



# Statement of Corporate Intent 2016-17 to 2019-20



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Icon Water Limited ABN 86 069 381 960

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# 1. Managing Director's message

During 2015–16, we continued to pursue our four strategic objectives, centred on:

- a culture that protects, engages and develops our people
- excellence in asset management
- establishing a trusted brand
- delivering sustainable financial returns

Three out of these four strategic objectives will continue in 2016–17. Since the 'brand' strategic objective was first identified in our 2014–15 Modified Statement of Corporate Intent, a number of the key related activities have been finalised or well progressed. In light of this progress, the key activities and outcomes identified for 2016–17 against the 'brand' strategic objective will be incorporated into our new *customer* strategic objective: meeting customer needs, exceeding customer expectations.

This Statement of Corporate Intent 2016–17 to 2019–20 identifies the strategies being implemented to achieve our four strategic objectives and outlines the key activities that will be undertaken in 2016–17.

Icon Water and its predecessor organisations have supplied Canberra with quality water and wastewater services for 100 years. We are proud of the contribution to the Canberra community and are committed to meeting the needs of the community in the delivery of our services in the future.

I look forward to continuing to work closely with the Board, the executive team and all of the committed staff at Icon Water during the year ahead.



**John Knox**  
Managing Director  
Icon Water Limited  
16 May 2016

## 2. Overview

Icon Water Limited (Icon Water) undertakes two primary activities: delivery of water, sewerage and associated services; and managing the investment in the energy business, ActewAGL. This Statement of Corporate Intent (SCI) outlines how Icon Water intends to go about undertaking those activities.

Over the period 2016–17 to 2019–20, Icon Water will continue to pursue four strategic objectives through strategies relating to:

- people
- asset management
- customer
- financial management.

We have identified performance measures and targets to enable monitoring and reporting against achievement of strategic objectives. These are included in this SCI. In addition, we have a range of internal performance management arrangements which support us in monitoring achievement of objectives and performance against plan.

### **Structure of this document**

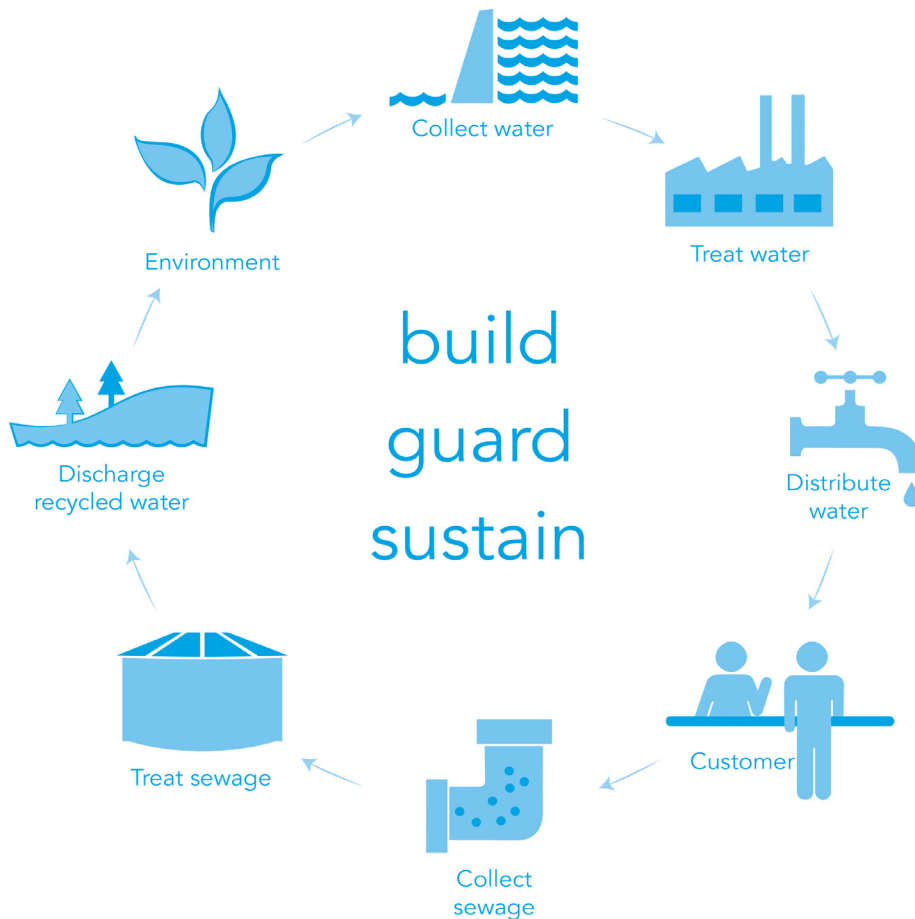
This SCI has been prepared in accordance with the *Territory-owned Corporations Act 1990* (TOC Act). It contains the five elements specified in the TOC Act along with relevant additional information. These elements are contained in Sections 3 to 6.

# 3. Main undertakings

## Primary activities

### Water and sewerage operations

Icon Water delivers water, sewerage and associated services. We own and operate the ACT's network of dams, water treatment plants, sewage treatment plants, reservoirs, water and sewerage pumping stations, mains and other related infrastructure. With around 390 staff, we consistently deliver safe drinking water and reliable sewerage services to approximately 165,000 customers.



### Energy investment

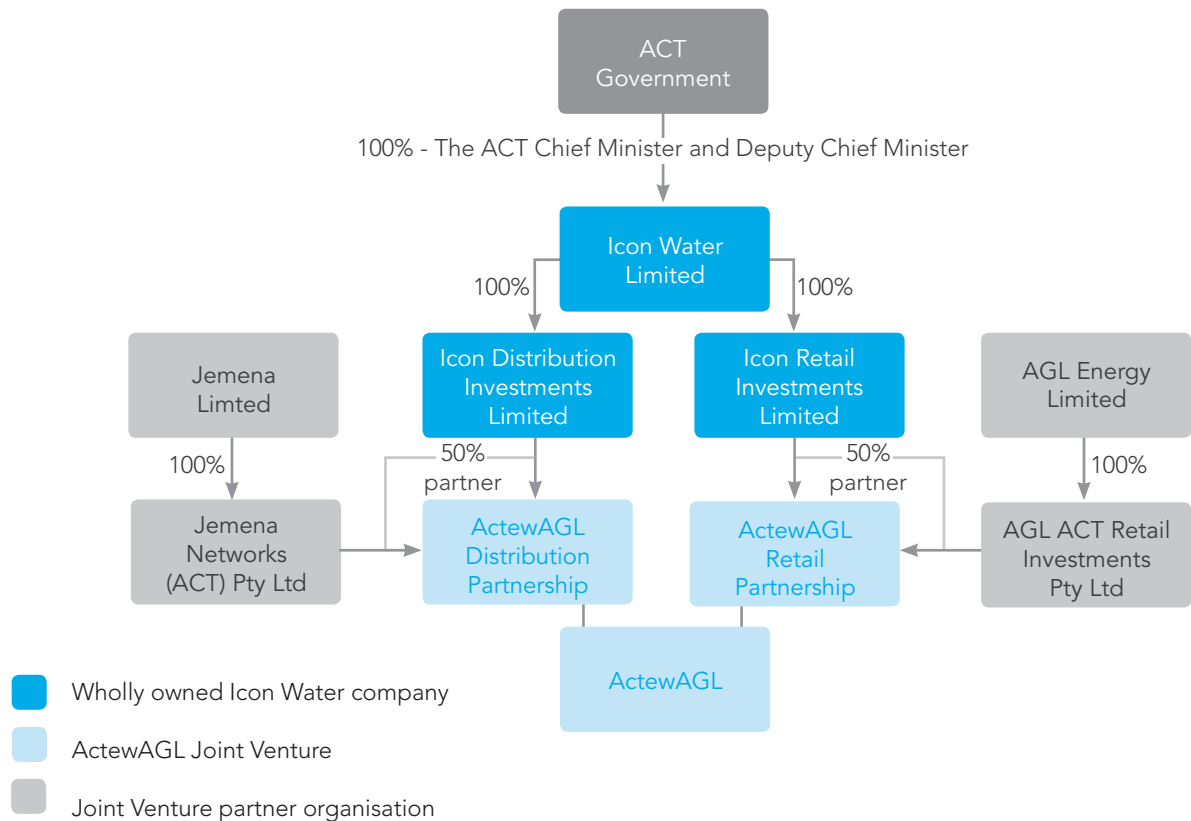
Icon Water is a 50% partner in ActewAGL. ActewAGL consists of two partnerships:

- ActewAGL Distribution which owns and operates the electricity network in the ACT and the gas network in the ACT, Shoalhaven and Queanbeyan regions.
- ActewAGL Retail which sells electricity and gas to its retail and commercial customers in the ACT and surrounding region (including Goulburn, Boorowa, Yass, Young, and Shoalhaven).

Our approach to managing the investment in ActewAGL is founded upon the following principles:

1. We are an active and informed investor in ActewAGL. To this end, ActewAGL's Joint Venture Partnerships Board consists of six members, three of whom are Icon Water appointees.
2. The investment delivers benefits to Icon Water which are consistent with Icon Water's main objectives under the TOC Act.

## Ownership structure



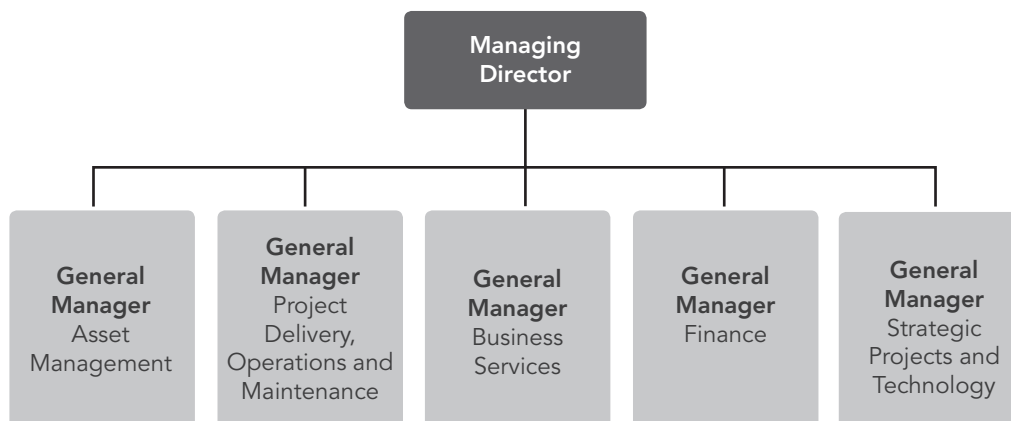
## Governance and accountability

Icon Water's Integrated Management System (IMS) is a set of interrelated elements which operate to develop organisational strategy, translate it into operational actions, and to monitor and improve the effectiveness of both. The IMS incorporates our governance framework (how our organisation is directed and controlled) and our management operating system (how those directions are carried out in practice).

The Icon Water Limited Board is responsible for the governance of Icon Water and its controlled entities. The Board is supported by a number of Board committees and controlled entity boards which actively manage our investment in ActewAGL.

## Organisational structure

Our organisational structure is comprised of five groups, each led by a General Manager.



# 4. Strategic objectives

## Background

The TOC Act identifies four equally important main objectives for Icon Water as a territory owned corporation:

- To operate at least as efficiently as any comparable business.
- To maximise the sustainable return to the Territory on its investment in Icon Water and ActewAGL, in accordance with the performance targets in the Statement of Corporate Intent.
- To show a sense of social responsibility by having regard to the interests of the community in which we operate, and by trying to accommodate and encourage those interests.
- Where our activities affect the environment, to effectively integrate environmental and economic considerations in decision-making processes.

These main objectives provide the foundation upon which we conduct strategic planning to identify our strategic goal and objectives.

## Core purpose and values

### Core purpose

Icon Water's core purpose describes the fundamental reason for its existence. The core purpose provides a stable reference point, inspires organisational change and reflects the idealistic motivation of staff to do their work. Our core purpose, shown below, remains fixed while our business strategies and practices continuously adapt to a changing environment.

**To sustain and enhance  
quality of life**

### Core values

Our core values reflect the valued behaviours which guide how we conduct our business and treat others. They are:

- Safety – accepting personal responsibility to ensure a safe workplace and contribute to a safe community.
- Excellence – involving the right people at the right time to get a result we can be proud of.
- Openness – building strong relationships by acting with integrity while being receptive to the views of others.



# Strategic goal and objectives

## Strategic goal

Our strategic goal (shown below) represents an ambitious, long term outcome to be achieved through coordinated collective effort from across the organisation.

**The premier, most trusted water utility**

To become premier and trusted we will constantly balance the short and long term interests of our customers and shareholders, seeking continual improvement in efficiency and sustainability.

## Strategic objectives

Our strategic objectives (shown below) represent medium term outcomes to be achieved through specific strategies and activities.



Strategies and key activities to achieve these strategic objectives are described in Section 5.

# 5. Strategies and activities

Strategies describe the general approach to be taken to achieve our strategic objectives over the period 2016–17 to 2019–20. Four strategies are outlined below, along with key activities to be undertaken for each strategy during 2016–17. In addition (and separate to this SCI) Icon Water's performance management framework includes the development of detailed business plans at multiple levels, including in relation to organisational strategies.

## People strategy

To achieve a culture that protects, engages and develops our people we will continue implementing a work health and safety strategy and people strategy.

The *Work Health and Safety Strategy 2016–17 to 2018–19* aspires to a state where every Icon Water worker, regardless of their position, is a safety leader. A safety leader is anyone who cares enough about Icon Water to take actions that will keep themselves and others healthy and safe, and through those actions inspire others to do the same. The objective of the strategy is a safer workplace, supported by best practice work health and safety management.

During 2016–17 the strategy focusses on standardising safety management processes across the business. Initiatives will include an increased focus on learning from work health and safety incidents to enable continual improvement and setting clear expectations for safe behaviour.

The *People Strategy 2016–17* recognises that our people are the foundational element for achieving other strategic objectives. The strategy seeks to achieve a more engaged and competent workforce through a range of activities in four key areas:

- diversity and inclusion
- highly capable leadership
- planning and analysing talent
- driving performance and development.

The strategy includes a new, all-encompassing diversity and inclusion platform, aimed at maximising the diverse talents of all staff.

## Key activities for 2016–17

- Commence a safety engagement program to engender a belief amongst all staff that all safety incidents are preventable.
- Continue implementation of a Just Culture framework.
- Commence a program to reduce musculoskeletal injuries.
- Deliver unconscious bias training to Executives, Managers and Team Leaders.
- Develop a leadership capability framework for Executives, Managers and Team Leaders.
- Conduct an employee engagement survey.

## Asset management strategy

In order to deliver consistent high levels of service to our customers and return to our shareholders Icon Water must realise the maximum value from its assets. Effective asset management – from asset acquisition, through operation and maintenance to asset disposal – enables this. The *Enterprise Asset Management Strategy 01 July 2015 – 30 June 2019* is designed to realise excellence in asset management by 30 June 2019. The vision for asset management is to have an Enterprise Asset Management capability that controls the impact of changes to the levers of cost, risk, performance and demand. This vision will be achieved through integrated Enterprise Asset Management that provides:

- clear linkages between stakeholder requirements and operational activities
- defined asset strategy and planning protocols
- frameworks for decision making and risk management
- asset lifecycle delivery management (planning, acquisition, operation, maintenance and disposal) and business support services
- robust and transparent decision making using data analytics based on reliable and managed asset information
- organisational capability and people development.

### Key activities for 2016–17

- Finalise the projects to document all asset management processes to leverage the international standard on asset management (*ISO 55001:2014 Asset Management – Management Systems - Requirements*).
- Finalise the revision of all costed maintenance plans that link to stakeholder objectives.
- Commence the Asset Maintenance Management System (AMMS) project to provide information technology solutions to better understand and enhance our use of asset data to inform consistent asset management decisions.
- Develop asset planning analytics and predictive modelling tools to further optimise asset management decisions.
- Provide updated Asset Management Plans and a robust pricing submission to the economic regulator.

## Customer strategy

Our vision for customer management is a state where customers view Icon Water as a trusted provider, consistently delivering quality and value.

The *Customer Management Strategy 2016-17 to 2018-19* seeks to achieve the objective of optimised customer management by 30 June 2019. This means, putting customers at the heart of everything we do through:

- effective and engaged people across the business, serving customers
- clear and consistent processes for customer management
- leveraging technology to optimise customer management.

The strategy includes a customer CARE program. The program is designed to focus not only on providing excellent service to our external customers and stakeholders, but also target internal customer service and engagement. By focusing on **C**onnecting, **A**ssisting, **R**eviewing and **E**ngaging, we can provide a continuous cycle of CARE for our internal and external customers.

## **Key activities for 2016–17**

- Commence the customer CARE program.
- Launch the “Talking Icon Water” customer engagement program, including the introduction of a community consultative forum.
- Continue to realign the Community Support Program to our new brand.
- Refine our technology to provide contemporary self-service channels for seamless customer service.

## **Financial strategy**

The financial strategy aims to generate sustainable financial returns and maintain sustainable gearing levels. Key elements include maintaining a dividend payout ratio based on the capital and borrowing requirements of the business as approved by the Voting Shareholders, including a proposed debt program for ActewAGL Distribution to fund their capital expenditure.

In addition, we will continue to optimise operating expenditure, develop a robust regulatory submission for the next regulatory period starting 1 July 2018 and actively manage the energy investments, ensuring a continuation of the strong financial outcome for Icon Water’s shareholders.

## **Key activities for 2016–17**

- Continue to define the efficiency opportunities within Icon Water and the program of works required to realise the benefits.
- Continue with the introduction of a debt program for ActewAGL Distribution.

## **Capital works**

The future general capital works program is designed to renew infrastructure to maintain service standards, expand the network to support growth in the ACT, improve our assets to generate efficiencies and renew a number of operational systems including our works management systems.

The top ten Capital Works Program projects are (alphabetically):

- Billing system upgrade
- Googong estate water supply
- Lower Molonglo Water Quality Control Centre – aeration system renewal
- Lower Molonglo Water Quality Control Centre – solids handling
- Mount Stromlo and Googong water treatment plants – disinfection system renewal
- North Weston odour control and ventilation permanent improvements
- Proactive 20mm water meter and property service connection replacement program
- Sewer mains rehabilitation
- Working at heights improvements
- Works and asset management system

# Supporting information

## Risk management

Icon Water's risk management framework aligns with *AS/NZS ISO 31000:2009 Risk management – Principles and guidelines*. The framework includes risk management policy and procedure, risk assessment criteria and processes, risk escalation and reporting. The Icon Water Board has established a Risk and Assurance Committee (RAC) to provide independent assurance and advice to the Board on the management of risk and the treatment of key risks.

Risk assessments identify risks in seven categories: strategic, safety, operational, financial, environmental, reputation and legal/compliance. Risk reports are provided at multiple levels within the organisation, and the RAC reviews key risks and their treatment on a regular basis.

A description of our key risks in each risk category for 2016–17 and related mitigation strategies is provided in the following table.

## Key risks for 2016–17

Category	Overview	Mitigation strategies
Strategic	Icon Water faces a number of risks that impact on the achievement of strategic objectives. Key risk events include failure to effectively implement operational technology, manage sustainable gearing levels and deliver services to continue to meet growth requirements.	Mitigation strategies include a dedicated project management office to oversee strategic projects, including effective change management.
Safety	Icon Water is managing a range of safety related risks to protect the health and safety of staff, contractors and the public. Key risk events include safety incidents involving staff and management of toxic gases in the sewer network.	Icon Water's Work Health and Safety Strategy is the overarching mitigation. It is supported by a Safety Management System that is certified to AS/NZS 4801:2001 <i>Occupational health and safety management systems – specifications with guidance for use</i> . A Sewer Network Process Team has been established to develop a network monitoring and detection program, along with continuing engagement with businesses in industrial areas to provide further education on trade waste.
Operational	Icon Water has a number of key operational risks relating to the continuity of supply of water and sewerage services, management of the water and sewer network and our ability to respond to business interruptions.	Mitigation strategies include business interruption and emergency response plans, oversight of projects by a dedicated project management office, network monitoring, identification of alternate suppliers for critical goods and services and effective management of asset protection.
Financial	Icon Water's key financial risks relate to expenditure on regulated assets, asset management planning.	Mitigation strategies include a sound governance structure to ensure prudent expenditure, oversight of projects by a dedicated project management office and asset management planning processes.
Environmental	Icon Water's one key environmental risk relates to the uncontrolled release of raw sewage.	Mitigation strategies include network performance monitoring, planned and reactive maintenance, site bunding and drainage and compliance with design standards.
Reputation	Key reputation risks relate to Icon Water's management of illegal dumping into the sewerage system.	Mitigation strategies include targeted public engagement (including the use of the internet and social media), strong strategic partnerships with external stakeholders, and network monitoring and detection processes.
Legal/compliance	Icon Water has a dynamic legal and regulatory environment and the key legal/compliance risks reflect the organisation's ability to keep pace with these changes.	Mitigation strategies include software to manage legal obligations, staff training and use of internal and external legal advisors. In addition, we operate a Compliance Management System that conforms with ISO 19600:2014 <i>Compliance management systems – Guidelines</i> .

## Main community service obligations

Icon Water fulfils a range of community service obligations (CSOs) on behalf of the ACT Government. These CSOs are social, rather than commercial, in nature and are explicitly funded by the ACT Government. The majority of CSOs currently relate to pensioner concessions in connection with water and sewerage charges. Water and sewerage services are also provided at a 50% price discount to community organisations such as schools and churches. The table below shows the estimated revenue for each category.

Community Service Obligations	Estimated Revenue 2016-17 '000
Water services for schools, hospitals, charities and churches or ecclesiastical establishments	2,069
Water services rebates to pension and health benefit card holders	727
Sewerage services for schools, hospitals, charities and churches or ecclesiastical establishments	3,324
Sewerage services rebates to pension and health benefit card holders	4,923
ACT Civil and Administrative (ACAT) discharges	25

## 6. Performance indicators and targets

For each strategic objective, we have established performance indicators and targets to monitor and report on their achievement. These are outlined below and are each supported by additional detail on method of calculation, timing and responsibility for reporting. We have a range of internal performance management arrangements and related monitoring and reporting activities.

Strategic objectives	Performance indicator	Targets (30 June 2017)
<b>People</b>	Timely implementation of related strategies	WHS and people strategies are implemented in accordance with plan
	Serious Injury Frequency Rate (SIFR)	<6 serious injuries per million hours worked
	Staff engagement	54% <sup>1</sup> of staff surveyed are moderately–highly engaged
<b>Asset management</b>	Timely implementation of enterprise asset management initiatives	Asset management enhancement initiatives are implemented and assessed as competent against the asset management framework
	Service delivery performance	Achievement of service delivery targets for water, sewerage, customer satisfaction and environment and sustainability (see over)
<b>Customer</b>	Effective complaints management	A meaningful response to 100% of complaints within 20 business days <sup>2</sup>
	Customer satisfaction	90% of annual survey participants are satisfied with our overall service
	Effective stakeholder relationship management	100% of projects have a stakeholder engagement plan
<b>Financial</b>	Return to government	\$71.77m (profits available for dividends)
	Earnings Before Interest and Tax (Water)	\$105.0m
	Capital expenditure	+/- 5% of \$111.1m
	Gearing	<55.5%
	Energy use and costs	Demonstrated reductions in business as usual energy use and costs

Icon Water's forecast financial statements and key financial performance measures are at Appendix A.

<sup>1</sup>This being the Australian and New Zealand average for utilities.

<sup>2</sup> As required by the Consumer Protection Code.



## Key service delivery targets 2016-17

Service delivery measures		Industry 2014-15 Average	Icon Water Target 2016-17
<b>Water</b>			
Quality	Compliance with routine monitoring against the Public Health (Drinking Water) Code of Practice 2007 (ACT) (%)	n/a	100
	Number of zones where drinking water microbiological compliance is achieved (%)	99.9	100
Reliable supply	Water main breaks (per 100km of water main)	22	20-25
	Average duration of an unplanned interruption – water (minutes)	129	111-150
	Frequency of unplanned interruption – water (per 1000 properties)	149	63-127
	Real losses (litres/service connection/day)	69	59-73
	Water volume <sup>3</sup> to meet demand (ML/day)	n/a	140-300
<b>Sewerage</b>			
Sewerage mains breaks and chokes (per 100km sewer main)		31	40-66
Property connection sewer breaks and chokes (per 1000 properties)		6	8-15
Average sewerage interruption (minutes)		180	37-44
<b>Customer satisfaction</b>			
Water quality complaints (per 1000 properties)		1.7	0.9-2.0
Water service complaints (per 1000 properties)		0.5	1.0-2.0
Sewerage service complaints (per 1000 properties)		0.6	1.0-2.0
Billing and account complaints – water and sewerage (per 1000 properties)		0.7	0.1-1.5
Total water and sewerage complaints (per 1000 properties)		3.7	3.5-5.0
<b>Environment and sustainability</b>			
Compliance with environmental flow requirements, licence requirements and environmental authorisations (%)		n/a	100
Net greenhouse gas emissions (net CO <sub>2</sub> equivalent per 1000 connected water properties)		n/a	<257 <sup>4</sup>
Sustainability infrastructure scorecard is incorporated into all capital projects over \$50,000		n/a	100%
Operational resource use and waste reduction <sup>5</sup>		n/a	TBD <sup>4</sup>
Percentage of biosolids reused (%) <sup>6</sup>		106	100
Recycled water (percent of effluent recycled)		15	11-13

<sup>3</sup>Volume is the total production by the water treatment plants and supply through the water supply system.

<sup>4</sup>Representing a reduction year on year.

<sup>5</sup>Operational resource use refers to consumption of chemicals, water, paper and generation of waste.

<sup>6</sup>Percentage of biosolids reused may be greater than 100% if a utility is reusing stockpiles of biosolids.

## **Notes on key service delivery targets**

Service delivery standards were derived from the National Performance Report 2014–15: urban water utilities (NPR). For comparison purposes, the industry average is calculated on NPR data from urban water utilities with more than 100,000 connected properties.

Unusual external events beyond Icon Water's control may cause non-typical variances, either positive or negative, to our performance in a service delivery category, in any given year.

Targets were determined on the basis of performance trends across previous years and, where practical, results are sought that are better than the industry average. In some instances however, there exist peculiar geographic or cost implications which practically limit the extent to which performance may be improved or industry averages achieved. Improvements need to be justified on a cost-benefit basis. For example, achieving an industry average for sewer main breaks and chokes is considered uneconomical due to the ACT's semi-arid climate and clay soils when compared to other capital cities. At the same time, our average sewer interruption (when breaks and chokes do occur) is significantly below the industry average.

## **Financial assumptions and notes**

The forecasts contained in this document are subject to potentially significant variation arising from factors outside Icon Water's control. These factors are described below.

### **Climatic conditions**

Normal weather patterns have been assumed in determining the budget estimates. Variability in climatic conditions may result in material variations to Icon Water's profits through water consumption forecasts, electricity demands and the impact of climate change in the longer term may make the task of predicting the ACT's future water usage difficult. Extreme weather events may result in financial losses and delays in our operations.

### **ActewAGL's operations**

In addition to climatic conditions, competitive, regulatory and other influences may impact the profitability of ActewAGL.

ActewAGL Distribution's electricity income assumptions are in line with the Australian Energy Regulator's (AER) final pricing determination for Electricity Networks released in April 2015. The electricity income for ActewAGL Distribution for the remaining years of the regulated period will be subject to the outcome of a number of appeals by ActewAGL Distribution and the AER to the Australian Competition Tribunal and the Federal Court.

ActewAGL Distribution gas income assumptions are based on AER draft pricing determination for Gas Networks as the SCI budget will be finalised prior to AER making their final pricing determination.

From an ActewAGL Retail perspective, the ICRC made a determination on retail electricity prices in the ACT in June 2014 that will be applied each year to 30 June 2017. ActewAGL Retail profits and cash distributions will also be subject to the impact of heightened competition from other energy retailers.

### **Financial markets and capital structure**

Icon Water will need to source new debt and/or refinance existing debt, which will be subject to market interest rates. Icon Water currently sources borrowings from the ACT Government.

### **Dividend to shareholders**

This SCI is based on the current Dividend Policy of 100% of net profit after tax (excluding gifted assets).

# Appendix A – Forecast financial statements and key financial performance measures

Icon Water Limited Income Statement Year Ended 30 June	Notes	2014-15 Actual \$000	2015-16 Forecast \$000	2016-17 Budget \$000	2017-18 Estimate \$000	2018-19 Estimate \$000	2019-20 Estimate \$000
<b>Revenue</b>							
Water Business		174,136	191,695	190,830	195,640	221,882	226,897
Sewerage Business		116,951	123,533	127,850	134,277	133,107	138,670
Interest Income		2,050	1,426	1,076	1,069	1,096	1,123
Commonwealth Subvention		11,123	11,401	11,687	11,979	12,278	12,585
Energy Investment		101,078	97,404	73,163	72,239	70,702	87,636
Other Revenue		5,829	5,027	3,521	3,609	3,700	3,792
<b>Total Revenue</b>		<b>411,167</b>	<b>430,486</b>	<b>408,127</b>	<b>418,813</b>	<b>442,765</b>	<b>470,703</b>
<b>Expenditure</b>							
ACT Government Charges		34,344	35,755	37,148	38,212	39,482	40,619
Depreciation		43,657	47,886	48,278	51,832	53,798	55,303
Employment Costs		67,040	65,210	63,995	64,860	65,090	66,987
Water Operating Costs		63,387	66,910	71,540	76,344	77,055	78,268
Impairment		317	0	0	0	0	0
Other Expenses		6,617	1,333	7,879	3,190	1,880	1,930
<b>Total Expenditure</b>		<b>215,362</b>	<b>217,094</b>	<b>228,840</b>	<b>234,438</b>	<b>237,305</b>	<b>243,107</b>
<b>Earnings before Interest Tax and Gifted Assets</b>		<b>195,805</b>	<b>213,392</b>	<b>179,287</b>	<b>184,375</b>	<b>205,460</b>	<b>227,596</b>
Interest Expense		66,081	69,925	72,512	75,045	73,300	75,617
<b>Earnings Before Tax and Gifted Assets</b>		<b>129,724</b>	<b>143,467</b>	<b>106,775</b>	<b>109,330</b>	<b>132,160</b>	<b>151,979</b>
Gifted Assets		10,598	25,722	9,890	5,679	5,453	5,000
<b>Earnings Before Tax</b>		<b>140,322</b>	<b>169,198</b>	<b>116,665</b>	<b>115,009</b>	<b>137,613</b>	<b>156,979</b>
Tax Expense		42,615	50,758	34,999	34,503	41,284	47,094
<b>Net Profit After Tax</b>		<b>97,707</b>	<b>118,431</b>	<b>81,666</b>	<b>80,506</b>	<b>96,329</b>	<b>109,885</b>
<b>Transfer to/(from) Retained Profits</b>	a	3,795	42,260	9,892	5,678	5,453	4,999
<b>Profits available for Dividends</b>		<b>93,912</b>	<b>76,171</b>	<b>71,774</b>	<b>74,828</b>	<b>90,876</b>	<b>104,886</b>

**Notes:**

a - The 2016-17 dividend to the ACT Government was based on Icon Water's Profit available for dividends, which excluded gifted assets for Googong Estate.

Icon Water Limited Balance Sheet Year Ended 30 June	Notes	2014-15 Actual \$000	2015-16 Forecast \$000	2016-17 Budget \$000	2017-18 Estimate \$000	2018-19 Estimate \$000	2019-20 Estimate \$000
<b>Current Assets</b>							
Cash and cash equivalents		51,558	40,237	40,506	40,393	40,294	40,901
Held to maturity investments		17,000	0	0	0	0	0
Receivables		45,898	47,275	48,693	50,154	51,660	53,209
Other		18,720	16,020	16,020	16,020	16,020	16,020
<b>Total Current Assets</b>		<b>133,176</b>	<b>103,532</b>	<b>105,219</b>	<b>106,567</b>	<b>107,974</b>	<b>110,130</b>
<b>Non Current Assets</b>							
Investments of Other Entities		918,845	949,749	924,951	925,031	942,611	975,625
FITB - Non Current Intangibles (Water Licences)		28,163	28,167	28,167	28,167	28,167	28,167
Property, Plant and Equipment		23,020	23,020	23,020	23,020	23,020	23,020
Other		2,134,380	2,197,870	2,276,494	2,335,651	2,362,339	2,375,280
		5,731	18,104	16,337	14,570	12,801	11,035
<b>Total Non Current Assets</b>		<b>3,110,139</b>	<b>3,216,910</b>	<b>3,268,969</b>	<b>3,326,439</b>	<b>3,368,938</b>	<b>3,413,127</b>
<b>Total Assets</b>		<b>3,243,315</b>	<b>3,320,442</b>	<b>3,374,188</b>	<b>3,433,006</b>	<b>3,476,912</b>	<b>3,523,257</b>
<b>Current Liabilities</b>							
Accounts Payable		41,665	43,563	46,833	45,503	43,750	42,524
Dividends Payable		23,808	15,234	14,355	14,965	18,175	20,977
Tax Payable		18,148	16,542	7,791	6,582	11,766	15,714
Borrowings	a	81,501	22,664	312,173	18,237	235,176	8,435
Provisions		29,725	29,725	29,725	29,725	29,725	29,725
Other		8,411	5,444	5,444	5,444	5,444	5,444
<b>Total Current Liabilities</b>		<b>203,258</b>	<b>133,172</b>	<b>416,321</b>	<b>120,456</b>	<b>344,036</b>	<b>122,819</b>
<b>Non Current Liabilities</b>							
Borrowings	a	1,409,719	1,517,903	1,281,328	1,633,126	1,450,950	1,716,651
Deferred Tax Liability		388,912	385,678	382,958	380,165	377,214	374,076
Provisions		16,150	16,150	16,150	16,150	16,150	16,150
<b>Total Non Current Liabilities</b>		<b>1,814,781</b>	<b>1,919,731</b>	<b>1,680,436</b>	<b>2,029,441</b>	<b>1,844,314</b>	<b>2,106,877</b>
<b>Total Liabilities</b>		<b>2,018,039</b>	<b>2,052,903</b>	<b>2,096,757</b>	<b>2,149,897</b>	<b>2,188,350</b>	<b>2,229,696</b>
<b>Net Assets</b>		<b>1,225,276</b>	<b>1,267,539</b>	<b>1,277,431</b>	<b>1,283,109</b>	<b>1,288,562</b>	<b>1,293,561</b>
<b>Equity</b>							
Capital		758,871	758,871	758,871	758,871	758,871	758,871
Retained Profits		66,215	108,478	118,370	124,048	129,501	134,500
Reserves		400,190	400,190	400,190	400,190	400,190	400,190
<b>Net Equity</b>		<b>1,225,276</b>	<b>1,267,539</b>	<b>1,277,431</b>	<b>1,283,109</b>	<b>1,288,562</b>	<b>1,293,561</b>

**Notes:**

a - As existing debt instruments mature they are reclassified to Current Borrowings.

Icon Water Limited Cashflow Year Ended 30 June	Notes	2014-15 Actual \$000	2015-16 Forecast \$000	2016-17 Budget \$000	2017-18 Estimate \$000	2018-19 Estimate \$000	2019-20 Estimate \$000
<b>Cash Flow from Operations</b>							
Receipts from customers		306,650	332,980	332,470	344,044	369,463	380,394
Insurance Recovery		2,400	0	0	0	0	0
Payments to suppliers and employees		(166,166)	(183,633)	(177,854)	(179,868)	(180,740)	(185,007)
Tax paid		(43,739)	(55,597)	(46,471)	(38,503)	(39,051)	(46,284)
Interest received		2,041	1,426	1,076	1,069	1,096	1,123
Interest paid		(70,488)	(75,592)	(78,722)	(82,151)	(78,166)	(80,701)
<b>Net Cash In/(out) flow from operating activities</b>		<b>30,698</b>	<b>19,584</b>	<b>30,499</b>	<b>44,591</b>	<b>72,602</b>	<b>69,525</b>
<b>Cash Flow from Investing Activities</b>							
JV Distribution Received		56,500	66,500	97,962	72,158	53,122	54,624
Payments for Property, Plant and Equipment		(49,498)	(79,005)	(108,472)	(100,507)	(72,920)	(60,417)
Proceeds from Disposal of PP&E		3,549	0	0	0	0	0
Payments for Intangibles		0	0	0	0	0	0
Proceeds from Sale of Intangibles		11,927	0	0	0	0	0
<b>Net cash In/(Out) Flow from Investing Activities</b>		<b>22,478</b>	<b>(12,505)</b>	<b>(10,510)</b>	<b>(28,349)</b>	<b>(19,798)</b>	<b>(5,793)</b>
<b>Cash Flow from Financing Activities</b>							
Repayment of Borrowings		(16,224)	(199,656)	(70,066)	(334,138)	(18,237)	(236,041)
New Borrowing		60,341	249,000	123,000	392,000	53,000	275,000
Finance Lease Payments		(63)	0	0	0	0	0
Dividends paid		(88,178)	(84,744)	(72,654)	(74,217)	(87,666)	(102,084)
<b>Net cash In/(out) flow from financing activities</b>		<b>(44,124)</b>	<b>(35,400)</b>	<b>(19,720)</b>	<b>(16,355)</b>	<b>(52,903)</b>	<b>(63,125)</b>
<b>Net cash movement</b>		<b>9,052</b>	<b>(28,321)</b>	<b>269</b>	<b>(113)</b>	<b>(99)</b>	<b>607</b>
<b>Opening cash balance</b>		<b>59,506</b>	<b>51,558</b>	<b>40,237</b>	<b>40,506</b>	<b>40,393</b>	<b>40,294</b>
<b>Cash reclassified to held to maturity investments</b>		<b>(17,000)</b>	<b>(17,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Closing cash balance</b>		<b>51,558</b>	<b>40,237</b>	<b>40,506</b>	<b>40,393</b>	<b>40,294</b>	<b>40,901</b>

Icon Water Limited Financial Ratios Year Ended 30 June	Notes	2014-15 Actual \$000	2015-16 Forecast \$000	2016-17 Budget \$000	2017-18 Estimate \$000	2018-19 Estimate \$000	2019-20 Estimate \$000
<b>Profitability</b>							
Return on Total Assets	a	6.0%	6.4%	5.3%	5.3%	5.9%	6.4%
Return on Equity	b	7.7%	6.0%	5.6%	5.8%	7.1%	8.1%
Profit Margin	c	47.4%	49.4%	43.8%	43.9%	46.3%	48.2%
<b>Liquidity</b>							
Current Ratio	d	65.5%	77.7%	25.3%	88.5%	31.4%	89.7%
Cash Position	e	2.1%	1.2%	1.2%	1.2%	1.2%	1.2%
Receivables Turnover	f	11.3	11.9	11.6	11.7	12.2	12.2
<b>Financial Stability</b>							
Debt Ratio	g	62.2%	61.8%	62.1%	62.6%	62.9%	63.3%
Gearing Ratio	h	54.9%	54.9%	55.5%	56.3%	56.7%	57.1%
Capital Ratio	i	121.7%	121.5%	124.7%	128.7%	130.9%	133.4%
<b>Debt</b>							
Interest Cover Ratio	j	3.0	3.1	2.5	2.5	2.8	3.0
<b>Formula:</b>							
<b>Profitability</b>							
Return on Total Assets	a	$\frac{\text{EBIT (minus Interest Revenue)}}{\text{Total assets}}$					
Return on Equity	b	$\frac{\text{NPAT}}{\text{Total Equity}}$					
Profit Margin	c	$\frac{\text{EBIT (minus Interest Revenue)}}{\text{Revenue (minus interest revenue)}}$					
<b>Liquidity</b>							
Current Ratio	d	$\frac{\text{Current assets}}{\text{Current liabilities}}$					
Cash Position	e	$\frac{\text{Cash + investments}}{\text{Total assets}}$					
Receivables Turnover	f	$\frac{\text{Total Revenue excludes subvention, interest income and energy investment}}{\text{Average receivable for period (relating to credit sales)}}$					
<b>Financial Stability</b>							
Debt Ratio	g	$\frac{\text{Total liabilities}}{\text{Total assets}}$					
Gearing Ratio	h	$\frac{\text{Total long term debt}}{\text{Long term debt + equity}}$					
Capital Ratio	i	$\frac{\text{Total long term debt}}{\text{Equity}}$					
<b>Debt</b>							
Interest Cover Ratio	j	$\frac{\text{EBIT (before gross interest expense and excluding abnormal items)}}{\text{Annual interest payments}}$					

**Corporate Office**

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**Mitchell Operations Office**

12 Hoskins Street  
Mitchell ACT 2911

**Postal address**

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GPO Box 366  
Canberra ACT 2601

**Language assistance**

13 14 50, 24 hours

للحصول على مساعدة لغوية، اتصل بالرقم أعلاه  
如需☒言方面的☒助，☒打上☒述☒号☒  
برای کمک زبانی به شماره بالا تلفن برزید  
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Nếu cần thông dịch viên, hãy gọi đến số trên đây



# icon



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