

2024–25 to 2027–28
**BUSINESS
STRATEGY**

OUR STATEMENT OF CORPORATE INTENT





Three Rivers by Lynnice Church

Acknowledgement of Country

Icon Water acknowledges the traditional custodians of the Canberra region, the Ngunnawal people, and also recognise other people or families with connection to the ACT and region. We pay our respect to their Elders - past, present and emerging. We recognise and value their continuing culture and the contribution they make to the life of the city and the region. We also acknowledge the First Peoples of the broader region in which we live and work.

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A MESSAGE FROM OUR MANAGING DIRECTOR

I am pleased to present our Statement of Corporate Intent (SCI) to the ACT Government and the community we serve. Our SCI sets out our strategic objectives and highlights the key activities we are committed to delivering in 2024–25.

Our purpose – to sustain and enhance quality of life – is at the heart of what we do in providing safe, secure and sustainable water and wastewater services to support the wellbeing of Canberra and our region.

In February 2024, we launched our new corporate values which will guide our approach to work and our interactions with our community and stakeholders. Our staff were directly involved in shaping our new values of Community, Care, Courage and Connection. Our new values reflect who we are and influence how we operate as a team, how we make decisions, and how we deal with adversity, while providing a compass for achieving our objectives.

The health, safety and wellbeing of our staff is of paramount importance. To ensure we have a skilled, productive, engaged and diverse workforce, we will implement an integrated workforce planning model to develop our employees and the workforce we need for the future. Embedding our corporate services (previously provided by an external provider) will enhance our ability to support our evolving business operations.

Our strategic priorities for 2024–25 focus on building resilience into our systems planning and operations to support our growing population and the challenges of climate change. Our Integrated Water Management Program (IWMP) will reinforce our water supply, and build resilience into our water and wastewater services and systems. While our dam levels have remained around 100% in recent years, the IWMP supports our investments in water security, alternative water sources and our wastewater network by considering the whole water cycle. By ensuring our service strategies and Drought Management Plan are integrated, we will be in a strong position to deliver safe, sustainable and reliable services now and for future generations.

Our primary wastewater treatment plant, Lower Molonglo Water Quality Control Centre (LMWQCC) has served Canberra's needs for decades. During 2024–25, significant plant upgrades will continue to support population growth and ensure our treatment process is more sustainable and resilient. This project will increase our treatment capacity and renew aging elements of the treatment process.

As a valued partner in the community, learning from our customers is integral to our work. To support this, we will continue community consultation through our Let's Talk Water and Wastewater engagement program to understand the priorities and needs of our customers. This engagement allows our customers to have their views considered in strategic decisions that affect our investment in infrastructure and future planning.

During 2024–25, discussions will focus on Our Water Future as we seek to inform our water security planning. The continuation of our Digital Strategy will modernise our technology to support efficient and connected service delivery and customer experience.

In 2024–25, we will continue to show leadership in how we protect the environment and work with our stakeholders to promote social sustainability. We will work towards achieving net zero greenhouse gas emissions by 2045, investigate opportunities to grow the circular economy, mitigate challenges surrounding population growth, and maintain focus on climate change adaptation.

I am grateful for the support and leadership of our board and the ongoing efforts of our staff in providing essential services to the community. I am confident that in 2024–25 we will respond to emerging issues and deliver the outcomes our shareholders, customers and community expect of us.



A handwritten signature in black ink, appearing to read 'R Hezkiel'.

RAY HEZKIAL
Managing Director
Icon Water

OUR BUSINESS STRATEGY

Our purpose

To sustain and enhance quality of life

Our vision

To be a valued partner in our community

Our core values



Community

Our commitment to community drives our decisions and actions.



Care

We care for ourselves and look out for each other.
We care for Country and the world we leave for future generations.



Courage

We are curious and prepared to challenge ourselves.
We speak up, sharing diverse views.



Connection

We connect with those around us knowing we are stronger together.
We support each other to deliver better outcomes.

Our strategic objectives and priorities

Workplace

Build a culture that values safety, innovation and inclusiveness



- Enable our people to deliver our future

Sustainable value

Deliver sustainable value for our community and shareholders



- Drive environmental and social value
- Deliver the Intergrated Water Management Program
- Embed the corporate services model
- Upgrade our primary wastewater treatment plant
- Deliver the digital future

Customer

Enhance customer and community engagement



- Embrace customer and community voice in key decisions



**OUR
BUSINESS**

ABOUT US

We are committed to providing a safe, secure and sustainable water supply for the people of the ACT and the region.

We are the ACT's supplier of essential water and wastewater services. We have been part of the community for over 100 years, sourcing, treating, and supplying water, and managing Canberra's wastewater services. We play a fundamental role in the community – providing essential services that contribute to public health and the future prosperity and livability of the region.

The current value of our assets is around \$3.4 billion and includes the territory's network of dams, water treatment plants, reservoirs, water and sewage pumping stations, pipes, and other related infrastructure.

We operate one of Australia's largest inland wastewater treatment plants, and we return around 70 per cent of the water Canberra uses as high-quality flows into the Murrumbidgee River system for beneficial use downstream.

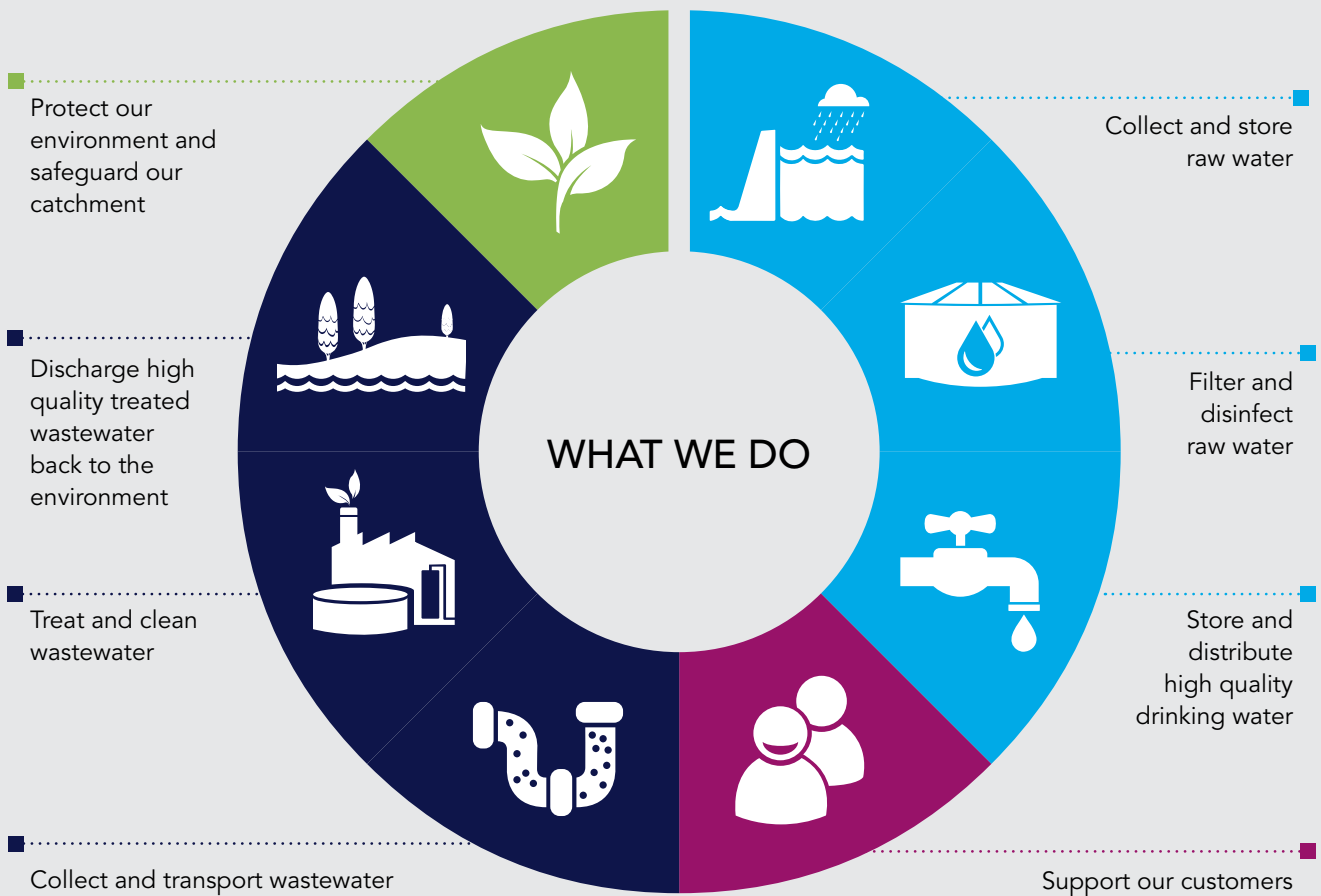
We differ from most other utilities as we are a water and wastewater business that also holds a 50 per cent investment in the ActewAGL Joint Venture, which provides energy to the ACT and surrounding region. The value of our investment in the ActewAGL Joint Venture is approximately \$1 billion. Further information on our energy investment is on page 31.

As a territory-owned corporation we have four obligations defined under the *Territory-owned Corporations Act 1990 (ACT)*.

- 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 regarding 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 the decision-making process.

We meet these obligations through our three key strategic objectives: Workplace, Sustainable Value, and Customer, and the associated strategic priorities listed on page 17. Our objectives represent key elements of financial, social and environmental sustainability, which are factored into all aspects of our business.

Our essential services support the wellbeing of the Canberra community, particularly in relation to the ACT Wellbeing Framework domains of health, environment and climate, and economy.



OUR CUSTOMERS

~512,000

Population reach

190,469

Residential customers

9,978

Non-residential customers

47.7

Gigalitres of water supplied in 2022–23

OUR TEAM

473

Employees

96%

Employed full-time

22%

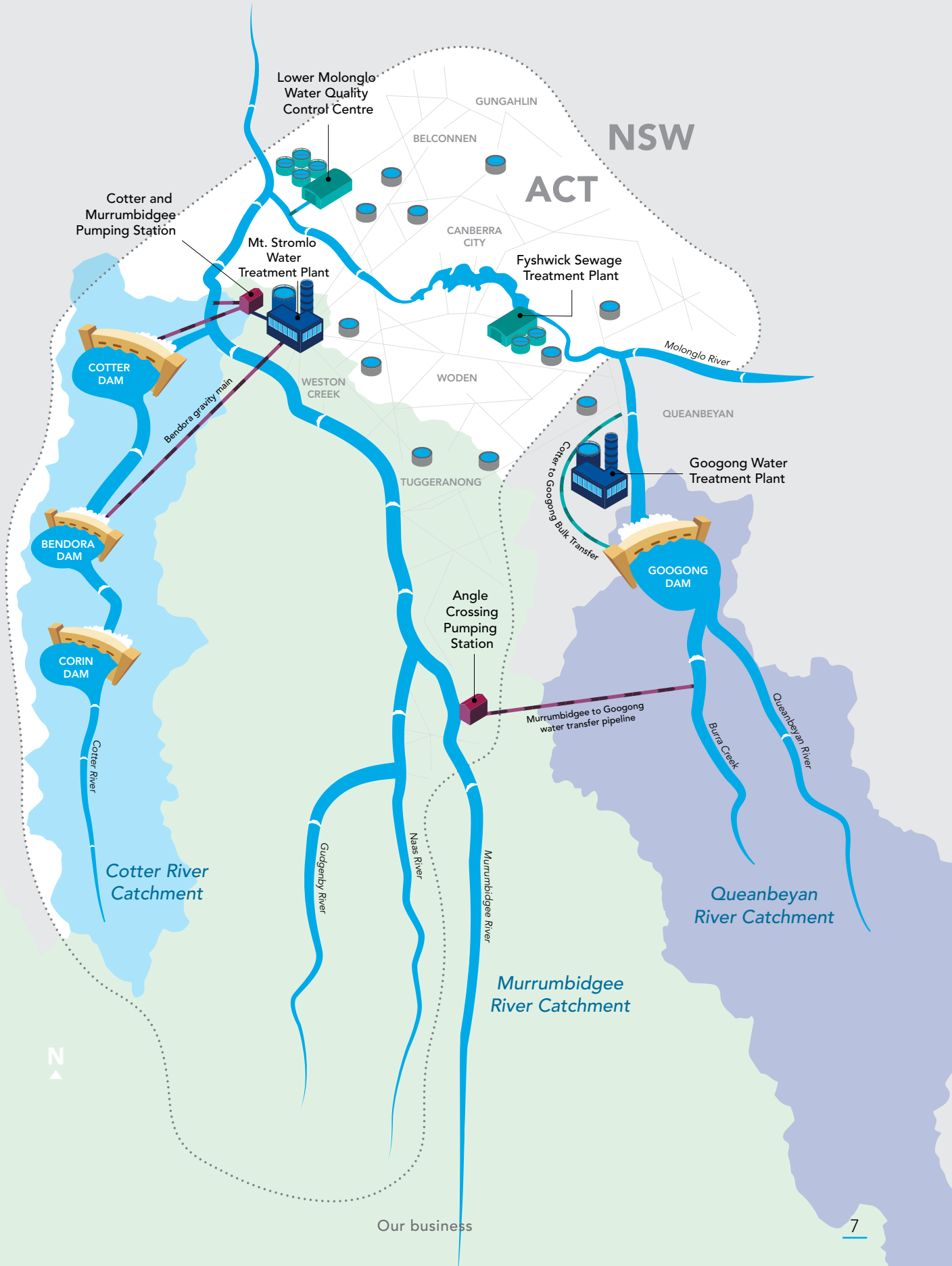
15+ years loyal

42

Average age

OUR NETWORK

(WATER & WASTEWATER)





OUR ASSETS

\$3.4 billion

of water and wastewater related assets



278 GL

Combined dam capacity



3,400km

Network of water pipes



25

Water pumping stations



2

Water treatment plants



50

Reservoirs



3,400km

Network of wastewater pipes



27

Wastewater pumping stations



4

Wastewater treatment plants

OUR PURPOSE



To sustain and enhance

quality of life



CORE SERVICES OF QUALITY WATER AND WASTEWATER

We contribute to the livability of Canberra and the region by providing safe, clean, drinking water and sustainable wastewater services, which are essential for life.

As well as delivering high quality drinking water to Canberrans, we supply bulk drinking water to Queanbeyan-Palerang Regional Council, which distributes the water to Queanbeyan and the Googong township. As part of our commitment to provide high quality drinking water, we undertake a comprehensive drinking water and quality monitoring program. This includes checking in with our customers to gauge their satisfaction with the quality of the water we provide.

In 2024–25, we will continue to invest in our water and wastewater infrastructure, responsibly manage our precious water resources and plan so that current and future generations can benefit from a safe, resilient and reliable water and wastewater network. Further detail is provided in the capital works section on page 32.

WATER SECURITY AND OUTLOOK

We are committed to providing water reliably and sustainably to Canberra and the region.

Our water supply system is performing as required and, following the recent wet summer, our storages are close to full and are expected to remain at high levels throughout 2024–25.

Looking longer term and factoring in population growth and impacts from climate change (outlined in detail on our website), Canberra may require its next water source by 2040. As a result, planning for future water security and the ACT's next water source is a focus under our Integrated Water Management Program (page 22).

In the short to medium term, significant investment will be required for investigations into water security and climate resilience. This will include investigations into a range of water source options, including new surface water options and climate-independent options such as purified recycled water. We will also look at demand management and non-infrastructure options.

We will also continue working with the ACT Government on:

- Refining water security objectives through the review of the ACT Water Strategy.
- Reviewing the Permanent Water Conservation and Temporary Water Restriction rules.

- Preparing demand reduction initiatives.
- Progressing investigations into the ACT's next water source.
- Supporting investigations into the supply of water services to the region. Supplying water to regional NSW, would require infrastructure, policy and commercial agreements between the ACT and NSW governments.

We will seek input from the community through the *Our Water Future* engagement initiative (part of our broader *Let's Talk Water and Wastewater* program) to guide us in the work of determining future water source options and review of the Permanent Water Conservation and Temporary Water Restriction rules.

SUSTAINABILITY AND ENVIRONMENT

At Icon Water, sustainability is at the heart of what we do.

Our three sustainability principles are to enrich our neighbourhood, respect resources, and care for tomorrow. These principles allow us to balance financial health, environmental sustainability, cultural vitality, and social responsibility to meet current needs without compromising the requirements of future generations.

We recognise the present and future challenges posed by climate change on our business, and are responding in the following ways:

- We actively contribute to the United Nations Sustainable Development Goals, with an emphasis on providing clean water and sanitation, protecting the environment, ensuring gender equality, and having responsible consumption and production.
- We will continue to take action that protects the environment, provides sound environmental management, and drives environmental and social value through a range of environmental and social programs.
- Our eMission Possible Plan defines our pathway and actions to reach net zero greenhouse gas emissions by 2045, as well as interval targets consistent with the ACT Climate Change Strategy.
- Our Climate Change Adaptation Plan contains actions that build our resilience to the changing environment and continues to evolve with the latest science.
- We will continue efforts to discover new opportunities and drive initiatives that increase resource recovery, reduce landfill, and support the local circular economy.



OUR
VISION

To be a valued partner
in our community

COMMUNITY EDUCATION

Building foundational water and wastewater knowledge in the community is essential across our region as we see the impacts, uncertainty, and extreme conditions of a changing and variable climate.

If the community understands our services they are more likely to value and trust our recommendations and messaging about water use and what is safe for them to dispose of through our wastewater network.

Our community education also extends to increasing the community's understanding about appropriate activities in our catchments to protect source water, and the benefits of drinking tap water.

Our Education Program is one of the key tools we use to increase water and wastewater knowledge.

This program provides digital and face-to-face opportunities for a range of community groups:

- Digital webinars and online resources for schools have become a flexible and valued resource for primary and secondary students. They are useful in addition to face-to-face sessions, and at times (and with groups) where face-to-face sessions are not possible. We'll continue building these resources to support educators,

students, parents, community members and industry.

- We have also incorporated tours of our key dams and major plants into the program for a wide range of community and industry groups. Extensive digital resources on our website enhance the delivery of these tours and supports a modern and flexible approach to building community understanding of our water and wastewater services.

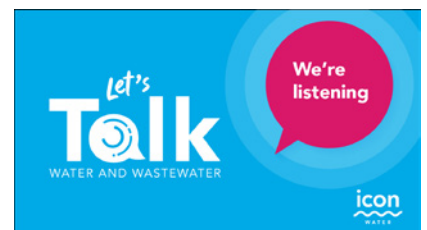


CUSTOMER AND COMMUNITY ENGAGEMENT

Canberra is growing and changing, and we are continuously planning to preempt and meet the needs of our evolving community.

Our ongoing *Let's Talk Water and Wastewater* Engagement Program provides a platform for us to listen to and learn from our customers, partners and other stakeholders.

We use insights from these conversations to inform our decisions, responses, solutions and define our role as a valued partner in the community.





COMMUNICATION PROGRAMS

We continue to focus on increasing water and wastewater knowledge through a range of programs which engage and educate the Canberra community on important topics.

We will continue our *Free the Poo* campaign which educates Canberrans about drain care impacts by asking them to think carefully about what they put down the drain or flush down the toilet.

This program was developed with messaging around two problem areas – wet wipes and sanitary products. Importantly, the campaign highlights the impacts on customer plumbing and our network when these items are flushed down the toilet instead of being placed in bins.

Our communication programs use a multi-channel approach to ensure coverage across the Canberra community. This includes incorporating messaging into our education and community support programs, paid advertising, organic social media, earned media, bill messaging and event participation.

We will also incorporate other topics in communication messaging throughout the year:

- Financial support – making sure Canberrans know about bill payment assistance programs.
- Drink tap – keeping hydrated and reducing the use of single use plastics.
- Waterwise behaviours – focusing on community water knowledge and permanent water conservation measures.
- Source water protection – sharing information about ways to enjoy recreation in catchment areas without negatively impacting the environment or water quality.

COMMUNITY SUPPORT

We have a strong sense of social responsibility to support our region’s cultural and social development. Each year we partner with and support a wide range of local community, cultural, educational, sporting, and fundraising initiatives through our Community Support Program.

Our Community Support Program gives financial and in-kind assistance to organisations that provide valuable community support services and programs, and various community activities that encourage community access and participation.

These partnerships are also a key tool in building water and wastewater knowledge across the region.

We will proudly continue supporting our region, guided by our assessment criteria and our vision to be a valued partner in the community.



MAIN COMMUNITY SERVICE OBLIGATIONS

We fulfil a range of Community Service Obligations on behalf of the ACT Government.

These Community Service Obligations are social, rather than commercial, in nature and are explicitly funded by the ACT Government. Water and wastewater services are also provided at a 50 per cent discount to community organisations such as schools and churches. This table shows the estimated dollar values for each category.

Community Services Obligations	2023–2024 estimated \$000	2024–2025 estimated \$000
Water services for schools, hospitals, charities and churches or ecclesiastical establishments	2,119	2,269
Wastewater services for schools, hospitals, charities and churches or ecclesiastical establishments	4,397	4,705
In home haemodialysis water and wastewater services	17	17
ACT Civil and Administrative (ACAT) discharges	17	18
TOTAL	6,550	7,009



OBJECTIVES

OUR STRATEGIC OBJECTIVES AND PRIORITIES

Our objectives represent medium-term outcomes to be achieved through specific initiatives.



Workplace

Build a culture that values safety, innovation and inclusiveness



Sustainable value

Deliver sustainable value for our community and shareholders



Customer

Enhance customer and community engagement

Our priorities help us achieve our objectives.



Enable our people to deliver our future



Embrace customer and community voice in key decisions



Embed the corporate services model



Deliver the digital future



Drive environmental and social value



Deliver the Integrated Water Management Program



Upgrade our primary wastewater treatment plant



WORKPLACE STRATEGIC OBJECTIVE

Build a culture that values safety, innovation and inclusiveness.

Our people enable us to provide essential services to the Canberra community and region.

Our People, Health and Safety team provide specific support to enable us to achieve our workplace goals. This includes specialist teams working on health and safety, injury management, health and wellbeing, organisational capability, workplace culture, and people management. Additionally, we expect our leaders to exemplify the kind of workplace we aspire to. We develop and empower all staff to act in a manner that aligns with our core values of Community, Care, Courage and Connection.

To achieve our workplace objective, we will implement our People, Health and Safety Strategy with a focus on people and culture, capability development, health and wellbeing (physical, psychological and sociocultural), and safety.

This includes embedding our new values and our leadership principles, continuing our focus on hazard management and manual task safety, implementing a new permit-

to-work solution, administering our new Disability, Diversity and Inclusion Framework, and continuing a holistic and accessible health and wellbeing program. We will also introduce a new Learning Management System and continue our focus on competency and compliance-based training for our frontline workforce.

Safety is ingrained in all activities our staff undertake and we will continue to enhance this by improving our risk assessment processes, undertaking workplace inspections and leadership visits so we can make timely, informed decisions for continuous improvement.

Our Health and Wellbeing Program will continue to have a strong emphasis on psychological health and safety. We will also consider the implications of an aging workforce, looking at holistic approaches to ensure our experienced workers are safely engaged and contribute their expertise and experience to developing our newer employees.



PRIORITY: Enable our people to deliver our future

Our People, Health and Safety Strategy outlines the need for a strategic approach to maintain and enhance the health, safety and wellbeing of our people with four focus areas: Leadership, Culture, Performance and Wellbeing.

Under this priority, our key focus areas for 2024–25 include:

- Launching a revised Leadership Development Framework, including tools, resources, training and coaching options.
- Embedding a learning and development culture to build the capabilities required to support the way we work now and into the future:
 - Developing and launching an Employee Value Proposition and employer of choice roadmap to attract and retain the best people.
- Revamping our early career offerings, including our apprentice, trainee and work experience programs as well as initiatives to attract and support women in non-traditional roles and Indigenous employees.
- Transitioning our Human Resources (HR) services in house (supported by implementation of a new HR and payroll system under our Deliver the digital future strategic priority, page 23).
- Negotiating a new Enterprise Agreement in 2024–2025 that will meet the needs of employees and the business.

Our new Disability, Diversity and Inclusion Framework is a substantial body of work to ensure we provide an inclusive and accessible workplace for all, and that we are providing leadership in our community for diversity and inclusion for all community members. Under our Disability, Diversity and Inclusion Action Plan we will consolidate and enhance our achievements to provide a genuinely diverse and inclusive workplace for our employees, our valued customers and the wider community.



SUSTAINABLE VALUE STRATEGIC OBJECTIVE

Deliver sustainable value for our community and shareholders.

Our strategic objective to deliver sustainable value for our community and shareholders recognises the important role we play in Canberra and the region.

This strategic objective aligns with our *Territory-owned Corporations Act* obligations to operate at least as efficiently as any comparable business, and to maximise sustainable return to the territory on its investment in Icon Water and ActewAGL. Further detail on our energy investment is on page 31. As our main activities do have an impact on the environment, it is through this objective that we seek to integrate environmental, social and economic considerations in our decision-making processes and embed sound environmental management across our business.

Our sustainable value objective is supported by a wide cross section of the business. This includes teams working on capital expenditure projects to renew and grow our networks, operation of our assets, risk and emergency management, environmental management, financial and commercial management, digital technologies, and our community engagement activities to understand the values, expectations, and interests of our region. This work helps ensure we operate in a sustainable, prudent and efficient way across all areas of our business.

To achieve this objective we will focus on the strategic priorities to drive environmental and social value, deliver our Integrated Water Management Program, upgrade our primary wastewater treatment plant, implement our digital strategy, and embed the corporate services delivery model. Each of these are expanded on overpage.



Concrete recycling at Fyshwick Material Storage Area.



PRIORITY: Drive environmental and social value

We consider environmental and social sustainability in everything we do.

As a territory-owned corporation we have a responsibility to be sustainable for future generations, balancing financial returns, community wellbeing, and a healthy environment. In 2024–25, we will develop an environmental and social governance framework to coordinate and leverage current activities, track progress, drive new initiatives and support clear reporting of related activities.

We play a critical role in helping to mitigate and adapt to a variety of climate change uncertainties. Under this priority, we will continue to build climate change resilience into our systems and operations. This priority outlines our transition to a circular, lower-carbon, economy which fosters the social and environmental sustainability of our region.

In 2024–25, we will continue to implement our eMission Possible Plan pathway to achieving net zero greenhouse gas emissions by 2045 and revise this plan to include scope 3 emissions (emissions due to our activities but not within our value chain, such as the emissions used to manufacture the products we purchase, or the fuel used in our staff travel). We will continue to implement actions from our Climate Change Adaptation Plan to improve business and community climate resilience.

In 2024–25, we will deliver our Circular Economy Plan to build our resource sustainability capacity with local partners and contractors, with a focus on resource recovery throughout our project delivery and beneficial reuse of water treatment solids. Operating and maintaining the water and wastewater network produces a range of by-products which have historically been treated as 'waste'. This strategy reflects our approach to manage all materials as a resource.

We will build on the actions in our Reflect Reconciliation Action Plan to progress our reconciliation journey. This strategic priority will also link to our Community Support Program (page 15), Education Program (page 13), and 'Enable our people to deliver our future' strategic priority (page 19). Work on this strategic priority will be informed by engagement activity that enhances our understanding of the values, priorities, and expectations of our customers and community.

We are also seeing increased expectation for more consistent, comparable and verifiable information about companies' exposure to, and management of, environmental, social and governance-related risks and opportunities. We expect increased requirements for disclosure reporting and welcome these as opportunities for greater visibility.



PRIORITY: Deliver the Integrated Water Management Program

We actively plan for a growing Canberra and a future where climate change has impacted our systems. We routinely reassess our water security, water catchment quality, drought management actions and wastewater systems to inform our operating and investment decisions and build resilience. Water security and outlook on page 11 identifies our challenges in ensuring our long-term water security to support our growing population, build resilience and to meet the challenges of a changing climate.

Parts of our wastewater system are also nearing capacity, and we are exploring how our wastewater system can best meet Canberra's future needs. We have three service strategies that guide the development of our services, now and into the future:

1. Our Water System Strategy identifies the vision and objectives for our water system to be safe, secure, and smart. It identifies the actions required to increase our long-term water security.
2. Our Wastewater System Strategy sets the direction for our wastewater system, including the different strategic options

available for the future and the actions required to progress them.

3. Our Non-Drinking Water Strategy identifies the vision and objectives for the non-drinking water system. It includes actions required to inform our decisions about providing non-drinking water as a service, as part of drought response and demand management, and in supporting livability outcomes.

Associated with the Water Strategy is our Drought Management Plan. It sets out actions and infrastructure augmentation options required to prepare us for extreme drought conditions.

In 2024–25, we plan to improve the resilience of the ACT's water and wastewater services by delivering an Integrated Water Management Program (IWMP). The IWMP will help ensure our service strategies and Drought Management Plan are integrated and coordinated, and future investment decisions consider the whole water cycle. It will also help achieve the objectives of our Climate Change Adaptation Plan, Circular Economy Plan and eMission Possible Plan.

During the four-year life of this SCI, we will seek to answer some key questions through the IWMP:

- How do we best integrate and coordinate our water and wastewater systems across the water cycle?
- How can we manage demand to mitigate the impacts of severe drought, and defer investment in major infrastructure?
- What is our next major water source? What system configuration do we pursue to ensure a resilient and secure water supply?
- Is purified recycled water a feasible option for sourcing drinking water during severe drought, or as a major water source?
- What opportunities are there for providing non-drinking water as a service? How do we ensure non-drinking water services are economical?
- We need to determine whether we have a preference for a centralised or dual plant wastewater system in the future. We can avoid some major wastewater network augmentations by building an eastern treatment plant. To do this we need to understand feasibility of an eastern treatment plant option.



PRIORITY: Embed the corporate services model

This priority will ensure our corporate services delivery model continues to provide value for money services to support our evolving business operations. During 2024-25, we will aim to complete implementation of the transition of our corporate and customer services.

This priority will focus on completing establishment of strategic and commercial control over support services we require to operate our business in an efficient, effective and resilient manner.

Several services have already been successfully transitioned and this initiative will continue the complex transition of ICT networks and

systems, and Finance and Human Resource related business services and systems from our current provider.

We will continue to grow our relationships with the new service partners appointed during the transition process. The affected systems and services will have enabling impacts across the organisation, ranging from the ICT devices used by staff, to our Finance and Human Resources technologies and processes.



PRIORITY: Upgrade our primary wastewater treatment plant

In 2024–25, we will establish a Major Projects Delivery Program to deliver a range of significant capital works upgrades. The program comprises the design and construction of major projects within our treatment plants (two of which are described below), but may also include projects in our water and wastewater networks.

Through this program we will upgrade significant elements of the treatment process at our primary wastewater treatment plant, Lower Molonglo Water Quality Control Centre (LMWQCC).

This will enhance the capacity of the treatment process to support Canberra’s growing population and to replace aging elements of the process which are becoming costly to maintain.

Our Secondary Treatment Upgrade Project will see us move to membrane bioreactors for biological nutrient reduction. This process converts the ammonia in our wastewater to nitrogen gas, further minimising the impact of sewage treatment on our ecosystem. In 2024–25, we will focus on progressing the detailed design for this project.

The Secondary Treatment Upgrade Project will be the first of two major renewal projects we will progress to upgrade key parts of the treatment process. Works on the Biosolids Management Renewal Project will commence at a later stage and will also be progressed as part of the Major Projects Delivery Program.

Due to the scale of the Major Projects Delivery Program, we will seek support from a skilled and experienced delivery partner to help manage our delivery targets and provide value for money for our customers and shareholders. The program will increase our internal capability and delivery, and support delivery of water and wastewater infrastructure into the future.



PRIORITY: Deliver the digital future

Through our Digital Strategy (2021–28) we are uplifting and modernising our technology to maximise our asset performance and optimise end-to-end operations, empower our workforce, and support a more effective, efficient service delivery and customer experience.

During 2024-25, we expect to see the end of a multi-year program of work to replace and decommission several legacy infrastructure asset management applications, which will improve the reliability, security, and functionality of key operational systems. We will deliver a replacement permit to work application which will see all legacy asset management applications either managed in our works and asset management system or an integrated application.

This consolidation will considerably improve our asset management capability, through improved asset data management and visibility of enterprise operations.

We will complete the first stage of our Customer Management Platform, which includes new developer portals and a new meter management system. This stage, and subsequent stages, will improve the experience for customers by bringing our customer-facing services into a contemporary and integrated platform to reduce complexity and increase efficiency in customer processes. Building on the migration to our new website infrastructure in 2023-24, we will further improve customer self-service and access to information.

During 2024-25, we will upgrade our operational data management system, geospatial system and the works and asset management mobile application, which will unlock additional features, and improve reliability and security.

We will deliver and migrate to several new corporate systems, including a finance system, human resources and payroll system and a new learning management system.

We will also further strengthen our digital systems to protect the organisation from cyber threats by delivering upgrades to technology and processes to achieve compliance with the *Security of Critical Infrastructure (SOCI) Act* legislative changes across Icon Water’s ICT and operational technology environment.



CUSTOMER STRATEGIC OBJECTIVE

Enhance customer and community engagement.

It's important to us that we consider the views of our customers and the community when making strategic decisions, including future service design and investment planning.

We are responding to evolving customer and business needs through initiatives within our 'Deliver the digital future' strategic priority. We are streamlining the meter-to-bill experience by improving our data management, analytics and reporting. Improvements will balance fair revenue recovery with customer billing outcomes.

Importantly, we will improve the experience for customers seeking technical services and advice (e.g. individuals or tradespeople who need building approvals). Through this strategy we will find opportunities to identify issues more quickly, give more helpful advice, and streamline our processes, while remaining compliant with relevant regulations, standards and guidelines.

This focus will make it easier for customers to interact with us on technical issues that are often unfamiliar to them while managing long-term outcomes for the community that support efficient and reliable services and protect our assets across their full lifecycle.

We will redefine the faults and emergency experience, embed updated 'Before You Dig' processes and progress the next phase of preparing for a non-residential wastewater tariff review.

We will also continue to share insights across Icon Water to build internal awareness of customer expectations and priorities to support decision makers and those who support or provide services. This reflects our belief that our entire workforce is involved in supporting our customer engagement aspirations, whether they serve internal customers, or directly or indirectly serve our external customers.



PRIORITY: Embrace customer and community voice in key decisions

This strategic priority reflects our commitment to ongoing dialogue with our customers and stakeholders and for these conversations to translate into meaningful outcomes for the ACT community.

Delivering on this priority begins with listening to and understanding the evolving needs of our customers and working with the community to increase water and wastewater knowledge. Our ongoing customer and community insights program – *Let's Talk Water and Wastewater* – provides a platform for customers and the community to be involved and have their views considered in strategic decisions.

During 2024–25, we will progress our engagement with the community on wastewater services, vulnerable customer support and future water supply options (building on insights gained through previous engagement activities).

Our ongoing wastewater engagement will help inform planning for our wastewater systems and services to deliver increased resilience and sustainably support a growing population. We will also continue to deliver our liquid trade waste management roadmap, capturing new customers and increasing data accuracy to help inform a regulatory review of wastewater tariffs. These insights will assist us in preparing for the next regulatory price path (2028–33).

We will progress our exploration of opportunities to better support vulnerable customers by engaging and co-designing with those with lived experience and their advocates. We will also review our Undetected Leaks Policy, with the understanding that unexpected leaks in internal plumbing can create a significant bill impact.

We will continue work on *Our Water Future*, a four-phased engagement plan which began in late 2023 and is focused on long-term water security issues ranging from water conservation to future water source options. The consultation will focus on understanding our communities' values and decision-making criteria in relation to water security, water saving behaviour, service levels and demand management. Our engagement activities will help to inform our future water source options. Insights will also inform future review of the Permanent Water Conservation Measures and Temporary Water Restrictions instruments and planning and communications about future source water options. The full engagement activity plan will run until 2026.

PERFORMANCE INDICATORS AND TARGETS

For each of our strategic objectives, we have performance indicators and targets to monitor and report on achievements.

Our KPIs and targets have been selected to reflect key stakeholder and customer needs and expectations of our business and are listed in the table below.

They are supported by internal performance management arrangements and related monitoring and reporting activities. We also provide external reporting of performance outcomes through:

- reporting annually on various service delivery targets (relating to water quality, reliable supply, wastewater services and customer satisfaction (including industry comparisons) in the National Performance Report: Urban Utilities (published by the Bureau of Meteorology)
- reporting on compliance and performance to ICRC and the Utilities Technical Regulator
- reporting on performance outcomes in our annual report
- providing water and wastewater information under Part 7 of the *Water Regulations Act 2008* (collected by the Bureau of Meteorology)
- providing water and wastewater information for the National Water Account (published by the Bureau of Meteorology).

Strategic objective	Performance indicators	Targets (30 June 2025)
Build a culture that values safety, innovation and inclusiveness	High Potential Incident (HPI)	Zero incidents
	Total Recordable Injury Frequency Rate (TRIFR)	≤14
	Notifiable incidents	Zero
	Service strikes	<6 per annum
	Good catches*	>10 per month
	Reduction in excess leave balances	<50 staff with excess leave
	Wellbeing: Unplanned leave per employee over a rolling 12-month period	<9 days of unplanned leave per employee
	Gender diversity	Improved proportion of females in non-traditional roles: <ul style="list-style-type: none"> ▪ 50% females in leadership roles ▪ >10% females in competency-based roles ▪ >25% females in STEM roles

* Good catches are unsafe hazards or conditions that have been noticed in the workplace.

Strategic objective	Performance indicators	Targets (30 June 2025)
Deliver sustainable value for our community and shareholders	Maintain core service levels: Safe and healthy drinking water	100% compliance with regulatory requirements as reported to ACT Health 100% compliance with health-related guideline values of the Australian Drinking Water Guidelines
	Reliability: Completion of planned maintenance works in the water network	>90% planned work completed on water network (includes dams, treatment plants and reticulation)
	Reliability: Completion of planned maintenance works in the wastewater network	>90% planned work completed on wastewater network (includes treatment plants and collection system)
	Environmental compliance	100% compliance with environmental flow requirements, environmental authorisations, and agreements
	Greenhouse gas emissions	Reduction of 50-60% in net CO ₂ -e greenhouse gas emissions (from 1990 levels) by 2025, consistent with interval targets in the ACT Climate Change Strategy – 2024-25 target $\leq 17,800$ tonnes CO ₂ -e
	% total waste recycled or reused	Increase the % of total operational waste recycled or reused
	Shareholder return	\$7.6 m (profits available for dividends)
	Earnings Before Interest and Tax (Water and Energy)	\$109.8 m
	Capital expenditure	+/-10% of \$85.9 m *excluding capital interest
	Gearing	\leq or equal to 60%
Enhance customer and community engagement	Maintain core service levels: Contemporary and responsive customer service	= >90% of survey respondents 'satisfied' or 'very satisfied' with Icon Water Percentage of issues resolved at first point of contact = increase over time**
	Easy to deal with (Customer Effort Score)	Maintain result at or above 90%
	Community perception of Icon Water	Maintain result at or above 65
	Prepare and plan for the future	Time in water restrictions (excluding water restrictions called in response to a state or natural disaster) = <5% of the time over a five-year period
	Maintain core service levels: Reliable water and wastewater services	Percentage of connections with >3 water or wastewater interruptions per year = <0.05% Percentage of connections with a water or wastewater interruption >6 hours = <5%
	Maintain core service levels: Response to faults	Average response time between fault logged and crew onsite (mins) = <150mins Respond to Priority 1 activities within 120 mins = 90%

** Target to be based on 2023–24 outcomes.



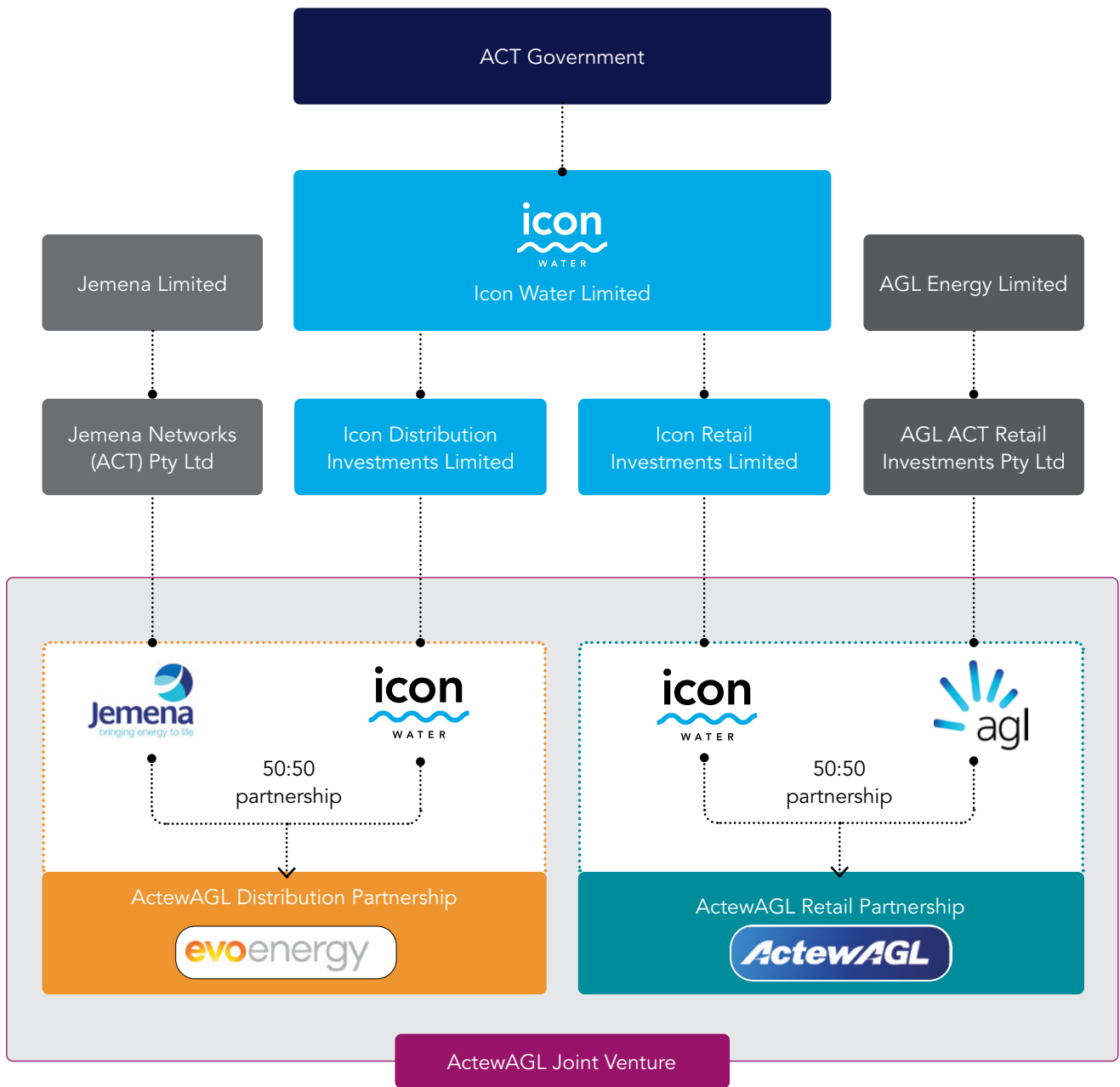
SUPPORTING
INFORMATION

OWNERSHIP STRUCTURE

The Icon Water Limited Board is responsible for the governance of Icon Water and its controlled entities.

The board is supported by board committees and controlled entity boards which actively manage our investment in ActewAGL.

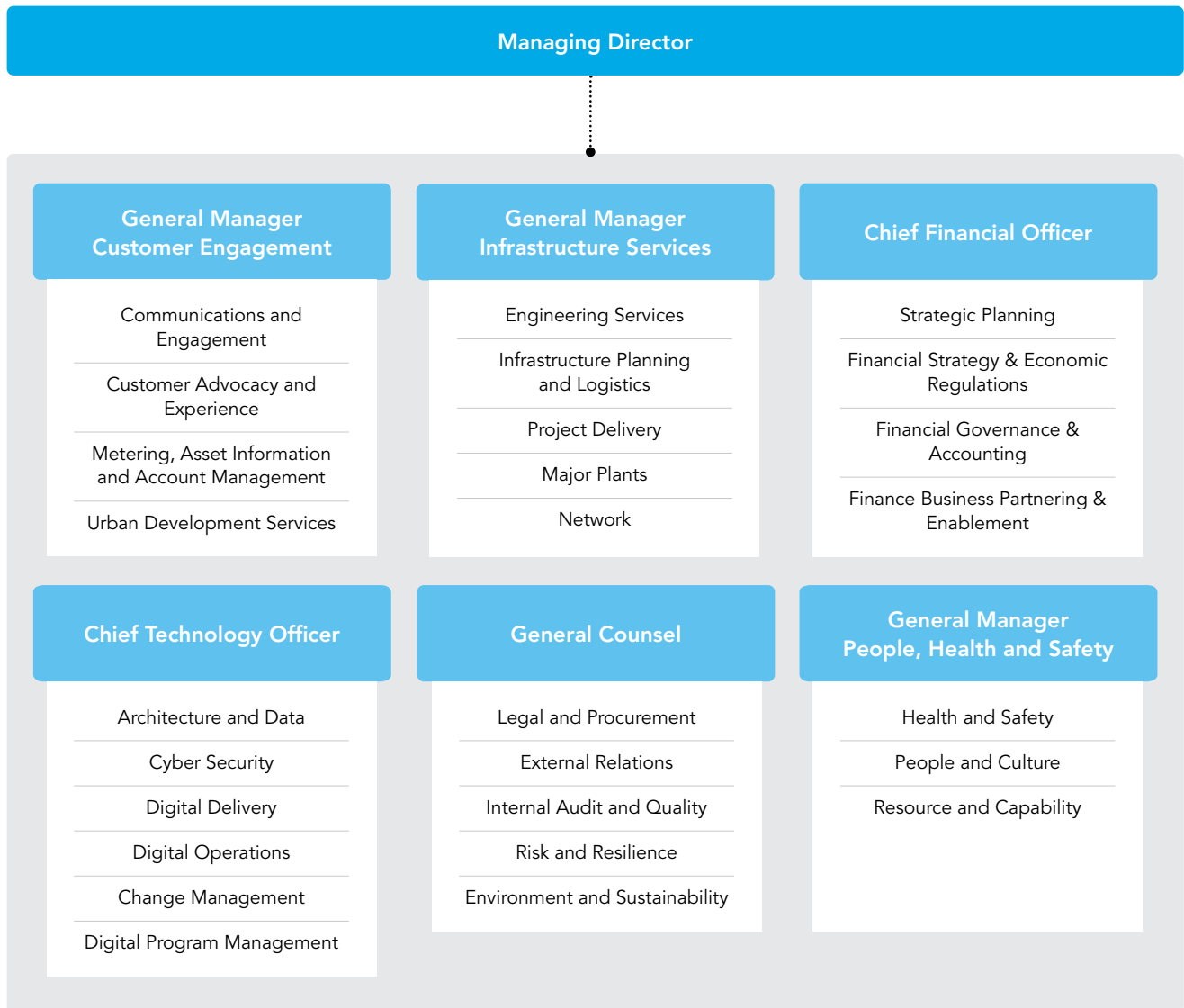
Our directors bring valuable skills and diversity to the governance and strategic oversight of Icon Water, and challenge management to strengthen our organisational culture and safety leadership.



Notes: 1) Each of Jemena Networks (ACT) Pty Ltd, Icon Distribution Investments Limited, Icon Retail Investments Limited and AGL ACT Retail Investments Pty Ltd are wholly owned subsidiaries of Jemena Limited, Icon Water Limited and AGL Energy Limited respectively. 2) Jemena Networks (ACT) Pty Ltd and Icon Distribution Investments Limited are equal partners in the ActewAGL Distribution Partnership (AAD). AAD includes energy networks (Evoenergy) and corporate services. 3) Icon Retail Investments Limited and AGL ACT Retail Investments Pty Ltd are equal partners in the ActewAGL Retail Partnership (AAR).

ORGANISATIONAL STRUCTURE

Our organisational structure has six groups, each led by an executive. As of May 2024, we have 473 employees. We review our organisational profile and staffing requirements as part of our budget planning to ensure our operations remain prudent and efficient.



OUR ENERGY INVESTMENT

The ActewAGL Joint Venture is comprised of two partnerships:

- ActewAGL Distribution Partnership (trading as Evoenergy) which owns and operates the electricity network in the ACT and the gas network both locally and in surrounding regions.
- ActewAGL Retail Partnership (trading as ActewAGL) which sells electricity and gas to residential, commercial and government customers in the ACT and surrounding region.

Our two key objectives in relation to our investment in the ActewAGL Joint Venture are to:

- maximise return for our shareholders
- have regard to the ACT Government's ambitions in relation to livability, planning, sustainability and climate change and a commitment to corporate social responsibility (including safety, customer service and customer satisfaction).

ActewAGL's Joint Venture Partnerships Board consists of six members, three of whom are Icon Water appointees. We are an active and informed investor in the ActewAGL Joint Venture and manage this through a range of investment performance metrics which enable us to consider ongoing performance against our key objectives. The three Icon Water appointees to the ActewAGL Joint Venture Partnerships Board are supported in their roles as directors by the Icon Retail Investments Limited (IRIL) and Icon Distribution Investments Limited (IDIL) Boards which have the same composition as the Icon Water Limited Board.

The ActewAGL Joint Venture is focussed on continuing to deliver affordable energy services to its existing customers while acknowledging the need to continue to evolve its offerings in line with broad community expectations, ambitions regarding sustainable energy, and emerging challenges in the energy sector.

The ActewAGL Joint Venture is committed to supporting the ACT Government's ambition to achieve net zero emissions by 2045 and has undertaken detailed modelling to inform how to achieve this ambition as well as its implications on the electricity and gas networks and on customers. In close working relationship with the ACT Government, the joint venture is planning for the expansion of the electricity network to enable the ACT's energy transition while maintaining energy security, reliability, and efficiency.

The ActewAGL Joint Venture is also actively working on a range of initiatives to support and promote efficient and sustainable energy use in the ACT and surrounding regions. These include but are not limited to:

- Promoting the rollout of smart electricity meters in the ACT to support residential and commercial customers to better manage their energy requirements and costs.
- Upgrading existing public charging points and identifying future sites for additional public fast charging stations for electric vehicles in the ACT.
- Promoting the installation of rooftop solar panels and batteries for residential and commercial consumers.
- Providing the evHub, an extensive information resource for the community on everything related to electric vehicles, including the sale of EVs.
- Providing electrification services to consumers incentivising the adoption of electric heating and hot water, alongside advice, sales and the installation of private electric vehicle charging.



CAPITAL WORKS

We have an ongoing capital works program to ensure we continue to provide effective water and wastewater services to the ACT.

These projects support population growth with new infrastructure (growth projects), replace infrastructure as required (renewal projects), enable compliance with changing regulation (regulation projects), or support ongoing improvements to future costs (efficiency projects).

Significant capital works projects over the next four years are detailed below and grouped by primary driver, noting that projects often contribute to more than one driver.

Expected capital expenditure by primary driver

	FY25 \$m	FY26 \$m	FY27 \$m	FY28 \$m	Total FY25-28 \$m
Growth***	10.3	41.9	61.5	133.6	247.2
Renewal	71.7	94.5	146.4	108.2	420.9
Regulation	2.9	7.0	9.5	8.0	27.4
Efficiency	1.0	4.7	4.6	1.3	11.6
TOTAL	85.9	148.0	222.0	251.1	707.1

*** Excludes capital interest and developer funded component of capital contribution scheme projects.

GROWTH	We have upgrades underway to augment the Belconnen trunk sewer to meet population growth in Belconnen and Gungahlin.	\$35.3m Indicative total cost with completion in 2024
	We will increase the capacity of the secondary treatment process at Lower Molonglo Water Quality Control Centre (LMWQCC) with the construction of a new membrane bioreactor treatment process (see page 23 for more). The project has moved into the procurement phase to engage a suitable delivery partner.	\$370m Indicative total cost with completion in 2031
RENEWAL	We are close to completing the renewal of high voltage electrical supply infrastructure at LMWQCC. The new assets have been placed into service resulting in increased reliability, improved safety and reduced operational risk.	\$46m Indicative total cost with completion in 2024
	We are undertaking a series of sewage pumping station (SPS) improvements across our network to connect new developments and deliver improvements to existing SPS. This allows us to continue to operate our network in a reliable and efficient way.	\$30m Indicative total cost associated projects with completion in 2027–28
	We are commencing design of Corin Dam spillway erosion and access track improvements. This aims to limit the environmental impact which could be caused by erosion downstream of the dam and ensure we can continue to access the area safely.	\$10m Indicative total cost with completion in 2028
	We are developing the detailed design for the renewal of the chemical disinfection system at LMWQCC. This system is critical to treat the discharge from the plant to comply with environmental licence conditions.	\$6m Indicative total cost with completion in 2025–26
	In addition to upgrading treatment processes at LMWQCC, we also need to upgrade and refurbish the office accommodation at LMWQCC. These facilities require upgrading to support a modern working environment for the ~100 staff on site. These facilities have not been significantly upgraded since their original construction in the 1970s.	\$14m Indicative total cost with completion in 2025
	We have an ongoing program of work to replace a portion of our water meters, water mains and sewer mains every year. This program is targeted to assets with poor condition, that don't meet capacity requirements, and which have failed or are nearing the end of their service life.	\$22.4m Indicative cost per year
	We are building a new Cotter Pump Station which will ensure we can reliably and efficiently meet our target abstraction rates from Cotter Dam and the Murrumbidgee River. This project will also allow us to isolate the existing heritage listed Cotter Pump Station which has reached end of life.	\$38m Indicative cost with completion in 2026
We have an ongoing Digital Strategy to empower our workforce in their everyday work, maximise water and wastewater asset performance, optimise our operations, and improve customer experience. We are continuing to upgrade operational systems, retire our legacy ICT portfolio, integrate technology for better performance, create an enterprise data capability, enhance our enterprise resource management capability, and modernise and secure our digital systems and networks.	\$23.2m Indicative for ICT investment to 2027–28	
We are replacing reservoirs or major components (like roofs or purlins) on service reservoirs constructed in the late 1950s and early 1960s. In 2024 we will start work on replacing Lower Red Hill Reservoir which supplies water to central Canberra. In 2025, we plan to start work on Aranda Reservoir to replace the roof and renew the joint seals. These projects ensure we can maintain public and worker safety, and water quality.	\$14m Indicative total cost with completion in 2026–27	
We are renewing our biosolids management infrastructure at LMWQCC. The new assets will balance technical and environmental outcomes and will align to our circular economy plan for waste management and resource recovery (see page 23 for more). The project now moves into more detailed design development and delivery planning.	\$270m Indicative total cost with completion in 2030–31	

RISK MANAGEMENT

Effective risk management supports the achievement of Icon Water’s strategic objectives.




Our Risk Management Framework complies with *ISO 31000 Risk Management – Guidelines* and sets the foundation and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving our risk management capability.

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 risks across the business.

A key element of the Risk Management Framework is our enterprise risks. If these risk events were to occur, the impacts would significantly affect our ability to achieve one or more of our strategic objectives. Each year, our enterprise risks are reviewed for currency and relevance across our business operations. Improvements are identified and enterprise risk information is updated regularly. Our 2024 enterprise risks and related controls are listed below.

Enterprise risks

Enterprise risk category	Risk descriptions	Key controls
 <p>People, health and safety</p>	Icon Water worker or member of the public suffers a fatality or serious injury or illness	<ul style="list-style-type: none"> Drinking Water Quality Management Plan Emergency and Business Continuity Framework People, Health and Safety Strategy Health and Wellbeing Program Health and Safety Management System Health and Safety Management Software ISO 45001 Certification
	Adverse changes/impacts to workplace culture	<ul style="list-style-type: none"> People Management Framework Managing Absenteeism Framework Performance Management Framework Communication Strategies People Health and Safety Strategy Structured Culture Change Program Health and Wellbeing Program Leadership Development Framework
	Insufficient planning to meet workforce operational resource requirements	<ul style="list-style-type: none"> People Management Framework Enterprise Bargaining Agreement People Health and Safety Strategy Joint Consultative Committee Leadership Development Framework Structured Culture Change Program Recruitment Strategy Managing Absenteeism Framework Succession planning Performance Management Framework

Enterprise risk category	Risk descriptions	Key controls
 <p>Management of critical infrastructure</p>	<p>Inability to operate Icon Water's critical infrastructure/supply services</p>	<ul style="list-style-type: none"> ▪ Redundancy in treatment plants and water catchments ▪ Asset Management Framework ▪ Critical Spares Management ▪ Capital Works Programs ▪ Drinking Water Quality Management Plan ▪ Dam Safety Management Program ▪ Process Safety Framework ▪ Procurement Framework ▪ Emergency And Business Continuity Framework
	<p>Current infrastructure is not adequate for future growth</p>	<ul style="list-style-type: none"> ▪ Asset Management Framework ▪ Growth Service Plans ▪ Capital Works Programs ▪ Capital Contribution Scheme ▪ Climate Change Adaption Plan ▪ External relationships (ACT Government) ▪ Monitoring water demand and wastewater discharge ▪ Drought Management Plan ▪ Redundancy in treatment plants and water Catchments
 <p>Climate change</p>	<p>Climate change impacts the ability for Icon Water to provide consistent levels of water and wastewater services</p>	<ul style="list-style-type: none"> ▪ NSW and ACT regional climate modelling NARcliM data ▪ Asset Management Framework ▪ Emergency and Business Continuity Framework ▪ Enhanced Water Security via the Integrated Water Management Program ▪ Climate Change Adaptation Plan
	<p>Icon Water is not meeting its greenhouse emission targets as outlined in the eMission Possible Plan</p>	<ul style="list-style-type: none"> ▪ Capital Works Programs ▪ Asset Management Framework ▪ Financial Expenditure and Performance ▪ Emission Possible Plan ▪ Climate Change Adaptation Plan ▪ National Greenhouse Energy Reporting Scheme
 <p>Financial</p>	<p>Inability to maximise the sustainable return to the ACT Government</p>	<ul style="list-style-type: none"> ▪ Five Yearly Economic Regulation Outcome Financial Management Framework ▪ External relationships and communications ▪ Representatives on Joint Venture Board and dialogue with ActewAGL management ▪ Asset Management Framework ▪ Long-term financial forecasting and reporting ▪ Revenue assurance activities

Enterprise risk category	Risk descriptions	Key controls
 <p>Information and data</p>	<p>Icon Water's systems, information and data is disrupted or compromised</p>	<ul style="list-style-type: none"> ▪ Digital Strategy and ICT Asset Management Plan ▪ Digital design authority ▪ Effective system design ▪ Robust cyber governance ▪ Tested cyber operations capability ▪ Capability development ▪ Future planning ▪ Effective ICT operations ▪ People and Culture Framework ▪ Foundational cyber capabilities ▪ Emergency and Business Continuity Framework ▪ Data governance and management
 <p>Regulation and Government</p>	<p>Icon Water is unable to anticipate and comply with regulatory and governmental requirements</p>	<ul style="list-style-type: none"> ▪ Stakeholder relationship management ▪ Compliance Management Framework ▪ Training and compliance ▪ Regulatory reporting process ▪ Active engagement with industry peers ▪ Media and industry monitoring and Information scanning
 <p>Customer and community</p>	<p>Customer and community expectations differ from Icon Water's strategy/objectives/actions</p>	<ul style="list-style-type: none"> ▪ Corporate Services Agreement (CSA) and Retail CSA governance ▪ Customer segmentation and service blueprint ▪ Brand strategy ▪ Key Account Management Framework ▪ External relationships and communications (ACT Government, regulators) ▪ Strategic customer engagement program and insights roadmap ▪ Customer Strategy including Complaints Escalation Framework ▪ Reporting on customer satisfaction/expectations to stakeholders



FINANCIALS

FORECAST FINANCIAL STATEMENTS AND KEY FINANCIAL PERFORMANCE MEASURES

Income Statement year ended 30 June

Icon Water Limited Year ended 30 June	NOTES	2022-23 Actual \$000	2023-24 Forecast \$000	2024-25 Budget \$000	2025-26 Estimate \$000	2026-27 Estimate \$000	2027-28 Estimate \$000
Revenue							
Water business		172,006	197,686	225,878	243,362	260,780	279,596
Sewerage business		130,885	145,743	155,357	169,100	183,314	198,734
Interest income		2,276	3,857	3,320	3,213	3,176	3,183
Commonwealth subvention		13,493	13,830	14,176	14,530	14,894	15,266
Energy investment		157,234	39,884	57,699	83,009	78,016	78,460
Other revenue		3,554	3,920	2,567	2,167	2,232	2,299
Total revenue		479,448	404,920	458,997	515,381	542,412	577,538
Expenditure							
ACT Government charges		43,648	47,572	51,839	54,563	57,264	60,104
Depreciation		83,176	88,177	90,899	94,228	97,701	102,306
Employment costs		68,188	77,760	80,244	83,414	85,578	88,145
Water operating costs		107,036	127,782	139,377	100,647	89,292	91,645
Impairment		-	-	-	-	-	-
Other expenses		727	633	802	826	851	876
Total expenditure		302,775	341,924	363,161	333,678	330,686	343,076
Earnings before interest tax and contributed assets		176,673	62,996	95,836	181,703	211,726	234,462
Interest expense		105,028	81,940	77,563	79,965	82,725	88,612
Earnings before tax and contributed assets		71,645	(18,944)	18,273	101,738	129,001	145,850
Contributed assets		13,882	20,338	17,320	19,251	16,673	23,610
Earning before tax		85,527	1,394	35,593	120,989	145,674	169,460
Tax expense		25,841	110	10,678	36,297	43,702	50,838
Net profit after tax		59,686	1,284	24,915	84,692	101,972	118,622
Transfer to/(from) retained profits	a	\$59,696	1,284	17,320	19,251	16,673	23,610
Profits available for dividends	b	0	0	7,595	65,441	85,299	95,012

a. The dividend to the ACT Government is based on Icon Water's Profit available for dividends, excluding contributed assets and capital contribution revenue.

b. Icon Water received dividend relief on pre-tax Large-Scale Feed-in-Tariff received from the energy distribution investment for 2022-23.

Balance Sheet as at 30 June

Icon Water Limited Year ended 30 June	NOTES	2022-23 Actual \$000	2023-24 Forecast \$000	2024-25 Budget \$000	2025-26 Estimate \$000	2026-27 Estimate \$000	2027-28 Estimate \$000
Current assets							
Cash & cash equivalents		83,897	63,676	92,964	60,654	52,325	60,135
Receivables		58,068	59,125	68,514	69,750	71,023	72,334
Other current assets		5,720	6,245	6,245	6,245	6,245	6,245
Total current assets		147,685	129,046	167,723	136,649	129,593	138,714
Non current assets							
Investments in other entities		1,042,731	1,029,115	1,018,814	1,018,823	1,021,338	1,026,798
Deferred tax assets – non current		24,162	24,162	24,162	24,162	24,162	24,162
Intangible assets		26,375	22,638	20,642	19,023	18,011	18,146
Property, plant & equipment		3,392,484	3,419,559	3,440,583	3,519,246	3,660,384	3,834,110
Investment properties		17,750	17,750	17,750	17,750	17,750	17,750
Other non current assets		3,772	3,619	3,619	3,619	3,619	3,619
Total non current assets		4,507,274	4,516,843	4,525,570	4,602,623	4,745,264	4,924,585
Total assets		4,654,959	4,645,889	4,693,293	4,739,272	4,874,857	5,063,299
Current liabilities							
Accounts payable		48,094	35,079	38,674	41,864	45,300	47,205
Dividends payable		-	-	1,519	13,088	17,060	19,003
Tax payable		(1,499)	(21,472)	(8,601)	(8,614)	(8,627)	(8,628)
Borrowings – current	a	99,826	-	125,217	1,010	480,954	2,696
Provisions – current		25,434	27,962	27,962	27,962	27,962	27,962
Other current liabilities		22,391	24,114	24,114	24,114	24,114	24,114
Total current liabilities		194,246	65,683	208,885	99,424	586,763	112,352
Non current liabilities							
Borrowings – non current	a	1,837,665	1,961,000	1,847,882	1,984,071	1,615,644	2,254,887
Deferred tax liabilities		641,580	641,580	641,580	641,580	641,580	641,580
Provisions – non current		11,529	5,189	5,189	5,189	5,189	5,189
Other non-current liabilities		1,385	2,599	2,599	2,599	2,599	2,599
Total non current liabilities		2,492,159	2,610,368	2,497,250	2,633,439	2,265,012	2,904,255
Total liabilities		2,686,405	2,676,051	2,706,135	2,732,863	2,851,775	3,016,607
Net assets		1,968,554	1,969,838	1,987,158	2,006,409	2,023,082	2,046,692
Equity							
Capital		758,872	758,872	758,872	758,872	758,872	758,872
Retained profits		320,495	321,779	339,099	358,350	375,023	398,633
Reserves		889,187	889,187	889,187	889,187	889,187	889,187
Net equity		1,968,554	1,969,838	1,987,158	2,006,409	2,023,082	2,046,692

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

Cashflow year ended 30 June

Icon Water Limited Year ended 30 June	NOTES	2022-23 Actual \$000	2023-24 Forecast \$000	2024-25 Budget \$000	2025-26 Estimate \$000	2026-27 Estimate \$000	2027-28 Estimate \$000
Cashflow from operations							
Receipts from customers		329,923	359,750	388,588	427,924	459,947	494,583
Payments to suppliers and employees		(219,656)	(249,492)	(270,536)	(237,677)	(231,156)	(237,379)
Income tax paid		(28,553)	(20,084)	2,193	(36,310)	(43,715)	(50,839)
Interest received		2,199	3,383	3,320	3,213	3,176	3,183
Interest paid		(107,550)	(93,011)	(82,383)	(84,506)	(88,981)	(99,726)
Net cash in/(out)flow from operating activities		(23,637)	546	41,182	72,644	99,271	109,822
Cashflow from investing activities							
Joint Venture distributions received		42,000	53,500	68,000	83,000	75,500	73,000
Payments for property, plant and equipment		(78,465)	(78,187)	(82,287)	(137,157)	(203,494)	(231,232)
Proceeds from disposal of property, plant and equipment		13	19	-	-	-	-
Payments for intangibles		(4,453)	(8,282)	(1,236)	(6,313)	(7,125)	(8,946)
Proceeds from sale of intangibles		-	-	-	-	-	-
Proceeds/(payments) for cash investments		-	-	-	-	-	-
Net cash in/(out)flow from investing activities		(40,905)	(32,950)	(15,523)	(60,470)	(135,119)	(167,178)
Cashflow from financing activities							
Repayment of borrowings		41,870	(85,471)	12,099	(113,019)	11,517	(469,014)
New borrowings		39,787	100,000	-	125,000	100,000	630,000
Lease payments		(2,772)	(2,346)	(2,394)	(2,593)	(2,671)	(2,751)
Dividends paid		(20,390)	-	(6,076)	(53,872)	(81,327)	(93,069)
Net cash in/(out)flow from financing activities		58,495	12,183	3,629	(44,484)	27,519	65,166
Net cash movement		(6,047)	(20,221)	29,288	(32,310)	(8,329)	7,810
Opening cash balance		89,944	83,897	63,676	92,964	60,654	52,325
Closing cash balance		83,897	63,676	92,964	60,654	52,325	60,135

Financial Ratios year ended 30 June

Icon Water Limited Year ended 30 June	NOTES	2022-23 Actual \$000	2023-24 Forecast \$000	2024-25 Budget \$000	2025-26 Estimate \$000	2026-27 Estimate \$000	2027-28 Estimate \$000
Profitability							
Return on total assets	a	3.7 %	1.3 %	2.0 %	3.9 %	4.3 %	4.7 %
Return on equity	b	3.0 %	0.1 %	1.3 %	4.2 %	5.0 %	5.8 %
Profit margin	c	36.5 %	14.7 %	20.9 %	35.5 %	38.9 %	41.1 %
Liquidity							
Current ratio	d	76.0 %	196.5 %	80.3 %	137.4 %	22.1 %	123.5 %
Cash position	e	1.8 %	1.4 %	2.0 %	1.3 %	1.1 %	1.2 %
Receivables turnover	f	8.7	9.9	10.1	10.1	10.6	11.4
Financial stability							
Debt ratio	g	57.7 %	57.6 %	57.7 %	57.7 %	58.5 %	59.6 %
Gearing ratio	h	49.6 %	49.9 %	49.9 %	49.8 %	50.9 %	52.5 %
Capital ratio	i	98.5 %	99.7 %	99.4 %	99.1 %	103.8 %	110.4 %
Debt							
Interest cover ratio	j	1.7	0.8	1.3	2.3	2.6	2.7

Formula:

Profitability							
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	$\frac{\text{EBIT (minus interest revenue)}}{\text{Revenue (minus interest revenue)}}$					
Liquidity							
Current ratio	d	$\frac{\text{Current assets}}{\text{Current liabilities}}$					
Cash position	e	$\frac{\text{Cash + investments}}{\text{Total assets}}$					
Receivables turnover [^]	f	$\frac{\text{Total revenue excludes subvention, interest income and energy investment}}{\text{Average receivables for period (relating to credit sales)}}$					
Financial stability							
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	$\frac{\text{Total long-term debt}}{\text{Equity}}$					
Debt							
Interest cover ratio	j	$\frac{\text{EBIT (before gross interest expense \& excl abn items)}}{\text{Annual interest payments}}$					

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.

Regulatory

Icon Water's revenue targets in the 2024–25 budget and forward estimates are based on the Independent Competition & Regulatory Commission (ICRC) 2023–28 pricing decision.

Climatic conditions

Water production is estimated using the average of all outputs from our base source water model. The estimates incorporate climate change*, future weather patterns (incorporating climate change), with a high dam level baseline and drying initial conditions in the catchment, in determining the budget estimates. Variability in climatic conditions may result in material variations to Icon Water's profits through altered water consumption and pumping and treatment costs. Extreme weather events may result in financial losses and impacts to our service levels.

Climate change and consequential impacts to the provision of water and wastewater services, including the potential for more frequent long-drought conditions, blockages and overflows, may result in increased requirements for capital investment in water and sewerage infrastructure assets.

ActewAGL operations

ActewAGL Distribution (AAD) income is based on the 2024-29 electricity network proposal to the Australian Energy Regulator (AER) submitted in January 2023, and the Final Gas Network Access Arrangement concluding in June 2026.

The large-scale feed-in-tariff (LFiT) scheme administered by AAD continues to have a significant impact on energy investment performance. Icon Water's estimates are based on the latest available ActewAGL Partnerships Board approved long-term forecasts in July 2023 and have been updated to reflect the latest Reasonable Cost Determination (RCD) decision with respect to the LFiT scheme.

ActewAGL Retail electricity prices are forecast using the current pricing methodology used by the ICRC and the AER. The ICRC's decision for prices beyond 1 July 2024 will be known in June 2024.

There is a base assumption that electricity customers will increase, whilst gas customers are expected to decline. Electricity volumes assume a gradual increase reflecting customer consumption growth, whilst gas volumes assume a gradual but continued reduction in consumption.

The energy investment profits may be impacted by external factors including climatic conditions, feed-in-tariff fluctuations, regulatory outcomes and flow on impacts to achieve net zero emissions by 2045.

Contributed assets

Icon Water's estimate for contributed assets from developers is based on the historical four-year average. The annual value of contributed assets can vary significantly. The contributed assets revenue is dependent upon the timing of land releases, construction timeframes and the completion period for acceptance into our hydraulic network.

The Water and Sewerage Capital Contributions Code was approved by the ICRC and commenced on 01 July 2019. Revenue associated with capital contributions is recognised when the infrastructure construction is completed and will vary from year to year in line with construction completion dates.

Financial markets and capital structure

Icon Water will need to source new debt and refinance existing debt in relation to both water and wastewater and energy investment businesses, which will be subject to market interest rates. Icon Water borrows via the ACT Government and is subject to their prevailing credit rating. Icon Water has forecast a Consumer Price Index (CPI) to use for existing index linked bonds which are subject to change. There is an assumption that debt will be introduced into the ActewAGL Distribution partnership from 1 July 2025 to fund regulated capital expenditure.

Impairment

The budget assumes no impairment or revaluation adjustment of assets.

Dividend to shareholders

This Statement of Corporate Intent (SCI) is based on the current Dividend Policy of 100% of Net Profit (excluding contributed assets and capital contributions).

* Icon Water base scenario adopted from NSW and ACT Regional Climate Modelling project (NARClm 1.5) (climatedata-beta.environment.nsw.gov.au)

Principal Registered Office

Level 5, ActewAGL House
40 Bunda Street
Canberra ACT 2600

Mitchell Office

12 Hoskins Street
Mitchell ACT 2911

Postal address

Icon Water
PO Box 50
Mitchell, ACT 2911

ACN: 069 381 960

ABN: 86 069 381 960

TTY for Hearing Impaired

133 677

Language assistance

13 14 50, 24 hours

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Talk to us

E talktous@iconwater.com.au

T (02) 6248 3111



@iconwater



@iconwater



@iconwaterCBR

iconwater.com.au

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