

Corporate Plan

2021/22 to 2025/26



Excellence



Honesty



Accountability



Courage



Caring

Chairman and Managing Director's Foreword

As we draft this year's Corporate Plan, we sense renewed optimism across the business. Following the roll-back of Covid-19 restrictions, our teams emerged from their 'work-from-home' arrangements and are clearly demonstrating their commitment to 'getting on with the job'.

Goulburn-Murray Water (GMW) is a vital part of life in northern Victoria. Our role in delivering reliable, affordable water services drives a regional economy underpinning our collective prosperity and enhancing the wellbeing of our communities. Our team is conscious of the importance of our role and is focused on delivering the customer outcomes that were identified in our recent Price Submission.

Following the successful delivery of the Connections Project in late 2020, we are pleased to now have the opportunity to drive further improvements across the Goulburn-Murray Irrigation District (GMID). The Commonwealth Government, in early 2021, announced \$177.5 million for the delivery of a Water Efficiency Project which will deliver 15.9GL in water savings and further modernise the GMID. This major project for GMW and our region will benefit more than 1000 customers and create about 900 regional jobs.

In addition to that new direction, our recently established leadership team has been focused on development of a suite of new strategies to guide the future directions for GMW more broadly. Our Asset Management Strategy is already bringing a strong new focus on data driven decisions and effective application of technologies to guide the planning and delivery of more efficient, capital and maintenance activities.

The implementation of the Service Strategy will see the collaborative development of plans tailored to achieve outcomes for specific customer groups. Our people will achieve this through a suite of customer engagement activities across the region. Outputs from the engagement will inform the development of nine Service Plans that will identify the approaches and service standards for future operations and will become an integral part of our next Price Submission in 2024.

Our recently approved Land and on Water Strategy now provides a blueprint for our role in recreation. This will enable us to build new and important partnerships, while

delivering value to a broad range of recreational user groups and communities.

Our People and Culture Strategy will focus on developing a high performing culture and support our diversity and inclusion agenda. This is now also supported by a stand-alone Safety and Wellbeing Strategy that is already bringing positive improvements into our work practices. All these activities will be supported through the implementation of GMW's Digital Strategy. This will guide our future development and use of technologies to deliver simple, smart and seamless experiences for our customers, partners and employees.

This year we are also proud to be implementing GMW's first Reconciliation Action Plan. We are privileged to be working with and learning from Traditional Owners from the Yorta Yorta Nation, and the Taungurung and Dja Dja Wurrung Clans. We are seeking to build inclusive, transparent and honest relationships to support greater participation within our business and where possible, to facilitate access to cultural, spiritual and economic benefits from water.

In addition, we have a maintenance and capital works program of approximately \$24.2 million. The key outcomes of that will be the Cohuna and Koondrook Fishways on the Gunbower Creek and our contribution to the Victorian Murray Floodplain Restoration Project. These will deliver significant environmental outcomes in addition to the customer outcomes we will achieve through service delivery.

This is an ambitious agenda. However, we are aware of the global and regional impacts of climate change, coronavirus (Covid-19) and international export restrictions, and we know that the prosperity of this region relies heavily upon GMW services supporting the growth of food and fibre by our major industries.

So despite this heavy workload for the coming year, we are driven by the new-found optimism within the business and spurred on by our teams' aspirations to 'get on with the job'. We have great confidence in our teams' commitment and capacity to deliver this diverse suite of outcomes. We look forward to another successful year and continuing our partnerships with customers and communities in "delivering for our region and our future".

Diane James AM
Chairman

Charmaine Quick
Managing Director

Acknowledgement to Country

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

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

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

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

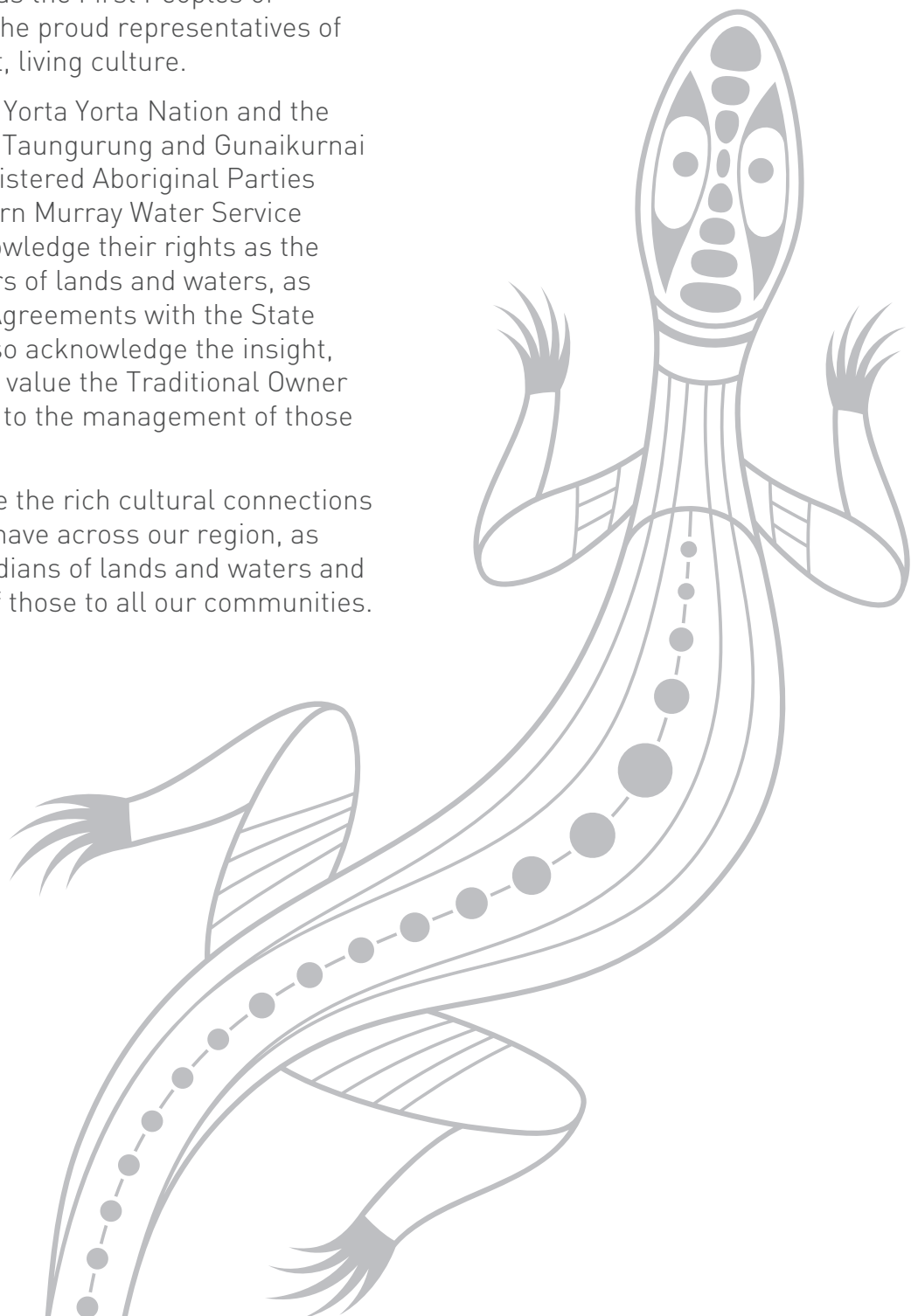


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1. Corporate Overview

Statement of Corporate Intent

Vision

In 2019, we established 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. Pricing reforms, including a \$64 million reduction in GMW revenue requirements over the 2020-24 period, board approved strategies and more robust corporate and performance reporting frameworks demonstrate GMW's commitment to achieving this vision. 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. Over the period of this corporate plan we will implement water savings projects, as well as monitor and optimise our performance to ensure that we continue to deliver for our region and our future.

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

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

Values

Our core values have been embraced throughout our business. The values of our organisation provide a benchmark 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.

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Customers

We have a diverse range of customers as shown in the table below. During the coming year we will be:

- Implementing a Single Customer Charge to simplify and streamline the way our customers are charged
- Commencing our engagement to support the development of GMW's nine Service Plans
- Supporting the delivering the Irrigators' Share Delivery Project which will return up to 75 gigalitres of water measured as long term annual average yield (LTAAAY) to irrigators
- launching a new online education portal.

The table below is based on figures for the 2019/20 financial year, and outlines our customers and the types of services they receive.

Primary Service Segment ¹	Example Customers	Number of Customers ¹	Annual Water Use in GL ²
Irrigation	<ul style="list-style-type: none"> • Horticulture, dairy, mixed farming 	11,680	706.1
Domestic and stock	<ul style="list-style-type: none"> • Rural residential • Mixed farming • Intensive animal industries (e.g. piggeries) 	6,809	15.1
Environmental watering	<ul style="list-style-type: none"> • Commonwealth and Victorian environmental water holders 	2	776.1
Bulk water for urban and rural water supply	<ul style="list-style-type: none"> • Urban water corporations 	12	617.3
Water investment	<ul style="list-style-type: none"> • Investment funds • Water share only customers • Agriculture corporations 	1,231	12.2
Flood protection	<ul style="list-style-type: none"> • Protection of land and property in flood protection districts 	30	0.0
Recreation	<ul style="list-style-type: none"> • Houseboat operators • Recreation clubs 	984	0.7
Commercial leasing and Contract Services	<ul style="list-style-type: none"> • Livestock graziers • Forestry corporations • Caravan parks • MDBA • Local government and catchment management authorities • Commercial contracts 	352	1.9
Power generation	<ul style="list-style-type: none"> • Hydroelectric power utilities 	1	0.0
Other	<ul style="list-style-type: none"> • Sundry customers 	439	0.1
	Total	21,541	2,129

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. Water use is reported for the 2019/20 financial year.

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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 Minister for Water Victorian Government Local government (all in GMW's area of operations)
Government Departments	<ul style="list-style-type: none"> Murray Darling Basin Authority Department of Environment, Land, Water and Planning Parks Victoria Agriculture Victoria Fisheries Victoria Regional Development Victoria
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 (CMAs)
Key suppliers	<ul style="list-style-type: none"> Building, Construction and Maintenance
Other utility authorities	<ul style="list-style-type: none"> Energy authorities Urban water authorities Other water authorities
GMW committees & other special interest groups	<ul style="list-style-type: none"> GMW water services committees (WSC) Community and special interest groups Land and Water Management Plan implementation groups Regional Partnerships Committee 4 Greater Shepparton WSC Chairs and Deputies Forum
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 Digital and 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 Chairperson 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).

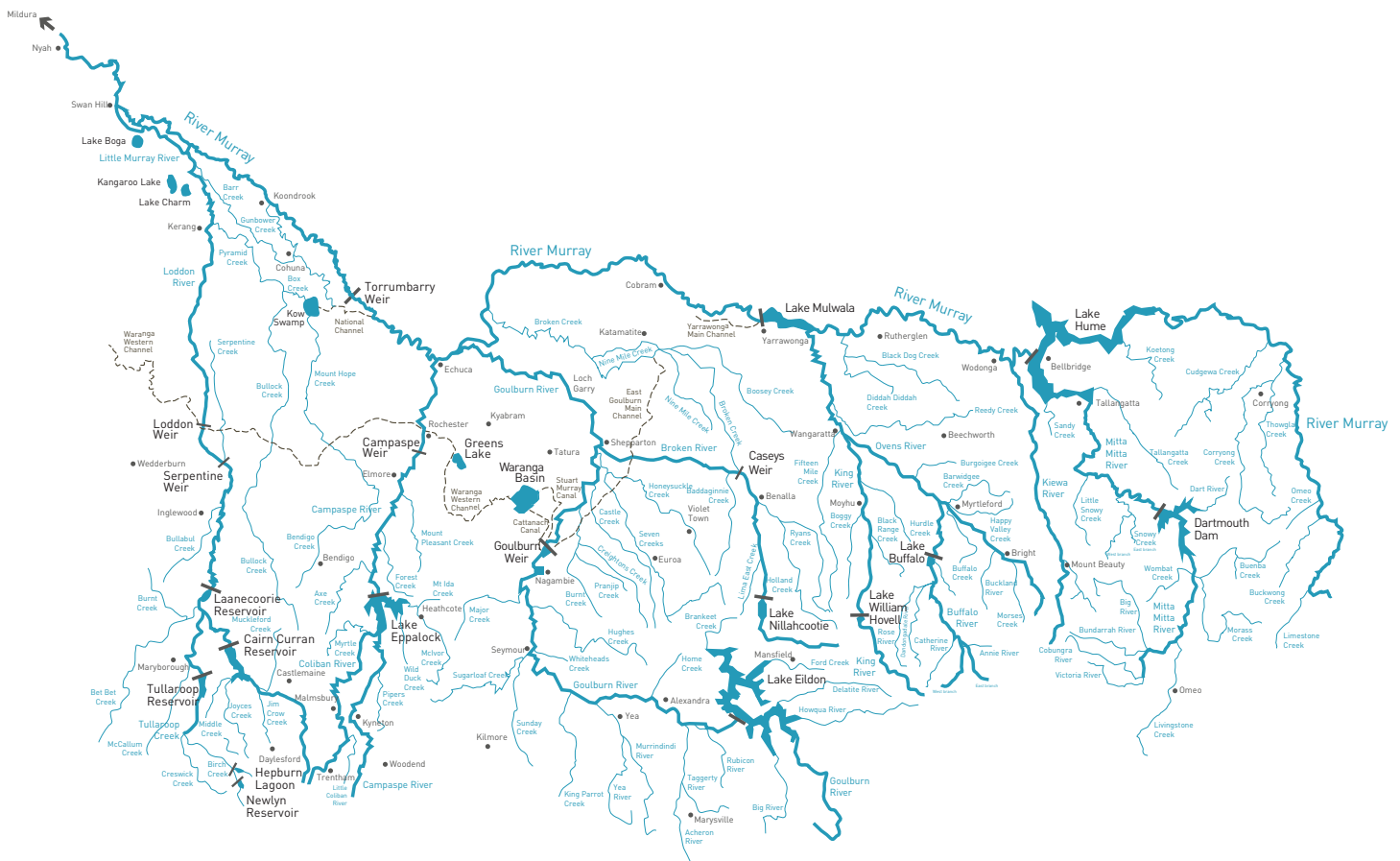
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Where Do We Operate?

We are Australia's largest rural water corporation and manage, store and deliver water to more than 21,000 active customers. Northern Victoria supports diverse agricultural commodities including dairy, cropping, horticulture, beef and sheep.

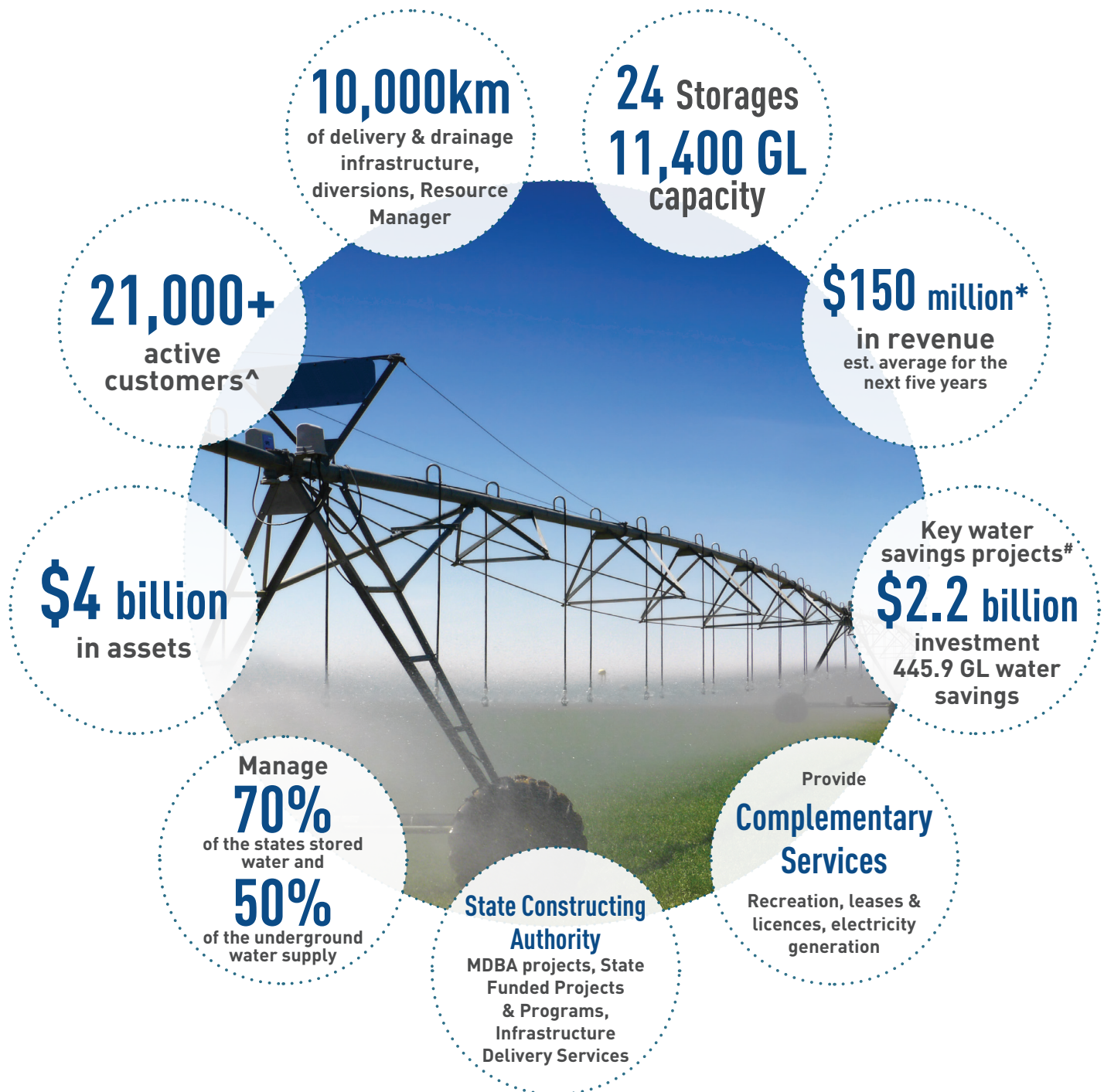
We manage 24 water storages that can hold approximately 11,000,000 ML of water and also have responsibility for managing more than 100,000 hectares of public land surrounding our storages.

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 does not include the Connections Project. Values have not been adjusted for accounting requirements and do not represent statutory revenue.

Key water savings projects: the Connections Project has achieved 429 GL of water savings and the Mitiamo Pipeline and Water Efficiency Project are forecast to save 1GL and 15.9 GL of water respectively.

^ 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 harvesting, storage and delivery services in northern Victoria
- Provide water to our customers within agreed service standards
- Manage customer accounts including fees and charges
- Monitor compliance and appropriate usage of water allocation
- 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
- Build, provide and maintain infrastructure to support drainage services to operate within design standards.

Manage our water supply:

- Allocate available 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.

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Complementary Services

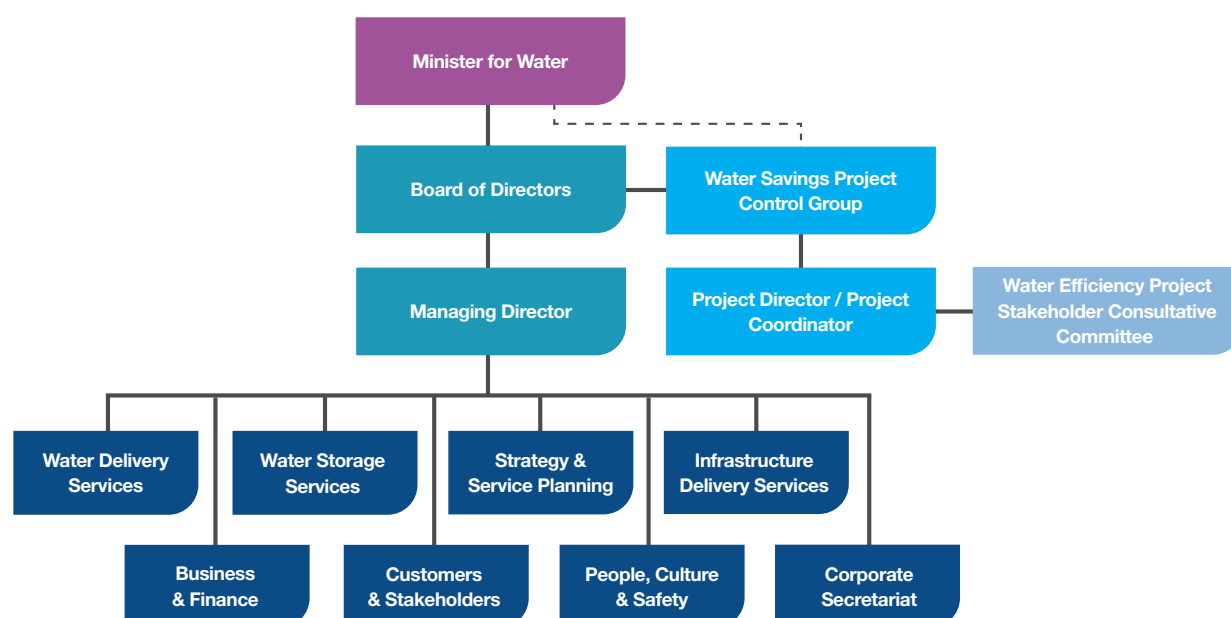
GMW provides a range of complementary services, which are not regulated by the Essential Services Commission (ESC). These services include:

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



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Our Functions

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

The **Customer and Stakeholder Services** team facilitate strategic engagement and service strategies with our customers, stakeholders and partners. This includes vital engagement through key directional projects including pricing submissions, service strategies, communications and engagement plans and the Reconciliation GMW Strategy.

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

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

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

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

The **Corporate Secretariat** supports all of our strategic outcomes by providing effective governance oversight, legal advice, Board administration and internal auditing. Corporate Secretariat also co-ordinates GMW's zero tolerance approach to water use compliance and enforcement.

Key Water Savings Projects: The key water savings projects team has a dedicated focus on achieving forecast water savings, through finalising the Connections and Mitiamo Pipeline projects and implementing the Water Efficiency Project. The governance of these projects is demonstrated in the above figure. These projects are described in more detail on page 23.

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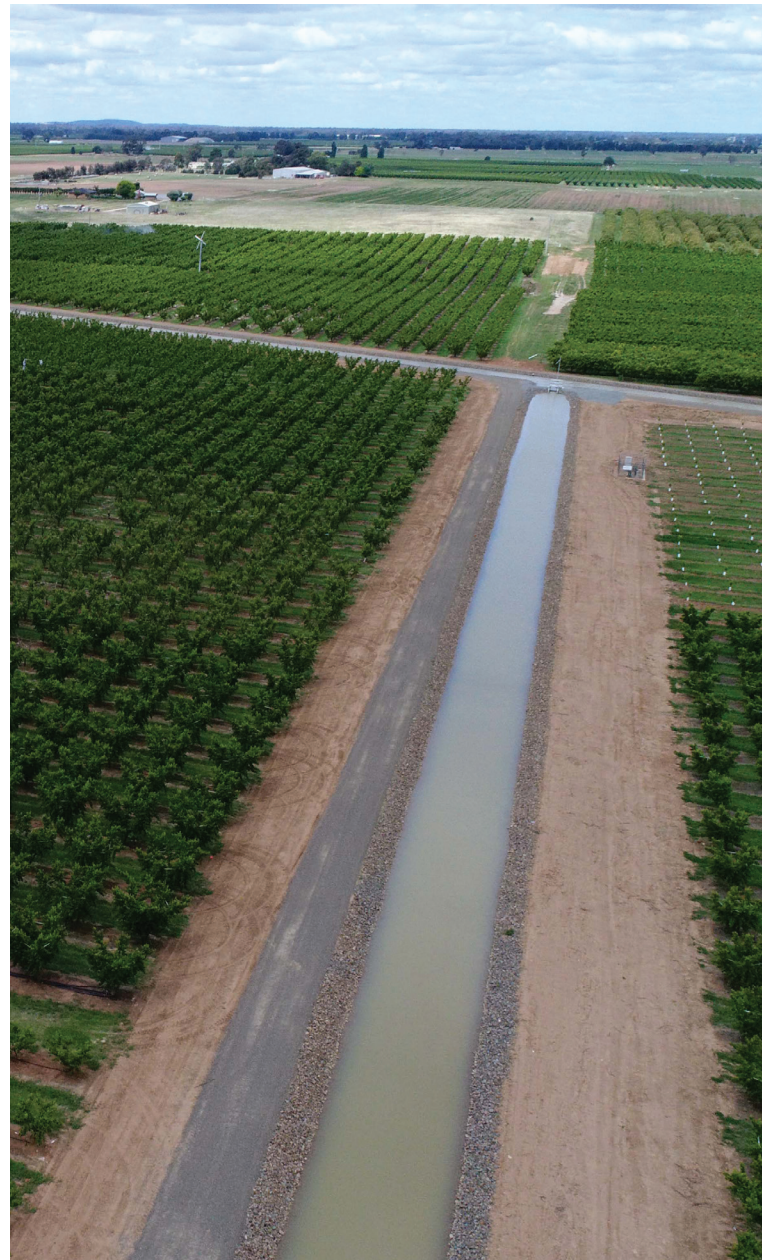
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Strategic Framework

In 2019/20, the Board and the Executive Leadership Team worked together to develop a strategic framework that would allow us to meet the various goals of GMW. Central to the strategic 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 strategic framework identifies the key strategies (approved by the Board) which provide the direction and alignment of organisational resources to achieve the strategic outcomes. Many of the strategies were developed in 2020/21 and our focus in this Corporate Plan period will be the implementation of the identified initiatives. The graphic on the next page, demonstrates our Vision, Values and the alignment of our Strategic Outcomes with the Board endorsed strategies.



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Delivering for our region and our future



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Business plan

The outcomes of this Corporate Plan are expected to be achieved between July 2021 and June 2026. The Strategic Framework, provides the focus for GMW's 2021/22 business plan. Each Board approved strategy details a timeframe for the implementation of key milestones in the coming years.

People and Culture Strategy

Our People and Culture Strategy supports our strategic outcome of "safe, skilled and engaged people." It provides the blueprint for GMW to develop the capability of our most important asset, our people, to ensure that we are well placed to meet the challenges of today and the future. It will do this by focussing on a range of areas including organisational culture, learning and development, diversity and inclusion and talent attraction and management.

Key initiatives of the People and Culture Strategy to be completed in 2021/22 include:

- Implementation of our new Diversity and Inclusion Program including actions out of the *Gender Act 2020*
- Commencing implementation of a Human Resources Information System
- Critical role mapping and succession planning for the Senior Leadership teams followed by the remainder of the business.

Safety and Wellbeing Strategy

Our Safety and Wellbeing Strategy supports our strategic outcome of "safe, skilled and engaged people." The strategy identifies programs of work and activities to ensure GMW goes above and beyond compliance by ensuring we have a wellbeing program that supports the needs of both the individual and the business combined.

Key initiatives of the Safety and Wellbeing Strategy to be completed in 2021/22 include:

- Developing a cyclic due diligence program
- Maturing our focus on fatal risks and staff wellbeing
- A focus on safety as part of the procurement process
- Implementation of a wellbeing framework and mental health initiatives.

Communications and Engagement Strategy

Our Communications, Engagement and Partnership Strategy was developed in 2018, and supports our strategic outcome of "satisfied customers, trusting partners." This year saw the completion of the 2018 strategy and its 20 outputs. We will now be developing a new strategy in 2021, that reflects our customers' and stakeholders' needs post transformation of our business, with a focus on continuous improvement in our communications, engagement and partnership activities.

The strategy supports our vision and values through the effective and efficient delivery of the communications, engagement and partnerships function across the organisation. The new strategy will focus on education and increase the visibility and impact of our work with customers and stakeholders. We will seek to engage, humanise, demystify and amplify our communications and engagement as the new platform to discuss and showcase the best of our work.

It will strengthen relationships across the business in support of a high performing culture. The successful implementation of this new strategy will continue to put customer satisfaction and stakeholder confidence at the centre of everything we do, to continue to build GMW's reputation as a valued and trusted regional leader.

Key initiatives of the Communications and Engagement Strategy to be completed in 2021/22 include:

- Engagement for GMW's nine Service Plans, ensuring activities are customer centric at the heart of our planning and delivery
- The creation of a GMW online education portal that will become the one stop shop for information about GMW, what we do and why we do it

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- Building further capability and enhancement of GMW's internal communication and engagement framework including the upskilling and rollout of appropriate training as required
- A stronger focus on community and industry events and partnerships
- Building a digital media house that involves our customers and stakeholders accessing information about their services at the right time using the right channel.

Service Strategy

The Service Strategy supports our strategic outcome of "satisfied customers, trusting partners." The strategy represents a focus for the entire organisation for our prescribed services and guides the development of individual Service Plans for each of these services.

Key initiatives of the Service Strategy to be completed in 2021/22 include:

- Defining the scope and data requirements for financial and cost modelling
- Setting the high level goals for each service plan
- Commencing the development of scenarios for opex, capex, demand trends and tariffs for each service plan.

Digital Strategy

Our Digital Strategy supports the strategic outcome of "innovation, data and technology driven services". It underpins GMW's future development directions and usage of technologies to deliver a simple, smart and seamless experience for both internal and external customers.

Key initiatives of the Digital Strategy to be completed in 2021/22 include:

- Develop a digital governance roadmap
- Enhance external digital channels
- Asset operation and optimisation, predictive analysis and proactive maintenance

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- Develop dam site monitoring technology efficiencies
- Implement a single customer portal.

Cyber Security Strategy

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

Key initiatives of the Cyber Security Strategy to be completed in 2021/22 include:

- Develop a threat intelligence standard
- Implement a cloud security solution
- Implement Wi-Fi intrusion detection
- Develop security playbooks for the organisations security response.

Asset Management Strategy

Our Asset Management Strategy supports the strategic outcome of "sustainable business, viable customers." This strategy provides GMW's plan for improving our asset management, through targeted actions in ten asset management focus areas. Successful implementation of this strategy will ensure that GMW has the appropriate systems and processes to manage our asset base to meet the short, medium and long term customer requirements.

Key initiatives of the Asset Management Strategy to be completed in 2021/22 include:

- Enhancing the use of our Asset Management System
- Improve risk based decision making, using assessment tools such as the channel x channel framework and the dams portfolio risk assessment
- Update high priority asset management plans
- Continue to implement the Maintenance Improvement Plan.

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Financial Sustainability Strategy

Our Financial Sustainability Strategy supports the strategic outcome of “sustainable business, viable customers.” The strategy will present a plan to achieve financial management that ensures value for money services.

Key initiatives of the Financial Sustainability Strategy to be completed in 2021/22 include:

- Conduct a financial trends analysis which will guide the financial forecasts and modelling used for the service plans
- Review and simplify the financial accounting structure and relevant financial models
- Review procurement panels to ensure GMW is achieving the best value for money services.

Water Resources Strategy

Our Water Resources Strategy supports the strategic outcome of “water security and other water values are recognised.” The strategy presents our plan for the future management of water availability and its links to our services using the skills of our people and sound science. Combined with the use of technology and communications, we will develop the GMW services needed for our region and our future.

Key initiatives of the Water Resources Strategy to be completed in 2021/22 include:

- Finalise a formal climate change risk assessment
- Develop a climate change adaptation action plan for our internal and external operations
- Engage with policy makers and partners on maximising water availability
- Prepare a GMW compliance plan for enacting the Murray Darling Basin Compliance Compact and enacting steps to ensure customers are complying with licence and use conditions.

Environmental Strategy

Our Environmental Strategy supports the strategic outcome of “satisfied customers, trusting partners.” The strategy focusses on reducing the impacts of GMW operations on the environment. It defines the roadmap for the management and development of work programs designed to improve and embed our environmental practices.

Key initiatives of the Environmental Strategy to be completed in 2021/22 include:

- Review and refresh GMW’s environmental management system
- Develop the next phase of our plan to deliver on our Carbon Reduction Pledge
- Investigate and implement environmentally friendly product alternatives (where possible)
- Increase the amount of our consumables that are recycled after use.

Reconciliation GMW Strategy

In 2021, we are proud to be implementing GMW’s first Reconciliation Strategy with the vision of our organisation and Traditional Owners developing meaningful relationships that build regional prosperity. Our Reconciliation GMW Strategy supports the strategic outcome of “water security and other water values are recognised.” We acknowledge Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia and as the proud representatives of the world’s oldest, living culture. We also acknowledge our organisation is coming from a relatively low knowledge base and have a lot to learn from Traditional Owners.

The strategy provides a roadmap for GMW’s active contribution towards continued reconciliation and fostering meaningful relationships with the Traditional Owners of the land within the GMW region, the Yorta Yorta, Dja Dja Wurrung, Taungurung and Gunaikurnai people.

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Key initiatives of the Reconciliation GMW Strategy to be completed in 2021/22 include:

- Implement the Reconciliation Action Plan (RAP)
- Actively encourage available groups to tender for contracts and supply services through our social procurement process
- Collaborate with Traditional Owner groups to increase their participation in advisory roles
- Develop a mechanism and process for including consultation and consideration of Aboriginal values in water planning.

Land and On-Water Strategy

Our Land and On-Water Strategy supports the strategic outcome of “water security and other water values are recognised.” The strategy identifies how GMW will utilise partnerships to deliver on our obligations to ensure recreational values are recognised to support the health, wellbeing and social fabric of regional communities. It also provides guidance for maintaining financial sustainability and the safe enjoyment of our land and on water services.

Key initiatives of the Land and on Water Strategy to be completed in 2021/22 include:

- Validate the condition of our land and on water assets to inform future investment and service needs
- Develop engagement plan for interaction with external stakeholders on funding, general public use and waterway management
- Commence engagement with priority partners.

Operating Environment

Recent global experiences have highlighted that the future is uncertain, and that governments, businesses and communities need to be flexible, resilient and adaptable. GMW faces several trends and drivers of change which present both risks and opportunities for the business and our customers. GMW's ability

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to respond, adapt and be flexible in the face of challenges now and into the future will improve our long term sustainability, profitability and resilience.

The ongoing effect of Coronavirus (COVID-19) has changed the way that we work and is currently causing a significant disruption to the global economy, while climate change and financial 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 future events. In 2020, GMW commissioned an environmental scan to identify the trends and drivers that will impact GMW's business and customer base in the future. The analysis was completed using the STEEP (Social, Technology, Environmental, Economic and Political) Framework. This study presented a variety of trends and drivers that may impact on GMW's business and customer base into the future, some of these include:

- Changing irrigation customer types, land use and ownership
- Advances in the digitalisation of customer experience
- Overall reduction in stream flow due to the effects of climate change and reduced rainfall
- Changes in the downstream horticultural demand influencing water availability and the price of Water Shares/ Allocation
- The Murray-Darling Basin Plan.

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

COVID-19

The COVID-19 pandemic challenged the normal working environment for GMW and as an organisation we responded to that challenge in the following ways:

- Our customer contact staff worked remotely whilst maintaining high levels of customers service
- Our offices were closed to the public and customers were encouraged to utilise our online services, WaterLINE or our contact centre

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- Our operations teams continued to monitor the network and associated infrastructure by working remotely and rostering their activities to achieve effective social distancing
- Our maintenance and construction teams continued to perform critical works on the network and implemented appropriate controls to ensure that social distancing and other hygiene measures could be achieved. This has also supported important continuation of work for local contractors
- Over 250 of our staff worked from home, utilising our systems and online tools to remain engaged and connected as a business
- Payment terms were changed to our suppliers to a five day term in line with Victorian Government Guidelines
- GMW customers received rent relief to the value of \$1.2 million
- Our Board conducted online briefings and Board Meetings to ensure continuity of effective Governance.

In line with the easing of Victorian Government restrictions, all of the customer service centres have recently opened and our workforce is now able to return to full capacity, however we have retained the flexible work approaches that were so successful over the last 12 months. It is not anticipated that COVID-19 will have any long term financial impacts on GMW for the 2021/22 – 2025/26 reporting period.

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 trends regarding the economy are mixed. COVID-19 has transformed the short-term economic outlook, but the longer term trajectory of the global economy also remains uncertain. Given the weakness the global economy was carrying prior to COVID-19 the chances of a swift recovery are low, however there may be opportunities for sustainable and inclusive growth. 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

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pathways. There are well known factors driving water allocation and entitlement prices in the southern Murray Darling Basin. Reduced supply, due to the impacts from climate change, and increased demand is placing upwards pressure on Water Share and Allocation prices and therefore input costs for many GMW customers. 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.

Economic Regulation of GMW

The ESC assesses GMW's economic requirements and proposed service offerings. It does this against a legal framework established by the ACCC under Commonwealth legislation for the majority of prescribed services provided by GMW and against its own framework for prescribed groundwater and unregulated services. ESC seeks feedback from customers and stakeholders at each stage of the price review to inform their decision making.

The ESC approved our Pricing Submission 2020-2024 in June 2020, the Pricing Submission supported GMW's proposed revenue requirement, expenditure forecasts and key tariff initiatives and included significant cost savings to ensure GMW delivers safe and cost-effective water services. This was achieved by aggressively reducing future operating expenditure and creating asset management systems, such as the channel x channel assessment tool that optimises our assets. This forecasts 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 to \$439.5 million for the regulatory period 2024. We returned these savings to our customers as price reductions of approximately 10 per cent in 2020.

Transition from Business Transformation to Continuous Improvement

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.

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An audit of progress against the SAP recommendations shows that GMW has successfully addressed or embedded into business practices each of the 30 SAP recommendations. Moving beyond transformation, GMW is committing to an era of continuous improvement and optimisation of business processes and outcomes. This is led through the roadmap provided by the strategies and progress is monitored through our corporate reporting framework.

Planning Assumptions

Assumed Demand

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

The Pricing Submission modelling reflected recent storage conditions and estimated the volume of water that could trade from the GMID to support horticultural demand in the lower Murray system. This also accounts for reductions due to environmental water recovery and changed on farm irrigation practices.

Seasonal determinations reached 100% of high-reliability water shares in all systems following better inflow conditions in 2020/21. The Broken and Bullarook systems also achieved 100% of low-reliability water shares. The 2020/21 GMID deliveries are expected to reach 850 GL due to better water availability and lower allocation prices.

Using the modelling approach for the 2020-2024 Pricing Submission, our 2021/22 delivery estimate for the GMID is 970 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 climate outlooks favour below average rainfall from May to July and all climate indicators are currently neutral. Based on current use trends, there is likely to be a greater volume of allocation carried over for customers to use compared to the start of the 2020/21 season.

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Water Availability

Seasonal determinations in declared water systems in 2021/22 will rely on reserves established in 2020/21 and inflows to the major storages during winter and spring. Most systems are holding similar or higher reserves than last season. Further improvement is expected prior to the start of the 2021/22 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. From the 2021/22 seasonal outlook produced in mid-February 2021, GMW expects 100 per cent seasonal determinations when average or slightly below-average inflows occur. Such conditions 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 system are greater than this time last year. A repeat of 2020/21 inflows would provide 100 per cent seasonal determinations in the Goulburn system.

The Murray system holds more resource this year compared to 2019/20, during which the seasonal determination reached only 66 per cent of high-reliability water shares. The outlooks prepared on 15 February indicate average inflows would provide a 100 per cent seasonal determination in the Murray system for a second consecutive year.

As seasonal determination improvements are reliant on winter and spring inflows, dry conditions in the coming months will slow water availability increases. Customers can be assured by GMW already confirming that allocation carried over will be available for delivery in all systems from the start of 2021/22.

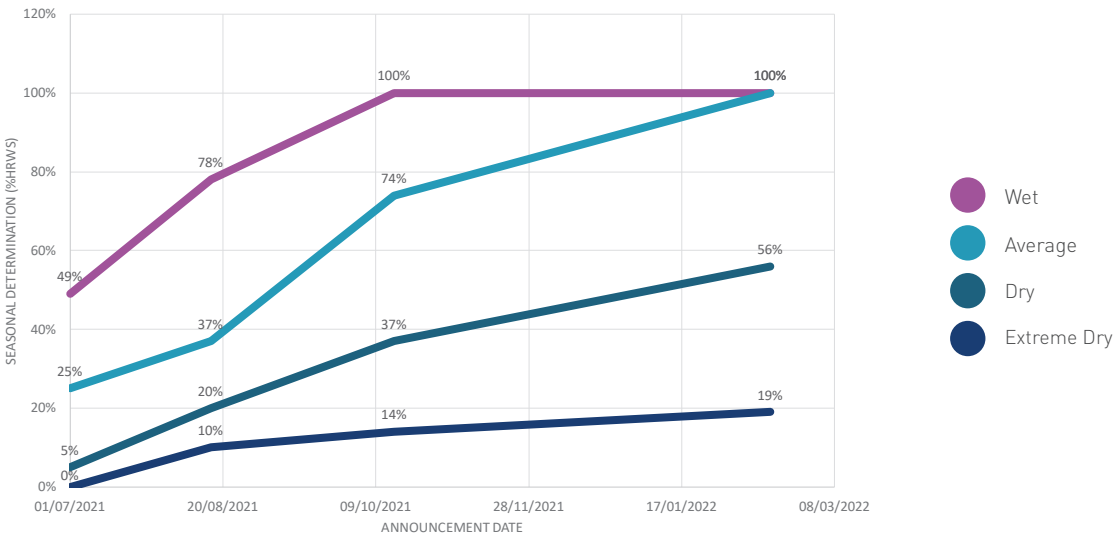
As with recent seasons, groundwater use remains high and groundwater levels have not recovered substantially despite the wetter conditions in 2020/21. Restricted access to groundwater applied in the Katunga and Lower Campaspe Valley water supply protection areas during 2020/21 and is expected to continue in 2021/22.

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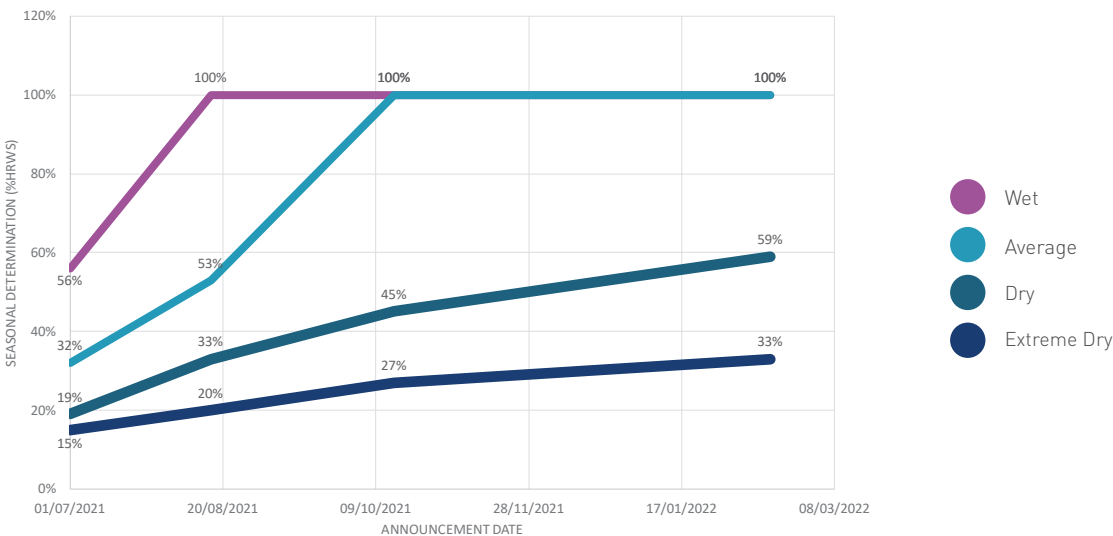
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The following graphs show possible Seasonal Determination scenarios for the 2021/22 irrigation season based on wet, average, dry or extreme dry conditions, as advised on 15 May 2021.

Murray System Outlook



Goulburn System Outlook



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Changing Region

GMW and our 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 is predicted to 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.

Environmental Water Charges

Formal engagement on draft policies for environmental water delivery charges and environmental water headworks pricing is expected to begin during 2021/22. The COVID-19 pandemic disrupted engagement plans, which were scheduled to commence in 2020.

As outlined in the 2020/21 Corporate Plan, GMW expects few changes to environmental water headworks pricing under the draft policies. The environmental water delivery charges policy will require further investigation to ensure that revenue is appropriate for the service provided. GMW will work with DELWP, and the Victorian Environmental Water Holder (VEWH) as the lead environmental water delivery manager, to establish a pilot framework and work plan for implementing the policies.

Murray-Darling Basin Plan

The Murray-Darling Basin Plan proposes recovering 2,750 GL from consumptive diversions to support a sustainable river system. The Connections Project has recovered 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 VEWB [75 GL] and the Commonwealth Environmental Water Office (CEWO) [204 GL].

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The Commonwealth recently announced funding for the Water Efficiency Project, which involves further modernisation and service improvement in GMID irrigation areas. The Water Efficiency Project is expected to recover an additional 15.9 GL for the environment.

GMW is supporting the environmental works and measures of the Victorian Murray Floodplain Restoration Project, which is an action under the Sustainable Diversion Limit Adjustment Mechanism. The Mitiamo Pipeline Project is also a Victorian contribution to the Sustainable Diversion Limit Adjustment Mechanism. It is recovering 1 GL of water by replacing earthen channels with pressurised pipelines and is due for completion in June 2021.

We will continue contributions to other projects funded to provide additional water recovery which align with beneficial environmental and socio economic outcomes.

Goulburn to Murray Trade Rule Review

The Victorian Government released the Regulatory Impact Statement (RIS) for its review of rules governing the trade and delivery of water from the Goulburn River to the Murray River in March 2021. The RIS outlined the government's preferred option for a new, two-part trade rule, together with the implementation of operating rules for the lower Goulburn River.

The proposed new trade rules are designed to protect the lower Goulburn River from environmental damage caused by sustained high flows during summer and autumn. GMW provided expert advice on the impacts of the new rules on customers, deliveries and river operations.

If implemented from 1 July 2021 as expected, GMW will need to adjust its administration of the Goulburn Inter-Valley Trade account, river operations and customer accounts affected by the new rules. We will work with our customers, DELWP and the MDBA to ensure that the rules are introduced smoothly and with minimal impact on service delivery.

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Key Water Savings Projects

Connections Project

The Connections Project was successfully completed in October 2020 and contributed to the sustainable future of productive agriculture in the GMID. Funded by the Australian and Victorian Governments, it was the most significant upgrade to the region's irrigation infrastructure in its 100-year history. The Project fundamentally changed how water is used for irrigated agriculture in the GMID and contributed to Victoria's water savings targets as outlined in the Murray Darling Basin Plan.

The Project invested more than \$2 billion to improve the delivery of water to irrigation businesses across the GMID. Building a modern, efficient and reliable irrigation network has converted water lost from outdated infrastructure to water for use on farms and the environment. With the completion of the project in October 2020, it was not without challenges particularly given the many variables that needed to be managed throughout the project, however these challenges were overcome and the project achieved the forecast water savings at the required budget.

Connections Stage 1 Water Savings

The state and federal 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 Australian and Victorian Government's shares of the water savings will be used to deliver environmental benefits.

In 2019 GMW and DELWP established an 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 developed a resolution in 2020 which has been approved by the Minister for Water and the water shares is due for implementation in October 2021.

Water Efficiency Project

The Water Efficiency Project (WEP) follows on from the successful delivery of the Connections Project by providing further water recovery, channel rationalisation and modernisation opportunities within the GMID.

The Water Efficiency Project will generate several beneficial outcomes including:

- Contributing to GMW Transformation objectives with an anticipated scope of up to 150 km of channel rationalisation reducing GMW's long term whole of life cost liabilities by approximately \$1.0 million per year;
- Generation of up to 15.9 GL of water savings;
- Installation of over 800 accurate national metering standard compliant meters on outlets using more than 10 ML/year;
- Provision of enhanced service standards to the approximately 1,000 GMW customers supplied from channels, including primary producers with consequential beneficial agricultural output and flow-on economic impacts; and
- The provision of a stimulus to the regional GMID economy during the construction phase, creating an estimated 928 Full Time Equivalents (FTEs) in the region (direct and indirect employment) and generating an estimated regional GDP increase of \$167.5 million.

Mitiamo Pipeline

Construction of the \$29 million Mitiamo Pipeline Project is nearing completion 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 160 farming entities and almost 80 rural houses. The project team will install more than 312 tapping points with delivery piped domestic and stock water 365 days per year.

It is expected the Mitiamo Pipeline Project will reduce public and private water losses by more than 1000 ML per year and includes installing 360 km of pipeline, a pump station and 85 ML storage facility. The works are on track for completion by mid-2021.

Externally Funded Works

GMW will continue to partner with the Catchment Management Authorities (CMA) to, subject to project funding, deliver multiple environmental projects in the GMW area. GMW is well positioned to provide engineering, procurement, and construction management services to support agreed project objectives and timelines. GMW is currently constructing the Koondrook Fishway on behalf of the North Central CMA.

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Government Priorities

Letter of Expectation 2021/22

The Minister for Water's Letter of Expectation (LoE) was issued on the 22 April 2021 to all Water Corporation Boards, and contains prescribed key performance indicators (KPIs) for each of the priority areas in *Water for Victoria* which are described below. The LoE also establishes the following key priorities for GMW in 2021/22:

- GMW's Transformation Process
- The close out of the Connections Project; including the distribution of water savings to delivery shareholders
- The Murray Darling Basin Plan
- That Goulburn-Murray Water establish a financial sustainable pathway to ensure affordable and efficient services for our customers
- The introduction of a strengthen compliance focus.

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 agricultural customers, key stakeholders and the Victorian Government in response to the changing needs of the sector, to ensure that the water industry can continue to support agriculture in the region. We will continue to support the Agricultural Redevelopment Co-ordination Pilot Project to ensure the needs of investors are streamlined and met efficiently. We will contribute to the implementation of the Goulburn-Murray Resilience Strategy with other regional stakeholders to support regional resilience.

Climate Change

Reducing our net carbon footprint is one of the goals of our Environmental Strategy. GMW continues its ongoing commitment to minimise its impact on a changing climate through implementing adaptation strategies and actions. In 2017, GMW pledged to reduce its CO₂ emissions by 20 per cent from its five-year average (to 2015/16) to approximately 10,400 tCO₂e by 30 June 2025. Our 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 installation of solar at selected sites.

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. Guided by the Water Resources Strategy we are preparing initiatives intended to improve the robustness of water supply options as climate change occurs. This will provide us with a readiness for climate change impacts on water sources, floods and drainage. To adapt to the impacts of climate change we will rely on science and improving the skills of our people. This will involve personal development opportunities and the application of better technology to forecast and manage water availability. Data and its analysis will be critical. We will also work within the recommendations and actions from the forthcoming Water Sector Climate Change Adaptation Action Plan.

Customer and Community Outcomes

At GMW our customers, stakeholders and regional communities are at the forefront of everything we do, and the GMW *Communications, Engagement and Partnerships Strategy* adopted in late 2018 has put them at the centre of our decision making. This strategy was utilised in 2019 with broad and deep engagement activities informing our Pricing Submission and reaching 10 per cent of our customer base.

As we continue to improve our communications and engagement, a new strategy will be developed in the second half of 2021 building on the successful implementation of the 20 outputs outlined in the 2018 strategy. More information can be found on page 15.

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Deliver 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. This work is led by working collaboratively with the First Nations people of our region to implement initiatives outlined in the Reconciliation GMW Strategy and to support them to achieve their goals regarding the 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 Reconciliation Action Plan will include practical actions that drive our contribution to reconciliation internally, and in our region and communities. More information can be found on page 17.

Recognise Recreation Values

Whilst the majority of GMW's functions are essential rural water services, we also perform a number of complementary functions such as providing recreational facilities. With such a vast and expansive network of storages and waterways, GMW understands the advantage of supporting recreational activities for the economic and social benefit of Victorians. Our Land and On Water Strategy outlines how we will deliver on our obligations and partner with key stakeholders to ensure recreational values are recognised, while maintaining financial sustainability. GMW will focus on continually engaging with local communities, ensuring consistent and reliable information is provided for our recreational sites, and undertaking targeted investment to ensure the safety, functionality and sustainability of these sites.

Page 18 outlines the practical actions that GMW in partnership with stakeholders will take to preserve the recreation values of our waterways.

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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 Coordination Pilot Project. The strategy is bringing together various regional leaders in an effort to strengthen the region, making it more resilient to a range of possible futures.

We understand that some of our customers are facing challenging times and we are committed to doing all we can to support our customers. We know that every situation is unique and financial stress impacts our customers in different ways. In 2021/22 we will continue to work with our customers to develop a plan based on their individual circumstances to help manage payment of their accounts. Some of these options include:

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

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Leadership and Culture

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

Practical actions that GMW will take to enhance our leadership and culture are detailed in the People and Culture Strategy. More information can be found on page 15.

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 below.

Targets	GMW Achievement
Gender in senior leadership roles (SLT/ELT)	
40% either male or female /60% all other gender identity	34%
Diversity Targets across all of GMW	
3% First Nation	2%
8% LGBTIQ+	6%
5% Disability	4%

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Financial Sustainability

The draft Financial Sustainability Strategy provides a plan to ensure GMW provides value for money services. The strategy will be finalised in 2020/21 and the implementation of the draft strategy goals (listed below) will commence in 2021/22:

- Price stability and affordability for customers
- Manage financial risk and maintain business viability
- Our people are commercially skilled
- Financial transparency to support customer and stakeholder confidence.

Strengthen Compliance

GMW's Board in August 2020 approved GMW's Compliance Plan for 2020/21 – 2022/23. The Plan sets out how GMW will apply a zero-tolerance approach to unauthorised water take and continue to use strong and resolute compliance and enforcement action to protect the environment for Victorian water users.

During 2021/22 GMW will continue to implement key actions from the Plan. Those key actions include:

- Implementation of a metering plan
- Implementation of a compliance communication plan
- Increased proactive surveillance and early warning communication to customers
- Increased detection through improved management reporting and analysis
- Board oversight and reporting of GMW performance against the Plan.

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Aligning with Government Priorities

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

Strategic Outcomes	Business Strategies	Water for Victoria Priority Areas	Letter of Expectation Key Performance Indicators
Safe, skilled, engaged people	<ul style="list-style-type: none"> 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 Environmental Strategy 	Customer and community outcomes	C1: Customer satisfaction C2: Customer and community engagement CE1: Apply a zero tolerance approach to unauthorised take CE2: Demonstration of reasonable progress toward implementation of Compliance and Enforcement review recommendations
Innovation, data and technology driven services	<ul style="list-style-type: none"> Digital Transformation Strategy Cyber Security 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 C3: Customer Requirements
Water security and other water values are recognised	<ul style="list-style-type: none"> Water Resources Strategy Reconciliation GMW Strategy Land & on 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 	E1: Emission reductions E2: Energy and renewable Electricity Consumption E3: Adaption to Climate Change and Variability Rec1: Recreational values AC1: Engagement of Aboriginal communities AC2: Engagement of Traditional Owners AC3: Aboriginal Inclusion Plan/ Reconciliation Action Plan

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Performance Measures, Targets and Accountability

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 the delivery of our commitments.

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

Employees of GMW work to a Performance Management System that effectively aligns priorities through all tiers of the organisation. This is achieved by communicating organisational objectives to the individual employee, allocating individual accountabilities towards relevant targets, tracking achievement of assigned targets, and evaluating individual and corporate performance.

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 is obliged to:

- 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.

In addition to the above, 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 Corporate Planning and Reporting Guidelines 2021-2022*.

Financial Performance

KPI Number	Key Performance Indicator	Target for 2021/22 (%)
F1	Cash Interest Cover	2.5 times
F2	Gearing Ratio	<2.5%
F3	Internal Financing Ratio	>35%
F4	Current Ratio	>0
F5	Return on Assets	>0%
F6	Return on Equity	>0%
F7	EBITDA Margin	>0%
F8	Credit Rating	A

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Water Service Performance

KPI Number	Key Performance Indicator	Target for 2021/22
C1.4	Orders delivered at time agreed (Number of orders delivered/total number of orders) x 100	Gravity is 95% Pumped is 98%
C1.5	Applications completed within agreed timeframes (Number of applications completed/total number of applications)	Trade applications is 90% Water share applications is 95% Change of ownership applications is 90%
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 ³

Customer Responsiveness

KPI Number	Key Performance Indicator	Target for 2021/22
CRR2	Billing and account complaints Number of complaints per 100 customers	2

Environmental Performance

KPI Number	Key Performance Indicator	Target for 2021/22
E2	Total net CO2 emissions Net tonnes CO2 equivalent	11,239 tonnes

Risk Management

GMW considers the safety and wellbeing of all staff, contractors, customers and the general public as our highest priority. In 2021/22 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 for our staff, 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 provides a structured and comprehensive approach to risk management proportionate to internal and external influences at GMW. The risk management framework is designed to assist GMW in integrating risk management into our decision making and operations. It is applied at strategic, operational and project levels of the organisation and provides the structure to consider positive consequences (i.e. opportunities compared to risks).

Our Strategic business risks are outlined in Appendix C.

3. Based on the rolling average.

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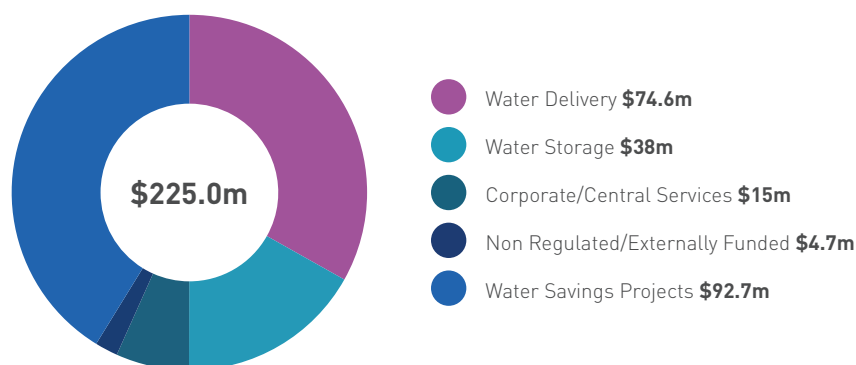
Capital Expenditure Overview

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:

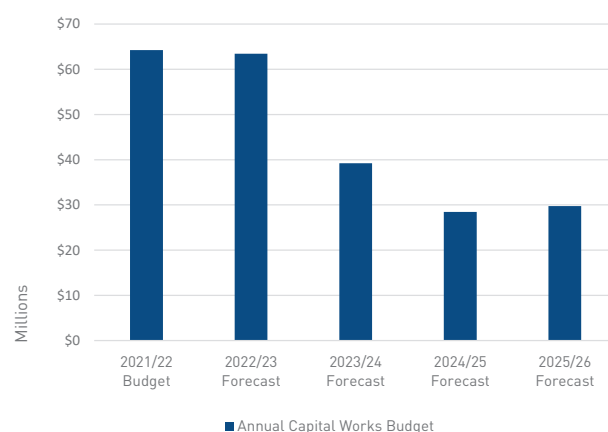
- Analysing the conditions of the assets and the risks associated with critical failures
- Using localised data (provided by the channel x channel asset planning tool) to optimise investment in the GMID asset base
- Completing an updated Dams Portfolio Risk Assessment
- Prioritising investments that meet key business drivers and satisfy its strategic outcomes.

The capital budgets identified in this Corporate Plan for the years 2021/22-2025/26 include the Capital Program developed for our recent Pricing Submission. Detailed breakdown of capital expenditure in our Water Delivery, Water Storages and key water saving projects can be found in the following sections of this Corporate Plan. The graphic below illustrates the total forecast capital expenditure and the allocation of expenditure to each business segment. The second graph shows the annual forecast capital expenditure for the Corporate Plan period.

Capital Works by Category



Capital Expenditure



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Corporate/Central Services

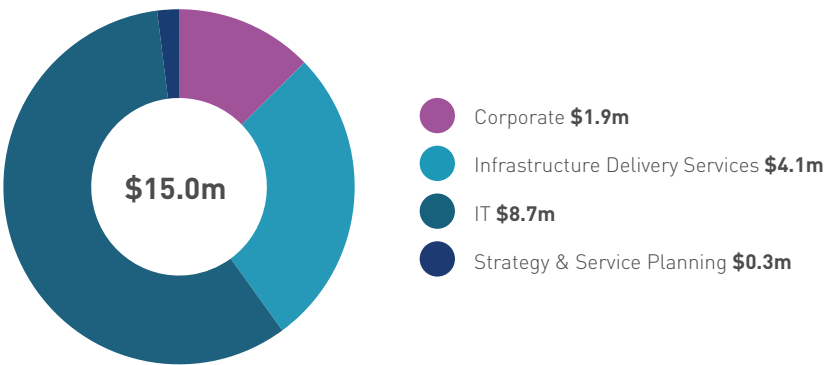
The Corporate/Central Services capital expenditure includes investment, primarily, in Information Technology and Facilities.

Investment in Information Technology has three primary streams, including:

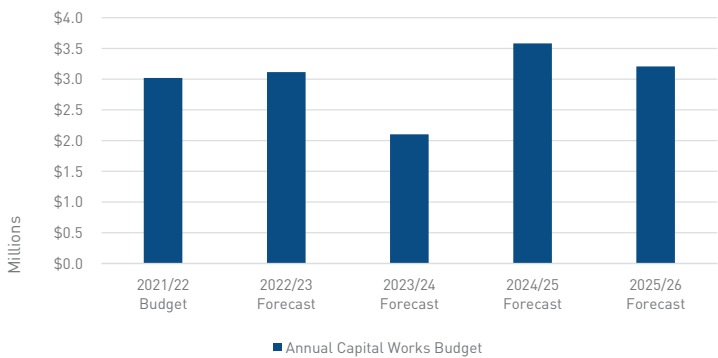
- The IT refresh program, replacement of outdated hardware such as laptops, phones, computer servers and communication networks
- Implementation of GMW's Digital Strategy, an improvement program that will support innovation, efficiencies and a more customer centric GMW
- Implementation of GMW's Cyber Security Strategy, a dedicated stream to ensure continuous improvement in securing our services and information.

The investment in our facilities ensures that we can maintain a suitable work environment that meets the essential safety measures outlined in Part 15 of the Building Regulations (2019). The investment in Infrastructure Delivery Services sees the replacement of plant and equipment required for maintenance of the channel network. This ensures that we have fit for purpose equipment whilst maintaining a safe work environment.

Capital Works for Corporate/Central Services



Corporate/Central Services



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Water Storage

Storage and Harvesting

GMW manages 16 major storages (including four on behalf of MDBA) to harvest, store and supply water for irrigation, urban/rural and environmental use in northern Victoria. The 20 Victorian owned storages are of varying size, capacity, reliability and consequence category, and are aged between 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 complementary 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.

Service Standards

The service standards targets for 2021/22 were approved by the essential services commission as a component of the 2020-2024 Pricing Submission.

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

Targets in this table reflect the 2020-2024 Pricing Submission.

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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 a program of design reviews and further investigations. This work commenced in 2020/21 and will continue through the planning period.

The Bulk Water Service Plan will be developed as part of implementing our Service Strategy. It aims to prioritise investment and risk reduction in accordance with our Dams Portfolio Risk Assessment hierarchy, and for GMW to be a leader in supporting capability and innovative practices in the dams industry.

Pricing

Our 2021/22 prices will mean a stabilisation of price for most bulk water customers. This is consistent with our 2020-24 Pricing

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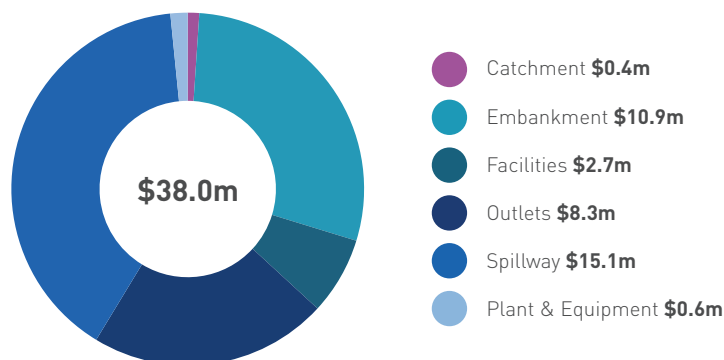
Submission. GMW is also committed to consulting with our bulk water customers on moving from basin price to two prices for bulk water, Murray and Goulburn systems, during the next Pricing Submission period.

Capital Works Program

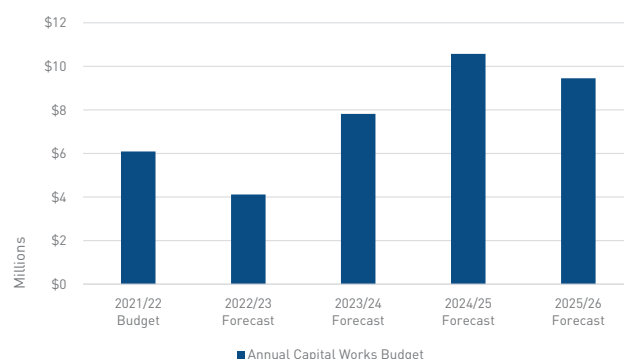
The following graph highlights the capital investment priorities for our Water Storage business throughout the Corporate Plan period. This includes the following projects for 2021/22:

- The Cattnach Offtake radial gate replacement
- Lake Buffalo Hoist Upgrade
- Refurbishing the Eildon Outlet Tower bulkheads
- Testing of the post tensioned anchors at several water storages
- Commencing detailed design for the Laanecoorie Outlet and Spillway Upgrade.

Capital Works by Program Water Storage



Capital Expenditure



CORPORATE OVERVIEW

FINANCIAL OVERVIEW

Complementary Services Program

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

GMW maintains recreational infrastructure and services and manages safe boating access at 14 of our 24 storages. The complementary 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 complementary 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.

As part of implementing our Land and on Water Strategy, GMW will review the L&OWMP Implementation Groups and 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, Maritime Safety Victoria, Victorian Fisheries Authority and Better Boating Victoria.

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 actively identifies opportunities to divest or adjust service levels at particular locations. There is only one General Public Use capital project within our Corporate Plan for 2021/22 to undertake road upgrades at Lake Eppalock. 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
- Reviewing Levels of Service at various sites
- Exploring opportunities for divesting sites surplus to operational needs
- Implementing the actions in the Land & On-Water Strategy
- Seeking external funding to improve recreational facilities
- Facilitating L&OWIGs to discuss, agree, promote and implement priority actions around our storages.

CORPORATE OVERVIEW

Waterway Management

GMW is the declared waterway manager under the *Marine Safety Act 2010* for 14 storages. 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 900 agreements including caravan parks, foreshore recreational licences, grazing licences, and other general leases such as pine plantation and telecommunications. The overall performance is sound and most activity occurs on land that cannot be sold because it is required for storage operation. We continually review and update leases to ensure commercial returns.

MDBA Contract

In accordance with the provisions of the Murray-Darling Basin Agreement, GMW is the state constructing authority of the MDBA. Our relationship is defined through 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. We are currently working on a project with DELWP to improve:

- Interactions with houseboat customers
- Stakeholder engagement
- Water quality monitoring.

FINANCIAL OVERVIEW

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

With increased rooftop solar panels and pricing predictions in the electricity market, GMW expects revenue from hydropower generation to decline. There are several hydropower sites at our storages and further opportunities to expand hydropower generation 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 our land.

Capital and Funded Works

The planned capital expenditure in our complementary business includes the following project for completion in 2021/22:

- Road resealing at Lake Eppalock (Sunset Drive).

The following projects are dependent on opportunistic funding:

- Toilet blocks at Tullaroop Reservoir and Waranga Basin (Harrimans Point)
- Enhancing existing boat ramps at Waranga Basin and Eildon
- Aids to navigation across multiple storages.

CORPORATE OVERVIEW

FINANCIAL OVERVIEW

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 our irrigation districts. Each drain is designed to meet a target design standard. 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.

CORPORATE OVERVIEW

FINANCIAL OVERVIEW

Service Standards

The service standards targets for 2021/22 were approved by the Essential Services Commission as a component of the 2020-2024 Pricing Submission.

Key Performance Indicator	Target for 2020/21 (%)	Target for 2021/22 (%)	Target for 2022/23 (%)	Target for 2023/24 (%)
Water Delivery				
Orders are delivered within 24 hours	95%	95%	95%	95%
Flow rate is within 10% of order	80%	80%	80%	80%
Water delivered to customer properties through the open channel network as a percentage of water extracted	85%	85%	85%	85%
Drainage Irrigation				
Drains are maintained to a level that they are available to remove run-off	98%	98%	98%	98%
Pumped Irrigation				
Irrigation orders are delivered on the day requested	98%	98%	98%	98%
Supply interruptions do not exceed eight hours in the summer months and 48 hours in the winter.	80%	80%	80%	80%
Customers are informed by SMS when there is a supply interruption and again when it is restored. Within 2 hours.	100%	100%	100%	100%
Water delivered to customer properties through the closed piped network as a percentage of water extracted.	92%	92%	92%	92%
Water Districts				
Supply interruptions do not exceed 96 hours	100%	100%	100%	100%
Diversions				
Our diversions customers have access to the water resource monitoring data within two weeks of data being submitted by the monitoring contractor	90%	90%	90%	90%
Customer access to groundwater is managed through seasonal allocations which are announced in accordance with relevant management plans.	100%	100%	100%	100%
Access to unregulated stream flow is managed in accordance with restriction triggers in Local Management Rules	100%	100%	100%	100%
Customers receive notification in writing (SMS, email, letters) within 24 hours	100%	100%	100%	100%

Targets in this table reflect the 2020-2024 Pricing Submission.

CORPORATE OVERVIEW

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 support delivery of the *Goulburn Murray Region Resilience Strategy* initiatives supporting agricultural investments.

GMW will apply the channel x channel asset planning tool to inform decisions relating to optimising investment in the GMID asset base and prioritise specific works in our capital program.

FINANCIAL OVERVIEW

Pricing

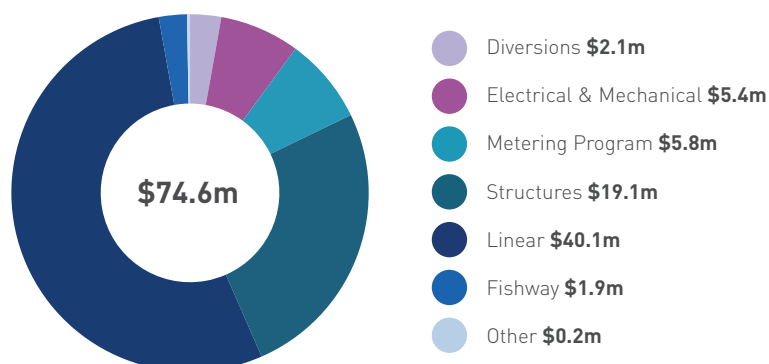
Our 2021-2022 prices will stabilise after an on average 10 per cent price reduction for most customers. This is in-line with our 2020-24 Pricing Submission.

Capital Works Program – Water Delivery

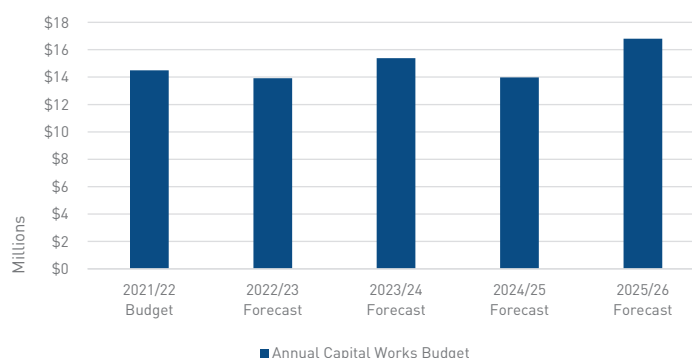
The following graph highlights the capital investment priorities for our Water Delivery business throughout the Corporate Plan period. This includes the following projects for 2021/22:

- Replace the Rail/GV highway culvert, EG (Shepparton) No 15 Channel
- Remodel the Loddon Valley Channel No 10/1
- Remodel Rochester Channel No 1.

Capital Works by Program Water Delivery



Capital Expenditure



CORPORATE OVERVIEW

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 and Koondrook Weir Fishways

The provision of fish passage along Gunbower Creek is a high priority to assist in achieving ecological objectives for the Gunbower Forest Icon Site. Extensive analysis and investigation has indicated that the installation of fishways at Cohuna and Koondrook Weirs, are the highest priority for fish passage in the creek.

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Enabling this passage is particularly beneficial due to the length of waterway opened up and the creek's critical connection with the Murray River. The two projects will be implemented primarily across the 2020/21 and 2021/22 financial years. Cohuna Fishway will see an approximate expenditure of \$2m within the 2021/22 year, and Koondrook Fishway (externally funded) approximately \$3 million during 2021/22.

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 the upgrade of the Remote Telemetry Units across the GMID.

Metering Program

GMW has a compliance requirement to replace failed flowmeters under our Statement of Obligation (SoO) and Metering Action Plan (MAP2020) 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. MAP2020 sets out actions that will undertake in order to align with the expectations of the Victorian Non-Urban Metering Policy.

The Diversions and GMID metering program is a part of a broader program internally and externally funded where the proposed budgets were developed to achieve metering obligations and direction of the MDBA Compliance Compact as well as the latest Victorian Non-Urban Metering Policy updated and released by DELWP March 2020.

CORPORATE OVERVIEW

Key Water Savings Projects

Connections Project

Following the September 2016 approval of the Connections Reset Delivery Plan, in 2020/21 the project continued the implementation of the reset scope of works which was successfully delivered on time and within budget by October 2020. The project has met or exceeded all required contractual milestones and achieved 100% of the required water savings (subject to audit and verification processes). This was achieved through the delivery of solutions for Goulburn-Murray Irrigation District customers and as at October 2020 had installed 9,487 modernised meter outlets and decommissioned 1,733 km of channel.

The Project team and GMW are focussed on cementing the success of the Connections Project through Project Completion and Transition Plan activities to close out remaining project commitments through 2021. A range of activities are being undertaken to meet contractual and reporting obligations and to transfer knowledge and expertise into GMW business.

Water Efficiency Project (WEP)

The WEP is funded by the Commonwealth and Victorian Governments. Water savings totalling 15.9 GL will be achieved by undertaking these works, with a budget of \$177.5 million.

The WEP aims to create a more efficient automated water delivery network in the Goulburn-Murray Irrigation District, improve customer service levels and generate annual water savings for the environment. The project is expected to benefit approximately 1,000 customers by modernising or decommissioning 250 km of channels and upgrading or rationalising more than 800 meters, by June 2024.

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The project comprises two sub-projects:

1. Backbone Transformation Project: rationalise and modernise approximately 230 km of channel across the Goulburn-Murray Irrigation District (GMID) to recover 14.7 GL (LTAAY).
2. Shepparton East Project: rationalise and modernise approximately 24.3 km of channel across the across the Shepparton Irrigation Area to recover 1.2 GL (LTAAY).

Mitiamo Pipeline

The Mitiamo Pipeline Project will reduce public and private water losses by approximately 1,000 ML per year and includes installing 345 km of pipeline, a pump station and an 85 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 \$4.3 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.

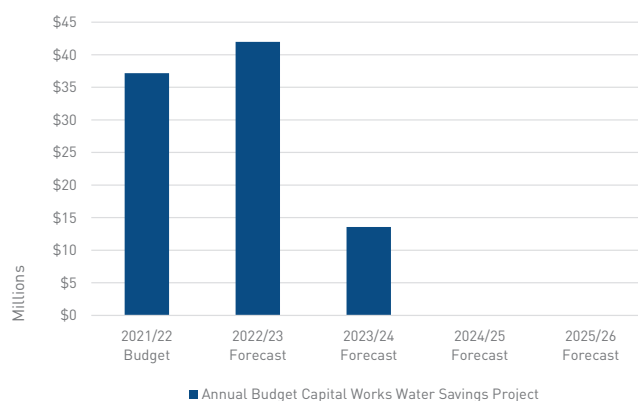


CORPORATE OVERVIEW

FINANCIAL OVERVIEW

Capital Expenditure

The following graph shows the annual forecast Capital expenditure for the key Water Savings Projects.



Changes from our 2020/21 Corporate Plan

As the Connections Project draws to a conclusion GMW has received additional funding for the Water Savings Projects that was not part of the 2020 Corporate Plan. Water Savings 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. A summary of our capital expenditure spend for the 2021/22 vs the 2020/21 Corporate Plan is set out below.

Capital Expenditure - Consolidated

Actual figures from Corporate Plan	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	Total \$'000
2021/22 Corporate Plan	63,442	64,222	63,445	39,199	28,439	258,747
2020/21 Corporate Plan	132,077	44,002	24,374	24,776	24,489	249,718
Variance	(68,635)	20,220	39,071	14,424	3,950	9,029

Capital Expenditure - Water Storage and Delivery

Actual figures from Corporate Plan	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	Total \$'000
2021/22 Corporate Plan	24,715	27,033	21,474	25,614	28,439	127,275
2020/21 Corporate Plan	28,994	24,993	24,374	24,776	24,489	127,626
Variance	(4,279)	2,040	(2,900)	839	3,950	(351)

Capital Expenditure - Water Savings Projects

Actual figures from Corporate Plan	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	Total \$'000
2021/22 Corporate Plan	38,727	37,189	41,971	13,585	-	131,472
2020/21 Corporate Plan	103,083	19,009	-	-	-	122,092
Variance	(64,356)	18,180	41,971	13,585	-	9,380

CORPORATE OVERVIEW

FINANCIAL OVERVIEW

2. Financial Overview

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

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

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

Financial Assumptions

Staffing

Our labour costs reflect the new structure for Water Storage and Delivery.

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 per cent has been incorporated within our calculation of revenue requirement for 2021/22 and 4 per cent applied thereafter.

Construction Costs

Our future capital budgets assume that infrastructure construction costs increase by inflation of 2 per cent.



Labour Rates

Labour rates have assumed to increase by inflation of 2 per cent.

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 our borrowing needs and debt position via the monthly and more detailed quarterly financial report to the Board. GMW maintains discrete borrowings for Water Savings Project requirements, as part of the 'financial ring-fencing' required by the Commonwealth.

CORPORATE OVERVIEW

FINANCIAL OVERVIEW

Financing Requirements

GMW has the following debt levels over this Corporate Plan:

Debt Change Table \$'000	2020/21 Forecast	2021/22 Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Short term	4,943	10,097	5,260	6,579	9,176	6,779
Long Term	99,056	94,423	97,232	97,771	99,096	106,248
Total Debt	104,000	104,520	102,492	104,350	108,272	113,027

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

Funding of the Water Efficiency Project is 'ring-fenced' and is separate from the borrowings required for the WS&D business. The debt table shown above therefore only includes debt for WS&D.

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

Water Savings Projects

The water savings projects have a dedicated focus on achieving forecast water savings, through finalising the Connections and Mitiamo pipeline project and implementing the Water Efficiency Project.

Water Savings Projects are 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 Connections 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.

Financial Sensitivity Analysis

Water Storage and Delivery

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

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

CORPORATE OVERVIEW

FINANCIAL OVERVIEW

Consolidated

Operating Statement – Consolidated

(\$000's)	2020/21 Forecast	2021/22 Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Revenue						
Fixed Charges	91,686	92,340	93,666	95,359	97,267	99,212
Variable Charges	8,664	9,061	8,670	8,574	8,745	8,920
Bulk Supplies	11,074	12,692	12,110	12,464	12,680	12,901
Externally Funded	21,515	19,358	16,779	17,102	17,443	17,734
Other Revenue	8,012	8,158	7,922	7,869	8,033	8,200
Water Savings Projects	51,702	29,206	31,938	16,355	-	-
Total Revenue	192,653	170,815	171,087	157,724	144,168	146,968
Expenditure						
Direct Costs						
Labour (incl Labour Hire & Contract Labour)	46,867	47,268	48,517	49,500	50,490	51,499
Contracts and Services	15,928	16,412	15,108	15,410	15,718	16,033
G-MW Vehicle Hire (Fleet costs)	4,834	4,556	4,648	4,740	4,835	4,932
Materials (inc. Assets Less Than \$2000)	2,703	2,796	2,912	2,950	3,087	3,149
General Insurance	1,437	1,898	1,949	1,988	2,027	2,068
Electricity	1,909	2,026	1,949	1,990	2,137	2,180
Environmental Contribution	2,577	2,577	2,577	2,577	2,577	2,577
MDBA Contribution to Vic govt	13,400	13,400	13,668	13,941	14,220	14,505
Other	1,665	1,809	1,982	2,021	2,062	2,103
Total Direct Costs	91,320	92,743	93,309	95,117	97,155	99,046
Other Costs						
External Costs	16,770	15,106	15,552	15,852	16,169	16,493
Recoverable Works						
Water Savings Projects	89,539	57,934	31,623	17,132	-	-
MDBA						
Total Other Costs	106,309	73,040	47,175	32,984	16,169	16,493
Total Expenditure	197,629	165,783	140,484	128,101	113,324	115,539
EBITDA (before asset tfr & disposals)	(4,976)	5,032	30,603	29,624	30,844	31,429
Asset Disposals (Expenditure)	10,000	10,000	10,000	4,261	1,000	1,000
EBITDA	(14,976)	(4,968)	20,603	25,363	29,844	30,429
Interest Expense	6,648	6,648	6,217	6,061	5,734	5,848
Statutory Depreciation	100,481	104,426	110,340	113,464	117,318	119,545
Statutory Profit before Tax	(122,105)	(116,042)	(95,954)	(94,162)	(93,208)	(94,964)
Tax (Expense)/Benefit	32,991	29,562	23,161	24,275	25,024	25,524
Statutory Profit after Tax	(89,114)	(86,479)	(72,792)	(69,888)	(68,185)	(69,439)

CORPORATE OVERVIEW

FINANCIAL OVERVIEW

Balance Sheet – Consolidated

(\$000's)	2020/21 Forecast	2021/22 Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Current Assets						
Cash	57,939	24,411	21,131	1,000	1,000	1,000
Accounts Receivable	32,697	28,358	28,961	29,576	30,205	30,846
Inventory	2,690	2,550	2,550	2,550	2,550	2,550
Total Current Assets	93,326	55,319	52,642	33,126	33,755	34,396
Non Current Assets						
Infrastructure	4,717,153	4,640,079	4,557,554	4,469,141	4,382,960	4,295,843
Work in Progress	71,571	26,335	24,851	18,860	17,860	16,860
Property, Plant and Equipment	82,666	78,002	75,986	73,971	71,955	69,940
Intangibles	6,908	6,225	5,541	4,858	4,175	3,491
Total Non Current Assets	4,878,298	4,750,641	4,663,932	4,566,830	4,476,950	4,386,134
TOTAL ASSETS	4,971,624	4,805,960	4,716,574	4,599,956	4,510,705	4,420,530
Current Liabilities						
Creditors & Accruals	24,962	18,848	18,432	18,016	17,600	17,184
Borrowings - Current Portion	4,943	10,097	5,260	6,579	9,176	6,779
Other Lease Liabilities	1,729	1,729	1,729	1,729	1,729	1,729
Employee Entitlements	17,024	17,294	17,633	17,972	18,311	18,650
Unearned Revenue	14,088	10,970	13,379	1,708	1,743	1,777
Total Current Liabilities	62,746	58,938	56,433	46,004	48,559	46,119
Non Current Liabilities						
Borrowings - Long Term	99,056	94,423	97,232	97,771	99,096	106,248
Employee Entitlements	2,510	2,298	2,365	2,432	2,498	2,565
Deferred Tax Liability	602,764	573,202	550,041	525,765	522,811	497,287
Total Non Current Liabilities	704,330	669,923	649,638	625,968	624,405	606,100
TOTAL LIABILITIES	767,076	728,861	706,071	671,972	672,964	652,219
NET ASSETS	4,204,548	4,077,099	4,010,503	3,927,984	3,837,741	3,768,311
Equity						
Contributed Capital	2,935,105	2,894,134	2,900,320	2,887,679	2,814,665	2,814,665
Asset Revaluation Reserve	1,728,091	1,728,091	1,728,091	1,728,091	1,728,091	1,728,091
Accumulated Surplus/(Deficit)	(458,648)	(545,126)	(617,908)	(687,786)	(705,015)	(774,445)
TOTAL EQUITY	4,204,548	4,077,099	4,010,503	3,927,984	3,837,741	3,768,311

CORPORATE OVERVIEW

FINANCIAL OVERVIEW

Statement of Cashflow – Consolidated

(\$000's)	2020/21 Forecast	2021/22 Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Cash Flow from Operations						
Cash Receipts						
Fixed and Variable Charges	100,631	101,057	102,088	103,679	105,752	107,867
Govt Contributions/Grants	58,410	33,134	35,981	6,573	2,046	2,030
GST received from the ATO	7,576	7,608	7,224	7,663	8,020	8,238
Other Income	34,112	37,066	37,022	37,405	38,040	38,776
Cash Flow from Operations	200,729	178,865	182,315	155,320	153,858	156,911
Cash Payments						
Payments to Suppliers & Employees	(243,526)	(172,342)	(146,031)	(134,526)	(120,087)	(123,110)
Interest and Other Costs of Finance Paid	(6,322)	(5,658)	(5,316)	(4,723)	(4,412)	(3,939)
Environmental Contributions	(2,577)	(2,577)	(2,577)	(2,577)	(2,577)	(2,577)
GST paid to the ATO	(2,171)	(2,132)	(2,207)	(2,230)	(2,275)	(2,321)
Total Cash Payments for Operations	(254,596)	(182,709)	(156,131)	(144,056)	(129,351)	(131,947)
Net Cash Inflow/(Outflow) Operations	(53,867)	(3,844)	26,184	11,264	24,507	24,964
Cash Flow to Investing Activities						
Payments for Infrastructure Assets	(63,651)	(64,222)	(63,445)	(39,199)	(28,439)	(29,728)
Proceeds from Sale of Assets	31	15	10	10	10	10
Net Cash Inflow/(Outflow) Investment	(63,620)	(64,207)	(63,435)	(39,189)	(28,429)	(29,718)
Cash flows from Financing Activities						
Proceeds from Borrowings (incl repayments)	(17,299)	(4,943)	(10,097)	(5,260)	(6,579)	(9,176)
Proceeds from Borrowings	11,053	5,464	8,069	7,118	10,501	13,930
Capital Contributions from Victorian Government	27,500	34,000	36,000	5,935	-	-
Net Cash Inflow/(Outflow) Financing	21,254	34,521	33,972	7,794	3,922	4,754
Net Increase/(Decrease) in Cash	(96,233)	(33,530)	(3,279)	(20,131)	-	-
Cash at Beginning of Period	154,172	57,939	24,411	21,131	1,000	1,000
Cash at End of Period	57,939	24,411	21,131	1,000	1,000	1,000

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Financial Performance Indicators – Consolidated

Target	Consolidated Financial Performance Ratios	2020/21 Forecast	2021/22 Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
<u>Short-Term Financial Sustainability Indicators</u>							
2.5x	Cash Interest Cover (MRD01)	(9.5x)	0.2x	6.6x	3.6x	7.0x	8.0x
>35%	Internal Financing Ratio	-85%	-6%	41%	29%	86%	84%
Positive	Current Ratio	149%	94%	93%	72%	70%	75%
> 50%	Quick Ratio	144%	90%	89%	66%	64%	69%
Positive	EBITDA Margin	-7.8%	-2.9%	12.0%	16.1%	20.7%	20.7%
<u>Long-Term Financial Sustainability Indicators</u>							
<2.5%	Gearing Ratio (debt to assets)	2.1%	2.2%	2.2%	2.3%	2.4%	2.6%
Positive	Return of Equity	-2.2%	-2.1%	-1.8%	-1.8%	-1.8%	-1.8%
<u>Financing Indicators</u>							
<60%	Regulatory Gearing Ratio	27.2%	25.7%	24.0%	23.2%	22.9%	22.8%

CORPORATE OVERVIEW

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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)	2020/21 Forecast	2021/22 Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Revenue						
Fixed Charges	91,686	92,340	93,666	95,359	97,267	99,212
Variable Charges	8,664	9,061	8,670	8,574	8,745	8,920
Bulk Supplies	11,074	12,692	12,110	12,464	12,680	12,901
Externally Funded	24,843	19,937	16,779	17,102	17,443	17,734
Other Revenue	8,012	8,158	7,922	7,869	8,033	8,200
Water Savings Projects						
Total Revenue	144,279	142,188	139,149	141,369	144,168	146,968
Expenditure						
Direct Costs						
Labour (incl Labour Hire, Contractor and Consultants)	46,867	47,268	48,517	49,500	50,490	51,499
Contracts and Services	15,928	16,412	15,108	15,410	15,718	16,033
G-MW Vehicle Hire (Fleet costs and External Plant)	4,834	4,556	4,648	4,740	4,835	4,932
Materials (inc. Assets Less Than \$2000)	2,703	2,796	2,912	2,950	3,087	3,149
Insurance and Workcover	1,437	1,898	1,949	1,988	2,027	2,068
Electricity	1,909	2,026	1,949	1,990	2,137	2,180
Environmental Contribution	2,577	2,577	2,577	2,577	2,577	2,577
MDBA Contribution to Vic govt	13,400	13,400	13,668	13,941	14,220	14,505
Other	1,665	1,809	1,982	2,021	2,062	2,103
Total Direct Costs	91,320	92,743	93,309	95,117	97,155	99,046
Other (External) Costs						
Government Grants	2,508	1,664	1,757	1,782	1,817	1,854
Recoverable Works	1,558	1,164	271	276	282	288
Water Savings Projects	3,062	579				
MDBA	12,704	12,278	13,524	13,794	14,070	14,351
Total Other Costs	19,832	15,685	15,552	15,852	16,169	16,493
Total Expenditure	111,152	108,428	108,861	110,969	113,324	115,539
EBITDA (before asset tfr & disposals)	33,127	33,760	30,288	30,400	30,844	31,429
Asset Disposals (Expenditure)	10,000	10,000	10,000	4,261	1,000	1,000
EBITDA	23,127	23,760	20,288	26,139	29,844	30,429
Interest Expense	6,648	6,648	6,217	6,061	5,734	5,848
Statutory Depreciation	98,426	104,426	110,340	113,464	117,318	119,545
Statutory Profit before Tax	(81,947)	(87,314)	(96,269)	(93,386)	(93,208)	(94,964)
Tax (Expense)/Benefit	20,944	20,944	23,255	24,042	25,024	25,524
Statutory Profit after Tax	(61,003)	(66,370)	(73,013)	(69,344)	(68,185)	(69,440)

CORPORATE OVERVIEW

FINANCIAL OVERVIEW

Operating Statement – Water Storage and Delivery Quarterly Split

(\$'000's)	2021/22 Quarter 1 Budget	2021/22 Quarter 2 Budget	2021/22 Quarter 3 Budget	2021/22 Quarter 4 Budget	2021/22 Budget
Revenue					
Fixed Charges	23,085	23,085	23,085	23,085	92,340
Variable Charges	1,133	3,398	3,398	1,133	9,061
Bulk Supplies	3,173	3,173	3,173	3,173	12,692
Externally Funded	6,677	4,956	3,973	4,332	19,937
Other Revenue	1,889	2,112	2,118	2,039	8,158
Total Revenue	35,957	36,724	35,746	33,762	142,188
Expenditure					
Direct Costs					
Labour Costs (incl Hire & Contract)	12,653	11,977	11,192	11,446	47,268
Contracts and Services	4,752	3,906	4,027	3,726	16,412
G-MW Vehicle Costs	1,131	1,138	1,145	1,142	4,556
Materials (inc. Assets <\$2000)	699	699	699	699	2,796
General Insurance	475	475	475	475	1,898
Electricity	506	506	506	506	2,026
Environmental Contribution	644	644	644	644	2,577
MDBA Contribution to Vic Govt	3,350	3,350	3,350	3,350	13,400
Other	472	413	498	427	1,809
Total Direct Costs	24,682	23,108	22,536	22,416	92,743
Other (External) Costs					
Total Other Costs	4,212	3,834	3,659	3,979	15,685
Total Expenditure	28,894	26,942	26,195	26,395	108,428
EBITDA (before asset tfr & disposals)	7,063	9,782	9,551	7,367	33,760
Asset Disposals (Expenditure)	2,500	2,500	2,500	2,500	10,000
EBITDA	4,563	7,282	7,051	4,867	23,760
Interest Expense	1,662	1,662	1,662	1,662	6,648
Statutory Depreciation	26,106	26,106	26,106	26,106	104,426
Statutory Profit before Tax	(23,205)	(20,486)	(20,717)	(22,901)	(87,314)
Tax (Expense)/Benefit	5,236	5,236	5,236	5,236	20,944
Statutory Profit after Tax	(17,969)	(15,250)	(15,481)	(17,665)	(66,370)

CORPORATE OVERVIEW

FINANCIAL OVERVIEW

Balance Sheet – Water Storage and Delivery

	2020/21 Forecast	2021/22 Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Current Assets						
Cash	1,000	1,000	1,000	1,000	1,000	1,000
Accounts Receivable	29,400	28,358	28,961	29,576	30,205	30,846
Inventory	2,550	2,550	2,550	2,550	2,550	2,550
Total Current Assets	32,950	31,908	32,511	33,126	33,755	34,396
Non Current Assets						
Infrastructure	4,717,153	4,640,079	4,557,554	4,469,141	4,382,960	4,295,843
Work in Progress	21,860	20,860	19,860	18,860	17,860	16,860
Property, Plant and Equipment	80,182	78,002	75,986	73,971	71,955	69,940
Intangibles	6,908	6,225	5,541	4,858	4,175	3,491
Total Non Current Assets	4,826,103	4,745,166	4,658,941	4,566,830	4,476,950	4,386,134
TOTAL ASSETS	4,859,053	4,777,074	4,691,452	4,599,956	4,510,705	4,420,530
Current Liabilities						
Creditors & Accruals	19,254	18,848	18,432	18,016	17,600	17,184
Borrowings - Current Portion	4,943	10,097	5,260	6,579	9,176	6,779
Other Lease Liabilities	1,729	1,729	1,729	1,729	1,729	1,729
Employee Entitlements	16,955	17,294	17,633	17,972	18,311	18,650
Unearned Revenue	3,284	1,642	1,675	1,708	1,743	1,777
Total Current Liabilities	46,165	49,610	44,729	46,004	48,559	46,119
Non Current Liabilities						
Borrowings - Long Term	99,056	94,423	97,232	97,771	99,096	106,248
Employee Entitlements	2,231	2,298	2,365	2,432	2,498	2,565
Deferred Tax Liability	616,076	595,132	571,877	547,834	522,811	497,287
Total Non Current Liabilities	717,363	691,853	671,474	648,037	624,405	606,100
TOTAL LIABILITIES	763,528	741,463	716,203	694,041	672,964	652,219
NET ASSETS	4,095,525	4,035,611	3,975,249	3,905,915	3,837,741	3,768,311
Equity						
Contributed Capital	2,795,569	2,802,024	2,814,665	2,814,665	2,814,665	2,814,665
Asset Revaluation Reserve	1,728,091	1,728,091	1,728,091	1,728,091	1,728,091	1,728,091
Accumulated Surplus/Deficit	(428,135)	(494,504)	(567,507)	(636,841)	(705,015)	(774,445)
TOTAL EQUITY	4,095,525	4,035,611	3,975,249	3,905,915	3,837,741	3,768,311

CORPORATE OVERVIEW

FINANCIAL OVERVIEW

Balance Sheet – Water Storage and Delivery Quarterly Split

(\$000's)	2021/22 Quarter 1 Budget	2021/22 Quarter 2 Budget	2021/22 Quarter 3 Budget	2021/22 Quarter 4 Budget
Current Assets				
Cash	22,155	35,334	36,721	1,000
Accounts Receivable	22,724	16,101	23,485	28,358
Inventory	2,550	2,550	2,550	2,550
Total Current Assets	47,429	53,985	62,756	31,908
Non Current Assets				
Infrastructure	4,697,883	4,678,615	4,659,347	4,640,079
Work in Progress	21,610	21,360	21,110	20,860
Property, Plant and Equipment	79,637	79,092	78,547	78,002
Intangibles	6,737	6,566	6,395	6,225
Total Non Current Assets	4,805,867	4,785,633	4,765,399	4,745,166
TOTAL ASSETS	4,853,296	4,839,618	4,828,155	4,777,074
Current Liabilities				
Creditors & Accruals	22,172	29,257	38,476	18,848
Borrowings	16,383	15,733	15,163	10,097
Other Lease Liability	1,729	1,729	1,729	1,729
Employee Entitlements	17,039	17,124	17,209	17,294
Unearned Revenue	3,284	3,284	3,284	1,642
Total Current Liabilities	60,607	67,127	75,861	49,610
Non Current Liabilities				
Borrowings - Long Term	99,056	99,056	99,056	94,423
Other Lease Liability	-	-	-	-
Employee Entitlements	2,247	2,264	2,281	2,298
Deferred Tax Liability	610,840	605,604	600,368	595,132
Total Non Current Liabilities	712,143	706,924	701,705	691,853
TOTAL LIABILITIES	772,750	774,051	777,566	741,463
NET ASSETS	4,080,546	4,065,567	4,050,589	4,035,611
Equity				
Contributed Capital	2,797,182	2,798,796	2,800,410	2,802,024
Asset Revaluation Reserve	1,728,091	1,728,091	1,728,091	1,728,091
Accumulated Surplus	(444,727)	(461,320)	(477,912)	(494,504)
TOTAL EQUITY	4,080,546	4,065,567	4,050,589	4,035,611

FINANCIAL OVERVIEW

	2020/21 Forecast	2021/22 Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Cash flows from Operations						
Cash Receipts						
Fixed and Variable Charges	100,631	101,057	102,088	103,679	105,752	107,867
Govt Contributions/Grants	9,911	5,954	1,981	2,008	2,046	2,030
GST received from the ATO	7,576	7,608	7,224	7,663	8,020	8,238
Other Income	35,878	36,693	36,707	37,320	38,040	38,776
Cash flows from Operations	153,996	151,312	148,000	150,670	153,858	156,911
Cash Payments						
Payments to Suppliers & Employees	(116,849)	(114,448)	(114,408)	(117,394)	(120,087)	(123,110)
Interest and Other Costs of Finance Paid	(6,322)	(5,658)	(5,316)	(4,723)	(4,412)	(3,939)
Environmental Contributions	(2,577)	(2,577)	(2,577)	(2,577)	(2,577)	(2,577)
GST paid to the ATO	(2,171)	(2,132)	(2,207)	(2,230)	(2,275)	(2,321)
Total Cash Payments for Operations	(127,919)	(124,815)	(124,508)	(126,924)	(129,351)	(131,947)
Net Cash Inflow/(Outflow) Operations	26,077	26,497	23,492	23,746	24,507	24,964
Cash flows to Investing Activities						
Payments for Infrastructure Assets	(24,924)	(27,033)	(21,474)	(25,614)	(28,439)	(29,728)
Proceeds from Sale of Assets	31	15	10	10	10	10
Net Cash Inflow/(Outflow) Investment	(24,893)	(27,018)	(21,464)	(25,604)	(28,429)	(29,718)
Cash flows from Financing Activities						
Repayment of Borrowings	(17,299)	(4,943)	(10,097)	(5,260)	(6,579)	(9,176)
Proceeds from Borrowings	11,053	5,464	8,069	7,118	10,501	13,930
Capital Contributions from Victorian	(4,300)	-	-	-	-	-
Net Cash Inflow/(Outflow) Financing	(10,546)	521	(2,028)	1,858	3,922	4,754
Net Increase/(Decrease) in Cash	(9,366)	-	-	-	-	-
Cash at Beginning of Period	10,366	1,000	1,000	1,000	1,000	1,000
Cash at End of Period	1,000	1,000	1,000	1,000	1,000	1,000

CORPORATE OVERVIEW

FINANCIAL OVERVIEW

Statement of Cash Flow – Water Storage and Delivery Quarterly Split

(\$000's)	2021/22 Quarter 1 Budget	2021/22 Quarter 2 Budget	2021/22 Quarter 3 Budget	2021/22 Quarter 4 Budget	2021/22 Total Budget
Cash flows from Operations					
Cash Receipts					
Fixed and Variable Charges	35,208	25,438	20,739	19,672	101,057
Govt Contributions/Grants	1,488	1,113	1,864	1,488	5,954
GST received from the ATO	1,890	1,902	1,902	1,914	7,608
Other Income	6,056	16,148	6,090	8,400	36,693
Cash flows from Operations	44,642	44,602	30,595	31,475	151,312
Cash Payments					
Payments to Suppliers & Employees	25,020	22,399	22,399	44,630	114,448
Interest and Other Costs of Finance Paid	368	2,487	353	2,450	5,658
Environmental Contributions	-	851	851	876	2,577
GST paid to the ATO	533	533	533	533	2,132
Total Cash Payments for Operations	25,921	26,270	24,136	48,490	124,815
Net Cash Inflow/(Outflow) Operations	(18,721)	(18,331)	(6,459)	17,015	(26,497)
Cash flows to Investing Activities					
Payments for Infrastructure Assets	(9,011)	(4,505)	(4,505)	(9,011)	(27,033)
Proceeds from Sale of Assets	4	4	4	4	15
Net Cash Inflow/(Outflow) Investment	(9,007)	(4,502)	(4,502)	(9,007)	(27,018)
Cash flows from Financing Activities					
Repayment of Borrowings	(553)	(650)	(570)	(3,170)	(4,943)
Proceeds from Borrowings	-	-	-	5,464	5,464
Capital Contributions from Victorian					
Net Cash Inflow/(Outflow) Financing	(553)	(650)	(570)	2,294	521
Net Increase/(Decrease) in Cash	(9,161)	(13,180)	(1,386)	23,727	-
Cash At Beginning of Period	1,000	(8,161)	(21,341)	(22,727)	1,000
Cash at End of Period	(8,161)	(21,341)	(22,727)	1,000	1,000

CORPORATE OVERVIEW

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Financial Performance Indicators – Water Storage and Delivery

Target	WS&D Financial Performance Ratios	2020/21 Forecast	2021/22 Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
<u>Short-Term Financial Sustainability Indicators</u>							
2.5x	Cash Interest Cover (MRD01)	5.3x	6.0x	5.7x	6.4x	7.0x	8.0x
>35%	Internal Financing Ratio	105%	98%	109%	93%	86%	84%
Positive	Current Ratio	71%	64%	73%	72%	70%	75%
> 50%	Quick Ratio	66%	59%	67%	66%	64%	69%
Positive	EBITDA Margin	16.0%	16.7%	14.6%	18.5%	20.7%	20.7%
<u>Long-Term Financial Sustainability Indicators</u>							
<2.5%	Gearing Ratio (debt to assets)	2.2%	2.2%	2.2%	2.3%	2.4%	2.6%
Positive	Return of Assets (statutory)	-1.6%	-1.7%	-1.9%	-1.9%	-1.9%	-2.0%
Positive	Return of Equity	-1.5%	-1.6%	-1.8%	-1.8%	-1.8%	-1.8%
<u>Financing Indicators</u>							
<60%	Regulatory Gearing Ratio	26.9%	25.5%	23.7%	23.0%	22.7%	22.6%

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Water Savings Projects

The Water Savings Projects are externally funded projects. The financial sustainability is assessed based on the ability to deliver the projects within the funding, on time and on budget.

Operating Statement – Water Savings Projects

(\$000's)	2020/21 Forecast	2021/22 Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Revenue						
Government Grants	50,816	28,759	31,623	16,270	-	-
Other Revenue	886	447	315	85	-	-
Total Revenue	51,702	29,206	31,938	16,355	-	-
Expenditure						
Operations	13,858	8,260	-	-	-	-
Stage 1 - Project Costs	37,743	9,412	-	-	-	-
Stage 2 - Project Costs	34,173	17,154	31,623	17,132	-	-
Water Efficiency Project Costs	3,765	23,108	-	-	-	-
Total Expenses	89,539	57,934	31,623	17,132	-	-
EBITDA	(37,837)	(28,728)	315	(777)	-	-
Statutory Depreciation	2,055	-	-	-	-	-
Statutory Profit (Loss) Before Tax	(39,892)	(28,728)	315	(777)	-	-
Tax (Expense)/Benefit	11,967	8,618	(94)	233	-	-
Statutory Profit (Loss) After Tax	(27,925)	(20,110)	221	(544)	-	-

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FINANCIAL OVERVIEW

Balance Sheet – Water Savings Projects

(\$000's)	2020/21 Forecast	2021/22 Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Current Assets						
Cash	56,939	23,411	20,131	-	-	-
Receivables	3,297	-	-	-	-	-
Inventory	140	-	-	-	-	-
Other Current Assets	-	-	-	-	-	-
Total Current Assets	60,376	23,411	20,131	-	-	-
Non Current Assets						
Work in Progress	49,711	5,475	4,991	-	-	-
Property, Plant and Equipment	2,484	-	-	-	-	-
Total Non Current Assets	52,195	5,475	4,991	-	-	-
TOTAL ASSETS	112,571	28,886	25,122	-	-	-
Current Liabilities						
Creditors & Accruals	5,708	-	-	-	-	-
Employee Entitlements	69	-	-	-	-	-
Unearned Revenue	10,804	9,328	11,704	-	-	-
Total Current Liabilities	16,581	9,328	11,704	-	-	-
Non Current Liabilities						
Employee Entitlements	279	-	-	-	-	-
Deferred Tax Liability	(13,312)	(21,930)	(21,836)	(22,069)	-	-
Other Non-Current Liabilities	-	-	-	-	-	-
Total Non Current Liabilities	(13,033)	(21,930)	(21,836)	(22,069)	-	-
TOTAL LIABILITIES	3,548	(12,602)	(10,132)	(22,069)	-	-
NET ASSETS	109,023	41,488	35,254	22,069	-	-
Equity						
Contributed Capital	139,536	92,110	85,655	73,014	-	-
Accumulated Surplus/Deficit	(30,513)	(50,622)	(50,401)	(50,945)	-	-
TOTAL EQUITY	109,023	41,488	35,254	22,069	-	-

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Statement of Cash Flow – Water Savings Projects

(\$000's)	2020/21 Forecast	2021/22 Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Cash flows from Operations						
Cash Receipts						
Govt Contributions/Grants	48,499	27,180	34,000	4,565	-	-
Other Income	1,296	952	315	85	-	-
Cash flows from Operations	49,795	28,132	34,315	4,650	-	-
Cash Payments						
Payments to Suppliers & Employees	(129,740)	(58,471)	(31,624)	(17,132)	-	-
Total Cash Payments for Operations	(129,740)	(58,471)	(31,624)	(17,132)	-	-
Net Cash Inflow/(Outflow) Operations	(79,945)	(30,339)	2,691	(12,482)	-	-
Cash flows to Investing Activities						
Payments for Infrastructure Assets	(38,727)	(37,189)	(41,971)	(13,585)	-	-
Net Cash Inflow/(Outflow) Investment	(38,727)	(37,189)	(41,971)	(13,585)	-	-
Cash flows from Financing Activities						
Capital Contributions from Government	31,800	34,000	36,000	5,935	-	-
Net Cash Inflow/(Outflow) Financing	31,800	34,000	36,000	5,935	-	-
Net Increase/(Decrease) in Cash	(86,872)	(33,528)	(3,280)	(20,131)	-	-
Cash At Beginning of Period	143,811	56,939	23,411	20,131	-	-
Cash at End of Period	56,939	23,411	20,131	-	-	-

CORPORATE OVERVIEW

FINANCIAL OVERVIEW

Financial Performance Indicators – Water Savings Projects

Target	Financial Performance Ratios	2020/21 Forecast	2021/22 Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
	<u>Short-Term Financial Sustainability Indicators</u>						
2.5x	Cash Interest Cover (MRD01)	NA	NA	NA	NA	NA	NA
>35%	Internal Financing Ratio	-206%	-82%	6%	-92%	NA	NA
Positive	Current Ratio	364%	251%	172%	NA	NA	NA
> 50%	Quick Ratio	363%	251%	172%	NA	NA	NA
Positive	EBITDA Margin	-73.2%	-98.4%	1.0%	-4.8%	NA	NA
	<u>Long-Term Financial Sustainability Indicators</u>						
<2.5%	Gearing Ratio (debt to assets)	NA	NA	NA	NA	NA	NA
Positive	Return of Assets (statutory)	-20.2%	-40.6%	1.2%	-6.2%	NA	NA
Positive	Return of Equity	-17.2%	-26.7%	0.6%	-1.9%	NA	NA
	<u>Financing Indicators</u>						
<60%	Regulatory Gearing Ratio	NA	NA	NA	NA	NA	NA
NA - Not							

CORPORATE OVERVIEW

FINANCIAL OVERVIEW

GMW Annual Fees and Charges

GMW's 2021-22 tariff schedule was approved by the Essential Services Commission (ESC) on 14 May 2021, for a full price list refer to www.gmwwater.com.au/customer-services/pricing

CUSTOMER

Fee / Charge	Unit	\$
Customer	\$	130.00
Water Register	\$ / Entitlement	13.62

Legend

HA	Hectares
kL	Kilolitres
km	Kilometres
ML	Megalitres

WATER DELIVERY

		IRRIGATION DISTRICT			
		Goulburn Murray		Nyah	Tresco
Fee / Charge	Unit	Shepparton, Central Goulburn, Rochester, Loddon Valley, Murray Valley, Torrumbarry	Woorinen		
Service Point - D&S	\$ / Each	145.00	74.00	74.00	74.00
Service Point - Local Read	\$ / Each	400.00	230.00	230.00	230.00
Service Point - Remote Read	\$ / Each	650.00	N/A	N/A	N/A
Service Point - Remote Operate	\$ / Each	1,070.00	540.00	N/A	N/A
Infrastructure Access	\$ / ML/day	2,497.00	4,759.00	4,467.00	5,281.00
Infrastructure Use	\$ / ML	5.05	21.83	27.76	15.59
Casual Infrastructure Use	\$ / ML	42.51	93.22	94.77	94.81
Distribution Access	\$ / ML/day	2,497.00	N/A	N/A	N/A
Distribution Use	\$ / ML	5.05	N/A	N/A	N/A
Delivery Share Reservation	\$ / ML/day	2,497.00	4,759.00	4,467.00	5,281.00
Termination	\$ / ML/day	24,970.00	47,590.00	44,670.00	52,810.00

SURFACE DRAINAGE

		IRRIGATION DISTRICT						
Fee / Charge	Unit	Shepparton	Central Goulburn	Rochester-Campaspe	Loddon Valley	Murray Valley	Torrumbarry	Tyntynder
Area	\$ / HA	14.38	9.57	9.26	6.56	11.55	4.46	13.43
Water Use	\$ / ML	3.42	2.59	2.22	3.84	2.66	1.79	5.34
Drainage Diversion Site	\$ / Each	220.00	220.00	220.00	55.00	220.00	55.00	55.00
Drainage Diversion Site (High Flow)	\$ / Each	85.00	85.00	85.00	85.00	85.00	85.00	85.00
Drainage Diversion Agreement	\$ / ML	2.25	2.25	2.25	N/A	2.25	N/A	N/A
Community Surface Drainage	\$ / km	720.00	720.00	720.00	720.00	720.00	720.00	N/A

SUBSURFACE DRAINAGE

		IRRIGATION DISTRICT				Nyah	Tresco
		Goulburn Murray					
Fee / Charge	Unit	Central Goulburn	Rochester	Murray Valley	Woorinen		
Local Benefit Area	\$ / HA	3.92	16.07	4.10	N/A	N/A	N/A
Local Benefit Water Use	\$ / ML	1.32	1.00	N/A	N/A	N/A	N/A
Municipal Local Benefit Area	\$ / HA	15.65	64.26	16.39	N/A	N/A	N/A
Area	\$ / HA	N/A	N/A	N/A	2.62	N/A	N/A
Water Use	\$ / ML	N/A	N/A	N/A	1.04	5.57	N/A
Subsurface Drainage	\$ / ML	N/A	N/A	N/A	N/A	N/A	2.26

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DIVERSION

Fee / Charge	Unit	Regulated Waterways	Unregulated Waterways	Groundwater	Shepparton Irrigation Region Groundwater
Service Point - Unmetered	\$ / Each	145.00	145.00	145.00	N/A
Service Point - Metered (excluding D&S)	\$ / Each	400.00	400.00	400.00	N/A
Access	\$ / Each	202.00	77.00	135.00	61.00
Resource Management	\$ / ML	N/A	3.00	4.11	0.72

WATER SUPPLY

		WATER SUPPLY DISTRICT					
Fee / Charge	Unit	East Loddon	Mitiamo	Normanville	Tungamah	East Loddon (North)	West Loddon
Service Point - D&S	\$ / Each	74.00	145.00	74.00	74.00	N/A	N/A
Water Allowance Storage	\$ / ML	9.83	9.83	9.83	9.83	9.83	9.83
Infrastructure Access	\$ / kL/day	45.64	160.55	162.52	125.37	N/A	N/A
Infrastructure Access	\$ / HA	N/A	N/A	N/A	N/A	2.43	2.62
Infrastructure Use	\$ / ML	75.65	26.15	130.31	62.29	N/A	N/A
Distribution Access	\$ / ML/day	N/A	160.55	N/A	N/A	2,497.00	N/A
Distribution Use	\$ / ML	N/A	26.15	N/A	N/A	5.05	N/A
Excess	\$ / ML	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00

LOCH GARRY FLOOD PROTECTION DISTRICT

	Unit	\$
Flood Protection	\$ / HA	\$1.83 includes GST

ENTITLEMENT STORAGE

		BASIN						
Fee / Charge	Unit	Broken	Goulburn	Campaspe	Loddon	Bullarook	Murray	Ovens
WATER SHARE								
High Reliability Water Share	\$ / ML	9.83	9.83	9.83	9.83	9.83	11.27	11.27
Low Reliability Water Share	\$ / ML	4.50	4.50	4.50	4.50	4.50	4.14	N/A
Spill Reliability Water Share Entitlement Storage	\$ / ML	N/A	N/A	N/A	N/A	N/A	N/A	4.14
Above Entitlement Storage	\$ / ML	N/A	4.05	16.90	N/A	N/A	4.42	N/A

BULK WATER

		BASIN						
Fee / Charge	Unit	Broken	Goulburn	Campaspe	Loddon	Bullarook	Murray	Ovens
Very High Reliability Entitlement	\$ / ML	N/A	8.05	N/A	N/A	N/A	N/A	N/A
High Reliability Entitlement	\$ / ML	61.95	7.69	26.86	45.59	477.04	9.53	78.13
Low Reliability Entitlement	\$ / ML	N/A	3.97	16.57	N/A	289.04	4.33	N/A
WR Equivalent Entitlement	\$ / ML	N/A	9.81	N/A	N/A	N/A	11.15	N/A
Coliban Capacity Share Source	\$ / ML	N/A	N/A	33.78	N/A	N/A	N/A	N/A
Above Entitlement Storage	\$ / ML	N/A	3.97	16.57	N/A	N/A	4.33	N/A

CORPORATE OVERVIEW

FINANCIAL OVERVIEW

MISCELLANEOUS FEES AND CHARGES

GROUNDWATER		\$
Works Licence		
Construct Works Licence - Non Licensable Bore - Alter Existing / Issue New / Replace Existing (Form 72)		230
Construct Works Licence - Non Licensable Bore - Amend Existing / Renew Existing / Transfer Ownership (Form 72)		230
Construct Works Licence - Non Licensable Bore - Additional Assessment (Form 72)		150 / hr
Construct Works Licence - Licensable Bore - Issue New / Alter Existing / Amend Existing (Form 70)		1,835
Construct Works Licence - Licensable Bore - Renew Existing / Transfer Ownership (Form 70)		210
Construct Works Licence - Licensable Bore - Replace Works (Form 70)		1,100
Construct Works Licence - Licensable Bore - Additional Assessment (Form 70)		150 / hr
Online - Construct a Domestic and Stock Bore		235
Online - Amend and Renew a Domestic and Stock Bore		80
Online - Construct an Investigation or Monitoring Bore		235
Online - Amend and Renew an Investigation or Monitoring Bore		80
Take and Use Licence		
Licensable Bore - Issue New (Form 91)		1,835
Licensable Bore - Temporary Transfer Water Entitlement Tier 1 (Form 75GW)		210
Licensable Bore - Temporary Transfer Water Entitlement Tier 2 (Form 75GW)		1,600
Permanent Transfer Water Entitlement (Form 74GW)		1,835
Licensable Bore - Transfer Ownership / Transfer Extraction Share (Form 93)		210
Licensable Bore - Renew Existing (Form 73GW)		700
Licensable Bore - Decrease Volume / Remove Land (Form 91)		210
Licensable Bore - Surrender a Licence (Form 79)		150
Licensable Bore - Subdivide a Licence (Form 78)		1,300
Licensable Bore - Amalgamate Licences (Form 77)		1,300
Licensable Bore - Amend Existing (Form 91)		700

PRIVATE DAMS		\$
Construct Works Licence - Licensable Dam - Alter Existing / Decommission / Issue New (Form 60)		1,530
Operate Works Licence - Licensable Dam - Issue New (Form 61)		810
Operate Works Licence - Licensable Dam - Renew Existing (Form 62)		810

REGULATED RIVERS AND STREAMS		\$
Works Licence		
Construct Works Licence - Issue New (Form 29)		700
Operate Works Licence - Amend Existing / Renew Existing (Form 31)		700
Operate Works Licence - Transfer Ownership (Form 31)		150
Water Use Licence or Registration		
Issue New - with Field Inspection (Form 23)		700
Issue New - without Field Inspection (Form 23)		100
Vary Existing - without Field Inspection (Form 24)		100
Vary Existing - with Field Inspection (Form 24)		700
Subdivide or Amalgamate - with Field Inspection - per lot (Form 25A)		700
Subdivide or Amalgamate - without Field Inspection - per lot (Form 25A)		100

UNREGULATED RIVERS AND STREAMS		\$
Works Licence		
Construct Works Licence - Alter Existing / Amend Existing / Issue New / Renew Existing (Form 90)		1,400
Construct Works Licence - Transfer Ownership (Form 90)		210
Construct Works Licence - Decommission Works (Form 79)		150
Take & Use Licence		
Issue New (Form 71)		1,835
Temporary Transfer Water Entitlement Tier 1 (Form 75SW)		210
Temporary Transfer Water Entitlement Tier 2 (Form 75SW)		1,600
Permanent Transfer Water Entitlement (Form 74SW)		1,835
Transfer Ownership / Transfer Extraction Share (Form 93)		210
Renew Existing (Form 73SW)		700
Amalgamate Licences (Form 77)		1,300
Subdivide a Licence (Form 78)		1,300
Amend Existing (Form 71)		700
Private Right Determination (Form 95)		610
Waterway Determination (Form 96)		610
Waterway Determination Additional Assessment (Form 96)		510

WATER SUPPLY DISTRICT		\$
Amalgamate Properties (Form 171)		350
Issue New (Form 172)		1,000
Subdivide a Property (Form 170)		350

INFORMATION STATEMENTS AND SPECIAL METER READING		\$
Copy of Record		25
Information Statement		100
Information Statement Express Service		150
Special Meter Reading		100

CORPORATE OVERVIEW

FINANCIAL OVERVIEW

IRRIGATION DISTRICTS		\$
Amend District Boundary (Form 150)		600
Delivery Share		
Transfer (Form 36)		210
Vary Existing (Form 35)		210
Issue New (Form 34)		210
Reservation		210
Capacity Assessment		210
Private Works		
Issue New (Form 130)		1,000
Security Deposit (Form 130)		25% of job (min 1,000)
Supervision fee (Form 130)		5% of job (min 275)
Transfer Ownership (Form 131)		150
Renew Existing (Form 131)		400
Installation of a Small Pipe Outlet for Non-Irrigation Purposes (Form 135)		450
Supply Agreement		
Drainage Diversion - Issue New - without Field Inspection (Form 143)		200
Drainage Diversion - Issue New - with Field Inspection (Form 143)		400
Amend Existing / Issue New (Form 141)		510
Mobile Collection Issue New (Form 142)		150
Water Use Licence or Registration		
Issue New - with Field Inspection (Form 23)		700
Vary Existing - with Field Inspection (Form 24)		700
Subdivide or Amalgamate - with Field Inspection - per lot (Form 25A)		700
Issue New - without Field Inspection (Form 23)		100
Vary Existing - without Field Inspection (Form 24)		100
Subdivide or Amalgamate - without Field Inspection - per lot (Form 25A)		100

TECHNICAL ADVICE FOR HIGH RISK OR COMPLEX APPLICATIONS		\$
Technical Advice for High Risk or Complex Applications		150 / hr

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 2021-22* (the Guidelines) issued by the Acting Minister for Water, Richard Wynne (the Minister for Water), released 22 April 2021
- the *Letter of Expectation* (LOE), dated 22 April 2021 issued by the Acting 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	15-18, 41, 43-48
2.1.1.	Climate change: undertake activities and provide a set of services that minimise environmental impacts, mitigate climate change and demonstrated reasonable progress in integrating climate change adaption into planning and decision making across the business.	17, 24, 29
2.1.2.(a)	Customer and community outcomes: customer satisfaction related goals	15-16, 18, 24
2.1.2.(b)	Customer and community outcomes: community engagement	15-16, 18, 24, 25
2.1.3.(a)	Water for Aboriginal cultural, spiritual and economic values: engagement of Aboriginal communities	17-18, 25
2.1.3.(b)	Water for Aboriginal cultural, spiritual and economic values: engagement of Traditional Owners	17-18, 25
2.1.4.(a)	Resilient and liveable cities and towns: participation in Integrated Water Management Forums (IWM)	25
2.1.4.(b)	Resilient and liveable cities and towns: liveability benefits	25
2.1.4.(c)	Resilient and liveable cities and towns: Identify IWM projects	25
2.1.4.(d)	Resilient and liveable cities and towns: water efficiency initiatives	23, 25
2.1.4.(e)	Resilient and liveable cities and towns: improve affordability and assist customers in hardship	17, 25, 26
2.1.5.	Recognising recreational values: plans for consideration of recreational values	18, 25, 34-35
2.1.6.	Leadership and culture: diversity and inclusion	15, 26
2.1.7.(a)	Financial sustainability: price paths	6, 26, 59-62
2.1.7.(c)	Financial sustainability: quarterly financial projections	49, 51, 53,
2.1.7.(d)	Financial sustainability: debt management strategies	26, 42
2.1.7.(e)	Financial sustainability: unregulated business activities	26, 34-35
2.1.7.(f)	Financial sustainability: operational risk assessment	26, 29
2.1.7.(g)	Financial sustainability: impact on performance of high and low scenarios for key planning variables	43
2.1.7.(h)	Financial sustainability: any significant variations from the most recent Pricing Decision	41
2.1.7.(i)	Financial Sustainability: Credit Rating	28
2.1.8.(a)	Planning assumptions: assumed demand, water allocations and supply availability	20-21
2.1.8.(b)	Planning assumptions: assumed price increases	59-62
2.1.8.(c)	Planning assumptions: all other relevant assumptions in section 2.2 of the DTF requirements	42-43
5.1.	Victorian Water Industry Performance Reporting Framework: PRF KPIs	29
	Statement on Strengthen Compliance as identified in the Minister's Letter of Expectations	26

Appendices

Appendix B: SAP Recommendations

GMW has progressed actions against the 30 SAP Recommendations, 25 of these actions have been assessed as complete and five of these actions have been assessed as embedded in business practices.

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:	Embedded into GMW ongoing business processes
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.	Embedded into GMW ongoing business processes
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.	Embedded into GMW ongoing business processes
15. Review and consolidate the improvement opportunities identified in the <i>Capital Investment Framework</i> 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.	Embedded into GMW ongoing business processes
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.	Embedded into GMW ongoing business processes
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.	Complete
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.	Complete
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.	Complete

Appendix C: Strategic Risk Assessment Framework

Strategic Risk	Current Risk Rating	Planned Risk Rating
GMW's culture and capability is unable to deliver our outcomes	Minor	Minor
Asset and/or process failure impacts our customer outcomes	Medium	Medium
GMW does not provide a safe environment for our employees, contractors and public	Medium	As low as reasonably practicable
Climate change and external events affect services to our customer and stakeholder outcomes	Significant	Significant
Customer requirements of service outcomes change significantly	Medium	Medium
Community and Stakeholders expectations for recreation and indigenous water values are not met	Medium	Medium
GMW performance is below government, customer or regulatory expectations.	Medium	Medium
Sole supplier arrangement for services critical to GMW operations unable to provide products or services	Medium	Medium
Technology advancement is not embraced or leveraged for business benefit	Medium	Medium
GMW is subject to cyber crime leading to data theft or system interference	Medium	As low as reasonably practicable
Revenue is insufficient to meet short and long term expenditure requirements while maintaining affordability	Medium	Medium
Reduced water availability and/or water quality restricts current and future economic development in the region	Significant	Significant