/length of water season)*100	1.5%
<b>Groundwater supply</b> (Number of transfers processed within target period/total number of transfers processed)*100	75% <sup>6</sup>

## Customer Responsiveness

ESC KPI	Key Performance Indicator	Target for 2023/24
UPP 1	<b>Water bills – customers on flexible payment plans</b> No. of Customers with instalment plans	No target required
UPP 6	<b>Water bills – customers awarded hardship grants</b> No. of customers awarded hardship grants	No target required
CRS 7	<b>Customer responsiveness – number of payment issue complaints</b> No. of complaints per 100 customers	0.09 <sup>7</sup>
CRS 3	<b>Customer responsiveness – total complaints</b> No. of complaints per 100 customers	0.36 <sup>8</sup>

## Environmental Performance

Key Performance Indicator	Target for 2023/24
<b>Total net CO<sub>2</sub> emissions</b> Total net tonnes CO <sub>2</sub> equivalent	10,679 tonnes

<sup>6</sup> Based on a 5 year rolling average removing the outlier from 2021/22

<sup>7</sup> Based on a 5 year rolling average

<sup>8</sup> Based on a 5 year rolling average

## Compliance (LoE 8)

GMW has reviewed and updated its key documents relating to compliance and enforcement in 2022/23, including the Strategy, Policy and Unauthorised Take Procedure. All documents now align and set out how we are applying a consistent, transparent and risk-based zero-tolerance approach to unauthorised take. GMW continues to use strong and resolute compliance and enforcement action to protect the environment for Victorian water users.

GMW will continue to implement key actions from the compliance and enforcement plan during 2023/24. Those key actions include:

- improving detection and reporting of non-compliances
- proactive communication with high risk users at start of the irrigation season
- continuing to implement Penalty Infringement Notices (PIN)
- continuing to support the Metering Action Plan
- continuing to inform our customers about compliance requirements.

## Aligning with Government Priorities

Our strategic outcomes and board approved strategies are aligned with the Victorian Government's water policy priority areas as defined in Water for Victoria and the Minister's Letter of Expectation Key Performance Indicators (KPIs). We have set KPIs to monitor and report on our activities aligned with these goals.

Strategic Outcomes	Business Strategies	Water for Victoria Priority Areas	Letter of Expectation Key Performance Indicators
Safe, skilled, engaged people	<ul style="list-style-type: none"> <li>• People and Culture Strategy</li> <li>• Safety and Wellbeing Strategy</li> </ul>	Leadership and culture	<b>G1:</b> Diversity and inclusion <b>G2:</b> Health and safety
Satisfied customers, trusting partners	<ul style="list-style-type: none"> <li>• Service Strategy</li> <li>• Customers and Stakeholders Strategy</li> </ul>	Customer and community outcomes	<b>C1:</b> Customer satisfaction <b>C2:</b> Customer and community engagement <b>CE1:</b> Apply an effective zero-tolerance approach to unauthorised take <b>CE2:</b> Demonstration of continuous improvement toward implementation of compliance and enforcement strategies, frameworks and reporting <b>CE3:</b> Customer requirements
Innovation, data and technology driven services	<ul style="list-style-type: none"> <li>• Digital Strategy</li> <li>• Cyber Security Strategy</li> </ul>	Customer and community outcomes	<b>C1:</b> Customer satisfaction <b>C2:</b> Customer and community engagement
Sustainable business, viable customers	<ul style="list-style-type: none"> <li>• Asset Management Strategy</li> <li>• Financial Sustainability Strategy</li> </ul>	Performance and financial sustainability	<b>PF1:</b> Audited statement of performance <b>L3:</b> Circular economy outcomes <b>L5:</b> Sustainable Water Use
Water security and other water values are recognised	<ul style="list-style-type: none"> <li>• Water Resources Strategy</li> <li>• Environment Strategy</li> <li>• Reconciliation Strategy</li> <li>• Land and on Water Strategy</li> </ul>	Climate change  Resilient and liveable cities and towns  Water for Aboriginal, cultural, spiritual and economic values  Recognising recreational values Compliance	<b>CC1:</b> Emission reductions <b>CC2:</b> Electricity Use <b>CC3:</b> Adaption to Climate Change and Variability <b>AC1:</b> Supporting Aboriginal self-determination <b>AC2:</b> Partnerships with Traditional Owners <b>AC3:</b> Aboriginal Inclusion Plan/ Reconciliation Action Plan <b>Rec1:</b> Recreational values <b>L4:</b> Environmental Statutory Obligations

## Risk Management

We regularly assess our operational and strategic business activities against our Risk Management Framework, consistent with the Australian/New Zealand Risk Management Standard (AS/NZS ISO 31000:2018) and the requirements of the Victorian Government. Our framework provides a structured and comprehensive approach to risk management proportionate to internal and external influences at GMW. The Risk Management Framework is designed to assist us to integrate risk management into our decision making and operations. It is applied at the strategic, operational and project levels of the organisation and provides the structure to consider positive consequences (i.e. opportunities compared to risks). Our strategic business risks are outlined in Appendix B.

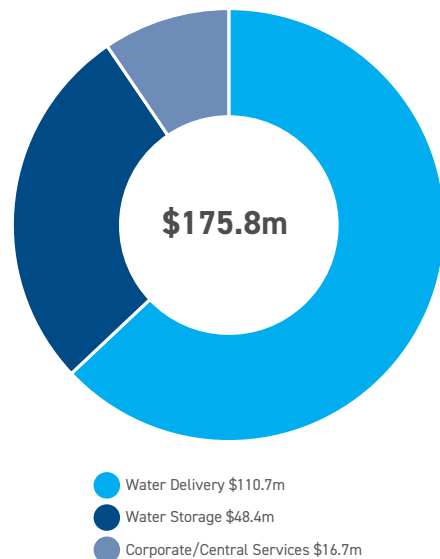
## Capital Expenditure Overview

In this corporate plan, capital expenditure primarily relates to storage and delivery services. Recognising the future challenges in asset renewal, we have reviewed our asset practices and informed our capital programs by:

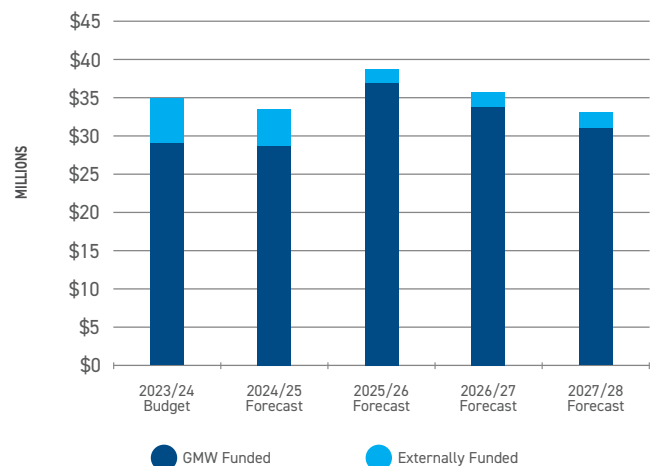
- analysing the conditions of the assets and the risks associated with critical failures
- using localised data (provided by the Channel by Channel asset planning tool) to optimise investment in the GMID asset base
- implementing the outcomes of the Dams Portfolio Risk Assessment
- prioritising investments that meet key business drivers and satisfy our strategic outcomes and keeping staff and customer safety at the forefront.

The capital budgets identified in this corporate plan for the years 2023/24-2027/28 include the capital program developed for our 2020-24 Pricing Submission, and is subject to customer engagement and ESC approval. Detailed breakdown of capital expenditure in our Corporate/Central Services, Water Delivery, Water Storages and Key Water Saving Projects can be found in the following sections of this corporate plan. The graphic below illustrates the total forecast capital expenditure and the allocation of expenditure to each business segment. The second graph shows the annual forecast capital expenditure for the corporate plan period.

### CAPITAL WORKS BY PROGRAM



### CAPITAL EXPENDITURE



## Corporate/Central Services

Corporate/Central Services capital expenditure includes investment primarily in information technology, plant replacement and facilities.

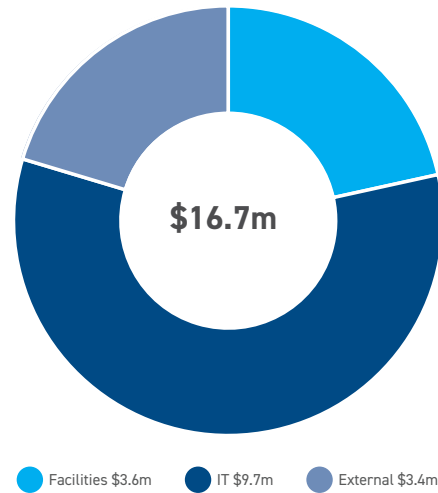
Investment in information technology has three primary streams, including:

- the IT refresh program, replacing outdated hardware such as laptops, phones, CCTV, printers and video conferencing facilities
- implementing our *Digital Strategy*, an improvement program that will support innovation, efficiencies and improvement to our customer experiences with GMW
- implementing our *Cyber Security Strategy*, a dedicated stream to ensure continuous improvement in maturing our security in systems and information.

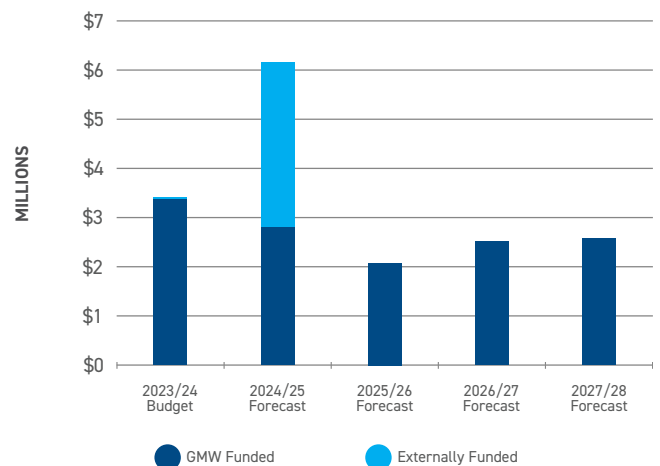
Investment in our facilities ensures that we can maintain a suitable work environment that meets the essential safety measures outlined in Part 15 of the Building Regulations (2019).

In 2024/25 we will be progressing our *Regionalisation Strategy*. We have forecast \$3.1m for the year in externally funded works, which we will use to consolidate and upgrade our regional offices, and will be funded through the sale of existing buildings.

**CAPITAL WORKS BY PROGRAM**  
Corporate



**CAPITAL EXPENDITURE**





## Water Storage

### Storage and Harvesting

GMW manages 24 storages (16 major storages including four on behalf of the MDBA) to harvest, store and supply water for irrigation, urban/rural and environmental use in northern Victoria. The 20 Victorian owned storages are of varying size, capacity, reliability and consequence category, and are aged between 37 and 147 years. We operate the major storages in accordance with the Australian National Committee on Large Dams (ANCOLD) guidelines and Yarrawonga Weir in accordance with Dam Safety NSW guidelines. GMW ensures harvesting opportunities are maximised, and stored water is managed efficiently for our customers.

The storages provide additional benefits including flood mitigation, recreation and public use, support to local tourism, environment and economies, and hydropower generation. These are the complementary services we provide.

GMW is the northern Victorian Resource Manager appointed by the Minister for Water with responsibility for making the seasonal determination for all northern Victorian declared water systems.

### Service Standards

Our service standards targets for 2023/24 were approved by the Essential Services Commission (ESC) as a component of the 2020-2024 Pricing Submission. We will develop Service standards beyond 2024 in association with our next pricing submission.

Key Performance Indicator	Target for 2020/21	Target for 2021/22	Target for 2022/23	Target for 2023/24
<b>Bulk Water</b>				
Ability of each regulated system to deliver water to meet customer demand as a percentage of time.	99%	99%	99%	99%
Ability of each regulated system to maximise harvesting opportunities up to 100% of the design storage capacity as a percentage of time.	100%	100%	100%	100%
Minimum flow requirements for regulated waterways as specified in the relevant bulk entitlements are satisfied as a percentage of time.	98%	98%	98%	98%
Seasonal determination announcements for regulated systems to be made with defined timeframes each month.	100%	100%	100%	100%
Risk of spill announcements for relevant regulated systems to be made within defined timeframes each month.	100%	100%	100%	100%

Targets in this table reflect the 2020-2024 Pricing Submission

### Strategic Focus

GMW completed the Dams Portfolio Risk Assessment Project during 2019, which updated the overall risk of the dams portfolio, and included a strategy for managing dam safety risks. This work has informed our investment priorities, with a program of design reviews and further investigations. This work commenced in 2020/21 and will continue through this corporate plan period.

Our Bulk Water Service Plan has been developed, in consultation with customers, as part of implementing our Service Strategy. We aim to prioritise investment and risk reduction in accordance with our Dams Portfolio Risk Assessment hierarchy and to be a leader in supporting capability and innovative practices in the dams industry.

### Pricing

Our 2023/24 prices will avoid price fluctuation and provide for price stability for bulk water customers. GMW is consulting with our bulk water customers on moving from basin to system prices for bulk water, during the next pricing submission period.

### Capital Works Program – Water Storage Services

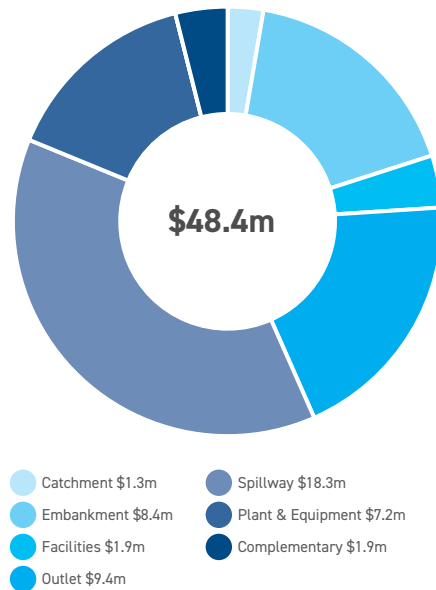
The following graph highlights the capital investment priorities for our Water Storage business throughout the corporate plan period. This includes the following projects for 2023/24:

- Eildon spillway floodgates - tertiary drive upgrade
- Tullaroop Reservoir - outlet valve replacement
- Eildon Depot - sheds and buildings upgrade
- Eildon Outlet - Cone Valve refurbishment
- Cairn Curran outlet culvert – downstream wingwall stabilisation works
- Cairn Curran outlet – installation of access into tunnel.

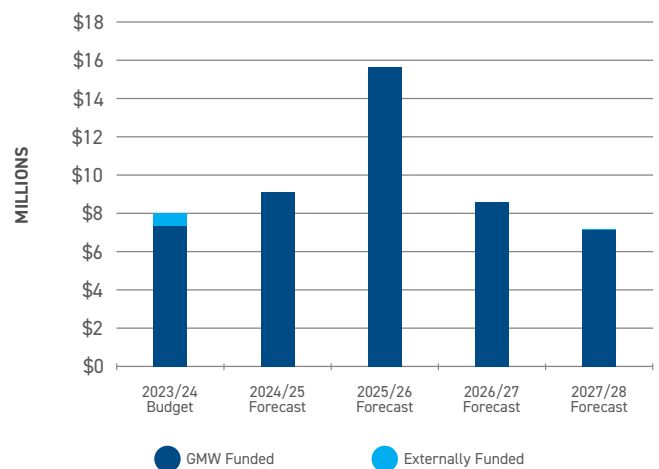
GMW will also commence design and investigation of these major projects to be delivered in our next regulatory period:

- Laanecoorie – spillway and outlet upgrade project
- Nillahcootie – spillway stabilization and filter work
- Tullaroop – secondary embankment filters – upgrade works.

### CAPITAL WORKS BY PROGRAM Water Storage Services



### CAPITAL EXPENDITURE



## Complementary Services Program

While the majority of the functions undertaken by GMW are essential rural water services, with prices and service regulated by the ESC, we also undertake and/or facilitate a number of complementary functions such as providing recreational facilities, land management and hydropower generation. Although many of these functions have similar characteristics to community service obligations, where appropriate, we endeavour to manage these functions in a commercial manner, with no cross subsidisation from our water supply and delivery business.

GMW manages and maintains recreational infrastructure and services, including safe boating access at 14 of our 24 storages. The complementary management portfolio also includes 724 houseboat licences, 14 caravan park leases and 62 clubs/camps. All the storages we manage are available in varying degrees to the public for recreational use such as boating, fishing and swimming. The 71 recreation reserves located around GMW and MDBA storages are managed by GMW, using complementary revenue streams. These include the Regional Urban Storage Ancillary Fee (RUSAF), the MDBA, or part/full funding from local Government at some locations.

### Service Measures

GMW continues to provide recreational services across all storages. As part of implementing our *Land and on Water (L&OW) Strategy*, we have commenced engaging with recreational users, local communities, interest groups, agencies and stakeholders to provide feedback on the L&OW Service Plans for General Public Use & Waterway Management, Houseboats and Commercial Services. These service plans aim to provide improved services and access to recreation and commercial facilities at our storages, while also enhancing recreational values, the regional economy and redefining how we manage community, agency and stakeholder relationships now and in to the future.

Through the development of the L&OW General Public Use and Waterway Management Service Plans, we have developed new L&OW service standards that specify the quality, availability, reliability and safety of the associated L&OW services the public can expect to receive at our storages. Reporting against these service standards will commence from 1 July 2023.

These new service standards include:

- operational status of amenities and facilities
- tree management in public access areas
- undertaking assessments of public safety
- aids to navigation inspections
- staff patrols during peak periods
- application processing timeframes
- management of public recreation information.

Recreational information, including what facilities are available, and applicable safety, and recreational rules and guidelines are available to recreational users through the GMW website and social media. This information is monitored regularly and updated as required.

## Strategic Focus

### General Public Use

GMW manages public recreation reserves and their associated assets in partnership with local and state Government, MDBA, Safe Transport Victoria, Victorian Fisheries Authority (VFA) and Better Boating Victoria (BBV).

The main source of funding for the operational costs of providing general public use areas is the Regional Urban Storage Ancillary Fee (RUSAF). This revenue is limited and does not support capital improvements into the future, hence we actively identify opportunities to divest or adjust service levels at particular locations. We will also continue to partner with governments, councils, and other organisations to secure funding for improvement projects.

### Commercial Services

GMW's *L&OW Strategy* and associated services are supported by a *Complementary Services Commercial Policy* which facilitates the reinvestment of funding through a defined funding approval process, ensuring there is no cross-subsidisation from our water supply and delivery business.

To support this objective, we will take a proactive approach in investigating and pursuing commercial opportunities such as:

- divesting sites surplus to operational needs
- reviewing lease/licence agreements to maximise benefit to GMW
- licensing opportunities provided by unlicensed structures and legacy developments
- Native Vegetation Credits
- carbon farming opportunities.

### Waterway Management

GMW is the declared waterway manager under the *Marine Safety Act 2010* for 14 storages. We will continue to support increased on-water recreational access to our storages, while minimising water quality, operational and safety risks.

Waterway management is currently an unfunded service. By partnering with governments, councils, and other organisations such as DEECA, VFA and BBV to secure funding we will continue to ensure adequate funding for the costs associated with providing safe and accessible waterways.

### Commercial Leases

GMW manages over 1,000 occupation agreements including caravan parks, foreshore recreational licences, grazing licences, and other general leases such as pine plantation and telecommunications. The overall performance is sound and most activity occurs on land that cannot be sold because it is required for operational purposes. We continually review and update leases to ensure commercial returns.

### MDBA Contract

In accordance with the provisions of the Murray-Darling Basin Agreement, GMW is the state constructing authority of the MDBA. Our relationship is defined through the Memorandum of Understanding. GMW works closely with MDBA and DEECA on developing and implementing the annual works budget and program.

### Houseboats

GMW manages the fleet of houseboats licensed to operate on Lake Eildon. We are currently working on a project with DEECA to improve and support:

- interactions with houseboat customers
- stakeholder engagement
- water quality monitoring and greywater treatment options
- management of risks to people and the lake, through a Houseboat Regulations review.

### Power Generation

With increased adoption of rooftop solar panels and pricing predictions in the electricity market, GMW expects revenue from hydropower generation to decline. There are several hydropower sites at our storages and further opportunities to expand hydropower generation continue to be pro-actively considered but viable sites have not been identified. We are open to approaches to install traditional hydro, pumped hydro, solar or wind power generation on our land.

### Capital and Funded Works

The planned capital expenditure in our complementary business includes the following projects for completion in 2023/24:

- Lake Eppalock public road re-sheeting
- recommended actions and identified works associated with the outcomes of public liability and risk assessments
- consultancy to review Lake Eildon vessel operating and zoning rules
- Lake Hume Kookaburra Point Boat Ramp car and trailer park
- isolated danger buoys for Waranga Basin (for placement to delineate fish habitat).

The following projects are dependent on opportunistic funding:

- design of a new Lake Eildon boat ramp at central Kennedy Point location to replace three current ramps
- directional and destination signage across 11 identified storages
- relocation of the boat ramp at Laanecoorie Reservoir Brown Bill recreation area
- Cairn Curran Picnic Point recreation area all ability amenity block
- Cairn Curran Picnic Point recreation area boat ramp repairs and foreshore erosion control works.

When there are adequate funds from any of the complementary service streams, they are channelled to support capital or reinvestment works, to undertake innovation or improve operational efficiencies.

### Water Delivery

GMW manages water related services in a region of 68,000 square kilometres, bordered by the Great Dividing Range in the south and the River Murray in the north, stretching from Corryong in the east down river to Nyah. We have more than 21,000 customers in northern Victoria. We manage both regulated and unregulated river systems that flow into the Murray and administer groundwater within this area.

We have engaged with customers and stakeholders over 2022/23 to develop a series of service plans that have helped us to understand what is important to our customers. We will continue to seek out efficiencies to improve the way we do business, and to incorporate the feedback we have received from customers into our service outcomes.

### Irrigation Areas

We deliver water to customers in the Shepparton, Central Goulburn, Rochester, Loddon Valley, Murray Valley and Torrumbarry irrigation areas through an extensive gravity distribution network. We deliver water to customers in the Nyah, Tresco and Woorinen pumped irrigation districts through piped delivery networks.

### Water Districts

Water District customers receive water through dedicated supply networks. We provide a pressurised piped supply to the Tungamah/Cosgrove, Normanville, Mitiamo and East Loddon South districts. Customers located at East Loddon North, are serviced by a mix of gravity supply, East Loddon South pipeline, and the Mitiamo pipeline. Customers at West Loddon receive a gravity supply.

### Drainage

We provide surface drainage services in our irrigation districts. Surface drains have been constructed to design standards and are operated and maintained based on meeting specific service levels. We are also responsible for a number of drainage course declarations (DCD). DCDs enable improved natural drainage by removing obstructions to flow.

Additionally, GMW operates and manages a network of shallow groundwater pumps to provide subsurface drainage services to areas of high water table and salinity risk in the Shepparton Irrigation Region.

Informed by the recent *GMID Drainage Management Strategy*, and in response to changing needs, we are working with customers to implement a range of important surface and subsurface drainage service improvements through our Drainage Service Plan.

## Diversions Irrigation

Regulated diversions licences apply in declared water systems where flows are controlled or 'regulated' from GMW or MDBA water storages. Unregulated surface water licences authorise take and use from waterways where flows are not controlled by releases from water storages.

Groundwater licences authorise take from aquifers across our region. Most aquifers are subject to management plans which apply to designated areas called Groundwater Management Areas. The management plans set caps to protect long term resource sustainability and contain rules about how the resource is managed, including how it is shared during shortages.

## Flood Protection

The Loch Garry Flood Protection District protects an area of 14,000 hectares near Bunbartha. The system provides flood protection up to agreed levels.

## Service Standards

The service standards targets for 2023/24 were approved by the ESC as a component of the 2020-2024 Pricing Submission. Service standards beyond 2024 are being developed in association with our next pricing submission, which is due to the ESC in September 2023.

Key Performance Indicator	Target for 2020/21	Target for 2021/22	Target for 2022/23	Target for 2023/24
<b>Water Delivery</b>				
Orders are delivered within 24 hours	95%	95%	95%	95%
Flow rate is within 10% of order	80%	80%	80%	80%
Water delivered to customer properties through the open channel network as a percentage of water extracted	85%	85%	85%	85%
<b>Drainage Irrigation</b>				
Drains are maintained to a level that ensures they are available to remove run-off	98%	98%	98%	98%
<b>Pumped Irrigation</b>				
Irrigation orders are delivered on the day requested	98%	98%	98%	98%
Supply interruptions do not exceed eight hours in the summer months and 48 hours in the winter.	80%	80%	80%	80%
Customers are informed by SMS within two hours when there is a supply interruption and again when it is restored.	100%	100%	100%	100%
Water delivered to customer properties through the closed piped network as a percentage of water extracted.	92%	92%	92%	92%
<b>Water Districts</b>				
Supply interruptions do not exceed 96 hours	100%	100%	100%	100%
<b>Diversions</b>				
Our diversions customers have access to water resource monitoring data within two weeks of data being submitted by the monitoring contractor.	90%	90%	90%	90%
Customer access to groundwater is managed through seasonal allocations which are announced in accordance with relevant management plans.	100%	100%	100%	100%
Access to unregulated stream flow is managed in accordance with restriction triggers in Local Management Rules	100%	100%	100%	100%
Customers receive notification in writing (SMS, email, letters) within 24 hours	100%	100%	100%	100%

Targets in this table reflect the 2020-2024 Pricing Submission

### Strategic Focus

Our Water Delivery business is accountable for delivering services to our diverse customer base. We will be focused on delivering efficient and affordable water services and be accountable for transparency in cost allocation.

We will focus on active engagement with investors and developers to promote the benefits of our region. We will closely align with relevant agencies and groups to develop and market opportunities that exist within the agricultural sector. We will strengthen our alliances with the relevant agencies to support delivery of the Goulburn Murray Region Resilience Strategy initiatives supporting agricultural investments.

GMW will apply the Channel by Channel asset planning tool to inform decisions on optimising investment in the GMID asset base and to prioritise specific works in our capital program.

### Pricing

Our 2023/24 prices will support the delivery of service levels to our customers and avoid price volatility for gravity irrigation customers.

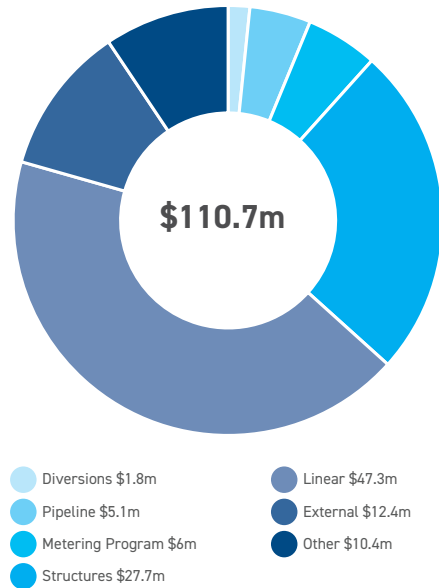
### Capital Works Program – Water Delivery

The following graph highlights the capital investment priorities for our Water Delivery business throughout the corporate plan period. This includes the following projects for 2023/24:

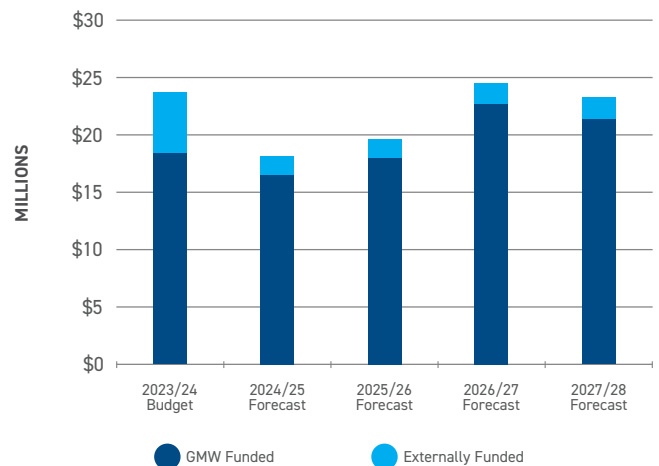
- gravity irrigation structures program
- gravity irrigation linear program
- meter replacement program
- gravity irrigation access track upgrade program.

In the last year of this corporate plan period there is allocation for some plant and equipment replacement in the infrastructure delivery services team.

**CAPITAL WORKS BY PROGRAM**  
Water Delivery



**CAPITAL EXPENDITURE**



### Structures Program

This program replaces and refurbishes bridges, road culverts, occupational crossings, subways, and siphons. GMW takes a proactive approach to managing this asset class by:

- rehabilitating and replacing assets based on condition, risk profile and service value
- extensively monitoring and investigating the more critical assets to ensure minimal impact to service delivery and to safeguard road/rail users
- extending the serviceable life of assets cost effectively where practical through contemporary refurbishment techniques
- consulting with affected customers and stakeholders.

### Linear Program

The linear work program involves upgrading channel embankment assets based on condition, maintenance data and the prevailing local (Pod) planning indicators. The program consists of treatment methods and activities including:

- remodelling
- rock armouring
- silt re-profiling
- core trenching
- related or stand-alone access tracks and fencing improvement programs.

### Electrical and Mechanical Program

Electrical and mechanical projects ensure the ongoing effectiveness of our modernised assets and pump stations. Key projects in the corporate plan period include continuing Remote Telemetry Units (RTU) upgrades across the GMID, and implementing a systematic methodology to plan replacement works and pump station overhauls.

### Metering Program

GMW is committed to managing and upgrading its metering fleet in line with the *Metering Action Plan* (August 2020), endorsed by the Board and overseen by DEECA. Replacing and upgrading these customer-connecting assets will provide for measurement practices proportionate to usage and accuracy requirements, and support overall water management efficiency. The technology also underpins automated channel flow management. The *Metering Action Plan* aligns with the expectations of the *Victorian Non-Urban Metering Policy*.

The meter upgrade program addresses projected meter failure frequencies, and supports our intended path towards measurement and reliability compliance across the various key customer segments of gravity irrigation, diversions, and the pumped districts.



## Key Water Savings Projects

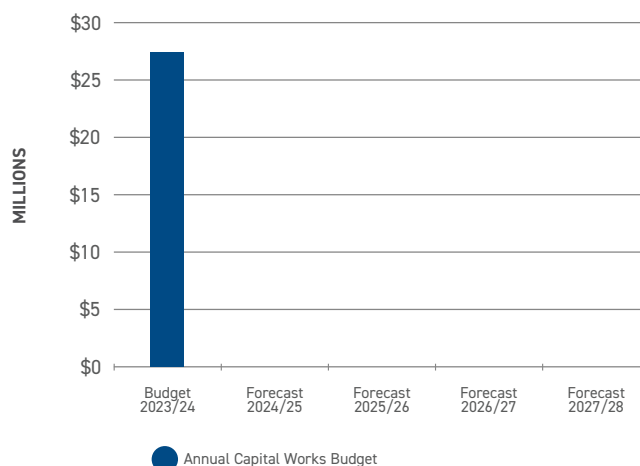
### Water Efficiency Project

Funded by the Commonwealth Government, WEP has a budget of \$177.5 million. The project will achieve water savings totalling 15.9 GL through modernisation and rationalisation works.

The WEP aims to create a more efficient automated water delivery network in the GMID, improve customer service levels and generate annual water savings for the environment. The project is expected to benefit approximately 1,000 customers by modernising or decommissioning 250 km of channels and upgrading or rationalising more than 1,000 meters by April 2024.

The WEP is on schedule to achieve the remaining two milestone targets in July 2023 and April 2024.

### CAPITAL EXPENDITURE



## Changes from our 2022/23 Corporate Plan

A summary of our capital expenditure spend for the 2023/24 vs the 2022/23 Corporate Plan is set out below.

The year on year change in the capital expenditure between the 2022/23 and the 2023/24 Corporate Plan is driven by the re-phasing and change in timing of the water savings projects. The total water savings projects capital expenditure has not materially changed.

### Capital Expenditure - Consolidated

Actual figures from Corporate Plan	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	Total \$'000
2023/24 Corporate Plan	64,916	62,501	33,469	38,687	35,652	235,224
2022/23 Corporate Plan	77,916	43,126	31,412	36,959	32,533	221,947
<b>Variance</b>	<b>(13,000)</b>	<b>19,375</b>	<b>2,056</b>	<b>1,728</b>	<b>3,119</b>	<b>13,277</b>

### Capital Expenditure - Water Storage and Delivery

Actual figures from Corporate Plan	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	Total \$'000
2023/24 Corporate Plan	26,989	35,046	33,469	38,687	35,652	169,842
2022/23 Corporate Plan	28,246	23,297	31,412	36,959	32,533	152,448
<b>Variance</b>	<b>(1,257)</b>	<b>11,749</b>	<b>2,056</b>	<b>1,728</b>	<b>3,119</b>	<b>17,394</b>

### Capital Expenditure - Water Savings Projects

Actual figures from Corporate Plan	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	Total \$'000
2023/24 Corporate Plan	37,927	27,455	0	0	0	65,382
2022/23 Corporate Plan	49,670	19,829	0	0	0	69,499
<b>Variance</b>	<b>(11,743)</b>	<b>7,626</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(4,117)</b>



## Financial Overview

This corporate plan sets out the operational and financial information relating to the business as a whole and in two discrete segments, Water Storage and Delivery (WS&D) and the Water Savings Projects.

The financial information in this section provides financial information in three key areas:

- Whole of GMW Consolidating WS&D and Water Savings Projects
- WS&D financials
- Water Savings Projects financials

Our 2023-24 Corporate Plan has been prepared based upon our draft Price Submission 2024 to be submitted to the ESC in September 2023.

### Financial Assumptions

Economic assumptions used are based on Department of Treasury and Finance Victoria forecasts, operating expenditure as per GMW's Price Determination, actuals rates on current and future loans from Treasury Corporation of Victoria and GMW's Enterprise Agreement.

### Rate of Return

The Return on Assets (ROA) has been included as per the Essential Services Commission (ESC) determination with 4% weighted average cost of capital.

### Borrowings

GMW monitors borrowings in accordance with the Department of Treasury and Finance (DTF) treasury management guidelines and GMW's Treasury Policy.

As well as day-to-day cash flow management procedures followed, GMW regularly reviews its borrowing needs and debt position via the monthly and more detailed quarterly financial report to the Board. GMW maintains discrete borrowings for Water Savings Project requirements, as part of the 'financial ring-fencing' required by the Commonwealth.

## Financing Requirements

### Borrowings

Debt Change Table (\$'000's)	2022/23 Forecast	2023/24 Budget	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
Short Term	5,260	6,579	9,176	6,779	9,389	7,005
Long Term	75,146	71,209	71,936	84,175	85,636	86,885
<b>Total Debt</b>	<b>80,406</b>	<b>77,787</b>	<b>81,112</b>	<b>90,954</b>	<b>95,024</b>	<b>93,890</b>

Borrowings requirements made to the department of Treasury are as follows:

Year-on-Year (YOY) Borrowing Requests \$'000s	Borrowings as at	
	30 June 2023	30 June 2024
TCV Borrowings	80,406	77,787
Other Borrowings (Non- TCV)	-	-
Service Concession Arrangements/Liabilities	-	-
Operating Lease Borrowings	-	-
Overdraft Borrowings	-	-
<b>Total Borrowings</b>	<b>80,406</b>	<b>77,787</b>
<b>Additional Requirements</b>		
Temporary purpose borrowings to be repaid by 30 June 2024	14,000	14,000
<b>Total Borrowings</b>	<b>94,406</b>	<b>91,787</b>

## Financial Sensitivity Analysis

Quality assurances over the Plan financials include a rigorous internal review process by management, endorsement by the Audit, Risk and Finance Committee and approval by Board. The financial projections in this Plan are consistent with the draft Department of Energy, Environment and Climate Action (DEECA) Planning and Reporting Guidelines 2023-24.

### Water Storage and Delivery

Financial sensitivity analysis in respect of WS&D business was completed for the following:

- 2 - 5 per cent increase/decrease in operational expenditure (excluding any externally funded programs i.e. MDBA)
- 2 - 5 per cent increase/decrease in capital expenditure (excluding any externally funded capital programs)

The analysis identified that any financial impacts were minimal and that forecast results largely remained within targeted levels in terms of maintaining positive EBITDA, Operating Cash Flows and a cash interest cover greater than 1.5 times.

### Water Savings Projects

The water savings projects have a dedicated focus on achieving forecast water savings, through finalising the Connections project and implementing the Water Efficiency Project. Water Savings Projects are funded by the Victorian and Federal Governments. GMW manages the risk of delivering these projects on time and on budget both from a total project perspective and also on a year by year basis.

# Consolidated

## Operating Statement – Consolidated

(\$000's)	2022/23 Forecast	2023/24 Budget	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
<b>Revenue</b>						
Fixed Charges	94,067	98,261	101,312	105,465	109,793	114,305
Variable Charges	5,855	8,735	8,821	9,283	9,697	10,193
Bulk Supplies	12,975	13,332	11,600	12,111	12,678	13,232
Externally Funded	29,728	23,211	26,426	21,206	21,214	22,279
Other Revenue	10,076	7,984	8,439	8,734	8,912	9,223
Water Savings Projects	36,877	31,501	8,012	-	-	-
<b>Total Revenue</b>	<b>189,578</b>	<b>183,024</b>	<b>164,610</b>	<b>156,799</b>	<b>162,294</b>	<b>169,232</b>
<b>Expenditure</b>						
<b>Direct Costs</b>						
Labour (incl Labour Hire & Contract Labour)	49,329	50,394	52,336	53,956	56,216	58,426
Contracts and Services	15,513	16,219	17,999	19,089	18,292	19,115
Plant & Motor Vehicles	6,634	4,814	4,895	5,072	5,248	5,425
Materials (inc. Assets Less Than \$2000)	3,850	4,083	5,270	5,437	6,014	6,113
General Insurance	2,401	2,874	3,038	3,233	3,440	3,658
Electricity	1,813	1,764	1,916	1,986	2,056	2,126
Environmental Contribution	2,578	2,578	2,578	2,578	2,578	2,578
MDBA Contribution to Vic govt	13,400	13,400	13,400	13,400	13,400	13,400
Other	1,587	1,572	1,191	1,180	1,290	1,245
<b>Total Direct Costs</b>	<b>97,105</b>	<b>97,699</b>	<b>102,623</b>	<b>105,931</b>	<b>108,534</b>	<b>112,086</b>
<b>Other Costs</b>						
Government Grants	2,561	2,585	2,580	2,675	2,633	2,727
Recoverable Works	973	503	522	541	561	581
MDBA	13,539	12,808	15,716	14,023	13,918	14,573
Water Savings Projects	41,404	46,855	13,251	-	-	-
<b>Total Other Costs</b>	<b>58,477</b>	<b>62,751</b>	<b>32,069</b>	<b>17,239</b>	<b>17,112</b>	<b>17,881</b>
<b>Total Expenditure</b>	<b>155,582</b>	<b>160,450</b>	<b>134,692</b>	<b>123,170</b>	<b>125,646</b>	<b>129,967</b>
<b>EBITDA (before asset tfr &amp; disposals)</b>	<b>33,996</b>	<b>22,574</b>	<b>29,918</b>	<b>33,629</b>	<b>36,648</b>	<b>39,265</b>
Asset Disposals (Expenditure)	12,090	15,000	4,000	4,000	4,000	4,000
<b>EBITDA</b>	<b>21,906</b>	<b>7,574</b>	<b>25,918</b>	<b>29,629</b>	<b>32,648</b>	<b>35,265</b>
Interest Expense	5,104	4,480	4,231	4,282	4,553	4,539
Statutory Depreciation	83,672	97,494	97,139	97,553	97,992	98,452
<b>Statutory Profit before Tax</b>	<b>(66,870)</b>	<b>(94,400)</b>	<b>(75,452)</b>	<b>(72,206)</b>	<b>(69,897)</b>	<b>(67,726)</b>
Tax (Expense)/Benefit	20,062	28,320	22,636	21,662	20,969	20,318
<b>Statutory Profit after Tax</b>	<b>(46,808)</b>	<b>(66,080)</b>	<b>(52,816)</b>	<b>(50,544)</b>	<b>(48,928)</b>	<b>(47,408)</b>

## Operating Statement – Consolidated Quarterly Split

(\$000's)	2023/24 Quarter 1 Plan	2023/24 Quarter 2 Plan	2023/24 Quarter 3 Plan	2023/24 Quarter 4 Plan	2023/24 Plan
<b>Revenue</b>					
Fixed Charges	24,565	24,565	24,565	24,566	98,261
Variable Charges	1,092	3,276	3,276	1,091	8,735
Bulk Supplies	3,333	3,333	3,333	3,333	13,332
Externally Funded	7,773	5,770	4,625	5,043	23,211
Other Revenue	1,849	2,067	2,073	1,995	7,984
Water Savings Projects	7,966	8,136	7,919	7,480	31,501
<b>Total Revenue</b>	<b>46,578</b>	<b>47,147</b>	<b>45,791</b>	<b>43,508</b>	<b>183,024</b>
<b>Expenditure</b>					
<b>Direct Costs</b>					
Labour (incl Labour Hire & Contract Labour)	13,490	12,769	11,932	12,203	50,394
Contracts and Services	4,696	3,860	3,980	3,683	16,219
G-MW Vehicle Hire (Fleet costs)	1,194	1,203	1,210	1,207	4,814
Materials (inc. Assets Less Than \$2000)	1,020	1,021	1,021	1,021	4,083
General Insurance	718	719	719	718	2,874
Electricity	440	441	441	440	1,764
Environmental Contribution	645	644	644	645	2,578
MDBA Contribution to Vic govt	3,350	3,350	3,350	3,350	13,400
Other	410	359	433	370	1,572
<b>Total Direct Costs</b>	<b>25,963</b>	<b>24,366</b>	<b>23,730</b>	<b>23,638</b>	<b>97,699</b>
<b>Other Costs</b>					
External Costs	672	594	698	621	2,585
Recoverable Works	131	116	136	120	503
MDBA	3,330	2,946	3,458	3,074	12,808
Water Savings Projects	12,182	10,777	12,651	11,245	46,855
<b>Total Other Costs</b>	<b>16,315</b>	<b>14,433</b>	<b>16,943</b>	<b>15,060</b>	<b>62,751</b>
<b>Total Expenditure</b>	<b>42,278</b>	<b>38,799</b>	<b>40,673</b>	<b>38,698</b>	<b>160,450</b>
<b>EBITDA (before asset tfr &amp; disposals)</b>	<b>4,299</b>	<b>8,349</b>	<b>5,118</b>	<b>4,810</b>	<b>22,574</b>
Asset Disposals (Expenditure)	3,900	3,450	4,050	3,600	15,000
<b>EBITDA</b>	<b>399</b>	<b>4,899</b>	<b>1,068</b>	<b>1,210</b>	<b>7,574</b>
Interest Expense	1,165	1,030	1,210	1,075	4,480
Statutory Depreciation	25,348	22,424	26,323	23,399	97,494
<b>Statutory Profit before Tax</b>	<b>(26,114)</b>	<b>(18,555)</b>	<b>(26,465)</b>	<b>(23,264)</b>	<b>(94,400)</b>
Tax (Expense)/Benefit	7,363	6,515	7,646	6,797	28,320
<b>Statutory Profit after Tax</b>	<b>(18,751)</b>	<b>(12,042)</b>	<b>(18,819)</b>	<b>(16,467)</b>	<b>(66,080)</b>

## Balance Sheet – Consolidated

(\$000's)	2022/23 Forecast	2023/24 Budget	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
<b>Current Assets</b>						
Cash	105,000	30,438	1,000	999	1,000	1,000
Accounts Receivable	31,722	31,346	31,826	31,891	32,561	33,265
Inventory	6,935	3,751	3,570	3,402	3,240	3,085
<b>Total Current Assets</b>	<b>143,658</b>	<b>65,535</b>	<b>36,396</b>	<b>36,292</b>	<b>36,800</b>	<b>37,350</b>
<b>Non Current Assets</b>						
Infrastructure	4,432,968	5,155,424	5,092,189	5,128,861	5,068,584	5,004,884
Work in Progress	70,739	23,647	22,586	26,263	24,281	22,579
Property, Plant and Equipment	81,784	78,622	75,656	73,676	70,682	67,674
Intangibles	3,826	1,767	1,647	1,695	885	197
<b>Total Non Current Assets</b>	<b>4,589,317</b>	<b>5,259,461</b>	<b>5,192,078</b>	<b>5,230,495</b>	<b>5,164,432</b>	<b>5,095,334</b>
<b>TOTAL ASSETS</b>	<b>4,732,975</b>	<b>5,324,996</b>	<b>5,228,474</b>	<b>5,266,787</b>	<b>5,201,232</b>	<b>5,132,684</b>
<b>Current Liabilities</b>						
Creditors & Accruals	23,840	19,159	19,477	19,795	20,111	20,427
Borrowings - Current Portion	5,260	6,579	9,176	6,779	9,389	7,005
Other Lease Liabilities	1,676	1,736	1,799	1,864	1,931	2,000
Employee Entitlements	18,261	17,854	17,452	17,088	16,725	16,361
Contract Liabilities	33,677	11,465	1,427	851	868	920
<b>Total Current Liabilities</b>	<b>82,714</b>	<b>56,793</b>	<b>49,331</b>	<b>46,376</b>	<b>49,023</b>	<b>46,712</b>
<b>Non Current Liabilities</b>						
Borrowings - Long Term	75,146	71,209	71,936	84,175	85,636	86,885
Other Lease Liabilities	1,262	1,308	1,355	1,403	1,454	1,506
Employee Entitlements	2,546	2,420	2,309	2,355	2,402	2,450
Deferred Tax Liability	427,097	638,727	613,596	620,254	596,612	572,970
<b>Total Non Current Liabilities</b>	<b>506,052</b>	<b>713,664</b>	<b>689,196</b>	<b>708,186</b>	<b>686,104</b>	<b>663,812</b>
<b>TOTAL LIABILITIES</b>	<b>588,766</b>	<b>770,455</b>	<b>738,527</b>	<b>754,564</b>	<b>735,127</b>	<b>710,525</b>
<b>NET ASSETS</b>	<b>4,144,209</b>	<b>4,554,541</b>	<b>4,489,947</b>	<b>4,512,224</b>	<b>4,466,105</b>	<b>4,422,159</b>
<b>Equity</b>						
Contributed Capital	3,062,614	2,979,139	2,964,726	2,964,726	2,964,726	2,964,726
Asset Revaluation Reserve	1,612,582	2,172,582	2,172,582	2,243,282	2,243,282	2,243,282
Accumulated Surplus/(Deficit)	(530,987)	(597,181)	(647,361)	(695,784)	(741,903)	(785,849)
<b>TOTAL EQUITY</b>	<b>4,144,209</b>	<b>4,554,541</b>	<b>4,489,947</b>	<b>4,512,224</b>	<b>4,466,105</b>	<b>4,422,160</b>

## Balance Sheet – Consolidated Quarterly Split

(\$000's)	2023/24 Quarter 1 Budget	2023/24 Quarter 2 Budget	2023/24 Quarter 3 Budget	2023/24 Quarter 4 Budget
<b>Current Assets</b>				
Cash	102,076	94,831	78,803	30,438
Accounts Receivable	25,119	17,798	21,061	31,346
Inventory	3,751	3,751	3,751	3,751
<b>Total Current Assets</b>	<b>130,946</b>	<b>116,379</b>	<b>103,614</b>	<b>65,535</b>
<b>Non Current Assets</b>				
Infrastructure	5,179,585	5,175,786	5,178,970	5,155,424
Work in Progress	24,497	24,214	23,930	23,647
Property, Plant and Equipment	80,270	79,721	79,171	78,622
Intangibles	1,913	1,864	1,816	1,767
<b>Total Non Current Assets</b>	<b>5,286,265</b>	<b>5,281,585</b>	<b>5,283,888</b>	<b>5,259,461</b>
<b>TOTAL ASSETS</b>	<b>5,417,211</b>	<b>5,397,964</b>	<b>5,387,502</b>	<b>5,324,996</b>
<b>Current Liabilities</b>				
Creditors & Accruals	20,364	29,620	39,111	19,159
Borrowings	10,675	10,251	9,880	6,579
Other Lease Liability	1,782	1,767	1,752	1,736
Unearned Revenue	35,709	35,709	35,709	17,854
Employee Entitlements	11,296	11,352	11,409	11,465
<b>Total Current Liabilities</b>	<b>79,826</b>	<b>88,699</b>	<b>97,860</b>	<b>56,793</b>
<b>Non Current Liabilities</b>				
Borrowings - Long Term	71,209	71,209	71,209	71,209
Other Lease Liability	1,342	1,331	1,319	1,308
Employee Entitlements	2,366	2,384	2,402	2,420
Deferred Tax Liability	655,585	649,966	644,346	638,727
<b>Total Non Current Liabilities</b>	<b>730,502</b>	<b>724,889</b>	<b>719,276</b>	<b>713,664</b>
<b>TOTAL LIABILITIES</b>	<b>810,328</b>	<b>813,588</b>	<b>817,136</b>	<b>770,455</b>
<b>NET ASSETS</b>	<b>4,606,883</b>	<b>4,584,376</b>	<b>4,570,366</b>	<b>4,554,541</b>
<b>Equity</b>				
Contributed Capital	2,979,139	2,979,139	2,979,139	2,979,139
Asset Revaluation Reserve	2,172,582	2,172,582	2,172,582	2,172,582
Accumulated Surplus	(544,838)	(567,345)	(581,355)	(597,181)
<b>TOTAL EQUITY</b>	<b>4,606,883</b>	<b>4,584,376</b>	<b>4,570,366</b>	<b>4,554,541</b>

## Statement of Cash Flow – Consolidated

(\$000's)	2022/23 Forecast	2023/24 Budget	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
<b>Cash Flow from Operations</b>						
<b>Cash Receipts</b>						
Fixed and Variable Charges	104,609	120,616	121,383	126,527	131,838	137,409
Govt Contributions/Grants	52,496	18,312	8,244	4,914	5,015	5,312
GST received from the ATO	8,026	8,451	8,978	9,389	9,158	9,150
Other Income	36,699	24,622	29,142	26,995	27,069	28,237
<b>Cash Flow from Operations</b>	<b>201,830</b>	<b>172,001</b>	<b>167,747</b>	<b>167,825</b>	<b>173,079</b>	<b>180,109</b>
<b>Cash Payments</b>						
Payments to Suppliers & Employees	(166,136)	(168,703)	(141,028)	(129,531)	(131,642)	(135,811)
Interest and Other Costs of Finance Paid	(5,416)	(4,815)	(4,622)	(4,592)	(4,998)	(5,128)
Environmental Contributions	(2,578)	(2,578)	(2,578)	(2,578)	(2,578)	(2,578)
GST paid to the ATO	(2,454)	(2,162)	(2,588)	(2,426)	(2,432)	(2,537)
<b>Total Cash Payments for Operations</b>	<b>(176,584)</b>	<b>(178,258)</b>	<b>(150,816)</b>	<b>(139,127)</b>	<b>(141,650)</b>	<b>(146,054)</b>
<b>Net Cash Inflow/(Outflow) Operations</b>	<b>25,246</b>	<b>(6,257)</b>	<b>16,931</b>	<b>28,698</b>	<b>31,429</b>	<b>34,055</b>
<b>Cash Flow to Investing Activities</b>						
Payments for Infrastructure Assets	(64,916)	(62,501)	(33,469)	(38,687)	(35,652)	(33,078)
Proceeds from Sale of Assets	132	137	142	147	152	158
<b>Net Cash Inflow/(Outflow) Investment</b>	<b>(64,784)</b>	<b>(62,364)</b>	<b>(33,327)</b>	<b>(38,540)</b>	<b>(35,499)</b>	<b>(32,921)</b>
<b>Cash flows from Financing Activities</b>						
Repayment of Borrowings	(10,097)	(5,260)	(6,579)	(9,176)	(6,779)	(9,389)
Proceeds from Borrowings	-	2,641	9,904	19,018	10,849	8,254
Capital Contributions from Vic Government	30,901	(3,320)	(16,370)	-	-	-
<b>Net Cash Inflow/(Outflow) Financing</b>	<b>20,804</b>	<b>(5,939)</b>	<b>(13,045)</b>	<b>9,842</b>	<b>4,070</b>	<b>(1,134)</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>(18,734)</b>	<b>(74,560)</b>	<b>(29,441)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash at Beginning of Period</b>	<b>123,734</b>	<b>105,001</b>	<b>30,441</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Cash at End of Period</b>	<b>105,001</b>	<b>30,441</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>

## Statement of Cash Flow – Consolidated Quarterly Split

(\$000's)	2023/24 Quarter 1 Budget	2023/24 Quarter 2 Budget	2023/24 Quarter 3 Budget	2023/24 Quarter 4 Budget	2023/24 Total Budget
<b>Cash flows from Operations</b>					
<b>Cash Receipts</b>					
Fixed and Variable Charges	44,628	33,351	21,689	20,947	120,616
Govt Contributions/Grants	4,123	3,996	6,067	4,126	18,312
GST received from the ATO	2,113	2,113	2,113	2,113	8,451
Other Income	6,728	5,368	5,560	6,966	24,622
<b>Cash flows from Operations</b>	<b>57,592</b>	<b>44,828</b>	<b>35,429</b>	<b>34,152</b>	<b>172,001</b>
<b>Cash Payments</b>					
Payments to Suppliers & Employees	(44,315)	(32,114)	(32,845)	(59,430)	(168,703)
Interest and Other Costs of Finance Paid	(258)	(2,210)	(230)	(2,118)	(4,815)
Environmental Contributions	-	(851)	(851)	(876)	(2,578)
GST paid to the ATO	(540)	(540)	(540)	(540)	(2,162)
<b>Total Cash Payments for Operations</b>	<b>(45,113)</b>	<b>(35,715)</b>	<b>(34,466)</b>	<b>(62,964)</b>	<b>(178,258)</b>
<b>Net Cash Inflow/(Outflow) Operations</b>	<b>12,479</b>	<b>9,114</b>	<b>963</b>	<b>(28,812)</b>	<b>(6,257)</b>
<b>Cash flows to Investing Activities</b>					
Payments for Infrastructure Assets	(14,147)	(12,331)	(15,217)	(20,806)	(62,501)
Proceeds from Sale of Assets	34.24	34.24	34.24	34	137
<b>Net Cash Inflow/(Outflow) Investment</b>	<b>(14,113)</b>	<b>(12,297)</b>	<b>(15,182)</b>	<b>(20,772)</b>	<b>(62,364)</b>
<b>Cash flows from Financing Activities</b>					
Repayment of Borrowings	(626)	(3,233)	(646)	(755)	(5,260)
Proceeds from Borrowings	-	-	-	2,641	2,641
Capital Contributions from Victorian	-664	-830	-1,162	-664	-3,320
<b>Net Cash Inflow/(Outflow) Financing</b>	<b>-1,290</b>	<b>-4,063</b>	<b>-1,808</b>	<b>1,222</b>	<b>-5,939</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>(2,924)</b>	<b>(7,246)</b>	<b>(16,028)</b>	<b>(48,362)</b>	<b>(74,560)</b>
<b>Cash At Beginning of Period</b>	105,001	102,076	94,831	78,803	105,001
<b>Cash at End of Period</b>	102,076	94,831	78,803	30,441	30,441

## Financial Performance Indicators – Consolidated

Financial Performance Ratios - Consolidated	2022/23 Forecast	2023/24 Budget	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
<b>Short-Term Financial Sustainability Indicators</b>						
Cash Interest Cover (MRD01)	6.0x	(0.4x)	4.7x	7.3x	7.3x	7.7x
Internal Financing Ratio	39%	-10%	51%	74%	88%	103%
Current Ratio	3.7x	1.9x	1.0x	1.0x	1.0x	1.0x
EBITDA Margin	17.9%	12.3%	18.2%	21.4%	22.6%	23.2%
<b>Long-Term Financial Sustainability Indicators</b>						
Gearing Ratio (debt to assets)	1.7%	1.5%	1.6%	1.8%	1.9%	1.9%
Return of Assets (statutory)	-1.3%	-1.8%	-1.4%	-1.3%	-1.2%	-1.2%
Return of Equity	-1.2%	-1.5%	-1.2%	-1.1%	-1.1%	-1.1%

# Water Storage and Delivery

## Operating Statement – Water Storage and Delivery

(\$000's)	2022/23 Forecast	2023/24 Budget	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
<b>Revenue</b>						
Fixed Charges	94,067	98,261	101,312	105,465	109,793	114,305
Variable Charges	5,855	8,735	8,821	9,283	9,697	10,193
Bulk Supplies	12,975	13,332	11,600	12,111	12,678	13,232
Externally Funded	30,734	23,764	26,426	21,206	21,214	22,279
Other Revenue	10,076	7,984	8,439	8,734	8,912	9,223
<b>Total Revenue</b>	<b>153,707</b>	<b>152,076</b>	<b>156,598</b>	<b>156,799</b>	<b>162,294</b>	<b>169,232</b>
<b>Expenditure</b>						
<b>Direct Costs</b>						
Labour (incl Labour Hire & Contract Labour)	49,329	50,394	52,336	53,956	56,216	58,426
Contracts and Services	15,513	16,219	17,999	19,089	18,292	19,115
Plant & Motor Vehicles	6,634	4,864	4,895	5,072	5,248	5,425
Materials (inc. Assets Less Than \$2000)	3,850	4,083	5,270	5,437	6,014	6,113
Insurance and Workcover	2,401	2,874	3,038	3,233	3,440	3,658
Electricity	1,813	1,714	1,916	1,986	2,056	2,126
Environmental Contribution	2,578	2,578	2,578	2,578	2,578	2,578
MDBA Contribution to Vic govt	13,400	13,400	13,400	13,400	13,400	13,400
Other	1,587	1,572	1,191	1,180	1,290	1,245
<b>Total Direct Costs</b>	<b>97,105</b>	<b>97,699</b>	<b>102,623</b>	<b>105,931</b>	<b>108,534</b>	<b>112,086</b>
<b>Other (External) Costs</b>						
Government Grants	2,561	2,585	2,580	2,675	2,633	2,727
Recoverable Works	973	503	522	541	561	581
MDBA	13,539	12,808	15,716	14,023	13,918	14,573
Water Savings Projects	1,006	550	-	-	-	-
<b>Total Other Costs</b>	<b>18,079</b>	<b>16,446</b>	<b>18,818</b>	<b>17,239</b>	<b>17,112</b>	<b>17,881</b>
<b>Total Expenditure</b>	<b>115,184</b>	<b>114,145</b>	<b>121,441</b>	<b>123,170</b>	<b>125,646</b>	<b>129,967</b>
<b>EBITDA (before asset tfr &amp; disposals)</b>	<b>38,523</b>	<b>37,931</b>	<b>35,157</b>	<b>33,629</b>	<b>36,648</b>	<b>39,265</b>
Asset Disposals (Expenditure)	12,090	15,000	4,000	4,000	4,000	4,000
<b>EBITDA</b>	<b>26,433</b>	<b>22,931</b>	<b>31,157</b>	<b>29,629</b>	<b>32,648</b>	<b>35,265</b>
Interest Expense	5,539	4,815	4,504	4,282	4,553	4,539
Statutory Depreciation	82,135	96,755	97,139	97,553	97,992	98,452
<b>Statutory Profit before Tax</b>	<b>(61,241)</b>	<b>(78,639)</b>	<b>(70,486)</b>	<b>(72,206)</b>	<b>(69,897)</b>	<b>(67,726)</b>
Tax (Expense)/Benefit	18,373	23,592	21,146	21,662	20,969	20,318
<b>Statutory Profit after Tax</b>	<b>(42,868)</b>	<b>(55,048)</b>	<b>(49,340)</b>	<b>(50,544)</b>	<b>(48,928)</b>	<b>(47,408)</b>

## Operating Statement – Water Storage and Delivery Quarterly Split

(\$000's)	2023/24 Quarter 1 Plan	2023/24 Quarter 2 Plan	2023/24 Quarter 3 Plan	2023/24 Quarter 4 Plan	2023/24 Plan
<b>Revenue</b>					
Fixed Charges	24,565	24,565	24,565	24,566	98,261
Variable Charges	1,092	3,276	3,276	1,091	8,735
Bulk Supplies	3,333	3,333	3,333	3,333	13,332
Externally Funded	7,958	5,907	4,735	5,164	23,764
Other Revenue	1,849	2,067	2,073	1,995	7,984
<b>Total Revenue</b>	<b>38,797</b>	<b>39,148</b>	<b>37,982</b>	<b>36,149</b>	<b>152,076</b>
<b>Expenditure</b>					
<b>Direct Costs</b>					
Labour (incl Labour Hire & Contract Labour)	13,490	12,769	11,932	12,203	50,394
Contracts and Services	4,696	3,860	3,980	3,683	16,219
G-MW Vehicle Hire (Fleet costs)	1,194	1,203	1,210	1,207	4,814
Materials (inc. Assets Less Than \$2000)	1,020	1,021	1,021	1,021	4,083
General Insurance	718	719	719	718	2,874
Electricity	440	441	441	440	1,764
Environmental Contribution	645	644	644	645	2,578
MDBA Contribution to Vic govt	3,350	3,350	3,350	3,350	13,400
Other	410	359	433	370	1,572
<b>Total Direct Costs</b>	<b>25,963</b>	<b>24,366</b>	<b>23,730</b>	<b>23,638</b>	<b>97,699</b>
<b>Other Costs</b>					
External Costs	672	594	698	621	2,585
Recoverable Works	131	116	136	120	503
MDBA	3,330	2,946	3,458	3,074	12,808
Water Savings Projects	143	126	148	133	550
<b>Total Other Costs</b>	<b>4,276</b>	<b>3,782</b>	<b>4,440</b>	<b>3,948</b>	<b>16,446</b>
<b>Total Expenditure</b>	<b>30,240</b>	<b>28,148</b>	<b>28,170</b>	<b>27,586</b>	<b>114,145</b>
<b>EBITDA (before asset tfr &amp; disposals)</b>	<b>8,557</b>	<b>11,000</b>	<b>9,812</b>	<b>8,563</b>	<b>37,931</b>
Asset Disposals (Expenditure)	3,900	3,450	4,050	3,600	15,000
<b>EBITDA</b>	<b>4,657</b>	<b>7,550</b>	<b>5,762</b>	<b>4,963</b>	<b>22,931</b>
Interest Expense	1,252	1,108	1,300	1,155	4,815
Statutory Depreciation	25,156	22,254	26,124	23,221	96,755
<b>Statutory Profit before Tax</b>	<b>(21,751)</b>	<b>(15,812)</b>	<b>(21,662)</b>	<b>(19,413)</b>	<b>(78,639)</b>
Tax (Expense)/Benefit	6,134	5,426	6,370	5,662	23,592
<b>Statutory Profit after Tax</b>	<b>(15,617)</b>	<b>(10,386)</b>	<b>(15,293)</b>	<b>(13,751)</b>	<b>(55,047)</b>

## Balance Sheet – Water Storage and Delivery

(\$000's)	2022/23 Forecast	2023/24 Budget	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
<b>Current Assets</b>						
Cash	5,716	1,000	1,000	1,000	1,000	1,000
Accounts Receivable	31,722	31,346	31,826	31,891	32,561	33,265
Inventory	3,935	3,748	3,570	3,401	3,240	3,085
<b>Total Current Assets</b>	<b>41,373</b>	<b>36,095</b>	<b>36,396</b>	<b>36,292</b>	<b>36,801</b>	<b>37,350</b>
<b>Non Current Assets</b>						
Infrastructure	4,432,968	5,155,424	5,092,189	5,128,861	5,068,584	5,004,884
Work in Progress	18,039	23,647	22,586	26,263	24,281	22,579
Property, Plant and Equipment	81,784	78,622	75,656	73,676	70,682	67,674
Intangibles	3,086	1,767	1,647	1,695	885	197
<b>Total Non Current Assets</b>	<b>4,535,877</b>	<b>5,259,460</b>	<b>5,192,078</b>	<b>5,230,495</b>	<b>5,164,432</b>	<b>5,095,334</b>
<b>TOTAL ASSETS</b>	<b>4,577,250</b>	<b>5,295,555</b>	<b>5,228,474</b>	<b>5,266,787</b>	<b>5,201,233</b>	<b>5,132,684</b>
<b>Current Liabilities</b>						
Creditors & Accruals	18,840	19,159	19,477	19,795	20,111	20,427
Borrowings - Current Portion	5,260	6,579	9,176	6,779	9,389	7,005
Other Lease Liabilities	1,676	1,736	1,799	1,864	1,931	2,000
Employee Entitlements	18,179	17,815	17,452	17,088	16,725	16,361
Contract Liabilities	1,973	1,597	1,427	851	868	920
<b>Total Current Liabilities</b>	<b>45,928</b>	<b>46,886</b>	<b>49,331</b>	<b>46,377</b>	<b>49,024</b>	<b>46,713</b>
<b>Non Current Liabilities</b>						
Borrowings - Long Term	75,146	71,209	71,936	84,175	85,636	86,885
Other Lease Liabilities	1,262	1,308	1,355	1,403	1,454	1,506
Employee Entitlements	2,219	2,264	2,309	2,355	2,402	2,450
Deferred Tax Liability	442,512	658,869	635,227	641,886	618,244	594,602
<b>Total Non Current Liabilities</b>	<b>521,139</b>	<b>733,649</b>	<b>710,827</b>	<b>729,818</b>	<b>707,736</b>	<b>685,443</b>
<b>TOTAL LIABILITIES</b>	<b>567,067</b>	<b>780,534</b>	<b>760,158</b>	<b>776,196</b>	<b>756,760</b>	<b>732,157</b>
<b>NET ASSETS</b>	<b>4,010,183</b>	<b>4,515,021</b>	<b>4,468,316</b>	<b>4,490,592</b>	<b>4,444,473</b>	<b>4,400,527</b>
<b>Equity</b>						
Contributed Capital	2,893,129	2,893,129	2,893,129	2,893,129	2,893,129	2,893,129
Asset Revaluation Reserve	1,612,582	2,172,582	2,172,582	2,243,282	2,243,282	2,243,282
Accumulated Surplus/Deficit	(495,528)	(550,691)	(597,395)	(645,819)	(691,938)	(735,884)
<b>TOTAL EQUITY</b>	<b>4,010,183</b>	<b>4,515,020</b>	<b>4,468,316</b>	<b>4,490,592</b>	<b>4,444,473</b>	<b>4,400,527</b>

## Balance Sheet – Water Storage and Delivery Quarterly Split

(\$000's)	2023/24 Quarter 1 Budget	2023/24 Quarter 2 Budget	2023/24 Quarter 3 Budget	2023/24 Quarter 4 Budget
<b>Current Assets</b>				
Cash	16,760	26,976	35,393	1,000
Accounts Receivable	25,119	17,798	21,061	31,346
Inventory	3,748	3,748	3,748	3,748
<b>Total Current Assets</b>	<b>45,626</b>	<b>48,521</b>	<b>60,201</b>	<b>36,094</b>
<b>Non Current Assets</b>				
Infrastructure	5,219,648	5,198,240	5,176,832	5,155,424
Work in Progress	24,497	24,214	23,930	23,647
Property, Plant and Equipment	80,270	79,721	79,171	78,622
Intangibles	1,913	1,864	1,816	1,767
<b>Total Non Current Assets</b>	<b>5,326,328</b>	<b>5,304,039</b>	<b>5,281,750</b>	<b>5,259,461</b>
<b>TOTAL ASSETS</b>	<b>5,371,954</b>	<b>5,352,560</b>	<b>5,341,951</b>	<b>5,295,555</b>
<b>Current Liabilities</b>				
Creditors & Accruals	20,364	29,620	39,111	19,159
Borrowings	10,675	10,251	9,880	6,579
Other Lease Liability	1,782	1,767	1,752	1,736
Unearned Revenue	3,194	3,194	3,194	1,597
Employee Entitlements	17,553	17,640	17,728	17,815
<b>Total Current Liabilities</b>	<b>53,568</b>	<b>62,472</b>	<b>71,664</b>	<b>46,887</b>
<b>Non Current Liabilities</b>				
Borrowings - Long Term	71,209	71,209	71,209	71,209
Other Lease Liability	1,342	1,331	1,319	1,308
Employee Entitlements	2,213	2,230	2,247	2,264
Deferred Tax Liability	676,259	670,462	664,666	658,869
<b>Total Non Current Liabilities</b>	<b>751,023</b>	<b>745,232</b>	<b>739,440</b>	<b>733,649</b>
<b>TOTAL LIABILITIES</b>	<b>804,591</b>	<b>807,704</b>	<b>811,105</b>	<b>780,535</b>
<b>NET ASSETS</b>	<b>4,567,363</b>	<b>4,544,856</b>	<b>4,530,846</b>	<b>4,515,020</b>
<b>Equity</b>				
Contributed Capital	2,893,129	2,893,129	2,893,129	2,893,129
Asset Revaluation Reserve	2,172,582	2,172,582	2,172,582	2,172,582
Accumulated Surplus	(498,348)	(520,855)	(534,865)	(550,691)
<b>TOTAL EQUITY</b>	<b>4,567,363</b>	<b>4,544,856</b>	<b>4,530,846</b>	<b>4,515,020</b>

## Statement of Cash Flow – Water Storage and Delivery

	2022/23 Forecast	2023/24 Budget	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
<b>Cash flows from Operations</b>						
<b>Cash Receipts</b>						
Fixed and Variable Charges	104,609	120,616	121,383	126,527	131,838	137,409
Govt Contributions/Grants	11,397	9,225	8,244	4,914	5,015	5,312
GST received from the ATO	8,026	8,451	8,978	9,389	9,158	9,150
Other Income	36,328	24,260	28,768	26,995	27,069	28,237
<b>Cash flows from Operations</b>	<b>160,360</b>	<b>162,552</b>	<b>167,373</b>	<b>167,825</b>	<b>173,079</b>	<b>180,109</b>
<b>Cash Payments</b>						
Payments to Suppliers & Employees	(126,099)	(120,185)	(127,583)	(129,529)	(131,643)	(135,811)
Interest and Other Costs of Finance Paid	(5,416)	(4,815)	(4,622)	(4,592)	(4,998)	(5,128)
Environmental Contributions	(2,578)	(2,578)	(2,578)	(2,578)	(2,578)	(2,578)
GST paid to the ATO	(2,454)	(2,162)	(2,588)	(2,426)	(2,432)	(2,537)
<b>Total Cash Payments for Operations</b>	<b>(136,545)</b>	<b>(129,740)</b>	<b>(137,371)</b>	<b>(139,126)</b>	<b>(141,649)</b>	<b>(146,054)</b>
<b>Net Cash Inflow/(Outflow) Operations</b>	<b>23,815</b>	<b>32,812</b>	<b>30,002</b>	<b>28,699</b>	<b>31,429</b>	<b>34,055</b>
<b>Cash flows to Investing Activities</b>						
Payments for Infrastructure Assets	(26,989)	(35,046)	(33,469)	(38,687)	(35,652)	(33,078)
Proceeds from Sale of Assets	132	137	142	147	152	158
<b>Net Cash Inflow/(Outflow) Investment</b>	<b>(26,857)</b>	<b>(34,909)</b>	<b>(33,327)</b>	<b>(38,540)</b>	<b>(35,499)</b>	<b>(32,921)</b>
<b>Cash flows from Financing Activities</b>						
Repayment of Borrowings	(10,097)	(5,260)	(6,579)	(9,176)	(6,779)	(9,389)
Proceeds from Borrowings	-	2,641	9,904	19,018	10,849	8,254
Capital Contributions from Victorian	-	-	-	-	-	-
<b>Net Cash Inflow/(Outflow) Financing</b>	<b>(10,097)</b>	<b>(2,619)</b>	<b>3,325</b>	<b>9,842</b>	<b>4,070</b>	<b>(1,134)</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>(13,139)</b>	<b>(4,716)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash at Beginning of Period</b>	<b>18,854</b>	<b>5,716</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Cash at End of Period</b>	<b>5,716</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>

## Statement of Cash Flow – Water Storage and Delivery Quarterly Split

(\$000's)	2023/24 Quarter 1 Budget	2023/24 Quarter 2 Budget	2023/24 Quarter 3 Budget	2023/24 Quarter 4 Budget	2023/24 Total Budget
<b>Cash flows from Operations</b>					
<b>Cash Receipts</b>					
Fixed and Variable Charges	44,628	33,351	21,689	20,947	120,616
Govt Contributions/Grants	2,306	1,724	2,887	2,308	9,225
GST received from the ATO	2,113	2,113	2,113	2,113	8,451
Other Income	6,684	5,277	5,378	6,921	24,260
<b>Cash flows from Operations</b>	<b>55,730</b>	<b>42,466</b>	<b>32,067</b>	<b>32,289</b>	<b>162,552</b>
<b>Cash Payments</b>					
Payments to Suppliers & Employees	(34,639)	(19,984)	(15,809)	(49,754)	(120,185)
Interest and Other Costs of Finance Paid	(258)	(2,210)	(230)	(2,118)	(4,815)
Environmental Contributions	-	(851)	(851)	(876)	(2,578)
GST paid to the ATO	(540)	(540)	(540)	(540)	(2,162)
<b>Total Cash Payments for Operations</b>	<b>(35,437)</b>	<b>(23,585)</b>	<b>(17,430)</b>	<b>(53,288)</b>	<b>(129,740)</b>
<b>Net Cash Inflow/(Outflow) Operations</b>	<b>20,293</b>	<b>18,881</b>	<b>14,637</b>	<b>(20,998)</b>	<b>32,812</b>
<b>Cash flows to Investing Activities</b>					
Payments for Infrastructure Assets	(8,656)	(5,467)	(5,607)	(15,315)	(35,046)
Proceeds from Sale of Assets	34	34	34	34	137
<b>Net Cash Inflow/(Outflow) Investment</b>	<b>(8,622)</b>	<b>(5,433)</b>	<b>(5,573)</b>	<b>(15,281)</b>	<b>(34,909)</b>
<b>Cash flows from Financing Activities</b>					
Repayment of Borrowings	(626)	(3,233)	(646)	(755)	(5,260)
Proceeds from Borrowings	-	-	-	2,641	2,641
Capital Contributions from Victorian	-	-	-	-	-
<b>Net Cash Inflow/(Outflow) Financing</b>	<b>(626)</b>	<b>(3,233)</b>	<b>(646)</b>	<b>1,886</b>	<b>(2,619)</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>11,044</b>	<b>10,215</b>	<b>8,417</b>	<b>(34,393)</b>	<b>(4,716)</b>
<b>Cash At Beginning of Period</b>	<b>5,716</b>	<b>16,760</b>	<b>26,976</b>	<b>35,393</b>	<b>5,716</b>
<b>Cash at End of Period</b>	<b>16,760</b>	<b>26,976</b>	<b>35,393</b>	<b>1,000</b>	<b>1,000</b>

## Financial Performance Indicators – Water Storage and Delivery

Financial Performance Ratios - WSD	2022/23 Forecast	2023/24 Budget	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
Short-Term Financial Sustainability Indicators						
Cash Interest Cover (MRD01)	5.8x	8.2x	7.5x	7.3x	7.3x	7.7x
Internal Financing Ratio	88%	94%	90%	74%	88%	103%
Current Ratio	1.2x	1.0x	1.0x	1.0x	1.0x	1.0x
EBITDA Margin	25.1%	24.9%	22.5%	21.4%	22.6%	23.2%
Long-Term Financial Sustainability Indicators						
Gearing Ratio (debt to assets)	1.8%	1.5%	1.6%	1.8%	1.9%	1.9%
Return of Assets (statutory)	-1.2%	-1.5%	-1.3%	-1.3%	-1.2%	-1.2%
Return of Equity	-1.1%	-1.3%	-1.1%	-1.1%	-1.1%	-1.1%

## Water Savings Projects

### Operating Statement – Water Savings Projects

(\$'000's)	2022/23 Forecast	2023/24 Budget	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
<b>Revenue</b>						
Government Grants	36,877	31,501	8,012	-	-	-
Other Revenue	-	-	-	-	-	-
<b>Total Revenue</b>	<b>36,877</b>	<b>31,501</b>	<b>8,012</b>	-	-	-
<b>Expenditure</b>						
Operations	12,481	6,883	-	-	-	-
Stage 1 - Project Costs	1,668	4,415	1,926	-	-	-
Stage 2 - Project Costs	2,214	9,750	3,313	-	-	-
Water Efficiency Project Costs	25,041	25,807	8,012	-	-	-
<b>Total Expenses</b>	<b>41,404</b>	<b>46,855</b>	<b>13,251</b>	-	-	-
<b>EBITDA</b>	<b>(4,527)</b>	<b>(15,354)</b>	<b>(5,239)</b>	-	-	-
Statutory Depreciation	1,537	739	-	-	-	-
Interest	(435)	(335)	(273)	-	-	-
<b>Statutory Profit (Loss) Before Tax</b>	<b>(5,629)</b>	<b>(15,758)</b>	<b>(4,966)</b>	-	-	-
Tax (Expense)/Benefit	1,689	4,727	1,490	-	-	-
<b>Statutory Profit (Loss) After Tax</b>	<b>(3,940)</b>	<b>(11,031)</b>	<b>(3,476)</b>	-	-	-

## Balance Sheet – Water Savings Projects

(\$000's)	2022/23 Forecast	2023/24 Budget	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
<b>Current Assets</b>						
Cash	99,285	29,441	-	-	-	-
Inventory	3,000	-	-	-	-	-
<b>Total Current Assets</b>	<b>102,285</b>	<b>29,441</b>	-	-	-	-
<b>Non Current Assets</b>						
Work in Progress	52,700	-	-	-	-	-
Intangibles	740	-	-	-	-	-
<b>Total Non Current Assets</b>	<b>53,440</b>	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>155,725</b>	<b>29,441</b>	-	-	-	-
<b>Current Liabilities</b>						
Creditors & Accruals	5,000	-	-	-	-	-
Employee Entitlements	82	39	-	-	-	-
Contract Liabilities	31,704	9,868	-	-	-	-
<b>Total Current Liabilities</b>	<b>36,786</b>	<b>9,907</b>	-	-	-	-
<b>Non Current Liabilities</b>						
Employee Entitlements	327	156	-	-	-	-
Deferred Tax Liability	(15,414)	(20,142)	(21,632)	(21,632)	(21,632)	(21,632)
<b>Total Non Current Liabilities</b>	<b>(15,087)</b>	<b>(19,986)</b>	<b>(21,632)</b>	<b>(21,632)</b>	<b>(21,632)</b>	<b>(21,632)</b>
<b>TOTAL LIABILITIES</b>	<b>21,699</b>	<b>(10,079)</b>	<b>(21,632)</b>	<b>(21,632)</b>	<b>(21,632)</b>	<b>(21,632)</b>
<b>NET ASSETS</b>	<b>134,026</b>	<b>39,520</b>	<b>21,632</b>	<b>21,632</b>	<b>21,632</b>	<b>21,632</b>
<b>Equity</b>						
Contributed Capital	169,485	86,010	71,597	71,597	71,597	71,597
Accumulated Surplus/Deficit	(35,459)	(46,490)	(49,965)	(49,965)	(49,965)	(49,965)
<b>TOTAL EQUITY</b>	<b>134,026</b>	<b>39,520</b>	<b>21,632</b>	<b>21,632</b>	<b>21,632</b>	<b>21,632</b>

## Statement of Cash Flow – Water Savings Projects

(\$000's)	2022/23 Forecast	2023/24 Budget	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
<b>Cash flows from Operations</b>						
<b>Cash Receipts</b>						
Govt Contributions/Grants	41,099	9,087	-	-	-	-
Other Income	1,376	914	374	-	-	-
<b>Cash flows from Operations</b>	<b>42,475</b>	<b>10,001</b>	<b>374</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash Payments</b>						
Payments to Suppliers & Employees	(41,044)	(49,070)	(13,445)	-	-	-
<b>Total Cash Payments for Operations</b>	<b>(41,044)</b>	<b>(49,070)</b>	<b>(13,445)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cash Inflow/(Outflow) Operations</b>	<b>1,431</b>	<b>(39,069)</b>	<b>(13,071)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flows to Investing Activities</b>						
Payments for Infrastructure Assets	(37,927)	(27,455)	-	-	-	-
<b>Net Cash Inflow/(Outflow) Investment</b>	<b>(37,927)</b>	<b>(27,455)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flows from Financing Activities</b>						
Capital Contributions from Government	30,901	(3,320)	(16,370)	-	-	-
<b>Net Cash Inflow/(Outflow) Financing</b>	<b>30,901</b>	<b>(3,320)</b>	<b>(16,370)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>(5,595)</b>	<b>(69,844)</b>	<b>(29,441)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash At Beginning of Period</b>	<b>104,880</b>	<b>99,285</b>	<b>29,441</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash at End of Period</b>	<b>99,285</b>	<b>29,441</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# GMW Annual Fees and Charges 2023/24

Price list is subject to final approval by ESC and resolution by GMW Board. For a current approved price list please visit

<https://www.g-mwater.com.au/customer-services/pricing/price-list>

## Customer

Fee / Charge	Unit	\$
Customer	\$ / Customer	130.00
Water Register	\$ / Entitlement	14.89

### Legend

HA	Hectares	km	Kilometres
kL	Kilolitres	ML	Megalitres

## Water Delivery

		IRRIGATION DISTRICT			
		Goulburn Murray		Nyah	Tresco
Fee / Charge	Unit	Shepparton, Central Goulburn, Rochester, Loddon Valley, Murray Valley, Torrumbarry	Woorinen		
Service Point - D&S	\$ / Each	145.00	145.00	145.00	145.00
Service Point - Local Read	\$ / Each	455.00	455.00	455.00	455.00
Service Point - Remote Read	\$ / Each	455.00	NA	NA	NA
Service Point - Remote Operate	\$ / Each	1,070.00	1,070.00	NA	NA
Infrastructure Access	\$ / ML/day	2,690.00	4,562.00	4,146.00	4,966.00
Infrastructure Use	\$ / ML	5.44	24.71	33.35	19.44
Casual Infrastructure Use	\$ / ML	45.79	93.14	95.54	93.93
Distribution Access	\$ / ML/day	2,690.00	NA	NA	NA
Distribution Use	\$ / ML	5.44	NA	NA	NA
Delivery Share Reservation	\$ / ML/day	2,690.00	4,562.00	4,146.00	4,966.00
Termination*	\$ / ML/day	26,900.00	45,620.00	41,460.00	49,660.00

## Surface Drainage

		GOULBURN MURRAY IRRIGATION DISTRICT						
Fee / Charge	Unit	Shepparton	Central Goulburn	Rochester-Campaspe	Loddon Valley	Murray Valley	Torrumbarry	Tyntynder
Area	\$ / HA	15.84	11.02	9.99	8.52	12.72	4.71	17.43
Water Use	\$ / ML	3.14	2.43	2.13	4.31	2.63	1.59	6.01
Drainage Diversion Site	\$ / Each	220.00	220.00	220.00	55.00	220.00	55.00	55.00
Drainage Diversion Site (High Flow)	\$ / Each	85.00	85.00	85.00	85.00	85.00	85.00	85.00
Drainage Diversion Agreement	\$ / ML	2.25	2.25	2.25	NA	2.25	NA	NA
Community Surface Drainage	\$ / km	720.00	720.00	720.00	720.00	720.00	720.00	NA

## Subsurface Drainage

		IRRIGATION DISTRICT					
		Goulburn Murray				Nyah	Tresco
Fee / Charge	Unit	Central Goulburn	Rochester	Murray Valley	Woorinen		
Local Benefit Area	\$ / HA	4.44	17.70	4.51	NA	NA	NA
Local Benefit Water Use	\$ / ML	1.24	1.00	NA	NA	NA	NA
Municipal Local Benefit Area	\$ / HA	17.76	70.79	18.06	NA	NA	NA
Area	\$ / HA	NA	NA	NA	3.41	NA	NA
Water Use	\$ / ML	NA	NA	NA	1.36	7.24	NA
Subsurface Drainage	\$ / ML	NA	NA	NA	NA	NA	2.95

## Diversion

Fee / Charge	Unit	Regulated Waterways	Unregulated Waterways	Groundwater	Shepparton Irrigation Region Groundwater
Service Point - Unmetered	\$ / Each	145.00	145.00	145.00	NA
Service Point - Metered (excluding D&S)	\$ / Each	455.00	455.00	455.00	NA
Access	\$ / Each	218.00	83.00	146.00	65.00
Resource Management	\$ / ML	NA	3.23	4.42	0.77

## Water Supply

		WATER SUPPLY DISTRICT					
Fee / Charge	Unit	East Loddon	Mitiamo	Normanville	Tungamah	East Loddon (North)	West Loddon
Service Point - D&S	\$ / Each	145.00	145.00	145.00	145.00	NA	NA
Water Allowance Storage	\$ / ML	10.59	10.59	10.59	10.59	10.59	10.59
Infrastructure Access	\$ / kL/day	45.64	182.59	162.52	116.00	NA	NA
Infrastructure Access	\$ / HA	NA	NA	NA	NA	2.62	2.75
Infrastructure Use	\$ / ML	99.52	29.02	159.60	77.52	NA	NA
Distribution Access	\$ / ML/day	NA	182.59	NA	NA	2,690.00	NA
Distribution Use	\$ / ML	NA	29.02	NA	NA	5.44	NA
Excess	\$ / ML	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00

Loch Garry Flood Protection District	Unit	\$
Flood Protection	\$ / HA	1.97

## Entitlement Storage

		BASIN						
Fee / Charge	Unit	Broken	Goulburn	Campaspe	Loddon	Bullarook	Murray	Ovens
WATER SHARE								
High Reliability Water Share Entitlement Storage	\$ / ML	10.59	10.59	10.59	10.59	10.59	11.75	11.75
Low Reliability Water Share Entitlement Storage	\$ / ML	4.84	4.84	4.84	4.84	4.84	4.31	NA
Spill Reliability Water Share Entitlement Storage	\$ / ML	NA	NA	NA	NA	NA	NA	4.31
Above Entitlement Storage	\$ / ML	NA	4.37	18.21	NA	NA	4.61	NA

## Bulk Water

		BASIN						
Fee / Charge	Unit	Broken	Goulburn	Campaspe	Loddon	Bullarook	Murray	Ovens
Very High Reliability Entitlement	\$ / ML	NA	8.67	NA	NA	NA	NA	NA
High Reliability Entitlement	\$ / ML	66.72	8.28	28.92	49.10	513.85	9.93	84.15
Low Reliability Entitlement	\$ / ML	NA	4.28	17.85	NA	311.34	4.52	NA
WR Equivalent Entitlement	\$ / ML	NA	10.56	NA	NA	NA	11.62	NA
Coliban Capacity Share Source	\$ / ML	NA	NA	36.31	NA	NA	NA	NA
Above Entitlement Storage	\$ / ML	NA	4.28	17.85	NA	NA	4.52	NA

# Miscellaneous Fees And Charges

GROUNDWATER		\$
Works Licence		
Construct Works Licence - Non Licensable Bore Form 72 Alter Existing/Issue New/Replace Existing	250	
Construct Works Licence - Non Licensable Bore Form 72 Amend Existing/Renew Existing/ Transfer Ownership	250	
Construct Works Licence - Non Licensable Bore Form 72 Additional Assessment	155	
Construct Works Licence - Licensable Bore Form 70 Issue New/Alter Existing/Amend Existing	1,975	
Construct Works Licence - Licensable Bore Form 70 Renew Existing/ Transfer Ownership	225	
Construct Works Licence - Licensable Bore Form 70 Replace Works	1,185	
Construct Works Licence - Licensable Bore Form 70 Additional Assessment	155	
Online - Construct a Domestic and Stock Bore	235	
Online - Amend and renew a Domestic and Stock Bore	80	
Online - Construct an Investigation or Monitoring Bore	235	
Online - Amend and Renew an Investigation or Monitoring Bore	80	
Take and Use Licence		
Licensable Bore Form 91 Issue New	1,975	
Licensable Bore Form 75GW Temporary Transfer Water Entitlement Tier 1	225	
Licensable Bore Form 75GW Temporary Transfer Water Entitlement Tier 2	1,720	
Form 74GW Permanent Transfer Water Entitlement	1,975	
Licensable Bore Form 93 Transfer Ownership / Transfer Extraction Share	225	
Licensable Bore Form 73GW Renew Existing	700	
Licensable Bore Form 91 Decrease volume/Remove land	225	
Licensable Bore Form 79 Surrender a Licence	165	
Licensable Bore Form 78 Subdivide a Licence	1,400	
Licensable Bore Form 77 Amalgamate Licences	1,400	
Licensable Bore Form 91 Amend Existing	935	

PRIVATE DAMS		\$
Construct Works Licence - Licensable dam Form 60 Alter Existing/Decommission/Issue new	1,645	
Operate Works Licence - Licensable dam Form 61 Issue New	925	
Operate Works Licence - Licensable dam Form 62 Renew Existing	870	

REGULATED RIVERS AND STREAMS		\$
Works Licence		
Construct Works Licence - Form 29 Issue New	785	
Operate Works Licence - Form 31 Amend Existing/ Renew Existing	755	
Operate Works Licence - Form 31 Transfer Ownership	165	
Water Use Licence or Registration		
Form 23 Issue New (with Field Inspection)	755	
Form 23 Issue New (without Field Inspection)	135	
Form 24 Vary Existing (without Field Inspection)	135	
Form 24 Vary Existing (with Field Inspection)	755	
Form 25A Subdivide or Amalgamate (with Field Inspection)	755	
Form 25A Subdivide or Amalgamate (without Field Inspection)	135	

UNREGULATED RIVERS and STREAMS		\$
Works Licence		
Construct Works Licence - Form 90 Alter Existing/ Amend Existing/Issue New/Renew Existing	1,510	
Construct Works Licence - Form 90 Transfer Ownership	225	
Construct Works Licence - Form 79 Decommission Works	165	
Take & Use Licence		
Form 71 Issue New	1,975	
Form 75SW Temporary Transfer Water Entitlement Tier 1	225	
Form 75SW Temporary Transfer Water Entitlement Tier 2	1,720	
Form 74SW Permanent Transfer Water Entitlement	1,975	
Form 93 Transfer Ownership / Transfer Extraction Share	225	
Form 73SW Renew Existing	700	
Form 77 Amalgamate Licences	1,400	
Form 78 Subdivide a Licence	1,400	
Form 71 Amend Existing	935	
Form 95 Private Right Determination	700	
Form 96 Waterway Determination	820	
Form 96 Waterway Determination Additional Assessment	550	

INFORMATION STATEMENTS AND SPECIAL METER READINGS		\$
Copy of Record	29	
Information Statement	105	
Information Statement Express service	160	
Special Meter Reading	105	

IRRIGATION DISTRICTS		\$
Form 150 Amend District Boundary		645
Delivery Share		
Form 36 Transfer		225
Form 35 Vary Existing		225
Form 34 Issue New		225
Reservation		225
Capacity Assessment		225
Private Works		
Form 130 Issue New		1,185
Form 130 Security deposit	25% of job (min 1,000)	
Form 130 Supervision fee	5% of job (min 275)	
Form 131 Transfer Ownership		165
Form 131 Renew Existing		475
Form 135 Installation of a Small Pipe Outlet for Non Irrigation Purposes		605
Supply Agreement		
Drainage Diversion Form 143 Issue New (without field inspection)		215
Drainage Diversion Form 143 Issue New (with field inspection)		475
Form 141 Amend Existing/Issue New		550
Mobile Collection Form 142 Issue New		180
Water Use Licence or Registration		
Form 23 Issue New (with Field Inspection)		755
Form 24 Vary Existing (with Field Inspection)		755
Form 25A Subdivide or Amalgamate (with Field Inspection)		755
Form 23 Issue New (without Field Inspection)		135
Form 24 Vary Existing (without Field Inspection)		135
Form 25A Subdivide or Amalgamate (without Field Inspection)		135

WATER SUPPLY DISTRICT		\$
Form 171 Amalgamate Properties		375
Form 172 Issue New		1,075
Form 170 Subdivide a Property		375
TECHNICAL ADVICE FOR HIGH RISK OR COMPLEX APPLICATIONS		\$
Technical Advice for High Risk or Complex Applications		150

\* Indicative: The figures shown will generally apply to terminations requested to apply within six months of a customer submitting a written information request. For terminations requested to apply more than six months after the written information request is submitted, the termination fee will be that applicable at the date of termination.

# Forecast Pricing Impacts

Majority of customers will see a 2 - 6 % increase to their bills for 2023/24 as GMW passes on a 5.6% increase to fees and not the higher inflation rate of 7%. Those that vary to this are due to fees finalising their transition during the regulatory period as approved in the GMW Determination such as service point fees.

Gravity Irrigation	Small			Medium			Large			Extra Large		
	Usage (ML)	% Change	Annual Bill	Usage (ML)	% Change	Annual Bill	Usage (ML)	% Change	Annual Bill	Usage (ML)	% Change	Annual Bill
Shepparton	3	2%	\$419	100	5%	\$7,802	410	5%	\$25,007	1,000	5%	\$50,574
Central Goulburn	3	2%	\$419	100	4%	\$7,586	410	5%	\$24,088	1,000	5%	\$49,237
Rochester	3	2%	\$419	100	4%	\$7,525	410	5%	\$23,832	1,000	5%	\$48,803
Loddon Valley	3	2%	\$419	100	5%	\$7,699	410	5%	\$24,535	1,000	5%	\$50,792
Murray Valley	3	2%	\$422	100	4%	\$7,773	410	4%	\$24,868	1,000	4%	\$50,819
Torrumbarry	3	2%	\$422	100	4%	\$7,429	410	4%	\$23,400	1,000	4%	\$48,737

Diversions	Small			Medium			Large			Extra Large		
	Entitlement (ML)*	% Change	Annual Bill	Entitlement (ML)*	% Change	Annual Bill	Entitlement (ML)*	% Change	Annual Bill	Entitlement (ML)*	% Change	Annual Bill
Regulated Surface (Murray)	2	3%	\$531	70	4%	\$1,655	280	3%	\$4,796	600	3%	\$8,556
Regulated Surface (Goulburn)	2	3%	\$529	70	6%	\$1,574	280	6%	\$4,471	600	6%	\$7,860
Unregulated Surface	2	1%	\$379	40	5%	\$812	170	5%	\$1,232	500	6%	\$2,837
Shepparton Groundwater	20	2%	\$225	170	3%	\$341	500	4%	\$595	1,000	5%	\$1,046
Groundwater	20	3%	\$524	170	6%	\$1,498	500	6%	\$2,958	1,000	6%	\$5,772

\* These fees are fixed in nature irrespective of usage therefore entitlement has been used

Pumped Irrigation	Small			Medium			Large		
	Usage (ML)	% Change	Annual Bill	Usage (ML)	% Change	Annual Bill	Usage (ML)	% Change	Annual Bill
Woorinen	2	3%	\$1,275	70	6%	\$8,033	180	5%	\$19,412
Nyah	2	3%	\$1,209	100	5%	\$10,000	200	5%	\$19,711
Tresco	2	3%	\$1,345	100	5%	\$9,580	200	4%	\$18,870

Water Supply District	Small		
	Usage (ML)	% Change	Annual Bill
Normanville	2	2%	\$2,255
Tungamah	2	2%	\$1,626
East Loddon	2	7%	\$966
East Loddon (North)	2	5%	\$1,083
West Loddon	2	5%	\$880
Mitiamo	2	7%	\$2,195

# Appendices

## Appendix A – Disclosure Index

### Prescribed Framework

This Corporate Plan is submitted in accordance with section 247 of the *Water Act 1989* (the Act) and provides information in accordance with the following requirements:

- the *Corporate Planning and Performance Reporting Requirements – October 2021* (DTF Requirements) issued by the Department of Treasury and Finance
- the *Victorian Water Industry Corporate Planning and Reporting Guidelines 2023-24* (the Guidelines) issued by the Minister for Water, Harriet Shing (the Minister for Water), released 9 March 2023
- the Letter of Expectation (LoE), dated 9 March 2023 issued by the Minister for Water
- the Victorian Government's climate change adaptation plan *Water for Victoria – Water Plan* (Water for Victoria) issued by the Department of Energy, Environment, and Climate Action (DEECA)
- the Statement of Obligations (General) and the Statement of Obligations (Emission Reduction) as issued under the *Water Industry Act 1994*.

### Responsibilities as a Delegate or Appointee

We have responsibilities as a delegate or appointee of the Minister for Water and the Water Registrar pursuant to the *Water Act 1989* and the *Murray-Darling Basin Act 1993*:

- for licensing activities (unregulated streams, groundwater, works on waterways, water use), approval of water share and allocation applications
- as storage manager and resource manager for all declared water systems in northern Victoria
- as Victoria's relevant water authority (constructing authority) for the MDBA
- administration of water share dealings.

This Disclosure Index has been prepared to facilitate identification of our compliance with the Guidelines.

Guidelines Reference	Requirement	Page Reference
2.1	Statement of Corporate Intent	5
2.1	Vision and Mission Statements	5
2.1	Objectives	5
2.1	Core Business	8-10
2.1	Strategic Direction	12, 13-15
2.1	Key Performance Indicators	23
2.3	Business plan and financial statements	13-15, 36-51
4.1	Letter of Expectations (LoE)	21
4.1.1	Climate Change and Energy (LoE 1)	21
4.1.2	Customer and Community Outcomes (LoE 2)	21, 24
4.1.3	Deliver water for Aboriginal cultural, spiritual and economic values and support economic inclusion in the water sector (LoE 3)	21, 24
4.1.4	Recognising Recreational Values (LoE 4)	21-22, 24
4.1.5	Resilient and Liveable Cities and Towns (LoE 5)	22, 24
4.1.6	Leadership, Diversity and Culture (LoE 6)	22, 24
4.1.7	Performance and Financial Sustainability (LoE 7)	22, 24
4.1.8	Compliance and Enforcement (LoE 8)	24
4.2	Planning assumptions: assumed demand, water allocations and supply availability	17-18
4.2	Planning assumptions: tariffs used in bill calculations	52-56
4.2	Planning assumptions: all other relevant assumptions in section 2.2 of the DTF requirements	13-20, 23, 24, 25-34, 35-51, 59

## Appendix B – Strategic Risk Assessment Framework

Strategic Risk	Current Risk Rating	Planned Risk Rating
GMW does not provide a safe environment for our employees, contractors and public	Medium	As Low as Reasonably Practicable
GMW's culture and capability is unable to deliver our outcomes	Low	Low
Asset and/or process failure impacts our customer and/or partner outcomes	Medium	Medium
Climate change and external events affect services to our customer and stakeholder outcomes	Significant	Significant
GMW performance is below government, customer or regulatory expectations impacting our social license to operate	Medium	Medium
Technology advancement is not embraced or leveraged for business benefit	Medium	Medium
GMW is subject to cybercrime leading to data theft or system interference	Medium	As Low as Reasonably Practicable
Supply chain disruption for critical products/services impacts on GMW's ability to operate	Medium	Medium
Revenue is insufficient to meet short and long term expenditure requirements while maintaining affordability	Medium	Medium
Customer requirements of service outcomes change significantly	Medium	Medium
Reduced water availability and/or water quality restricts current and future economic development in the region	Extreme	Significant
Community and Stakeholders expectations for recreation, environment and indigenous water values are not met	Medium	Medium



[WWW.GMWATER.COM.AU](http://WWW.GMWATER.COM.AU)