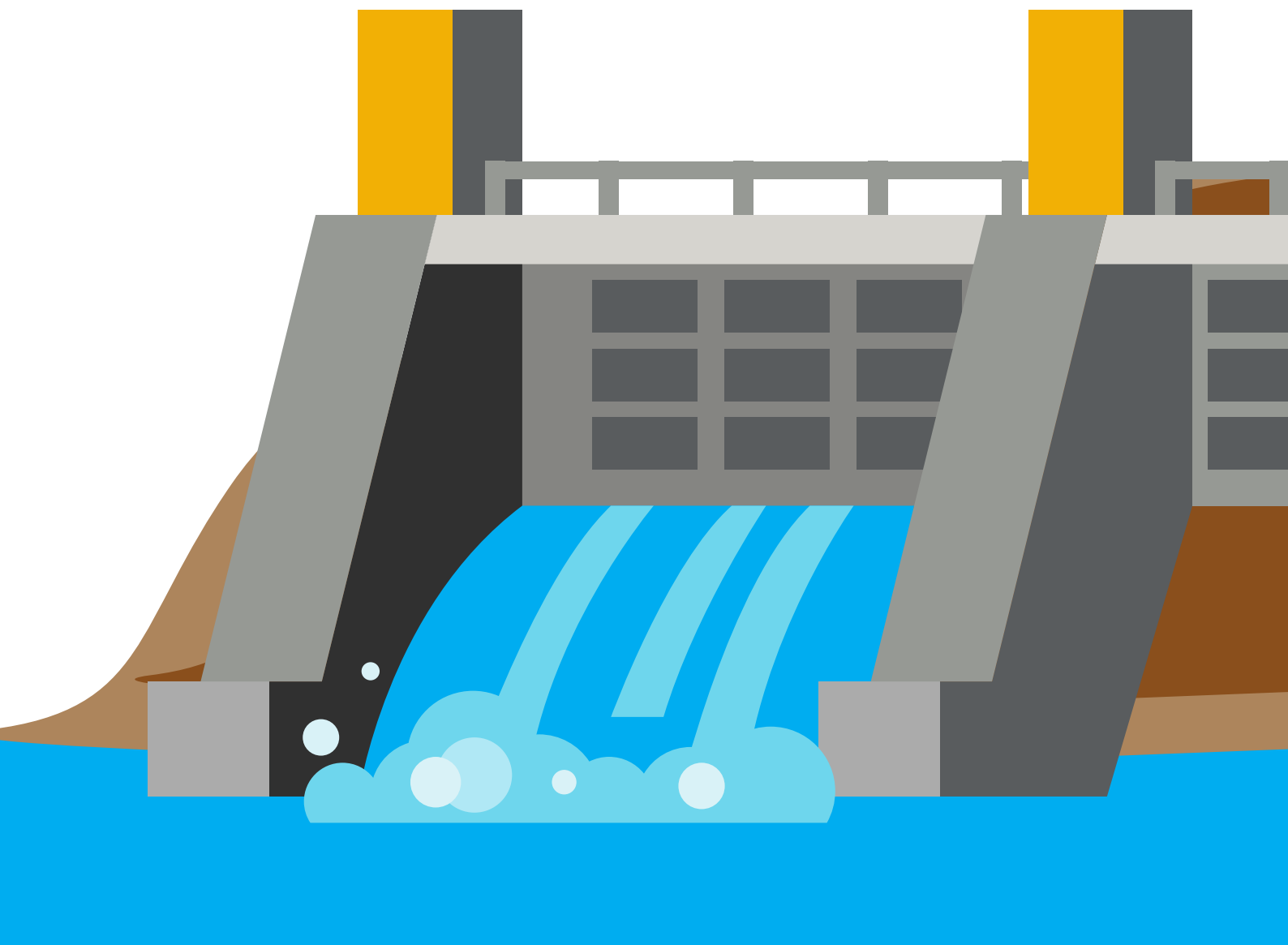


Corporate Plan

2020/21 to 2024/25



Chairman and Managing Director's Foreword

At Goulburn-Murray Water (GMW), we are changing the way we do business. We have committed to a renewal that is being driven from the top down and is being embraced from the bottom up. We are creating a lean and efficient team, embedding a culture of excellence and working more closely with our customers and stakeholders. The last year has largely been about driving that change.

In support of our Vision, '**Delivering for our region and our future**', we have established the corporate values of Excellence, Honesty, Accountability, Courage and Caring. We recruited executive and senior leadership teams and established five new Strategic Outcomes:

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

Recently we designed and implemented a new organisational structure that realigns our resources to strike the balance between excellent customer service and customer affordability. This is enabling us to reduce our costs by almost \$20 million per annum over four years. This heralds a landmark drop in the revenue requirement for our Pricing Submission from \$504.7 million in 2016 to \$439.6 million in 2020.

As a business and a community we are being challenged by the unprecedented circumstances surrounding the Coronavirus (COVID-19). Maintaining our commitment to customer service and prioritising the safety of our staff, customers and community are driving effective business responses to a challenging situation. We acknowledge the full economic and social effects of COVID-19 will emerge over time and remain committed to supporting our people, customers and community through the recovery phase.

That dynamic context has enabled us to generate this bold Corporate Plan. It articulates the detail of our strategy framework, service commitments and financial forecasts for the coming year, highlighted by continuing high levels of service and forecast price reductions of about 10 per cent to many of our customers.

It explains some of our recent key efficiency initiatives, including an innovative Channel by Channel approach to managing our assets that reduces both our capital and operational expenditure by optimising, rather than maximising our assets. It explores some of the planning and development work occurring across the business that will carry us toward achieving the outcomes listed above. It notes this work will be carried out in collaboration with our customers and stakeholders, with the ambition of creating shared value for our region.

In October, the Connections Project will deliver on its water savings target of 429GL of water once lost to the system. This \$2 billion upgrade of the delivery system, funded by the Commonwealth and Victorian Governments, supports the future prosperity of the Goulburn-Murray Irrigation District. But we are not content with that, we are looking to support the sustainability of our entire serviced region and contribute to the success of all our customer groups.

In summary, this plan provides the assurance that GMW's renewal is tangible and meaningful. We know it will guide the organisation through an exciting chapter as we tackle the challenges facing the region. It confirms we will address those challenges in ways that are socially, financially and environmentally sustainable.

Our vision, '**Delivering for our region and our future**', is about ensuring we provide fair, affordable and efficient water services now and for decades to come. And that's exactly what we are working towards.

Diane James AM
Chairman

Charmaine Quick
Managing Director

Acknowledgement

GMW proudly acknowledges the Australian Aboriginal and Torres Strait Islander people of this nation. We pay our respects to ancestors and Elders, past and present.

GMW acknowledges Aboriginal people as Australia's first peoples, and as the Traditional Owners and custodians of the land and waterways where we work and live.

We recognise and value the ongoing contribution of Aboriginal people and communities to Victorian life, and how this enriches us all.

We recognise that Aboriginal cultures and communities are diverse, and the value we gain in celebrating these cultures and communities.

We acknowledge that the land is of spiritual, cultural and economic importance to Aboriginal people.

We recognise the intrinsic connection of Traditional Owners to Country and acknowledge their contribution in the management of land, water, the natural landscape and our built environments.

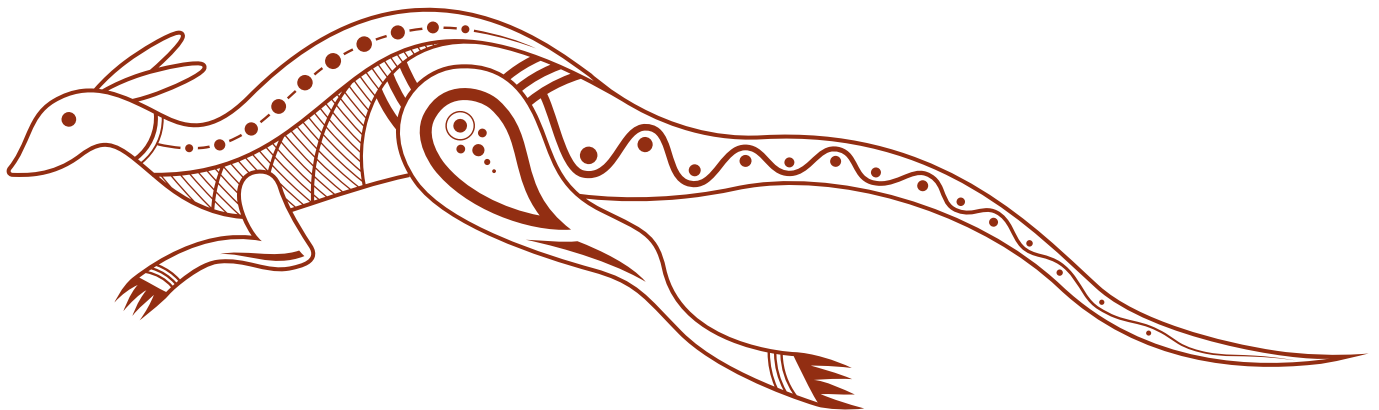
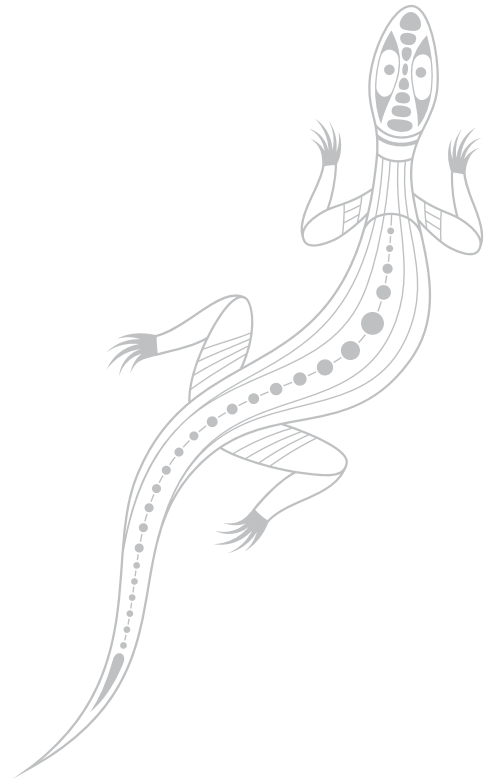


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1. Corporate Overview

Statement of Corporate Intent

Vision

In 2020 we are continuing to embed GMW's vision of '**Delivering for our region and our future**'. This vision recognises the significant role we have in contributing to the prosperity of our region. We will do this by providing essential rural water services to our customers at an affordable long term cost¹. We take pride in knowing that we are custodians of the infrastructure and services which form such an integral component of economic activity in our region.

Our five Strategic Outcomes, listed below, reflect our corporate aspirations.

Safe, skilled, engaged people

- We have a safe, inspiring and diverse workplace where learning is encouraged and people are supported.

Satisfied customers, trusting partners

- Our customer-first culture and strategic partnership provide benefits for our customers and communities.

Innovation, data and technology driven services

- We innovate and use data and technology to deliver efficient services.

Sustainable business, viable customers

- We make long term, sustainable decisions focused on efficiency, finance and assets.

Water security and other water values are recognised

- We champion the cultural, economic and environmental opportunities that water provide to our customers.

Values

Our core values are being integrated throughout our business. We recognise the values of an organisation underpin its culture and provide a filter for employees to measure their actions and behaviours. The following organisational values guide our culture:



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.

¹ In November 2019 we submitted our Pricing Submission for 2020 – 2024 to the Essential Services Commission. Our submission captured the views of customers across all segments and relevant stakeholders and proposes A Fairer Deal for All. A final decision on pricing will be delivered in June 2020.

Customers

We have a diverse range of customers as shown in the table below. During the coming year we will develop and implement a communications plan that recognises our various customer segments and demographics and more effectively tailors our messaging to those. This will further strengthen the improvements being delivered through a suite of new engagement methods, enabling customers to better participate in GMW decisions.

The table below is based on figures for the 2018/19 financial year, and outlines our customers and the types of services they receive.

Example Customers ¹	Example Customers	Number of Customers ¹	Revenue as a %	Annual Water Use in GL
Irrigation	<ul style="list-style-type: none"> Horticulture, dairy, mixed farming 	11,593	59.2	1,268.2
Domestic and stock	<ul style="list-style-type: none"> Rural residential Mixed farming Intensive animal industries (e.g. piggeries) 	6,804	2.4	14.3
Environmental watering	<ul style="list-style-type: none"> Commonwealth and State environmental water holders 	3	7.0	374.5
Bulk water for urban and rural water supply	<ul style="list-style-type: none"> Urban water corporations 	12	6.6	681.8
Water investment	<ul style="list-style-type: none"> Investment funds Agriculture corporations 	1,122	2.6	2.4
Flood protection	<ul style="list-style-type: none"> Protection of land and property in flood protection districts 	29	0.0	0.0
Recreation	<ul style="list-style-type: none"> Houseboat operators Recreation clubs 	983	1.4	0.4
Commercial leasing	<ul style="list-style-type: none"> Livestock graziers Forestry corporations Caravan parks 	245	2.2	1.4
Contract services	<ul style="list-style-type: none"> MDBA Local government and catchment management authorities Commercial contracts 	6	12.9	0.0
Power generation	<ul style="list-style-type: none"> Hydroelectric power utilities 	18 ²	5.7	0.0
Other	<ul style="list-style-type: none"> Sundry customers 	5	0.0	0.0
	Total	20,820	100%	2,343 GL

1. The customer segments have been identified using a single 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.

2. This segment includes hydroelectric power utilities and customers with licences to divert and return water for purpose of hydro generation.

Stakeholders

Just like our customers, we know working with our stakeholders will also ensure better decisions. We are continuing to drive more strategic and purposeful engagements to create a greater level of shared value for our region. Our key stakeholders are shown in the table below.

Stakeholder Category	Stakeholder Groups
Government	<ul style="list-style-type: none"> • Commonwealth Government • Victorian Government • Local government (all in GMW's area of operations) • Minister for Water
Industry representatives	<ul style="list-style-type: none"> • Dairy • Mixed/cropping farming • Horticulture • Water industry • Recreational • Legal services • Mining and extractive industry
Catchment Management Authorities	<ul style="list-style-type: none"> • All northern Victorian Catchment Management Authorities (CMA's) (4)
Key suppliers	<ul style="list-style-type: none"> • Building, Construction and Maintenance
Other utility authorities	<ul style="list-style-type: none"> • Energy Authorities (3) • Urban Water Authorities (4) • Other Water Authorities (9)
GMW committees & other special interest groups	<ul style="list-style-type: none"> • GMW water services committees • Community and special interest groups • Land and water management plan implementation groups
Water entitlement holders	<ul style="list-style-type: none"> • Urban water corporations • Retail GMW customers • Environmental water holders • Water allocation holders
Media	<ul style="list-style-type: none"> • Print Media • Radio Media • Social Media • Television Media
Environmental groups	<ul style="list-style-type: none"> • Environmental water holders (Victorian and Commonwealth) • Environmental peak bodies
Registered Northern Victorian Aboriginal Corporations	<ul style="list-style-type: none"> • Yorta Yorta Aboriginal Corporation • Taungurung Aboriginal Corporation • Dja Dja Wurrung Clans Aboriginal Corporation • Gunaikurnai Land and Waters Aboriginal Corporation
Academic institutions	<ul style="list-style-type: none"> • Universities and TAFE colleges (4) • Research foundation (1) • Leadership groups (2)
Employee organisations	<ul style="list-style-type: none"> • Unions

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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 (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 Chairman of the Board.

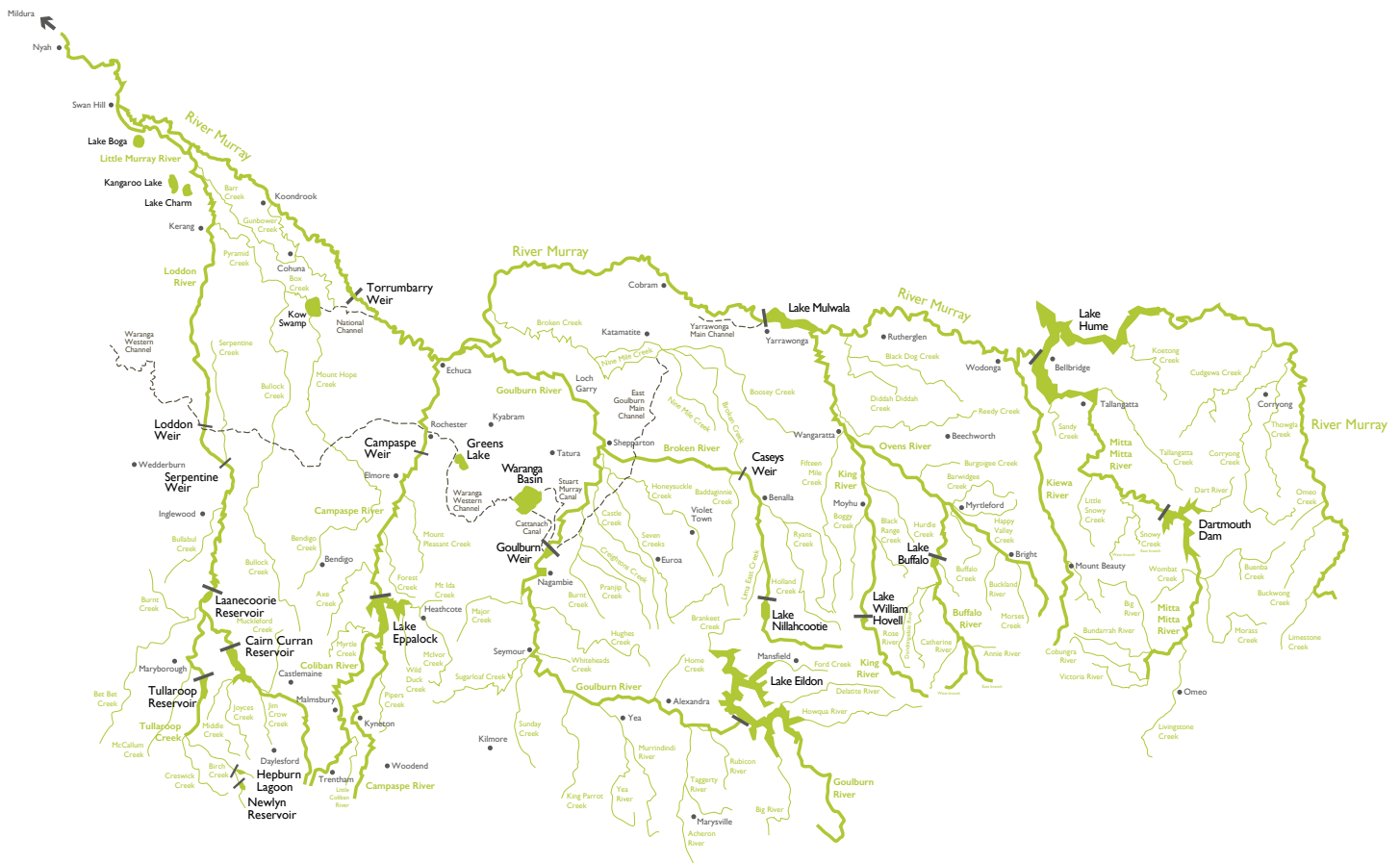
We are ultimately accountable to the Minister for Water and have functions and powers under the Act to provide, manage and operate an irrigation district (pursuant to section 221 of the Act), a water district (pursuant to section 163 of the Act) and a waterway management district (pursuant to section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

Where Do We Operate?

We are Australia's largest rural water corporation and manage Australia's largest irrigation delivery network. The irrigated agriculture sector in northern Victoria alone generates more than \$6 billion of production value annually and directly supports greater than 10,000 jobs in the Goulburn-Murray Irrigation District (GMID).

We manage 24 water storages that can hold approximately 11 million ML 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.



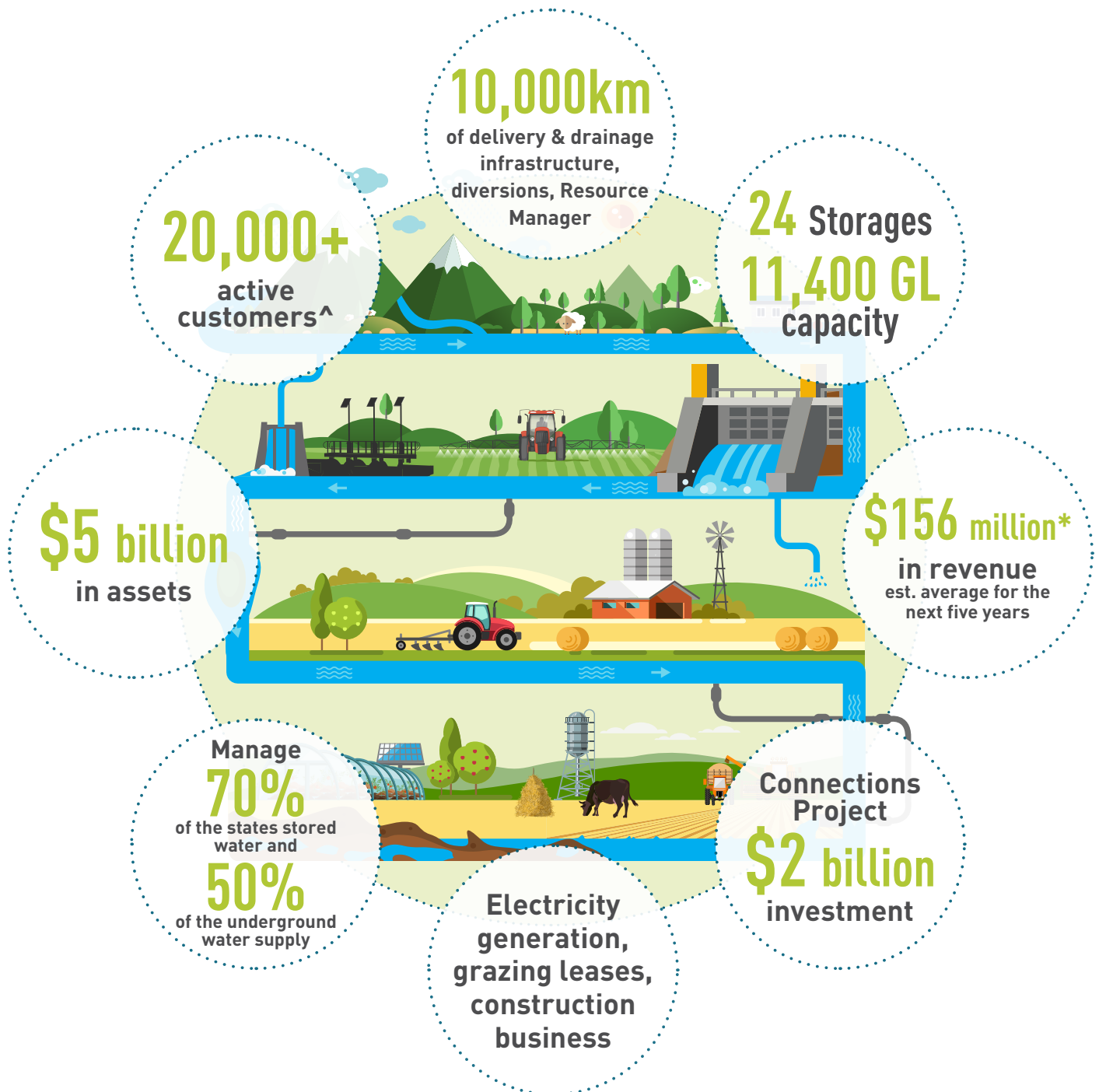
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* Revenue is represented by gross fees and charges on average over the Corporate Plan period and includes the Connections Project. Values have not been adjusted for accounting requirements and do not represent statutory revenue.

[^] The customer segments have been identified using a single 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.

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Prescribed Business

While our prices are regulated under the Commonwealth *Water Charge (Infrastructure) Rules*, our services are prescribed under the *Victorian Water Industry Regulatory Order* and include the following services and activities:

Deliver water to our region:

- provide water 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
- Minister's delegate for licensing groundwater and surface water diversions and private dams.

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 the storage and delivery of water
- deliver on the Victorian and Commonwealth Governments' commitment to modernise and maintain water delivery infrastructure to improve water efficiency
- provide drainage services with GMW drains to remove excess runoff.

Manage our water supply:

- allocate water to meet our region's needs within our delegation 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:

- provide feedback to Governments on their policy and the impacts on the diverse needs of our community
- inform and engage the community on water resource management including resource availability, general operations and emergencies including flood safety
- educate the community in better use of water for improved sustainability.

Legislative and reporting requirements:

- compliance 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 and non-regulated services
- comply with the regulator's requirements for setting water prices.

Non-Prescribed Services

Additionally, GMW provides a range of non-regulated services, which are not regulated by the Essential Services Commission (ESC). These services include:

- facilitating recreational use and events, including the licensing of recreational structures 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 for delivering water (MDBA and Victorian Government)
- structures and works along waterways and storage perimeters.



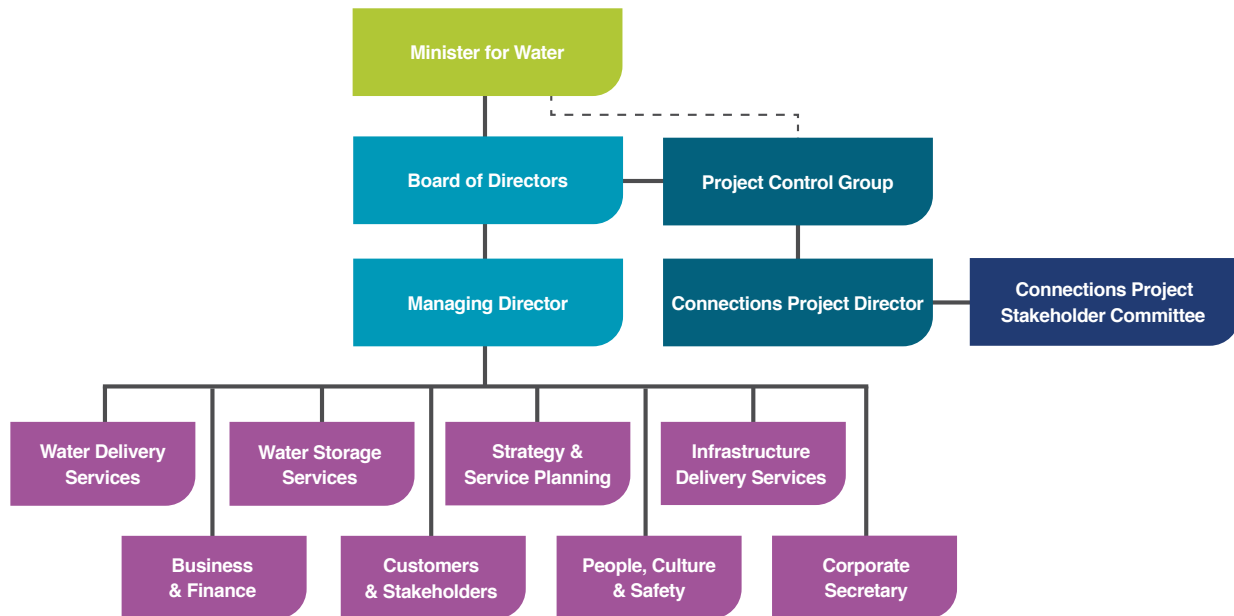
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Our Functions

Our front line service providers - **Water Delivery Services** and **Water Storage Services** – are accountable for delivering services to our diverse customer base. They will be focused on delivering efficient and affordable water services and be accountable for transparency in cost allocation.

Customer and Stakeholder Services will facilitate strategic engagement and service strategies with customers, stakeholders and partners. This includes vital engagement through key directional projects including pricing submissions, service strategies and organisational plans and strategies.

An increased emphasis will be placed on **Strategy and Service Planning**. This division will forward plan our service requirements as well as seeking innovation through asset design and maintenance. It will be accountable for planning and preparing the organisation to address our medium and long term challenges.

Infrastructure Delivery Services will provide efficient and effective construction and maintenance services for our two operational divisions (Water Delivery and Water Storages). This group also provides services to external agencies including the MDBA and various CMAs.

Business and Finance Services will provide the essential support services to the organisation to ensure that our business operations can function effectively and in accordance with various policy and legislation.

People, Culture and Safety will focus on working 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.

Corporate Secretariat (including Legal Services and Water Compliance) will provide effective governance oversight, legal advice, Board administration and internal auditing.

The **Connections Project** will continue to drive the Connections Project through to its completion. Through improved water savings and water delivery across the GMID, GMW will contribute to the sustainable future of productive agriculture in the region.

Strategic Plan

In 2019/20, the Board and the Executive Leadership Team worked together to develop a strategy framework that would allow us to meet the various expectations of GMW. These include addressing:

- the significant challenges confronting the delivery of rural water services
- the expectations of GMW contained within the Victorian Government's *Water for Victoria* policy direction
- the imperative need for business transformation as per GMW's Transformation Working Plan adopted in February 2019.

Central to the strategy framework is GMW's vision – '**Delivering for our region and our future**' – supported by five Strategic Outcomes. The Strategic Outcomes have been developed to express the key aspirations for our organisation. Our Strategic Outcomes are as follows:

- 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.

The framework is completed by the identification of key strategies which will progressively be presented to the Board during 2020/21 for approval³. Implementation of these strategies will provide clear direction and alignment of organisational resources.

The Strategy Framework, illustrated on the next page, demonstrates our Vision, Values and the alignment of our Strategic Outcomes with the Board endorsed strategies.

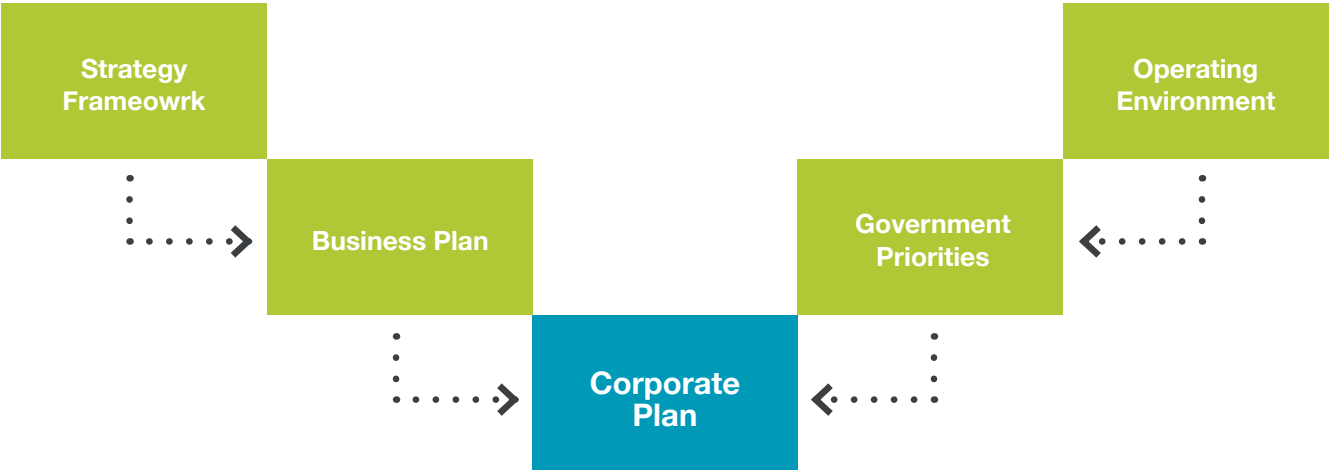


3. The People & Culture Strategy and the Communication, Engagement and Partnerships Strategy have already been approved by the Board.

Delivering for our region and our future



In formulating our 2020/21 – 2024/25 Corporate Plan GMW has considered a range of factors and influences as shown in the diagram below. Each of these are further explored in this document.



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Operating Environment

GMW operates in a rapidly evolving environment, with many social, environmental and economic changes being experienced in our region. The emergence of Coronavirus (COVID-19) is currently causing a significant disruption to the global economy, while climate and markets continue to present uncertainty and volatility for our region. The key challenge for our region and communities, and for GMW, is to provide resilient and adaptive responses to the changes which will inevitably present. GMW faces five major challenges for the foreseeable future:

- Changing customer needs
- Climate change
- Economic drivers
- Government priorities
- Transformation

GMW must remain agile in responding to the variations in our operating environment, identified in the various influences indicated below.

COVID-19

In the current COVID-19 situation GMW has adapted to providing service remotely, which has been well received by both our customers and staff. While unexpected, it has tested GMW's remote working capability with positive results. The specific actions undertaken as part of GMW's COVID-19 response have included:

- our Customer Contact staff working remotely whilst maintaining high levels of customer service
- temporarily closing our offices to the public and encouraging customers to utilise our online services, WaterLINE or our contact centre
- our operations teams continuing to monitor the network and associated infrastructure by working remotely and rostering their activities to achieve effective social distancing

- our maintenance and construction teams continuing to perform critical works on the network and implementing appropriate controls to ensure that social distancing and other hygiene measures can be achieved. This has also supported important continuation of work for local contractors
- over 250 of our staff adapting to effectively work from home, utilising our systems and online tools to remain engaged and connected as business
- our Board conducting several online briefings and Board Meetings to ensure continuity of effective Governance.

GMW will continue monitoring the developments of the COVID-19 pandemic 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

The COVID-19 impact on the world economy is unprecedented in scale and volatility. The duration of the pandemic and recovery phase are not possible to predict. Our region's prosperity is underpinned by our agricultural output and depends on a return to earlier trends for increased demand for quality food and fibre, or adaption to new prosperous pathways. Markets are dynamic and are affected by protectionist trade policies. Climate change impacts in our region are creating challenges which require response and adaptation by producers and service providers including GMW. We are currently reliant on strong storage inflows in order to deliver adequate allocations for our region. Failure to receive these inflows, together with increased demand for water for horticulture outside our region will again drive allocation prices to levels beyond the sustainable economic reach of our main water using industries.

The current economic volatility, together with the persistent climate risk, present challenges for our region, communities and GMW. GMW recognises that it needs to be resilient, adaptive and responsive to ensure that we continue to meet the needs of our customers and stakeholders.

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Economic Regulation of GMW

The Essential Services Commission (ESC) assesses GMW's economic requirements and proposed service offerings against a legal framework established by the Commonwealth Government, and seeks feedback from customers and stakeholders at each stage of the price review to inform their decision making.

In November 2019 we lodged our Pricing Submission 2020-2024 with the ESC. The ESC released a draft decision in March 2020 which supported GMW's proposed revenue requirement, expenditure forecasts the majority of our key tariff initiatives. A final decision from the ESC is due in June 2020.

Our Pricing Submission 2020-2024 includes significant cost savings to ensure GMW delivers safe and cost-effective water services. We have done this by aggressively reducing future operating expenditure and creating asset management systems, such as the channel-by-channel assessment tool that optimises our assets. This has enabled a modest capital spend in the 2020-2024 period of approximately \$25 million per annum. These initiatives have resulted in a landmark drop in our revenue requirement from \$504.6 million (during the current regulatory period) to \$439.6 million over the next four years. We are returning these savings to our customers as price reductions of approximately 10 per cent for most of our customers.

Our pricing submission was based on extensive engagement with our customers through workshops, drop-in sessions, summit meetings and thousands of customer conversations over the past two years.

Customers have been clear on the outcomes they're seeking from us, including:

- **Reliable supply** – we need our water to stay in the region
- **Credible business** – we need GMW to be transparent, honest and trustworthy and have a stable leadership team
- **Fair pricing** – we need prices that fairly reflect the true use of infrastructure by all water users (including irrigators, investors and the environment)
- **Efficient operations** – we need the business to run lean enough to deliver affordable prices that support farmers to stay on the land

- **Responsive services** – we need GMW people and systems to deliver the right flow rates in the right timeframes
- **Simple systems** – we need digital information and communications systems that are fast and simple (for customer service, water delivery and billing)

Based on what we have heard from our customer interactions, we've developed proposals that will:

- provide price reductions for almost all our customers
- drive efficiencies and cost reductions (without impacting on levels of service)
- reprioritise expenditure into the areas that provide customers with the best value for money
- reform customer tariffs to be simpler and more equitable.

Business Transformation

The GMW Transformation Working Plan was adopted in February 2019, in response to the recommendations of the Strategic Advisory Panel (SAP) report published in January 2018. An audit of progress against the SAP recommendations shows that GMW has successfully completed 22 of these actions, with 4 scheduled for completion in the short term and the remaining 4 to be addressed through our new Strategy Framework. For further information about our progress against the SAP Recommendations refer to Appendix B.

GMW has made significant progress in transforming our business. Our demonstrated ability to effectively work remotely, to manage the impacts of COVID-19 will ensure that we are able to deliver further business transformation initiatives during 2020/21.

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The Connections Project

The Connections Project (the Project) is contributing to the sustainable future of productive agriculture in the GMID. Funded by the Commonwealth and Victorian Governments, it is the most significant upgrade to the region's irrigation infrastructure in its 100-year history. The Project is an important and fundamental change to how water is used for irrigated agriculture in the GMID and contributes to Victoria's water savings targets as outlined in the Murray-Darling Basin Plan.

The Connections Project has adapted our practices and processes to ensure that our essential works can continue whilst adhering to Government directives related to COVID-19. We will continue to achieve this in 2020/21 and remain on track for the completion of construction in October 2020. The Connections Project will continue to, partner with our customers, contractors and suppliers to ensure that all works undertaken are done so in a safe manner.

The Project is investing more than \$2 billion to improve delivery of water to irrigation businesses across the GMID with the construction phase on track for completion in October 2020. The Project is focused on modernising infrastructure and improving service standards while generating water savings and is working to provide long-term sustainability of irrigation in the region. The Project is key to ensuring water for the environment is provided through infrastructure upgrades. Delivering such a complex project is not without its challenges, particularly given the many variables that need to be managed throughout the project

In return, Governments, water retailers and irrigators will receive a defined share of the water savings achieved from improving the efficiency of the channel delivery network. The Commonwealth and Victorian Governments' shares of the water savings will be used to deliver environmental benefits. In 2019 the Minister appointed the Irrigators Share Consultative Committee (ISCC) to develop and evaluate the distribution mechanisms of the irrigators' share of the Connections Stage 1 water savings. This group will make recommendations to the Minister in mid-2020. We are working with DELWP to define the implementation arrangements once decisions have been made in readiness to distribute the benefits to irrigators.

Planning Assumptions

We assumed the Goulburn and Murray systems would receive seasonal determinations of 100 per cent of high-reliability water shares throughout the 2016-2020 Water Plan. The assessment was derived from independent modelling that considered likely decreases in water availability under climate change.

The Water Plan modelling reflected recent storage conditions and estimated the volume of water that could trade from the GMID to support horticultural demand in the lower Murray system. This recognised that while GMID deliveries before the Millennium Drought ranged between 1,500 GL and 2,000 GL per year, recent volumes had fallen to 1,000 GL to 1,400 GL under the effects of water recovery for the environment and competing market forces.

Maximum seasonal determinations fell short of 100 per cent in 2019/20 due to a second consecutive year of below-average rainfall across northern Victoria. The 2019/20 GMID deliveries are expected to be about 550 GL due to low water availability, high allocation prices and trade to other regions. Deliveries to the GMID effectively finished in mid-April following autumn rainfall.

Applying a similar modelling approach for the 2020-2024 Water Plan, our 2020/21 delivery estimate for the GMID is 950 GL. Actual deliveries will depend on factors including projected water availability, the allocation market in the southern Murray-Darling Basin and private carryover reserves. Meteorological agencies are forecasting above average rainfall through autumn and winter, indicating positive conditions for the replenishment of depleted storages. Similarly, there is likely to be a greater volume of carryover for irrigators to use.

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Water Availability

Seasonal determinations in declared water systems in 2020/21 will rely on inflows to the major storages during winter and spring. Following milder conditions since the start of January 2020 and above-average rainfall during April, all systems are holding similar or higher reserves than last season. Further improvement is expected prior to the start of the 2020/21 water year.

The GMW Pricing Submission 2020-2024 used demand forecasts based on 100 per cent [of high-reliability water shares, HRWS] in the Goulburn and Murray systems. GMW expects 100 per cent seasonal determinations when average or slightly below-average inflows occur. Such conditions also provide significant reserves in the major systems, which offer a buffer against short periods of low inflow. 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 and helping customers to make informed decisions about water use.

Reserves in the Goulburn are similar to this time last year and the Loddon has more available for 2020/21 compared to this time last season. Outlooks indicate a repeat of 2019/20 inflows in the Goulburn and Murray systems, which will result in seasonal determinations of about 60 per cent and 45 per cent respectively in 2020/21. Inflow conditions close to average are needed to ensure seasonal determinations reach 100 per cent HRWS. As water availability and demand are subject to a range of natural and market drivers we will continually monitor these factors to understand and respond to effects on customers and our business.

If low inflows are experienced again in 2020/21, water availability will be lower than the volume available in 2019/20 which was the lowest in any of the last 10 years. This will continue to be challenging for GMW and our customers. Carryover will be available to use early in the season and will be deliverable throughout the season in the Murray, Goulburn and Loddon systems. Deliverability of carryover throughout the season in the

Campaspe, Broken and Bullarook systems will depend on inflows from winter and spring rainfall.

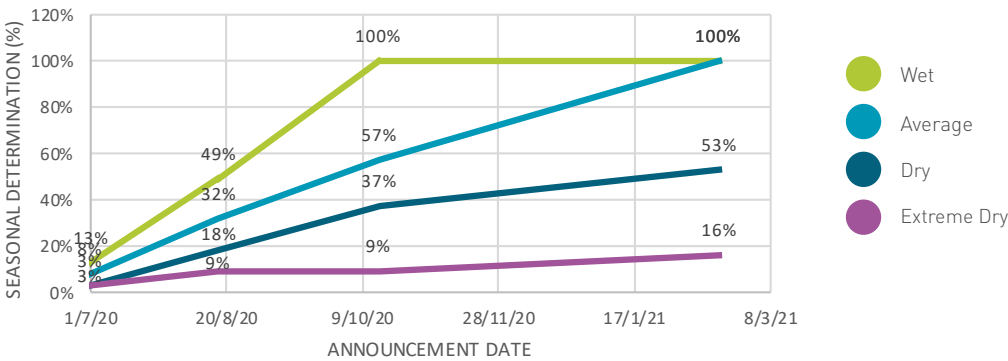
Groundwater use has been high in recent seasons and with reduced recharge due to below average rainfall, groundwater levels are declining across most major aquifer systems. This is likely to result in the implementation of restrictions in some groundwater management areas. GMW has already conducted public information sessions for Lower Campaspe Valley Water Supply Protection Area customers who are facing restricted availability in the 2020/21 season.

Changing Region

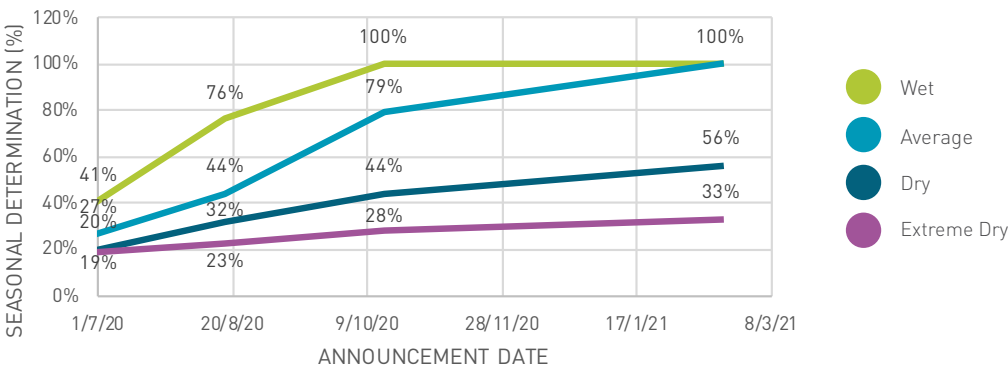
GMW and its customers face significant sustainability challenges. These arise from a drying climate reducing water availability, water recovery programs, and water market competition that is progressively transferring water away from GMW's operating area. The agricultural enterprise mix is also changing. Transition in dairying will see a decline in smaller farms and more intensive farms using cut and carry fodder systems. Both perennial and annual horticulture is expanding and a more diverse range of irrigated crops are being grown. Meeting the more diverse needs of shifting customer groups requires a nimble business approach.

The following graphs show possible Seasonal Determination scenarios for the 2020/21 irrigation season based on wet, average, dry or extreme dry conditions, as advised on 15 May 2020.

Murray System Outlook



Goulburn System Outlook



Government Priorities

Letter of Expectation 2020/21

The Minister for Water's Letter of Expectation (LOE) was issued on the 28 February 2020 to all Water Corporations Boards, and contains prescribed key performance indicators (KPIs) for each of the priority areas in *Water for Victoria* which are described below.

The expectations also set out that GMW's Transformation Process, the Connections Project and the Basin Plan remain key priorities for GMW in 2020/21.

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. GMW will work with 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 Co-ordination pilot project to ensure the needs of investors are streamlined and met efficiently. We will contribute to the completion and implementation of the *Goulburn-Murray Resilience Strategy* with other regional stakeholders to support regional resilience.

Climate Change

GMW continues its ongoing commitment to minimise its environmental impacts and mitigating climate change through implementing adaptation strategies and actions. GMW pledged in 2017 to reduce its CO₂ emissions by 20 per cent below its five-year average up to 2015/16 to approximately 10,400 tCO₂e by 30 June 2025. GMW's long term target is to achieve net zero scope 2 emissions in line with the Victorian State Government's target date of 2050. This will be achieved through continuous improvement and renewable energy initiatives including the purchase of green power and a proposed solar investment program at several locations, including a major installation at our Tatura office.

Climate Adaptation

With growing pressure to secure water supplies in our increasingly challenging environment, GMW is taking various actions to ensure a sustainable future for its customers and the region. We are hence preparing initiatives intended to improve the robustness of water supply options as climate change occurs. These include new sources of water, contingency planning, and adaptation in assets, the workplace, and delivery. This will provide us with a readiness for climate change impacts on water sources, floods and drainage. GMW has used recommendations from the *Guidelines for Assessing the Impact of Climate Change on Water Supplies in Victoria*, published by DELWP in December 2016, to revise our storage inflow statistics for use in our seasonal determination outlooks and when working with DELWP on longer term resource planning.

Customer and Community Outcomes

At GMW our customers and the community are centrally important. The *GMW Communications, Engagement and Partnerships Strategy* adopted in late 2018 has put them at the heart of our decision making. This strategy was utilised in 2019 with broad and deep engagement activities informing our Pricing Submission and reaching about 10 per cent of our customer base. As we continue to improve our communications and engagement, activities in 2020/21 will include (but not be limited to):

- establishing an Annual Customer Forum

GMW have continued to provide high levels of customer services during our response to COVID-19. Whilst our offices have been closed to the public, GMW has continued to provide services to customers via our contact centre, WaterLINE and other online services. We have conducted several engagement activities utilising on-line forums to ensure we remain connected to our customers. During 2020/21 we will continue to explore innovative engagement methods and customer services to ensure the safety of our people, customers and community.

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- a new external communications and engagement plan, ensuring we're reaching more customers than ever before
- developing a Customer Experience Plan
- renewing our annual Customer Satisfaction Survey.

Water for Aboriginal, Cultural, Spiritual and Economic Values

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. In the next year we will develop The Aboriginal Water Strategy, which will provide an overview and direction on how GMW will seek to collaborate with Traditional Owners, to support them achieve their goals regarding their cultural, social and economic values of water. As part of this, GMW will also develop an Aboriginal Reconciliation Action Plan that will provide a framework for GMW to support the national reconciliation movement.

Our action plan will include practical actions that drive our contribution to reconciliation internally, and in our region and communities. In 2020/21 GMW will:

- continue to seek Cultural Awareness training opportunities for staff
- develop communications and engagement projects that ensure we involve Traditional Owners in the decisions that affect them
- continue to develop an effective network of Traditional Owner relationships, including exploring secondment opportunities which will build positive connections and provide development opportunities for our staff.

Resilient and Liveable Cities and Towns

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. Through engagement while preparing our Pricing Submission, we confirmed services and pricing to address our customers' needs. GMW will continue to partner in the Integrated

Water Management (IWM) Forums across our region including the Goulburn Broken, Campaspe, and North East. Within the Campaspe IWM Forum, GMW is the project sponsor for the Managed Aquifer Recharge Project. GMW is also partnering with the *Goulburn-Murray Resilience Strategy* project in supporting the Agricultural Redevelopment Committee. 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.

Recognising recreational values

Whilst the majority of GMW's functions are essential rural water services, we also perform a number of non-regulated functions such as providing recreational facilities. With such a vast and expansive network of storages and waterways, GMW understands the advantage of embracing recreational activities for the economic and social benefit of Victorians. Our Land and On Water Strategy will guide our recreational objectives from November 2020. GMW will focus on continually engaging with local communities, ensuring consistent and reliable information is provided for our recreational sites, and achieving successful project deliveries to ensure the safety, functionality and sustainability of these sites. In order to maximise the benefits of recreational use, GMW will:

- continue to develop user guides including boating maps and information on storages
- continue to update the recreation page on the GMW external website, providing information on GMW services at recreational sites and public access and boating safety information
- be active on social media publishing "Things to Do" and safety information to help recreational users to plan their activities

Consistent with Government directions in response to COVID-19, access to GMW's recreational areas were temporarily closed during April and May 2020. In the coming year, GMW will continue to work with Government and communities to appropriately and safely manage our recreational areas as our response to COVID-19 evolves.

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- work with partner organisations to increase public awareness and safety
- work with partner organisations to develop appropriate funding arrangements
- consult on and implement the Land & on Water Management Plans for our storages where funding allows.

Leadership and Culture

The culture of an organisation begins with effective leadership. Leaders need a new and broader capability 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. This will be driven through a number of programs including:

- a culture program to measure employee experience, embed our values and provide a focus for engagement
- developing outstanding, inclusive leaders through a program that delivers results through continuous learning
- talent management that supports succession planning and new performance management approaches.

Through our *People and Culture Strategy*, we have established workplace diversity targets which we will continue to work towards. Our current targets and achievement against these targets is shown in the table top right.

GMW has adapted our leadership practices to effectively respond to COVID-19. The utilisation of video conferencing (and other means of communication) has enabled the organisation to continue to provide effective leadership throughout this period of time. Conducting Board and Committee meetings and briefings remotely, holding regular Executive Leadership meetings remotely and ensuring frequent people engagement activities have all ensured we have remained connected and aligned as an organisation.

Targets	GMW Achievement
Gender	
GMW: 40%/60% Females/Males in Senior Leadership roles	34%
Non-Gender	
3% First Nation	2%
8% LGBTIQ+	6%
5% Disability	4%

Financial Sustainability

Information, as required by the Minister's Letter of Expectations and the Corporate Planning and Reporting Guidelines, can be found in Section 5 of this plan.

Delivery Share Review

GMW will complete the remaining assigned actions from the 2018 Delivery Share Review throughout 2020/21.

The key actions are to investigate Limited Term Contracts for delivery services and options for reduction or waiver of Termination Fees. For both actions we will identify circumstances which could provide mutual benefit to irrigators and GMW by facilitating changes to irrigation services and delivery infrastructure. We will develop the data requirements and methods to support analysis and consultation with customers. We will develop processes and documentation to give effect to the changes.

The *Limited Terms Contract Framework* and the *Termination Fees Framework* will be one of the tools available for use in developing and implementing our channel by channel investment plans.

In response to COVID-19, GMW have closely monitored our financial exposure forecasts. We acknowledge that the full financial impacts of the COVID-19 crisis may not be known for some time, however believe the GMW is well positioned to identify and respond to emerging impacts. GMW's main current financial exposure (revenue shortfall) is in its non-prescribed services mainly due to rent relief being provided in accordance with Government Policy.

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Environment Water Charges

The Department of Environment, Land, Water and Planning (DELWP) has prepared draft policies for environmental water delivery charges and environmental water headworks charging. Formal engagement on the draft policies was scheduled to commence in 2019/20, but was delayed to the COVID-19 pandemic. GMW anticipates staged implementation of the policy from 2021/22 and full integration into price determinations from 2023/24.

Few changes are expected for environmental water headworks charging under the new policies. The environmental water delivery charges policy will require greater investigation, with a key objective for GMW to ensure that the revenue contribution from users of our network is commensurate and equitable with the service provided. GMW will work with DELWP and the Victorian Environmental Water Holder (VEWH) as the lead environmental water delivery manager on establishing the pilot framework for the new policies. A detailed work plan will define the actions needed, which include defining the assets and services used for environmental water delivery, clarifying water corporation environmental obligations when using natural waterways for irrigation delivery, and estimating costs for operating and maintaining assets used for environmental water delivery.

Basin Plan

The Murray-Darling Basin Plan proposes recovering 2,750 GL from consumptive diversions to support a sustainable river system. The Connections Project, which is due for completion in October 2020, is on track to recover 429 GL (long-term average annual yield) from the GMID through asset modernisation and improved customer service delivery. Some 279 GL of the total savings are earmarked for the Basin Plan via entitlements created for the VEWL [75 GL] and the Commonwealth Environmental Water Office (CEWO) [204 GL].

Under the Sustainable Diversion Limit Adjustment Mechanism, GMW is supporting environmental works and measures coordinated through the Victorian Murray Floodplain Restoration Project. GMW is also replacing earthen channels with pipelines supplying domestic and stock water to customers in the Mitiamo region.

We will continue contributions to other projects funded to provide additional water recovery which align with beneficial environmental and socio economic outcomes. We will continue to contribute to implementation arrangements to ensure that our processes which potentially compromise irrigation deliveries and the socio-economic outcomes for our customers or poses risks to our role system operations roles are identified and taken in account.

GMW remains actively involved in key Environmental Works Projects along the River Murray. The use of technology will ensure progress on planning for these important projects can continue. GMW is also delivering the Mitiamo Pipeline project. This project, which enhances water efficiency, will have effective controls embedded to mitigate COVID-19 risks to ensure its delivery throughout 2020/21.



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Goulburn to Murray Trade Rule Review

GMW is preparing to implement changes based on decisions arising from the trade rule review, and expect this activity to commence in 2020. Adjustments will be required on how we administer the Goulburn Intervalley Trade Account, river operations and customer accounts affected by the changes. We will develop strategies and responses for the expected impacts on system operation, water markets and resultant changes to water deliveries. These impacts will affect customers in different ways depending on location and water market activities. We will monitor and ameliorate the impacts customers and activate responses were possible.

Aligning with Government Priorities

Our Strategic Outcomes are aligned with the Victorian Government's water policy priority areas as defined in *Water for Victoria*, our own Transformation Working Plan, and the Minister's Letter of Expectation Key Performance Indicators (KPI's). We have set key performance indicators to monitor and report on our activities aligned with these Goals.

Strategic Outcomes	Transformation Initiatives	Water for Victoria Priority Areas	Letter of Expectation Key Performance Indicators
Safe, skilled, engaged people	<ul style="list-style-type: none"> People & Culture Strategy Safety Strategy 	Leadership and culture	G1: Diversity and inclusion G3: Health and safety
Satisfied customers, trusting partners	<ul style="list-style-type: none"> Service Strategy Communications, Engagement & Partnerships Strategy 	Customer and community outcomes	C1: Customer satisfaction C2: Customer and community engagement
Innovation, data and technology driven services	<ul style="list-style-type: none"> Digital Transformation Strategy 	Customer and community outcomes	C1: Customer satisfaction C2: Customer and community engagement
Sustainable business, viable customers	<ul style="list-style-type: none"> Asset Management Strategy Financial Sustainability Strategy 	Financial sustainability	F1-F8: Financial indicators L4: Payment management and hardship
Water security and other water values are recognised	<ul style="list-style-type: none"> Water Resources Strategy Environmental Sustainability Strategy Aboriginal Water Strategy Land & Water Strategy 	<ul style="list-style-type: none"> Climate change Resilient and liveable cities and towns Water for Aboriginal, cultural, spiritual and economic values Recognising recreational values 	E2: Emission reductions E3: Climate adaptation Rec1: Recreational values AC1: Engagement of Aboriginal communities AC2: Engagement of Traditional Owners AC3: Aboriginal Inclusion Plan/ Reconciliation Action Plan

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Business Plan

The outcomes of this Corporate Plan are expected to be achieved between July 2020 and June 2025. The Strategy Framework, outlined earlier, provides the focus for GMW's 2020/21 business plan. Each Board approved Strategy will contain a 'maturity model' which will further inform the implementation activities required in the coming years.

The illustration below outlines the timeline for the development and approval of the identified strategies.

2019/20

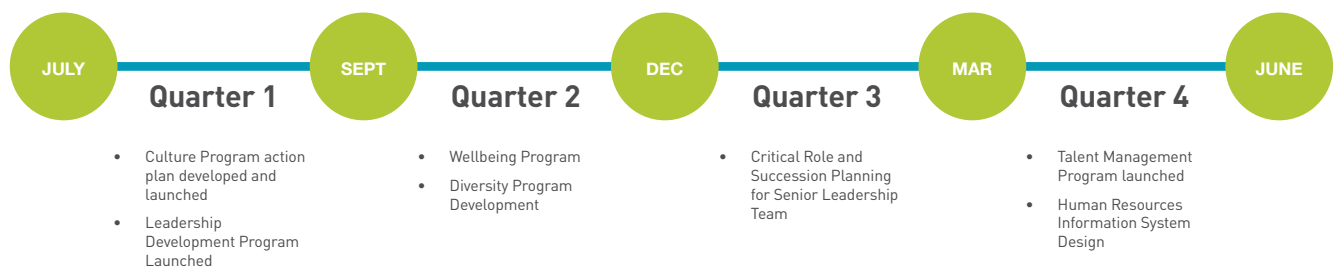


2020/21



The People & Culture Strategy and the Communications, Engagement and Partnerships Strategy have been completed and are currently being implemented. The key milestones and associated timelines for the implementation of these strategies are outlined below:

People & Culture Strategy 2020/21



Communications, Engagement and Partnerships Strategy 2020/21



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Performance Measures and Targets

GMW and our customers share mutual obligations to ensure that agreed standards of service can be achieved. These services are provided in accordance with our approved service standards.

GMW's Obligations:

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

Water businesses are responsible for providing performance data against key performance indicators specified by the ESC. The following KPIs are prescribed by the *Victorian Water Industry*.

Water Service Performance

KPI Number	Key Performance Indicator	Target for 2020/21 (%)
WSR1	Rural water supply deliveries (Number of orders delivered/total number of orders) x 100	Gravity is 93 Pumped is 98
WSR2	Unavailability of Domestic and Stock supply (Duration that domestic and stock service is unavailable in excess of on-property storage requirement/length of water season) x 100	1.5
WSR3	Groundwater supply (Number of transfers processed within target period/total number of transfers processed) x 100	75 ⁴

Customer Responsiveness

KPI Number	Key Performance Indicator	Target for 2020/21
CR4	Billing/payment issues complaints Number of complaints per 1000 customers	Target for 2020/21 will be calculated at end of 2019/20 based on rolling five year average.

Environmental Performance

KPI Number	Key Performance Indicator	Target for 2020/21
E2	Total net CO2 emissions Net tonnes CO2 equivalent	11,799 tonnes

4. Based on the rolling average.

Accountability and Managing Organisational Performance

This Corporate Plan signals to our stakeholders our planned intent for the business. GMW will use this Corporate Plan to ensure that organisational resources are aligned to delivery of our commitments.

GMW has established a clear and consistent framework to facilitate evaluation of our organisation's performance, compliance and accountability. This includes a revised Performance Management System that effectively manages performance through all tiers of the organisation, through communicating organisational objectives to the individual employee, allocating individual accountabilities towards relevant targets, tracking achievement of assigned targets, and evaluating individual and corporate performance.

Risk Assessment

GMW considers the safety and wellbeing of all staff, contractors, customers and the general public as our highest priority. In 2020/21 we will continue to build on a culture of care and accountability, and reinforce the importance of safety to all staff through initiatives that will improve health, safety and wellbeing outcomes, both at work and at home.

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 also provides the structure to consider positive consequences (i.e. opportunities compared to risks), and both risks and opportunities underpin our risk acceptance tolerance or appetite.

Our Strategic business risks are outlined in Appendix C.



Capital Expenditure Overview

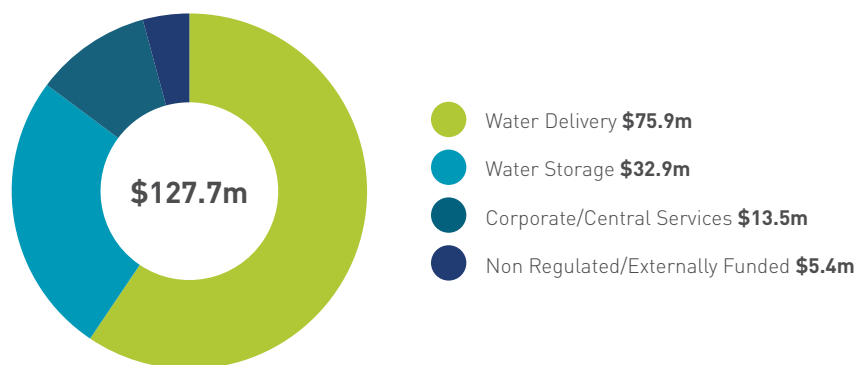
In this Corporate Plan, capital expenditure primarily relates to storage and delivery services. Recognising the future challenges in asset renewal, GMW has reviewed its asset practices and informed its capital programs by:

- analysing the conditions of the assets and the risks associated with critical failures
- using a channel by channel asset planning tool to optimise planned investment in the GMID asset base
- reviewing its investment framework to take into account changes to future asset planning and management
- prioritising investments that meet key business drivers and satisfy its strategic outcomes.

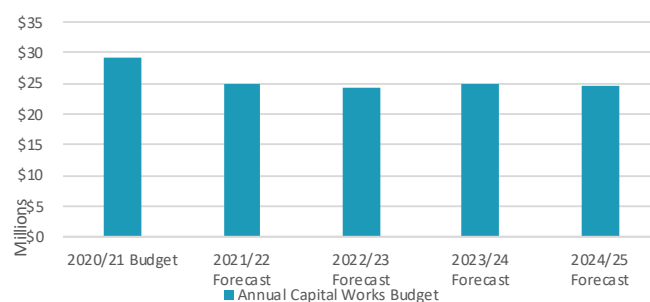
The capital budgets identified in this Corporate Plan for the years 2020/21-23/24 reflect the Capital Program developed for our recent pricing submission. Detailed breakdown of capital expenditure in our Water Delivery, Connections and Water Storage divisions can be found in the following sections of 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.

Project details can be found in the following sections of this Plan.

Capital Works by Category



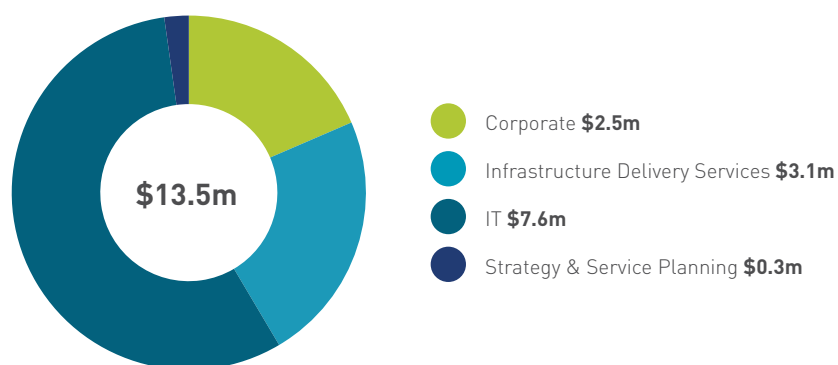
Capital Expenditure



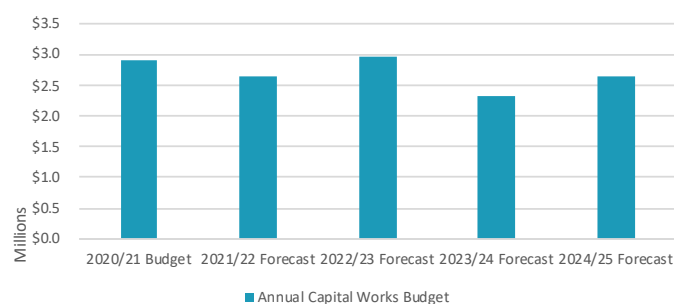
Corporate Services

The Corporate Services capital expenditure is driven primarily by the Information Technology and Commercial departments. The Information Technology department has three streams of investment including the IT refresh program, GMW's Digital Strategy and Security. The IT refresh program looks to replace outdated hardware such as laptops, phones, computer servers and communication networks. The Digital Strategy stream is a recent introduction at GMW, and is focused on the delivery of an improvement program that will support innovation, efficiencies and a more customer centric GMW. The security stream is a dedicated stream to ensure continuous improvement in securing our services and information. Our Commercial department investment is primarily focused on the maintenance and replacement of GMW facilities.

Capital Works for Corporate/Central Services

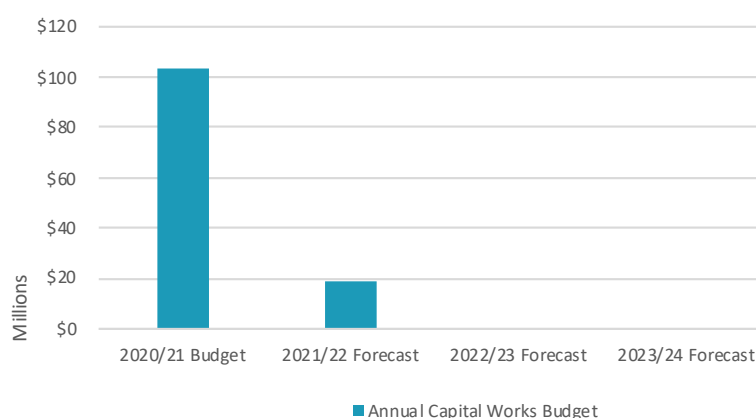


Corporate/Central Services



Connections Project

Capital expenditure by the Connections Project will concentrate on delivering Connections works as detailed within the approved Reset Delivery Plan (RDP). Asset solutions are customised to the individual channel and are based on a range of factors including how much water is lost (e.g. through leakage, seepage and evaporation), how much water is used by all properties supplied on the channel, the condition of the channel, how many properties are serviced by the channel and the type of agricultural production, and the complexity, cost and practicality of connection. Channel solutions range from remediating channel with lining (clay or plastic) to replacing channel with a GMW pipeline or privately owned infrastructure such as a channel or pipeline. Decommissioning of channels is also completed if alternative ways can be determined to connect landowners to their water supply in a different location.



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Changes from our 2019/20 Corporate Plan

A summary of our capital expenditure spend for the 2020/21 vs the 2019/20 Corporate Plan is set out below.

Capital Expenditure - Consolidated

Actual figures from Corporate Plan	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	Total \$'000
2020/21 Corporate Plan	122,078	132,207	44,002	24,374	24,776	347,437
2019/20 Corporate Plan	130,912	80,701	25,797	24,479	22,587	284,476
Variance	(8,834)	51,506	18,205	(105)	2,189	62,961

Capital Expenditure - Water Storage and Delivery

Actual figures from Corporate Plan	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	Total \$'000
2020/21 Corporate Plan	14,330	29,124	24,993	24,374	24,776	117,597
2019/20 Corporate Plan	16,371	25,969	25,797	24,479	22,587	115,203
Variance	(2,041)	3,155	(804)	(105)	2,189	2,394

Capital Expenditure - Connections Project

Actual figures from Corporate Plan	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	Total \$'000
2020/21 Corporate Plan	107,748	103,083	19,009	-	-	229,840
2019/20 Corporate Plan	114,541	54,732	-	-	-	169,273
Variance	(6,793)	48,351	19,009	-	-	60,567

The Connections Project has received additional funding for the construction of the Mitiamo Pipeline that was not part of the 2019 Corporate Plan. Connections Project capital expenditure can fluctuate from year to year driven by changes to delivery in consultation with customers and the carry forward of prior year's performance to the remaining periods of the project.

2. 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 20,000 customers using over 39,000 services in northern Victoria. GMW manages both regulated and unregulated river systems that flow into the Murray and administers groundwater within this area.

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. Pipeline supply is provided in the Tungamah, Normanville and East Loddon water districts. The East Loddon (North) and West Loddon Water Districts have gravity supply, noting that the majority of East Loddon (North) customers will be serviced by the Mitiamo pipeline upon its completion.

Drainage

GMW also provides surface drainage services in parts of its irrigation districts. Additionally, GMW operates and manages a network of groundwater pumps to provide subsurface drainage in the Shepparton Irrigation Region.



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 GMW's 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 Measures

The table below outlines the service standard targets that GMW will seek to provide to our customers throughout 2020/21.

Key Performance Indicator	Achievement in 2018/19 [%]	Target for 2020/21 [%]
Water Delivery		
Percentage of orders delivered on day requested.	92%	95%
Percentage of orders within +10% of flow rate for 90% of time.	92%	80%
Water delivered to customer properties through the open channel network as a percentage of water extracted	New	85%
Drainage Irrigation		
Drains are maintained to a level that they are available to remove run-off	New	98%
Pumped Irrigation		
Irrigation water orders delivered on day requested.	99%	98%
Supply interruptions do not exceed eight hours in the summer months and 48 hours in the winter.	New	80%
Notification provided to affected customers on system restoration within two hours of unplanned outage.	100%	100%
Water delivered to customer properties through the closed piped network as a percentage of water extracted.	New	92%
Water Districts		
Supply interruptions do not exceed 96 hours	New	100%
Diversions		
Groundwater resource monitoring data is collected in accordance with management plan requirements and is readily accessible to our customers. Monitoring data made accessible within two weeks of data being submitted by the monitoring contractor.	100%	90%
Customer access to groundwater is managed through seasonal allocations which are announced in accordance with relevant management plans.	100%	100%
Customers receive notification in writing (SMS, email, letters) within 24 hours	New	100%
Access to unregulated stream flow is managed in accordance with restriction triggers in Local Management Rules	New	100%

Strategic Focus

Water Delivery 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.

GMW will focus on active engagement with investors and developers to promote the benefits of the GMW region. GMW 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 co-ordinate 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 relating to optimising the GMID asset base and prioritise specific works in our capital program.

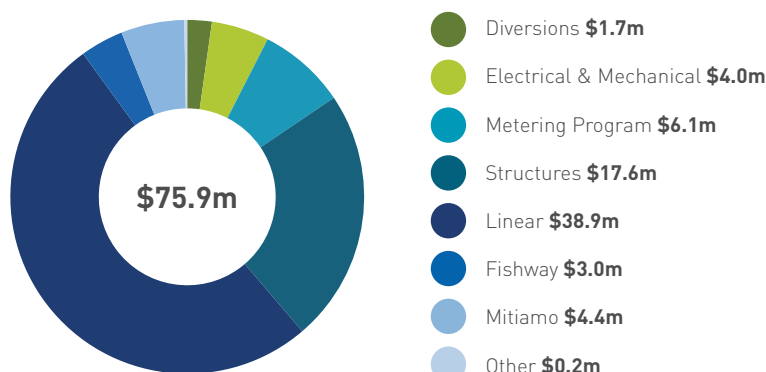
Pricing

Our 2020-21 prices will drop by about 10 per cent for most customers. This is in-line with our 2020-24 Pricing Submission.

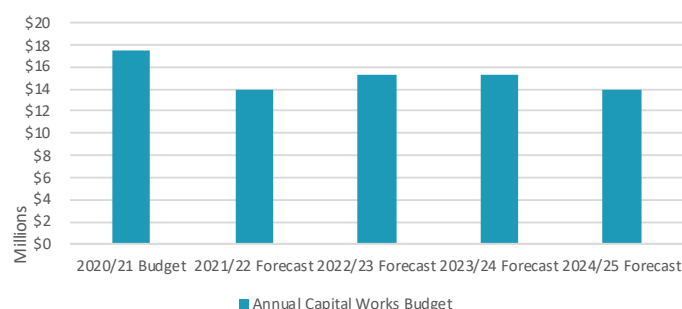
Capital Works Program – Water Delivery

The capital budgets identified in this Corporate Plan for years 2020/21-23/24 are the same as the Capital Program developed for the recent Pricing Submission. The details of the Water Delivery Program presented in the Pricing Submission was informed by the application of the channel by channel methodology, currently in progress, and consultation with stakeholders. The graph below shows the categories for capital investment in our Water Delivery business.

Capital Works by Program
Water Delivery



Capital Expenditure



Structures Program

This program consists of the replacement and refurbishment of bridges, road culverts, occupational crossings, subways, and siphons. GMW takes a proactive approach to managing assets risks the business is exposed to by:

- rehabilitating and replacing necessary assets
- planning asset intervention for critical assets before failure to ensure minimal impact to service delivery resulting in improved cost control over reactive replacement
- extending the serviceable life of assets and deferring of capital replacements through timely refurbishment
- consulting with affected customers and stakeholders.

Linear Program

The linear work program proposes works to assets in poor condition and high maintenance costs whose failure would result in unacceptable risks to the service. The program consists of four types of channel bank works within the GMID including:

- remodelling
- rock armouring
- access tracks
- fencing.

Cohuna Weir Fishway

Cohuna Weir and Koondrook Weir obstruct fish passage along Gunbower Creek, isolating the lower sections of the creek from the River Murray and impose risks to the fish populations. In 2005, GMW reconstructed Cohuna Weir but the fishway was not constructed at that time. GMW will build the Cohuna Weir fishway within the current planning period in coordination with the construction of the externally funded Koondrook Weir fishway, to minimise overall costs and environmental disturbance.

Mitiamo Pipeline

Construction of the \$29 million Mitiamo Pipeline Project is expected to start in early 2020 with the final pipeline proposed to supply 75,000 hectares north of Bendigo and south west of Echuca near the townships of Mitiamo, Tennyson and Dingee. The new pipeline will provide a year round service to 180 customers and 87 rural houses through 376 tapping points with delivery of approximately 528 ML of piped domestic and stock water per year. The works are expected to be completed by early 2021.

The Mitiamo Pipeline Project will reduce public and private water losses by approximately 1,026 ML per year and includes installing 375 km of pipeline, a pump station and a 90 ML storage facility.

The Victorian Government has committed \$10.2 million in funding, and the Australian Government has now committed up to an additional \$14.5 million in funding from the National Water Infrastructure Development Fund, with a further \$4.4 million being contributed by landowners toward the total cost of the Project. Any additional on-farm work costs associated with the domestic and stock scheme such as water tanks, troughs, pipe and fittings will be the responsibility of the landowners.

Once completed the newly created Mitiamo Piped Water District will be owned and operated by Goulburn-Murray Water.

Electrical and Mechanical Program

The Electrical and Mechanical projects ensure the ongoing effectiveness of our modernised assets and pump stations. Key projects in the Corporate Plan period include:

- refurbishment of the Kerang North Pump Station as this asset has reached end of life
- investigation and installation of solar to support pump station operations.

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Metering Program

GMW has a compliance requirement to replace failed flowmeters under our Statement of Obligation (SoO) and Metering Action Plan (MAP) endorsed by the Board. Replacing and upgrading these assets will also maximise the benefits of accurate flowmeters and to ensure the KPIs are aligned to the Customer Service Standards and support the water efficiency targets.

The Diversions and GMID metering program is a part of a longer term program where the proposed budget was developed to achieve metering obligations under the *National Framework for Non-urban Water Metering – Victorian Implementation Plan March 2010*. The state meter replacement program commenced in 2013/14 and is planned to be finalised in 2024/25. The plan was established to outline the basis and costs for the capital replacement program for these meters which are considered grandfathered under the National Measurement Standards (NMS). The program has a focus on reducing the number of customer service points that require upgrading. The approach to the program focused on the upgrade of meters which have reached end of life.

This capital plan focuses on meter replacement to improve the quality of meter accuracy and water sharing arrangements for diversion and irrigation customers.



3. Connections Project

The Connections Project is ensuring the future prosperity of our region. The \$2 billion Project is the largest irrigation modernisation project in Australia. Funded by the Victorian and Australian governments, the Project will ensure the sustainable future of productive agriculture in northern Victoria.

The Project is generating water savings by creating a world leading delivery system that boosts irrigator productivity, helps communities thrive and fosters healthy waterways and wetlands.

Project Developments in 2019

Following September 2016 approval of the Connections Reset Delivery Plan, in 2019 the Project continued the implementation of the reset scope of works. The Project is on track to be delivered on time and within budget by October 2020.

As at the end of January 2020, the Project has met or exceeded all required contractual milestones and achieved 95%⁵ of the required water savings. This was achieved through the delivery of solutions for GMID customers, with 8,686 modernised meter outlets installed and 1,476 km of channel decommissioned as at December 2019.

Key activities completed in the 2019 year included:

- delivering 378.1 GL of audited water savings as at 30 June 2019, with continued water savings achievements made since this date
- installation of 8,686 modernised meter outlets and decommissioning 1,476 km of channel

- completing the Third Reedy Lake environmental project following almost five years of technical investigation and extensive community and stakeholder consultation. This project involved constructing a large 750 ML/d regulator and 1.4 km bypass channel including a fishway and a 1.5 km pipeline and associated pump station. These infrastructure works allow the introduction of a new watering regime which will improve the ecological condition of the lake
- keeping safety as a key focus for delivery and successfully completing the 2019 annual construction works with a recorded Lost Time Injury Frequency Rate (LTIFR) of 3.37 LTIs per million man hours worked, which compares favourably to the heavy construction industry LTIFR of 13.7
- further consolidating the complaints management process to provide customers with more timely and consistent resolutions to issues raised
- continued certification of the Project's management systems to International and Australian Standards for Quality, Environment and Safety (ISO 9001:2015; ISO 14001:2015 and AS 4801:2001)
- continued revised engagement model implementation using statutory reconfiguration powers with remaining works to be delivered through Reconfiguration Plans (RPs). To the end of 2019, a total of 129 RPs have been formally gazetted under the *Water Act 1989*. In total to the end of 2019, the Project has finalised connections with over 7,000 landowners
- providing a stimulus to the regional GMID economy through the Project's 2019 annual construction program creating an estimated 1,561 FTEs in the region (direct and indirect employment) and generating an estimated regional GDP increase of \$279 M for the 12-month reporting period.

5. Subject to audit and verification processes.

Project completion October 2020

The Project is on track for successful delivery to completion by October 2020. The Project is entering a challenging period but has undertaken robust works planning process to ensure it can deliver on the Project aims and milestones for 2020. Key activities to achieve these milestones include the construction of works associated with Reconfiguration Plans including a substantial 2020 annual works construction program involving pipelining, channel automation, meter installations and asset rationalisation.

A large Winter Works program is scheduled for 2020 to maximise construction during the irrigation shut-down period and achieve more than 20 GL of water savings towards project completion. These works include the construction of over 50 km of pipeline, up to 300 km of channel decommissioning, installation of 40 regulators and over 1000 outlets installed or decommissioned.

The project team are finalising the Reconfiguration Plan engagement process in 2020 that will result in a refined construction scope to finalise Project delivery and construction through to project completion in 2020.

The Project team and GMW are focussed on Project Completion and Transition Plan activities to close out project commitments. A range of activities are being undertaken to deliver the remaining scope, to meet contractual and reporting obligations through to the end of the contractual period and to transfer knowledge and expertise into GMW business. Project and GMW staff will focus on the delivery of activities against this plan in parallel to the finalisation of construction through to Project completion in October 2020.

4. Water Storage

Storage and Harvesting

GMW manages 16 major storages (including four on behalf of MDBA) and eight minor Mid-Murray storages, 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 35 and 145 years. GMW operates the major storages in accordance with the Australian National Committee on Large Dams (ANCOLD) 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 non-regulated services provided by GMW.

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.

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 the investment priorities, with further investigations works to commence in 2020/21 to confirm future dam safety upgrade projects.

Phase 1 of the Dam Strategy Project was completed during the year, which presented a picture of the costs and benefits of our storages. Commencing in 2020/21, Phase 2a will further investigate the attributes of some of the storages and will include consultation with customers and stakeholders on future management options.

Pricing

Our 2020/21 prices will mean price reductions for most bulk water customers. This is consistent with our 2020-24 Pricing Submission. GMW is also committed to consulting with our bulkwater customers on moving from basin price to a single bulkwater price, during the next Pricing Submission period.

Service Measures

The service standards targets for 2020/21 are currently under review by the ESC as part of the Pricing Submission.

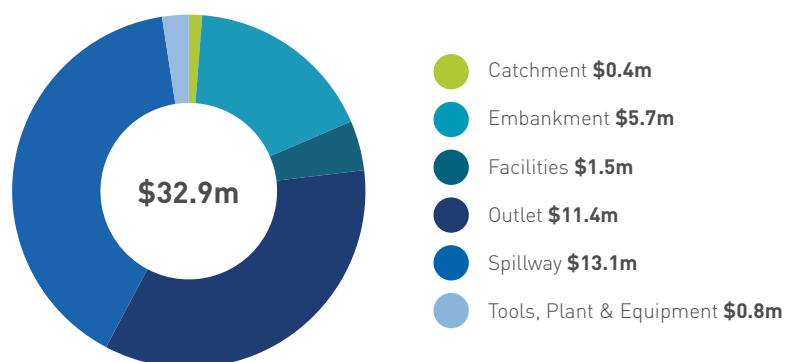
Key Performance Indicator	Achievement in 2018/19 (%)	Target for 2020/21 (%)
Bulk Water		
Ability of each regulated system to deliver water to meet customer demand as a percentage of time.	100%	99%
Ability of each regulated system to maximise harvesting opportunities up to 100% of the design storage capacity as a percentage of time.	100%	100%
Minimum flow requirements for regulated waterways as specified in the relevant bulk entitlements are satisfied as a percentage of time.	99%	98%
Seasonal determination announcements for regulated systems to be made with defined timeframes each month.	100%	100%
Risk of spill announcements for relevant regulated systems to be made within defined timeframes each month.	100%	100%

Capital Works Program

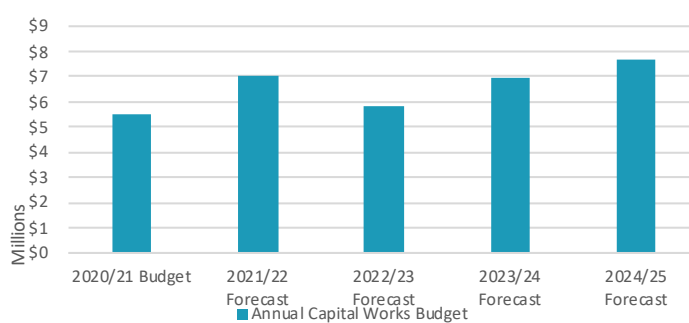
The following graph highlights the capital investment priorities for our Water Storage business throughout the Corporate Plan period. This includes the following projects for 2020/21:

- refurbish the Cairn Curran Outlet Tower access bridge and the Tullaroop Reservoir Spillway bridge
- Spillway Rock Wall Stability Project at Lake Eppalock
- power upgrade at Cairn Curran
- safety refurbishments of the bridges over the Stuart Murray and Cattanach Canals.

Capital Works by Program Water Storage



Capital Expenditure



Non-Prescribed

Whilst the majority of the functions undertaken by GMW are essential rural water services, with prices and service prescribed by the ACCC, we also undertake a number of non-prescribed functions such as providing recreational facilities, land management and hydropower generation. Although many of these functions have similar characteristics to community service obligations, GMW must endeavour to manage all non-regulated functions in a commercial manner.

GMW maintains recreational infrastructure and services and manages safe boating access at 14 of its 24 storages. The non-regulated management portfolio includes 722 houseboat licences, 11 caravan park leases and 63 clubs. All the dams managed by GMW are available to 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 funded by GMW (through non-prescribed revenue streams), the MDBA and partly or fully by local Government.

Service Measures

GMW continues to provide recreational services across all storages, working through our established Land and On Water Management Plans (L&OWMP) and with Implementation Groups (L&OWIG), to enhance recreational values and the regional economy.

GMW will continue to review our L&OWMPs on a five-yearly basis, and develop plans as necessary where none exist. We will continue to partner with other agencies, authorities, interest groups, local communities and stakeholders to provide improved services and access to commercial and recreation facilities at our storages.

Recreational guidelines will be updated as required and made available to recreational users and stakeholders to inform them of the facilities available and applicable safety and recreational rules and guidelines.

Strategic Focus

General Public Use

GMW manages public recreation reserves and their associated assets in partnership with local Government, MDBA and more recently with the Victorian Fisheries Authority, since opening Dartmouth Regulating Pondage and Tullaroop Reservoir to public access. GMW is currently working with the Victorian Fisheries Authority on accessibility matters relating to facilitating some recreational activities at Hepburns Lagoon.

The main source of funding for GMW's 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 GMW needs to actively identify opportunities to divest or adjust service levels at particular locations. There are currently no General Public Use capital projects within our Corporate Plan. GMW will also continue to partner with Government, councils, and other organisations to secure funding for improvement projects.

The financial performance of the General Public Use function will be improved by:

- identifying appropriate revenue streams to fund the operations, maintenance and renewal of assets in General Public Use areas
- implementing Levels of Service for recreation reserves
- exploring opportunities for divesting sites surplus to operational needs
- implementing the outcomes of the *Land & On-Water Strategy* (currently being developed)
- seeking external funding to improve recreational facilities
- facilitating L&OWIGs to discuss, agree, promote and implement priority actions around our storages.

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Waterway Management

GMW is the declared waterway manager under the *Marine Safety Act 2010* for 14 storages, and partnered with the Victorian Fisheries Authority, Transport Safety Victoria, Central Highlands Water, local landowners and stakeholders to open Tullaroop Reservoir and Hepburns Lagoon for on-water recreational access during 2019/20. GMW 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. We will continue to work toward ensuring that the costs associated with providing safe and accessible waterways are adequately funded.

Commercial Leases

GMW manages the extensive land holdings around our storages directly, and through 857 commercial agreements with caravan parks, foreshore recreational licences, grazing licences, and other general leases. The overall performance is sound and most activity occurs on land that cannot be sold because it is required for storage operation. Following a commercial review of privately constructed structures on public land around the storages, GMW has implemented a new licensing model at Eildon, Goulburn Weir and Yarrawonga, which will be progressively introduced at other storages.

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 a Memorandum of Understanding. GMW works closely with MDBA and DELWP on developing and implementing the annual works budget and program.

Houseboats

GMW manages the fleet of houseboats licensed to operate on Lake Eildon. There is potential to grow the houseboat business by selling additional licences, but this requires legislation changes as well as significant investment in additional berthing and associated infrastructure to cater for low water levels. Additionally, significant funding is required to upgrade waste management facilities at Jerusalem Creek.

Power Generation

Opportunities to expand hydro power generation at storages have been pro-actively considered but viable sites have not been identified. GMW is open to approaches to install traditional hydro, pumped hydro, solar or wind power generation on its land and is working with a commercial operator in considering the feasibility of solar generation at Waranga Basin.

Capital and Funded Works

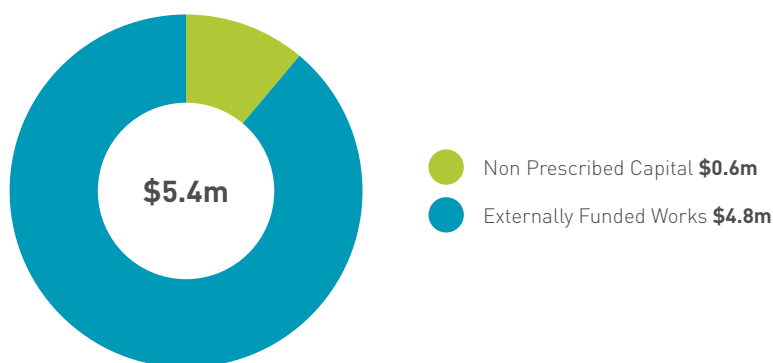
The following graph identifies the planned capital expenditure in our Non-Prescribed business. This includes the following projects for completion in 2020/21:

- boat purchase for operations at Lake Eildon.

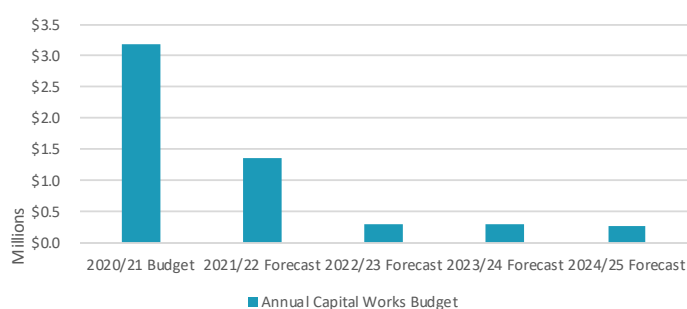
The following projects are dependent on opportunistic funding:

- boat ramp improvements at Lake Eildon
- infrastructure changes at Lake Eppalock to promote public safety on the waterway
- other projects identified in the Recreation and Land Capital Investment Plan.

Capital Works Non Prescribed & Externally Funded



Capital Expenditure



5. Financial

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 Connections Project. The Connections Project is responsible for delivery of the \$2 billion irrigation modernisation program.

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

- whole of GMW (Consolidating WS&D and Connections Project)
- WS&D financials
- Connections Project financials

Financial Assumptions

Staffing

Our labour costs are expected to reduce in line with the transformation strategy.

Inflation

Our financial plans have been prepared in nominal dollars of the day, which are calculated with a 2 per cent inflation rate each year.

Rate of Return

A weighted average cost of capital of 4.2 per cent has been incorporated within our calculation of revenue requirement for 2019/20 and 4 per cent applied thereafter.

Construction Costs

Our future capital budgets assume that infrastructure construction costs increase at 2 per cent.

Labour Rates

Labour rates have assumed to increase at slightly over CPI.

Debt Management

GMW monitors debt in accordance with 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 Connections Project requirements, as part of the 'financial ring-fencing' required by the Commonwealth.

This Corporate Plan proposes to reduce borrowings, and within operating revenue use funds arising from operating cost reductions for either capital expenditure, paying down debt, or providing price benefit.



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Financing Requirements

GMW expects to repay the following and reduce the long term debt levels over this Corporate Plan:

Debt Change Table \$'000	2019/20 Forecast	2020/21 Budget	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
Short term	17,443	2,588	10,241	5,405	6,723	9,320
Long Term	92,802	105,359	95,262	97,502	90,923	81,747
Total Debt	110,245	107,947	105,503	102,907	97,646	91,067

GMW's debt levels over the Corporate Plan period are to steadily decrease reflecting strong operational performance by WS&D including delivery of cost savings in both operating and capital expenditure. Debt reduction have slowed compared with the prior plan with costs savings being passed directly to customers with reduced price.

Funding of the Connections Project is 'ring-fenced' and is separate from the borrowings required for the WS&D business.

Financial Sensitivity Analysis

Water Storage & 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.

Connections Project

The Connections Project is funded by the Victorian and Federal Governments. GMW manages the risk of delivering the project on time and on budget both from a total project perspective and also on a year by year basis.

Historically the Project has been exposed to cash flow variability due to the nature of the project. This largely arises due to the timing of landholder acceptance of connection contracts and landholders subsequently undertaking works to facilitate the connection through on-farm works. GMW has limited ability to influence this timing which may result in variability of cash flows against forecasts.

For information relating to sensitivity analysis based on non-financial variables, refer to pages 17-19.

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Operating Statement – Consolidated

(\$000's)	2019/20 Forecast	2020/21 Budget	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
Revenue						
Tariff Revenue	118,824	113,175	113,600	115,197	116,887	118,521
External Revenue	22,061	18,996	17,484	16,660	16,981	17,247
Connections Project	87,417	46,164	25,135	-	-	-
Other Revenue	9,380	8,772	8,943	9,118	9,296	9,482
Total Revenue	237,682	187,107	165,162	140,975	143,164	145,250
Expenditure						
Direct Costs						
Labour	57,512	50,210	46,568	46,984	47,937	48,752
Contracts and Services	14,579	15,280	13,998	14,243	14,285	14,255
G-MW Vehicle Hire (Fleet costs)	5,240	5,592	5,709	5,805	5,920	6,036
Materials (inc. Assets Less Than \$2000)	2,760	2,974	3,013	2,992	3,031	3,170
General Insurance	1,319	1,300	1,326	1,353	1,380	1,395
Electricity	1,954	1,933	1,891	1,931	1,971	2,118
Communication Costs	883	646	659	672	685	699
Environmental Contribution	2,793	2,793	2,793	2,793	2,793	2,793
MDBA Contribution to Vic govt	13,400	13,668	13,941	14,220	14,505	14,795
Other	705	1,148	1,177	1,200	1,225	1,242
Total Direct Costs	101,145	95,544	91,075	92,193	93,732	95,255
Other Costs						
External Costs	19,331	14,587	14,865	15,115	15,407	15,702
Connections Project	84,303	45,221	25,128	-	-	-
Total Other Costs	103,634	59,808	39,993	15,115	15,407	15,702
Total Expenditure	204,779	155,352	131,068	107,308	109,139	110,957
EBITDA (before asset tfr & disposals)	32,903	31,755	34,094	33,667	34,025	34,293
Asset Disposals (Expenditure)	40,060	5,000	1,020	1,040	1,061	1,082
EBITDA	(7,157)	26,755	33,074	32,627	32,964	33,211
Interest Expense	7,043	6,612	6,209	5,803	5,639	5,303
Statutory Depreciation	107,159	101,227	102,189	104,340	107,464	111,318
Statutory Profit before Tax	(121,359)	(81,084)	(75,324)	(77,516)	(80,139)	(83,410)
Tax (Expense)/Benefit	36,406	24,326	22,598	23,255	24,042	25,024
Statutory Profit after Tax	(84,953)	(56,758)	(52,726)	(54,261)	(56,097)	(58,386)

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Balance Sheet – Consolidated

(\$000's)	2019/20 Forecast	2020/21 Budget	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
Current Assets						
Cash	162,241	46,380	7,391	8,856	7,805	6,350
Accounts Receivable	27,562	24,741	21,355	21,355	21,355	21,355
Inventory	19,348	3,194	2,508	2,508	2,508	2,508
Total Current Assets	209,151	74,315	31,254	32,719	31,668	30,213
Non Current Assets						
Infrastructure	4,542,785	5,103,960	5,047,943	4,965,889	4,881,074	4,792,110
Work in Progress	141,793	31,233	26,973	26,973	26,973	26,973
Property, Plant and Equipment	83,125	86,348	84,701	85,262	85,832	86,395
Intangibles	6,440	7,693	8,193	8,680	9,176	9,665
Total Non Current Assets	4,774,143	5,229,234	5,167,810	5,086,804	5,003,055	4,915,143
TOTAL ASSETS	4,983,294	5,303,549	5,199,064	5,119,523	5,034,723	4,945,356
Current Liabilities						
Creditors & Accruals	44,775	19,299	17,949	17,949	17,949	17,949
Borrowings - Current Portion	17,443	2,588	10,241	5,405	6,723	9,320
Other Lease Liabilities	2,383	2,052	2,052	2,052	2,052	2,052
Employee Entitlements	16,934	16,258	16,219	16,823	17,449	18,098
Unearned Revenue	43,102	24,986	-	-	-	-
Total Current Liabilities	124,637	65,183	46,461	42,229	44,173	47,419
Non Current Liabilities						
Borrowings - Long Term	92,802	105,359	95,262	97,502	90,923	81,747
Other Lease Liabilities	1,949	553	553	553	553	553
Employee Entitlements	2,351	2,151	1,869	1,939	2,011	2,086
Deferred Tax Liability	465,526	591,255	546,063	499,523	451,409	401,332
Total Non Current Liabilities	562,628	699,318	643,747	599,517	544,896	485,718
TOTAL LIABILITIES	687,265	764,501	690,208	641,746	589,069	533,137
NET ASSETS	4,296,029	4,539,048	4,508,856	4,477,777	4,445,654	4,412,219
Equity						
Contributed Capital	3,089,522	3,039,180	3,039,587	3,039,587	3,039,587	3,039,587
Asset Revaluation Reserve	1,579,576	1,929,576	1,929,576	1,929,576	1,929,576	1,929,576
Accumulated Surplus/(Deficit)	(373,069)	(429,708)	(460,307)	(491,386)	(523,509)	(556,944)
TOTAL EQUITY	4,296,029	4,539,048	4,508,856	4,477,777	4,445,654	4,412,219

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Statement of Cashflow – Consolidated

(\$'000's)	2019/20 Forecast	2020/21 Budget	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
Cash Flow from Operations						
Cash Receipts						
Fixed and Variable Charges	107,530	103,281	101,254	102,645	104,118	106,309
Govt Contributions/Grants	21,806	31,519	2,885	1,806	1,830	1,806
GST received from the ATO	7,344	7,911	5,032	5,023	5,101	5,124
Other Income	37,382	39,054	37,955	38,482	39,217	39,176
Cash Flow from Operations	174,062	181,765	147,126	147,956	150,266	152,415
Cash Payments						
Payments to Suppliers & Employees	(210,390)	(171,428)	(128,687)	(108,904)	(110,786)	(112,603)
Interest and Other Costs of Finance Paid	(7,043)	(6,612)	(6,209)	(5,803)	(5,639)	(5,303)
Environmental Contributions	(2,793)	(2,793)	(2,793)	(2,793)	(2,793)	(2,793)
GST paid to the ATO	(2,476)	(2,088)	(2,125)	(2,164)	(2,207)	(2,250)
Total Cash Payments for Operations	(222,702)	(182,921)	(139,814)	(119,664)	(121,425)	(122,949)
Net Cash Inflow/(Outflow) Operations	(48,640)	(1,156)	7,312	28,292	28,841	29,466
Cash Flow to Investing Activities						
Payments for Infrastructure Assets	(122,078)	(132,207)	(44,002)	(24,374)	(24,776)	(24,489)
Proceeds from Sale of Assets	282	144	144	144	144	147
Net Cash Inflow/(Outflow) Investment	(121,796)	(132,063)	(43,858)	(24,230)	(24,632)	(24,342)
Cash flows from Financing Activities						
Proceeds from Borrowings (incl repayments)	(2,163)	(2,299)	(2,443)	(2,597)	(5,260)	(6,579)
Proceeds from Contributed Capital	15,300	19,657	-	-	-	-
Net Cash Inflow/(Outflow) Financing	13,137	17,358	(2,443)	(2,597)	(5,260)	(6,579)
Net Increase/(Decrease) in Cash	(157,299)	(115,861)	(38,989)	1,465	(1,051)	(1,455)
Cash at Beginning of Period	319,540	162,241	46,380	7,391	8,856	7,805
Cash at End of Period	162,241	46,380	7,391	8,856	7,805	6,350

Financial Performance Indicators – Consolidated

Target	Consolidated Financial Performance Ratios	2019/20 Forecast	2020/21 Budget	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
<u>Short-Term Financial Sustainability Indicators</u>							
2.5x	Cash Interest Cover (MRD01)	(7.7x)	(1.6x)	0.1x	6.1x	6.3x	6.8x
>35%	Internal Financing Ratio	-40%	-1%	17%	116%	116%	120%
Positive	Current Ratio	257%	185%	68%	78%	72%	64%
> 50%	Quick Ratio	233%	177%	62%	72%	66%	59%
Positive	EBITDA Margin	-3.0%	14.3%	20.0%	23.1%	23.0%	22.9%
<u>Long-Term Financial Sustainability Indicators</u>							
<2.5%	Gearing Ratio (debt to assets)	2.2%	2.0%	2.0%	2.1%	2.0%	1.9%
Positive	Return of Equity	-2.0%	-1.3%	-1.2%	-1.2%	-1.3%	-1.3%
<u>Financing Indicators</u>							
<60%	Regulatory Gearing Ratio	12.0%	22.5%	21.2%	19.7%	18.3%	16.8%

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FINANCIAL

Water Storage and Delivery

The performance of this part of the business is based on a series of financial performance metrics covering both short term and long term performance.

Operating Statement – Water Storage and Delivery

(\$000's)	2019/20 Forecast	2020/21 Budget	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
Revenue						
Tariff Revenue	118,824	113,175	113,600	115,197	116,887	118,521
External Revenue	41,869	18,996	17,484	16,660	16,981	17,247
Other Revenue	9,380	8,772	8,943	9,118	9,296	9,482
Total Revenue	170,073	140,943	140,026	140,974	143,163	145,250
Expenditure						
Direct Costs						
Labour (incl Labour Hire, Contract and Consultants)	57,512	50,210	46,568	46,984	47,937	48,752
Contracts and Services	14,579	15,280	13,998	14,243	14,285	14,255
G-MW Vehicle Hire (Fleet costs)	5,240	5,592	5,709	5,805	5,920	6,036
Materials (inc. Assets Less Than \$2000)	2,760	2,974	3,013	2,992	3,031	3,170
Insurance and Workcover	1,319	1,300	1,326	1,353	1,380	1,395
Electricity	1,954	1,933	1,891	1,931	1,971	2,118
Communications Costs	883	646	659	672	685	699
Environmental Contribution	2,793	2,793	2,793	2,793	2,793	2,793
MDBA Contribution to Vic govt	13,400	13,668	13,941	14,220	14,505	14,795
Other	705	1,148	1,177	1,200	1,225	1,242
Total Direct Costs	101,145	95,544	91,075	92,193	93,732	95,255
Other Costs						
External Costs	24,909	14,587	14,865	15,115	15,407	15,702
Total Other Costs	24,909	14,587	14,865	15,115	15,407	15,702
Total Expenditure	126,054	110,131	105,940	107,308	109,139	110,957
EBITDA (before asset tfr & disposals)	44,019	30,812	34,086	33,666	34,024	34,293
Asset Disposals (Expenditure)	40,060	5,000	1,020	1,040	1,061	1,082
EBITDA	3,959	25,812	33,066	32,626	32,963	33,211
Interest Expense	7,043	6,612	6,209	5,803	5,639	5,303
Statutory Depreciation	105,165	101,227	102,189	104,340	107,464	111,318
Statutory Profit before Tax	(108,249)	(82,027)	(75,332)	(77,517)	(80,140)	(83,410)
Tax (Expense)/Benefit	32,473	24,608	22,600	23,255	24,042	25,024
Statutory Profit after Tax	(75,776)	(57,419)	(52,732)	(54,262)	(56,098)	(58,386)

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Balance Sheet – Water Storage and Delivery

(\$000's)	2019/20 Forecast	2020/21 Budget	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
Current Assets						
Cash	15,518	7,015	7,391	8,856	7,805	6,350
Accounts Receivable	24,176	21,355	21,355	21,355	21,355	21,355
Inventory	2,579	2,508	2,508	2,508	2,508	2,508
Total Current Assets	42,273	30,878	31,254	32,719	31,668	30,213
Non Current Assets						
Infrastructure	4,542,785	5,103,960	5,047,943	4,965,889	4,881,074	4,792,109
Work in Progress	26,973	26,973	26,973	26,973	26,973	26,973
Property, Plant and Equipment	81,970	84,126	84,701	85,262	85,832	86,395
Intangibles	6,440	7,693	8,193	8,680	9,176	9,665
Total Non Current Assets	4,658,168	5,222,752	5,167,810	5,086,804	5,003,055	4,915,142
TOTAL ASSETS	4,700,441	5,253,630	5,199,064	5,119,523	5,034,723	4,945,355
Current Liabilities						
Creditors & Accruals	21,578	17,949	17,949	17,949	17,949	17,949
Borrowings - Current Portion	17,443	2,588	10,241	5,405	6,723	9,320
Other Lease Liabilities	2,383	2,052	2,052	2,052	2,052	2,052
Employee Entitlements	16,832	16,187	16,219	16,823	17,449	18,098
Total Current Liabilities	58,236	38,776	46,461	42,229	44,173	47,419
Non Current Liabilities						
Borrowings - Long Term	92,802	105,359	95,262	97,502	90,923	81,747
Other Lease Liabilities	1,949	553	553	553	553	553
Employee Entitlements	1,940	1,866	1,869	1,939	2,011	2,086
Deferred Tax Liability	465,848	591,293	546,063	499,523	451,409	401,332
Total Non Current Liabilities	562,539	699,071	643,747	599,517	544,896	485,718
TOTAL LIABILITIES	620,775	737,847	690,208	641,746	589,069	533,137
NET ASSETS	4,079,666	4,515,783	4,508,856	4,477,777	4,445,654	4,412,218
Equity						
Contributed Capital	2,872,900	3,016,313	3,039,587	3,039,587	3,039,587	3,039,587
Asset Revaluation Reserve	1,579,576	1,929,576	1,929,576	1,929,576	1,929,576	1,929,576
Accumulated Surplus/Deficit	(372,810)	(430,106)	(460,307)	(491,386)	(523,509)	(556,945)
TOTAL EQUITY	4,079,666	4,515,783	4,508,856	4,477,777	4,445,654	4,412,218

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Statement of Cash Flow – Water Storage and Delivery

(\$000's)	2019/20 Forecast	2020/21 Budget	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
Cash flows from Operations						
Cash Receipts						
Fixed and Variable Charges	107,530	103,281	101,254	102,645	104,118	106,309
Govt Contributions/Grants	11,806	4,682	2,885	1,806	1,830	1,806
GST received from the ATO	7,344	7,911	5,032	5,023	5,101	5,124
Other Income	39,629	37,841	37,807	38,482	39,217	39,176
Cash flows from Operations	166,309	153,715	146,978	147,956	150,266	152,415
Cash Payments						
Payments to Suppliers & Employees	(131,213)	(119,446)	(108,183)	(108,904)	(110,786)	(112,603)
Interest and Other Costs of Finance Paid	(7,043)	(6,612)	(6,209)	(5,803)	(5,639)	(5,303)
Environmental Contributions	(2,793)	(2,793)	(2,793)	(2,793)	(2,793)	(2,793)
GST paid to the ATO	(2,476)	(2,088)	(2,125)	(2,164)	(2,207)	(2,250)
Total Cash Payments for Operations	(143,525)	(130,939)	(119,310)	(119,664)	(121,425)	(122,949)
Net Cash Inflow/(Outflow) Operations	22,784	22,776	27,668	28,292	28,841	29,466
Cash flows to Investing Activities						
Payments for Infrastructure Assets	(14,330)	(29,124)	(24,993)	(24,374)	(24,776)	(24,489)
Proceeds from Sale of Assets	282	144	144	144	144	147
Net Cash Inflow/(Outflow) Investment	(14,048)	(28,980)	(24,849)	(24,230)	(24,632)	(24,342)
Cash flows from Financing Activities						
Proceeds from Borrowings (incl repayments)	(2,163)	(2,299)	(2,443)	(2,597)	(5,260)	(6,579)
Net Cash Inflow/(Outflow) Financing	(2,163)	(2,299)	(2,443)	(2,597)	(5,260)	(6,579)
Net Increase/(Decrease) in Cash	6,573	(8,503)	376	1,465	(1,051)	(1,455)
Cash At Beginning of Period	8,945	15,518	7,015	7,391	8,856	7,805
Cash at End of Period	15,518	7,015	7,391	8,856	7,805	6,350

Financial Performance Indicators – Water Storage and Delivery

Target	WS&D Financial Performance Ratios	2019/20 Forecast	2020/21 Budget	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
<u>Short-Term Financial Sustainability Indicators</u>							
2.5x	Cash Interest Cover (MRD01)	4.4x	4.6x	5.6x	6.1x	6.3x	6.8x
>35%	Internal Financing Ratio	159%	78%	111%	116%	116%	120%
Positive	Current Ratio	73%	80%	67%	77%	72%	64%
> 50%	Quick Ratio	68%	73%	62%	72%	66%	58%
Positive	EBITDA Margin	2.3%	18.3%	23.6%	23.1%	23.0%	22.9%
<u>Long-Term Financial Sustainability Indicators</u>							
<2.5%	Gearing Ratio (debt to assets)	2.4%	2.1%	2.1%	2.1%	2.0%	1.9%
Positive	Return of Assets (statutory)	-2.2%	-1.5%	-1.3%	-1.4%	-1.5%	-1.6%
Positive	Return of Equity	-1.9%	-1.3%	-1.2%	-1.2%	-1.3%	-1.3%
<u>Financing Indicators</u>							
<60%	Regulatory Gearing Ratio	21.8%	22.5%	21.3%	19.9%	18.6%	17.1%

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Quarterly Operating Statement – Water Storage and Delivery

(\$000's)	2020/21 Quarter 1 Budget	2020/21 Quarter 2 Budget	2020/21 Quarter 3 Budget	2020/21 Quarter 4 Budget	2020/21 Budget
Revenue					
Tariff Revenue	28,294	28,294	28,294	28,293	113,175
External Revenue	3,989	4,369	5,129	5,509	18,996
Other Revenue	1,842	2,017	2,281	2,632	8,772
Total Revenue	34,125	34,680	35,704	36,434	140,943
Expenditure					
Direct Costs					
Labour (incl Labour Hire, Contract and Consultants)	13,255	12,553	12,301	12,101	50,210
Contracts and Services	3,820	3,820	3,820	3,820	15,280
G-MW Vehicle Hire (Fleet costs)	1,510	1,286	1,342	1,454	5,592
Materials (inc. Assets Less Than \$2000)	803	714	684	773	2,974
Insurance and Workcover	325	325	325	325	1,300
Electricity	387	483	619	444	1,933
Communications Costs	161	161	162	162	646
Environmental Contribution	698	698	698	699	2,793
MDBA Contribution to Vic govt	3,417	3,417	3,417	3,417	13,668
Other	276	276	276	320	1,148
Total Direct Costs	24,652	23,733	23,644	23,515	95,544
Other Costs					
External Costs	3,063	3,355	3,938	4,230	14,587
Total Other Costs	3,063	3,355	3,938	4,230	14,587
Total Expenditure	27,715	27,088	27,582	27,745	110,131
EBITDA (before asset tfr & disposals)	6,410	7,592	8,122	8,689	30,812
Asset Disposals (Expenditure)	1,000	1,500	1,500	1,000	5,000
EBITDA	5,410	6,092	6,622	7,689	25,812
Interest Expense	1,653	1,653	1,653	1,653	6,612
Statutory Depreciation	25,307	25,307	25,307	25,307	101,227
Statutory Profit before Tax	(21,550)	(20,868)	(20,338)	(19,271)	(82,027)
Tax (Expense)/Benefit	6,465	6,260	6,101	5,781	24,608
Statutory Profit after Tax	(15,085)	(14,607)	(14,237)	(13,490)	(57,419)

Quarterly Balance Sheet – Water Storage and Delivery

(\$000's)	2020/21 Quarter 1 Budget	2020/21 Quarter 2 Budget	2020/21 Quarter 3 Budget	2020/21 Quarter 4 Budget
Current Assets				
Cash	17,214	25,825	36,531	7,015
Accounts Receivable	20,201	13,741	8,668	21,355
Inventory	2,579	2,579	2,579	2,508
Total Current Assets	39,994	42,145	47,777	30,878
Non Current Assets				
Infrastructure	4,523,085	4,500,404	4,478,481	5,103,960
Work in Progress	26,973	26,973	26,973	26,973
Property, Plant and Equipment	81,034	81,481	82,016	84,126
Intangibles	6,784	6,978	7,210	7,693
Total Non Current Assets	4,637,877	4,615,837	4,594,680	5,222,752
TOTAL ASSETS	4,677,870	4,657,982	4,642,458	5,253,630
Current Liabilities				
Creditors & Accruals	22,197	23,380	28,796	17,949
Borrowings	16,924	1,311	775	2,588
Other Lease Liability	2,052	2,052	2,052	2,052
Employee Entitlements	16,748	16,664	16,580	16,187
Total Current Liabilities	57,921	43,408	48,204	38,776
Non Current Liabilities				
Borrowings - Long Term	92,802	107,802	107,802	105,359
Other Lease Liability	553	553	553	553
Employee Entitlements	1,930	1,921	1,911	1,866
Deferred Tax Liability	459,593	453,484	447,391	591,293
Total Non Current Liabilities	554,879	563,760	557,657	699,071
TOTAL LIABILITIES	612,800	607,167	605,860	737,847
NET ASSETS	4,065,070	4,050,815	4,036,597	4,515,783
Equity				
Contributed Capital	2,872,900	2,872,900	2,872,900	3,016,313
Asset Revaluation Reserve	1,579,576	1,579,576	1,579,576	1,929,576
Accumulated Surplus	(387,405)	(401,661)	(415,878)	(430,105)
TOTAL EQUITY	4,065,070	4,050,815	4,036,597	4,515,783

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Quarterly Statement of Cash Flow – Water Storage and Delivery

(\$000's)	2020/21 Quarter 1 Budget	2020/21 Quarter 2 Budget	2020/21 Quarter 3 Budget	2020/21 Quarter 4 Budget	2020/21 Total Budget
Cash flows from Operations					
Cash Receipts					
Fixed and Variable Charges	29,942	24,776	32,091	16,472	103,281
Govt Contributions/Grants	762	762	1,987	1,171	4,682
GST received from the ATO	2,429	1,758	1,744	1,980	7,911
Other Income	8,964	16,653	6,781	5,442	37,841
Cash flows from Operations	42,098	43,950	42,602	25,065	153,715
Cash Payments					
Payments to Suppliers & Employees	(29,112)	(26,011)	(24,792)	(39,531)	(119,446)
Interest and Other Costs of Finance Paid	(441)	(2,863)	(381)	(2,927)	(6,612)
Environmental Contributions	-	(931)	(931)	(931)	(2,793)
GST paid to the ATO	(522)	(522)	(522)	(522)	(2,088)
Total Cash Payments for Operations	(30,075)	(30,327)	(26,626)	(43,911)	(130,939)
Net Cash Inflow/(Outflow) Operations	12,023	13,622	15,977	(18,846)	22,776
Cash flows to Investing Activities					
Payments for Infrastructure Assets	(9,844)	(4,434)	(4,771)	(10,074)	(29,124)
Proceeds from Sale of Assets	36	36	36	36	144
Net Cash Inflow/(Outflow) Investment	(9,808)	(4,398)	(4,735)	(10,038)	(28,980)
Cash flows from Financing Activities					
Proceeds from Borrowings (incl repayments)	(520)	(612)	(536)	(631)	(2,299)
Net Cash Inflow/(Outflow) Financing	(520)	(612)	(536)	(631)	(2,299)
Net Increase/(Decrease) in Cash	1,695	8,612	10,706	(29,516)	(8,503)
Cash At Beginning of Period	15,518	17,214	25,825	36,532	15,518
Cash at End of Period	17,214	25,825	36,532	7,015	7,015

Financial Performance Indicators – Water Storage and Delivery

Target	WS&D Financial Performance Ratios	2020/21 Quarter 1 Budget	2020/21 Quarter 2 Budget	2020/21 Quarter 3 Budget	2020/21 Quarter 4 Budget
<u>Short-Term Financial Sustainability Indicators</u>					
2.5x	Cash Interest Cover (MRD01)	34.5x	9.2x	14.1x	4.6x
>35%	Internal Financing Ratio	122%	180%	218%	78%
Positive	Current Ratio	69%	97%	99%	80%
> 50%	Quick Ratio	65%	91%	94%	73%
Positive	EBITDA Margin	15.9%	16.7%	17.3%	18.3%
<u>Long-Term Financial Sustainability Indicators</u>					
<2.5%	Gearing Ratio (debt to assets)	2.4%	2.4%	2.4%	2.1%
Positive	Return of Assets (statutory)	-0.4%	-0.8%	-1.2%	-1.5%
Positive	Return of Equity	-0.4%	-0.7%	-1.1%	-1.3%
<u>Financing Indicators</u>					
<60%	Regulatory Gearing Ratio	20.7%	18.6%	16.1%	22.5%

Connections Project

The Connections Project is an externally funded project. The financial sustainability of the Project is assessed based on the ability to deliver the project within the funding, on time and on budget.

Operating Statement – Connections Project

(\$000's)	2019/20 Forecast	2020/21 Budget	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
Revenue						
Government Grants	86,188	45,376	24,994	-	-	-
Other Revenue	1,229	788	141	-	-	-
Total Revenue	87,417	46,164	25,135	-	-	-
Expenditure						
Operations	16,252	11,480	2,520	-	-	-
Project Costs	68,051	33,741	22,608	-	-	-
Total Expenses	84,303	45,221	25,128	-	-	-
EBITDA	3,114	943	7	-	-	-
Statutory Depreciation	1,994	0	0	-	-	-
Statutory Profit (Loss) Before Tax	1,120	943	7	-	-	-
Tax (Expense)/ Benefit	(336)	(283)	(2)	-	-	-
Statutory Profit (Loss) After Tax	784	660	5	-	-	-
Consolidation entries						
Output Funded Asset Expense	(14,230)	-	-	-	-	-
Total Consolidated Expenses	70,073	-	-	-	-	-

Balance Sheet – Connections Project

(\$000's)	2019/20 Forecast	2020/21 Budget	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
Current Assets						
Cash	146,722	39,366				
Accounts Receivable	3,386	3,386				
Inventory	16,770	686				
Total Current Assets	166,878	43,438	-	-	-	-
Non Current Assets						
Work in Progress	114,820	4,260				
Property, Plant and Equipment	1,155	2,222				
Total Non Current Assets	115,975	6,482	-	-	-	-
TOTAL ASSETS	282,853	49,920	-	-	-	-
Current Liabilities						
Creditors & Accruals	23,197	1,350				
Employee Entitlements	102	71				
Unearned Revenue	43,102	24,986				
Total Current Liabilities	66,401	26,407	-	-	-	-
Non Current Liabilities						
Employee Entitlements	411	285				
Deferred Tax Liability	(322)	(38)				
Total Non Current Liabilities	89	247	-	-	-	-
TOTAL LIABILITIES	66,490	26,654	-	-	-	-
NET ASSETS	216,363	23,266	-	-	-	-
Equity						
Contributed Capital	216,622	22,867				
Accumulated Surplus/Deficit	(259)	399				
TOTAL EQUITY	216,363	23,266	-	-	-	-

Statement of Cash Flow – Connections Project

(\$000's)	2019/20 Forecast	2020/21 Budget	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
Cash flows from Operations						
Cash Receipts						
Govt Contributions/Grants	10,000	26,837	-			
Other Income	3,331	1,213	148			
Cash flows from Operations	13,331	28,050	148	-	-	-
Cash Payments						
Payments to Suppliers & Employees	(84,756)	(51,980)	(20,505)			
Total Cash Payments for Operations	(84,756)	(51,980)	(20,505)	-	-	-
Net Cash Inflow/(Outflow) Operations	(71,425)	(23,930)	(20,357)	-	-	-
Cash flows to Investing Activities						
Payments for Infrastructure Assets	(107,748)	(103,083)	(19,009)			
Net Cash Inflow/(Outflow) Investment	(107,748)	(103,083)	(19,009)	-	-	-
Cash flows from Financing Activities						
Capital Contributions from Government	15,300	19,657	-			
Net Cash Inflow/(Outflow) Financing	15,300	19,657	-	-	-	-
Net Increase/(Decrease) in Cash	(163,873)	(107,356)	(39,366)	-	-	-
Cash At Beginning of Period	310,595	146,722	39,366	-	-	-
Cash at End of Period	146,722	39,366	-	-	-	-

Financial Performance Indicators – Connections Project

Target	Connections Project Financial Performance Ratios	2019/20 Forecast	2020/21 Budget	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
	<u>Short-Term Financial Sustainability Indicators</u>						
2.5x	Cash Interest Cover (MRD01)	NA	NA	NA	-	-	-
>35%	Internal Financing Ratio	-66%	-23%	-107%	-	-	-
Positive	Current Ratio	716%	3057%	0%	-	-	-
> 50%	Quick Ratio	644%	3015%	0%	-	-	-
Positive	EBITDA Margin	3.6%	2.0%	0.0%	-	-	-
	<u>Long-Term Financial Sustainability Indicators</u>						
<2.5%	Gearing Ratio (debt to assets)	23.5%	53.4%	0.0%	-	-	-
Positive	Return of Assets (statutory)	0.3%	0.6%	0.0%	-	-	-
Positive	Return of Equity	0.3%	0.6%	0.0%	-	-	-
	<u>Financing Indicators</u>						
<60%	Regulatory Gearing Ratio	NA	NA	NA	-	-	-
NA - Not applicable							

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 – Government Business Enterprises* (October 2009) (DTF Requirements) issued by the Department of Treasury and Finance
- the *Victorian Water Industry Corporate Planning and Reporting Guidelines 2018-19* (the Guidelines) issued by the Minister for Water, Lisa Neville (the Minister for Water), released 1 March 2019
- the *Letter of Expectation* (LOE), dated 28 February 2020 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 Environment, Land, Water and Planning (DELWP)
- 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 (next page).

Guidelines Reference	Requirement	Page Reference
1.(a)	Statement of Corporate Intent	5-12
1.(b)	Business plan and financial statements	25-27, 31, 44-61
2.1.1.	Climate change: provide a set of services that minimise environmental impacts, mitigate climate change and put in place adaptation strategies and actions	20, 24
2.1.2.(a)	Customer and community outcomes: customer satisfaction related goals	20-21, 24
2.1.2.(b)	Customer and community outcomes: community engagement	20-21, 24
2.1.3.(a)	Water for Aboriginal cultural, spiritual and economic values: engagement of Aboriginal communities	21, 24
2.1.3.(b)	Water for Aboriginal cultural, spiritual and economic values: engagement of Traditional Owners	21, 24
2.1.4.(a)	Resilient and liveable cities and towns: participation in Integrated Water Management Forums (IWM)	21, 24
2.1.4.(b)	Resilient and liveable cities and towns: liveability benefits	21, 24
2.1.4.(c)	Resilient and liveable cities and towns: water efficiency programs	21, 24
2.1.4.(d)	Resilient and liveable cities and towns: improve affordability and assist customers in hardship	21, 24
2.1.5.	Recognising recreational values: plans for consideration of recreational values	21, 24
2.1.6.	Leadership and culture: diversity and inclusion	22, 24
2.1.7.(a)	Financial sustainability: price paths	16, 34, 39
2.1.7.(c)	Financial sustainability: quarterly financial projections	54-57
2.1.7.(d)	Financial sustainability: debt management strategies	44
2.1.7.(e)	Financial sustainability: unregulated business activities	41-43
2.1.7.(f)	Financial sustainability: operational risk assessment	27, 66-67
2.1.7.(g)	Financial sustainability: impact on performance of high and low scenarios for key planning variables	45
2.1.7.(h)	Financial sustainability: any significant variations from the 2016 Pricing Decision	31
2.1.8.(a)	Planning assumptions: assumed demand, water allocations and supply availability	17-19
2.1.8.(b)	Planning assumptions: assumed price increases	16, 34, 39
2.1.8.(c)	Planning assumptions: all other relevant assumptions in section 2.2 of the DTF requirements	15-24, 26-31, 33-34, 39-40, 43-45
5.1.	Victorian Water Industry Performance Reporting Framework: PRF KPIs	26
	Statement on the impacts of COVID-19 on delivering the seven priority areas identified in the Minister's Letter of Expectations	15
	A statement on any actions to address the impacts raised in the previous point	16-17, 20-23

Appendices

Appendix B: SAP Recommendations

GMW has progressed actions against the 30 SAP Recommendations, completing and closing out 22 actions to date. Our work on the remaining 11 actions is progressing, and the status of each recommendation is outlined below.

Recommendation	Status
1. In the short term (2018 to 2024), identify and achieve a further 10 per cent efficiency in both operating and capital expenditure across its regulated core businesses of gravity irrigation and 29 per cent in the pumped irrigation, drainage, water districts and fee for service businesses from 2019/20.	Complete
2. In the medium term (2025 to 2040), identify and achieve further efficiencies in the gravity irrigation business of around 15 per cent in 2024/25, and additional efficiencies of five per cent in 2029/30:	Objective included in GMW Strategy Framework
3. In the long term (2041 to 2067), identify additional five per cent efficiencies in operating and capital expenditures in 2039/40 in the gravity irrigation business, and apply these with a one per cent per annum price increase over the 10-year period 2029/30 to 2038/39.	Objective included in GMW Strategy Framework
4. GMW should confirm the savings targets by undertaking further modelling work in 2018 once it has validated the capital and maintenance cost inputs.	Complete
5. Adopt the GMW transformation implementation plan.	Complete
6. Establish a Transformation Panel to focus and drive the necessary structural and cultural change in the business, and to ensure that GMW is supported with specialist advice to transition and transform the business.	Complete
7. To avoid delay in commencing the transformation, establish a dedicated Transition Panel by February/March 2018.	Complete
8. Form lead project teams to assist in creating a vision for the future and, integrate and communicate transformation throughout the organisation.	Complete
9. Establish a Transformation Manager as the 'change-agent' to lead the transformation in within the business until December 2019.	Complete
10. Employ a Chief Operating Officer to initially focus on delivering the Transformation plan with the Managing Director.	Closed
11. Establish a new business structure (individual business units) to successfully deliver GMW's services reliably to customers at efficient prices over the short, medium and long term.	Complete
12. In the context of the transformation activities, including channel by channel assessments, review latest asset management performance against the benchmark ISO 55000 standard and Asset Management Accountability Framework (AMAF) requirements, and use this to develop a comprehensive action plan to address any systemic and ongoing issues.	Complete
13. Undertake a full review of Connections Project's activities to identify opportunities to improve GMW's asset management practices, including conducting workshops.	Complete
14. Develop a plan to address the potential reduction in the GMID's footprint over the next 50 years due to changing environmental, market and cost challenges.	Objective included in GMW Strategy Framework
15. Review and consolidate the improvement opportunities identified in the Capital Investment Framework review and the Connections Project lessons learnt review.	Complete

Recommendation	Status
16. After reviewing the Connections Project lessons learnt, develop a detailed implementation plan that assigns clear timeframes and staff accountabilities to deliver all activities, including assigning an overall project leader with full authority to deliver.	Complete
17. Design a customer and stakeholder engagement program to improve trust and respect of GMW's customers and stakeholders.	Complete
18. Review the Water Services Committees' (WSC) and Customer Committees' Terms of Reference, membership and outcomes to enhance their contribution to GMW and ensure they better reflect the customer and community base and transformation requirements.	In Progress
19. Develop policies and economic tools for deciding when and where to attract new customers across the GMID. This should include GMW publishing a Statement of Opportunities which would provide potential customers with valuable feasibility information relating to land.	Partnering with the Goulburn-Murray Resilience Strategy project in supporting the Agricultural Redevelopment Committee.
20. Consult with customers about their willingness to reduce the extent of any price increases by accepting a different level of service, and reflect the outcomes of this consultation in its September 2019 pricing submission for the 2020 regulatory period. This would include adopting the Connections Project bottom-up processes and principles approach of channel inspections and information on individual's future business intentions to assist in reconciling local and whole of GMID outcomes.	Complete
21. Review its Customer Charter	Complete
22. Develop a reporting framework that is consistent and accurate across the organisation to ensure informed decision making. This needs to include key performance indicators (KPI's), timeframes and strategic initiatives that align with GMW's strategy and transformation. The reporting framework should not be outsourced to large consulting firms if they do not fully understand the business.	Enhanced Financial Reporting complete. Organisational Performance reporting scheduled for completion Q1 2020/21.
23. Ensure that the board has the necessary directives in place to ensure the Managing Director can provide necessary leadership, strategic direction, communication and the resources required to ensure business transformation is successful and enduring.	Complete
24. Review all committees to ensure that they are effective, necessary and consistent with a transformed GMW. Each committee should have clear objectives and accountabilities, through well focused charters or terms of reference and report their outcomes, recommendations and minutes to the board.	Complete
25. Review its board attendance to ensure that it is a meeting of directors and not management. Management should not attend board meetings except to deliver and discuss their specific papers.	Complete
26. Review the quality and coverage of board papers to ensure that they properly inform the board and assist them in their decision making. The Managing Director should be able to understand and respond with enough detail on papers presented to the board.	Complete
27. Review performance reporting arrangements to ensure that they are clearly aligned to strategic and corporate planning documents, and are informative about the evidence or reasons for any assessment of performance	Complete
28. Review decision making processes to eliminate additional processes that slow decision making and are inconsistent with delegated authorities.	Delegations revised based on new organisational structure – Implementation scheduled May 2020.
29. Review the operation of all its business functions including finance (e.g. separate regulatory and non-regulatory business unit reporting, borrowings profile), IT (e.g. the Enterprise Information Management system), risk, human resources, legal, billing, technical services. The review should include staffing, output, reporting and value add to the business.	Complete
30. Review its non-core activities, including the fledgling commercial activity, given its additional cost and diversion of management time and attention. The review should include developing overarching principles that would determine initially if assessments of any commercial opportunities proceed, and risk assessed business plans and Profit and Loss (P&L) accounts applying SMART principles (specific, measurable, attributable, relevant and time-bound) to each activity. These measures would determine whether those activities continue within GMW or could be divested by the end of 2019.	Objective included in GMW Strategy Framework

Appendix C: Risk Assessment Framework

Risk Name	Planned Controls	Planned Risk Rating
GMW does not provide a safe environment for our employees, contractors and public	<ul style="list-style-type: none"> Safety strategy development Public risk assessment audit 	Low
GMW's culture and capability is unable to deliver our outcomes	<ul style="list-style-type: none"> People and Culture survey 	Medium
Asset and/or process failure impacts our customer outcomes	<ul style="list-style-type: none"> Update Asset Management Strategy Water Services Association Australia (WSAA) participation Asset management Benchmarking survey 	Medium
Climate change and external events affect service to our customer and stakeholder outcomes	<ul style="list-style-type: none"> Environmental Sustainability Strategy 	Significant
GMW performance is below government, customer or regulatory expectations	<ul style="list-style-type: none"> Develop Corporate Performance metrics and reporting Deliver Water Theft Strategy Engagement Plan 2020 Deliver and implement <i>Stakeholder Relationships Framework</i> 	Medium
Sole Supplier arrangements for services critical to GMW operations unable to provide products or services	<ul style="list-style-type: none"> Water Management Systems Strategy 	Medium
Technology advancement is not embraced or leveraged for business benefits	<ul style="list-style-type: none"> Digital Transformation Strategy Update Asset Management Strategy 	Medium

Risk Name	Planned Controls	Planned Risk Rating
GMW is subject to cybercrime leading to data theft or system interference	<ul style="list-style-type: none"> • ICT Policies & Procedures • Information Governance Framework • Annual Attestation of compliance with the Victorian Protective Data Security Framework • ICT Audits 	Low
Revenue is insufficient to meet short and long term expenditure requirements while maintaining affordability	<ul style="list-style-type: none"> • Financial Sustainability Strategy 	Medium
Customer requirements of service outcomes change significantly	<ul style="list-style-type: none"> • GMW Service Strategy • 2020/2021-2024/2025 Corporate Plan 	Significant
Reduced water availability and/or water quality restricts current and future economic development in the region	<ul style="list-style-type: none"> • Water Resources Strategy • Develop Investor Policy and Procedure 	Significant
Community and Stakeholders expectations for recreation and indigenous water values are not met	<ul style="list-style-type: none"> • Land and on Water Strategy • Aboriginal Water Strategy 	Medium