

2022 – 23
**ANNUAL
REPORT**
to the ACT Government





Three Rivers by Lynnice Church

Acknowledgement of Country

Icon Water acknowledges the Ngunnawal people as traditional custodians of the ACT and recognise any other people or families with connection to the lands of the ACT and region. We acknowledge and respect their continuing culture and the contribution they make to the life of this city and this region.



5 October 2023

Mr Andrew Barr MLA
Chief Minister
ACT Legislative Assembly
London Circuit
CANBERRA ACT 2600

Dear Chief Minister

We are pleased to present Icon Water Limited's 2022–23 Annual Report.

The report has been prepared in accordance with Section 7D of the *Annual Reports (Government Agencies) Act 2004* and Section 22 of the *Territory-owned Corporations Act 1990* and in accordance with the requirements under the Annual Report Directions.

It has been prepared in conformity with other legislation applicable to the preparation of the Annual Report by Icon Water Limited.

I certify that the information in the Annual Report, and information provided for whole of government reporting, is an honest and accurate account and that all material information on the operations of Icon Water Limited has been included for the period 1 July 2022 to 30 June 2023.

I hereby certify that fraud prevention has been managed in accordance with the *Public Sector Management Standards 2006* (repealed), Part 2.3 (see section 113, Public Sector Management Standards 2016).

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you present a copy of the Annual Report to the ACT Legislative Assembly within 15 weeks after the end of the financial year.

Yours sincerely

A handwritten signature in black ink that reads "Wendy Caird".

WENDY CAIRD
Chair
Icon Water

A handwritten signature in black ink that reads "Ray Hezkial".

RAY HEZKIAL
Managing Director
Icon Water



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MESSAGE FROM THE CHAIR AND MANAGING DIRECTOR

As the ACT's supplier of water and sewerage services, we form part of a long history of people who have proudly served our community for more than 100 years.

The essential services we provide every day supports the quality of life for over half a million people in the Canberra region. But as we deliver for today, our eyes are always on the horizon as we plan and invest in tomorrow.

Our strategic planning was a critical element of our submission to the Independent Competition and Regulatory Commission (ICRC) as part of the five-yearly price review. Our proposal was informed by broad and comprehensive engagement with more than 17,500 Canberrans, which began in 2021. We have worked to keep prices as low as possible for our customers while ensuring continued quality services for our community. We developed a thoroughly considered investment program that reflects customer values and priorities and responds to major factors in our operating environment including ageing infrastructure, climate change impacts, a growing ACT population and a challenging economic backdrop.

A significant part of the price direction related to major works at the Lower Molonglo Water Quality Control Centre. Over the next five years, Canberra has a critical window to upgrade wastewater facilities largely built in the 1960s and 1970s. We've continued to involve our community on the options for our wastewater future through citizen panels, expert forums, environmental group consultation and a broader community survey, which has had a positive response with thousands participating so far.

The safety of our workers and the community underpins everything we do. This value is reflected in our daily work, but also in major investments and continued focus outlined in this report. In 2022, we established a new People, Health and Safety Group that will provide leadership and expertise as we continue our focus on building a safe, innovative and inclusive workplace. This team is leading a values refresh, that will capture the spirit of our organisation and underpin how we work together with each other and for our community.

In 2022–23 we achieved a reasonable financial result for the year with net profit of \$59.7m which was better than budget, with a significant contribution attributable to our energy investment. There were no dividends paid as foreshadowed, with dividend relief agreed with the Voting Shareholders to help offset the impact of our pre-tax Large-Scale Feed-in-Tariff received from the energy investment, with income tax equivalent payments totalling \$28.6m. We also delivered \$67.9m of capital expenditure over 2022–23.

Over this year, we have progressed our actions to prepare for the transition of our corporate services arrangements. This is a whole of business effort that presents a transformational challenge in terms of complexity and scope. We continue our focus on the opportunity to enhance our integration, long-term efficiency, and strategic control over services that support our operations.

The past twelve months has also involved considerable wet weather across Canberra. Our network, plant and incident management teams have diligently worked to minimise impacts and respond to the challenges of these significant wet weather events. This also means, that we commence the next reporting period with our dams at near full capacity.

On behalf of the Board and Executive, we acknowledge the achievements made possible by all our staff this year. We look forward to working together to deliver the essential services our community values whilst laying a sustainable platform for future generations.



WENDY CAIRD
Chair
Icon Water



RAY HEZKIAL
Managing Director
Icon Water

A person wearing a yellow lab coat and black gloves is pouring a liquid from a 500ml beaker into a graduated cylinder. The scene is set in a laboratory with various glassware and equipment visible in the background. A white circular overlay with the word "ORGANISATION" is centered on the image.

ORGANISATION



ABOUT US

We've been part of the Canberra and surrounding region community for more than 100 years.

Every day we're proud to support our region by sourcing, treating and supplying water, and managing Canberra's wastewater.

Icon Water Limited (Icon Water) is an unlisted public company owned by the ACT Government. As a Territory-owned corporation, we are separate from the direct functions of government and governed by an independent Board of directors who exercise a governance, strategic and oversight role. There are two Voting Shareholders: the ACT Chief Minister, Andrew Barr MLA and the Minister for Water, Energy and Emissions Reduction, Shane Rattenbury MLA.

We manage the region's network of dams, water treatment plants, sewage treatment plants, reservoirs, water and wastewater pumping stations, pipes and other related infrastructure – an asset base valued at around \$3.4 billion. We also manage an investment, valued at around \$1.0 billion, in the ActewAGL Joint Venture, which operates in the energy sector.

We are proud to support growth in our region with a high-quality water supply to the Canberra and Queanbeyan communities – essential services that contribute to public health, liveability and future prosperity for all. This includes respect for our role in protecting the environment; we operate Australia's largest inland sewage treatment plant, and approximately 60 per cent of the water Canberra uses is returned to the environment.

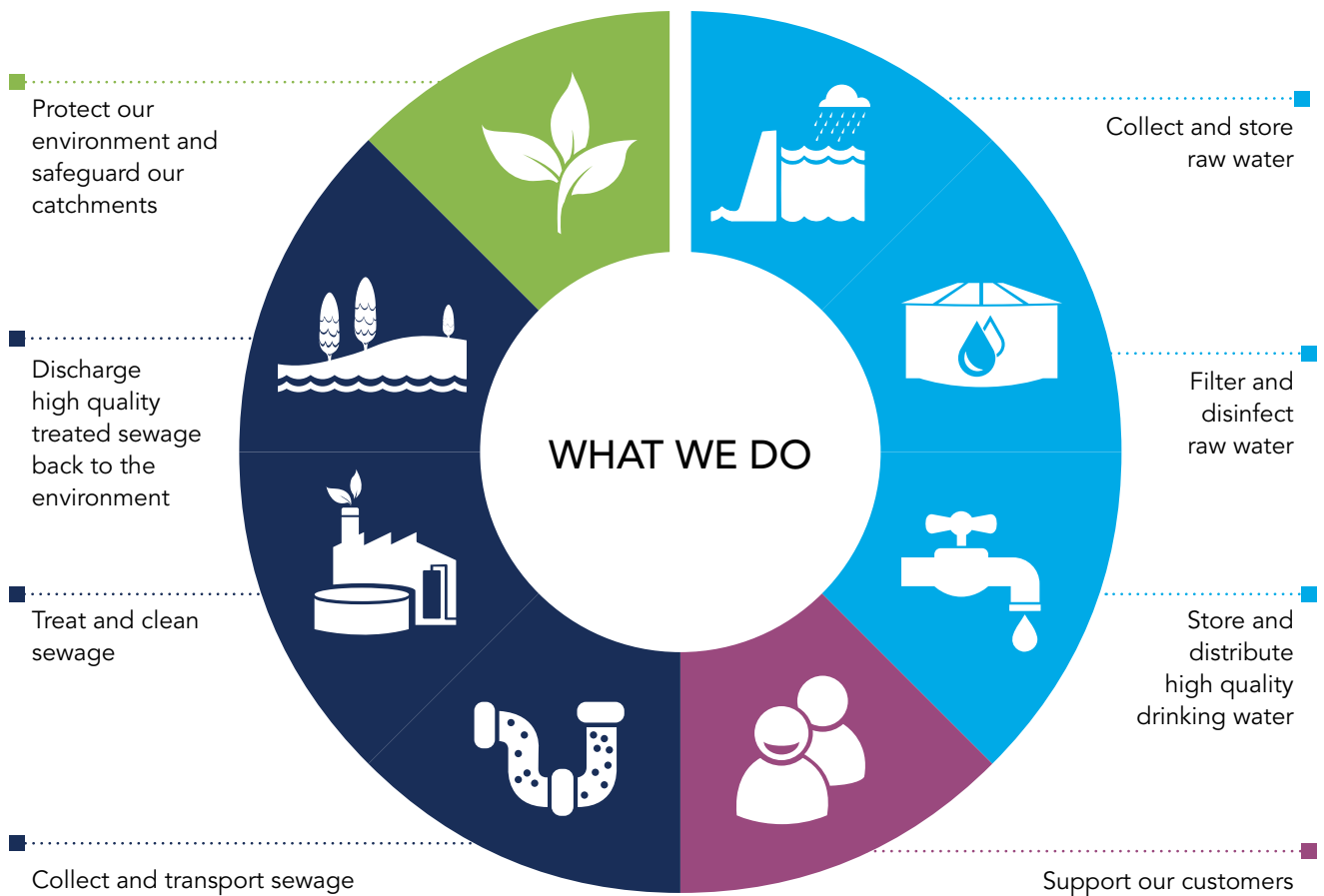
As a Territory-owned corporation, Icon Water has four objectives under the *Territory-owned Corporations Act 1990*:

- 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 our *Business Strategy* (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 objectives drive our strategic planning and the development of our vision and business strategies.

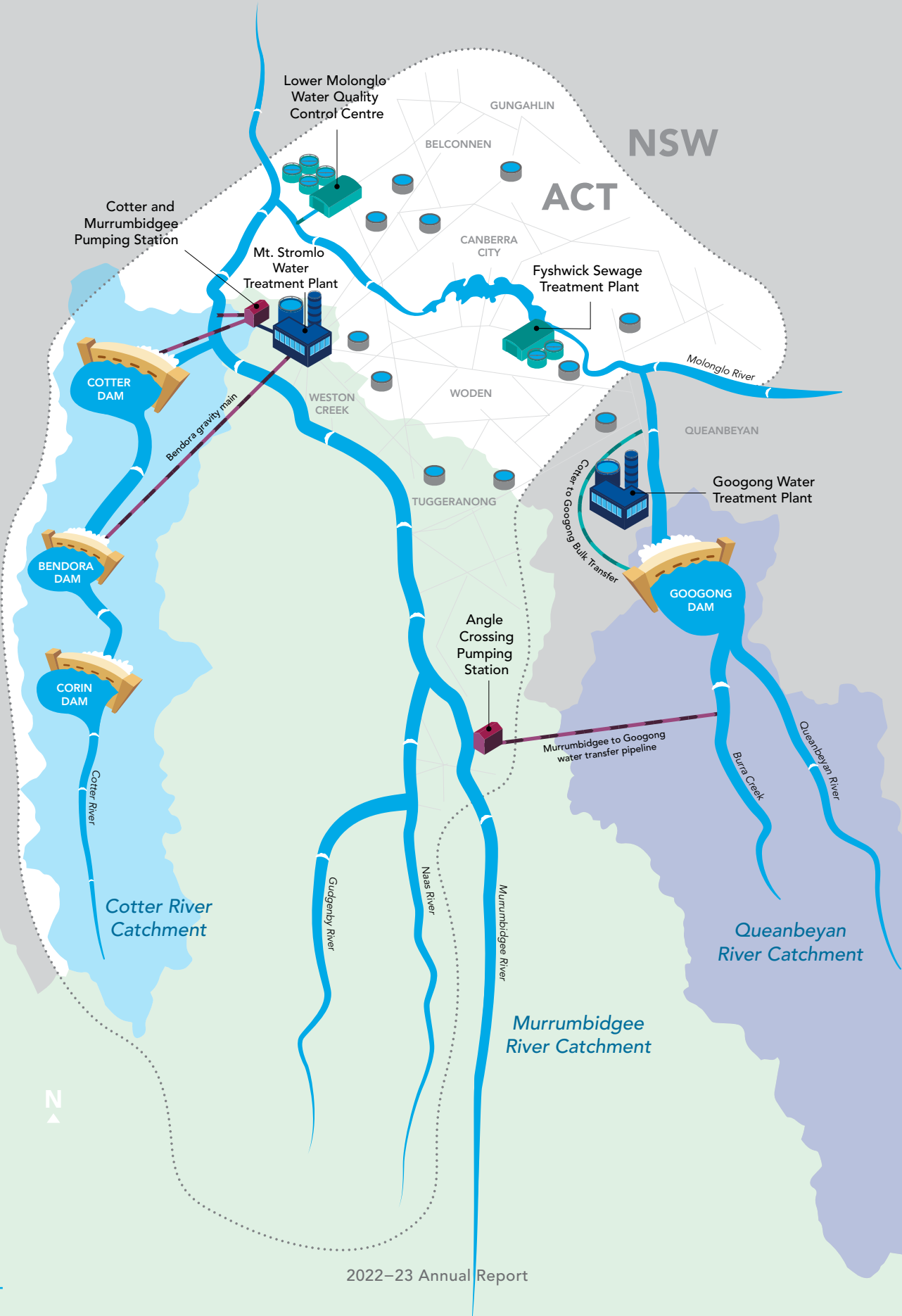


Figure 1: What we do at Icon Water



OUR NETWORK

(WATER AND 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 sewer
pipes



27

Wastewater
pumping
stations



4

Wastewater
treatment
plants

ENERGY INVESTMENT

Icon Water is unique in the utility industry. We provide water and wastewater services and also manage an investment in the ActewAGL joint venture to provide energy services to the ACT and surrounding regions.

This joint venture was formed in October 2000 between Icon Water (previously ACTEW Corporation) and Australian Gas Light Company (AGL). The result was ActewAGL – the first multi-utility operating as a public private partnership in Australia.

The joint venture comprises two partnerships, ActewAGL Distribution and ActewAGL Retail, with Icon Water participating in both partnerships through its two subsidiary companies: Icon Distribution Investments Limited and Icon Retail Investments Limited. The eight Directors of the Icon Water Board sit on both of these subsidiary Boards.

ActewAGL Distribution, operating under the brand 'Evoenergy', owns and operates the electricity network in the ACT, and the gas network in the ACT, Queanbeyan region and Shoalhaven in New South Wales. It is a partnership between Jemena Limited and Icon Water via subsidiary companies.

ActewAGL Retail sells electricity and natural gas and manages customer service and marketing functions in a competitive market. The service footprint extends to centres such as Queanbeyan, Goulburn, Yass, Young, Nowra and Bega. It is a partnership between AGL Energy Limited and Icon Water via subsidiary companies.

Our objectives for holding an investment in the ActewAGL joint venture are to:

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

The ActewAGL Partnerships Board is comprised of six members: three appointed by AGL/Jemena and three appointed by Icon Water.

As at 30 June 2023, members of the ActewAGL Partnerships Board were:

- Julie-Anne Schafer, Icon Water
- Carol Lilley, Icon Water
- Ray Hezkial, Icon Water
- Damien Nicks, AGL (Chair)
- Frank Tudor, Jemena (Deputy Chair)
- Sun Peng, Jemena.

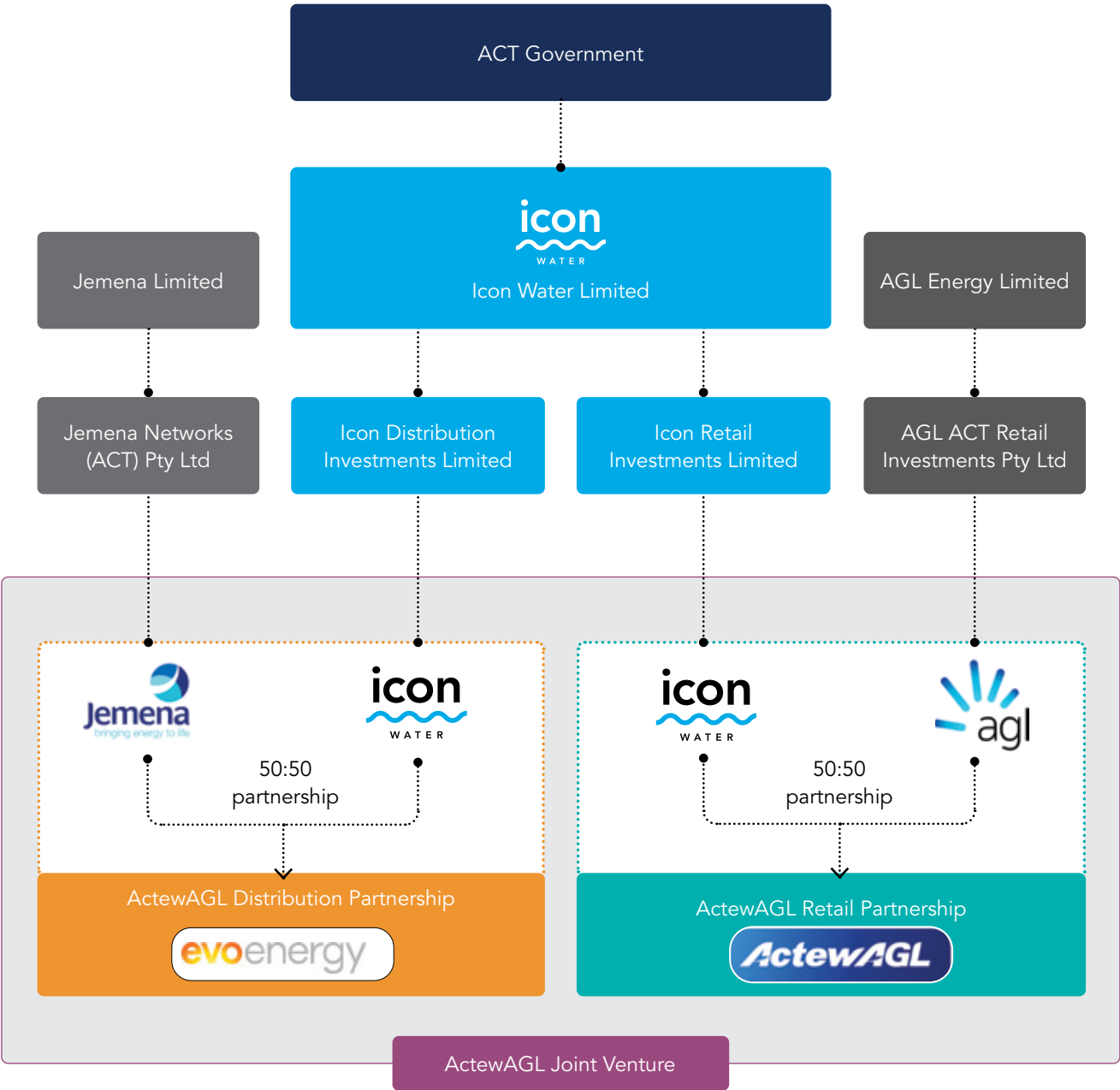
Details of ActewAGL's financial performance for 2022–23 are available in the Financial Reports section. More information on ActewAGL is available at [actewagl.com.au](https://www.actewagl.com.au).

The ActewAGL joint venture, guided by the ActewAGL Partnerships Board, is committed to the ACT Government's ambition to achieve net zero emissions by 2045, and has undertaken detailed modelling to understand how to achieve this ambition as well as its implications on the electricity and gas networks and on customers. In a 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 affordability.

The joint venture is also actively working on a range of initiatives to promote and support efficient energy use including:

- 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 charging points for electric vehicles in the ACT
- promoting the installation of rooftop solar panels and batteries for residential and commercial consumers
- conducting battery tariff trials to investigate cost-reflective pricing options for customers with battery technology, to make such tariffs more widely available in the future.

Figure 2: The joint venture structure and energy investment brands



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).

BUSINESS STRATEGY

Our purpose

To sustain and enhance quality of life

Our vision

To be a valued partner in our community

Our core values



Safety

Accepting personal responsibility to ensure a safe workplace and contribute to a safe community.



Openness

Building strong relationships by acting with integrity and being receptive to the views of others.



Excellence

Involving the right people at the right time to get a result we can be proud of.

Our strategic objectives and domains

Workplace

Build a culture that values safety, innovation and inclusiveness



- People health and safety

Sustainable value

Deliver sustainable value for our community and shareholders



- Asset management
- Operations
- Finance
- Digital
- Sustainability and environment
- Governance

Customer

Enhance customer and community engagement



- Customer and community



WATER SECURITY

2022–23 was a wet year for Canberra, with water storages above 98 per cent full throughout the year.

Full dams meant we could supply most of our water from Bendora Dam, which is our most reliable source and can be distributed without major pumping. Googong Dam and Cotter Dam also contributed to Canberra's water supply during the year.

Despite the wet weather, the drought conditions experienced from 2017–2020 remain front of mind. During 2019–20, we saw unprecedented dry conditions characterised by very low rainfall, high temperatures and bushfires. In February 2020, our total dam storage volume dropped below 50 per cent for the first time since the Cotter Dam enlargement in 2013, reaching a low of 44.4 per cent.

We expect, and are planning for, an increase in climate extremes and variability in the future. Notwithstanding the success of managing the worst drought in our

history without water restrictions, our analysis of the impacts of climate change tells us we will continue to see less reliable water yields from our catchments. We are monitoring this closely and using the broad suite of expertise and tools at our disposal to continue to provide a secure water supply to the region.

Since the most recent drought, we obtained expert advice and systematically reviewed how we account for climate change and other planning variables. We have updated our hydrological models to incorporate the latest data and techniques, to help prepare for severe droughts and any impacts to our long-term water security. We have also optimised our operating guidelines to make the most of our water sources and maximise our water security in future droughts.

Our Drought Management Plan identifies supply and demand initiatives that can be implemented in response to future droughts. It's difficult to predict how long or severe future droughts may be, so we incorporated an adaptive planning approach that draws

on three levers: source water management, demand management and supply options. This adaptive approach ensures we keep all options on the table to prepare for a drought which may be significantly worse than those experienced to date.

Murrumbidgee to Googong pipeline operation

The Murrumbidgee to Googong (M2G) pipeline is one of several measures built to strengthen Canberra's water security following the millennium drought of 1997–2009. The pipeline can transfer a maximum of approximately 100 million litres (megalitres) a day from the Murrumbidgee River into Burra Creek, which then flows into the Googong Reservoir.

There are strict guidelines in place for operating the M2G pipeline, which include river volumes and water quality.

M2G did not operate during 2022–23 as it was not needed because of the wet weather conditions.

WATER OPERATIONS

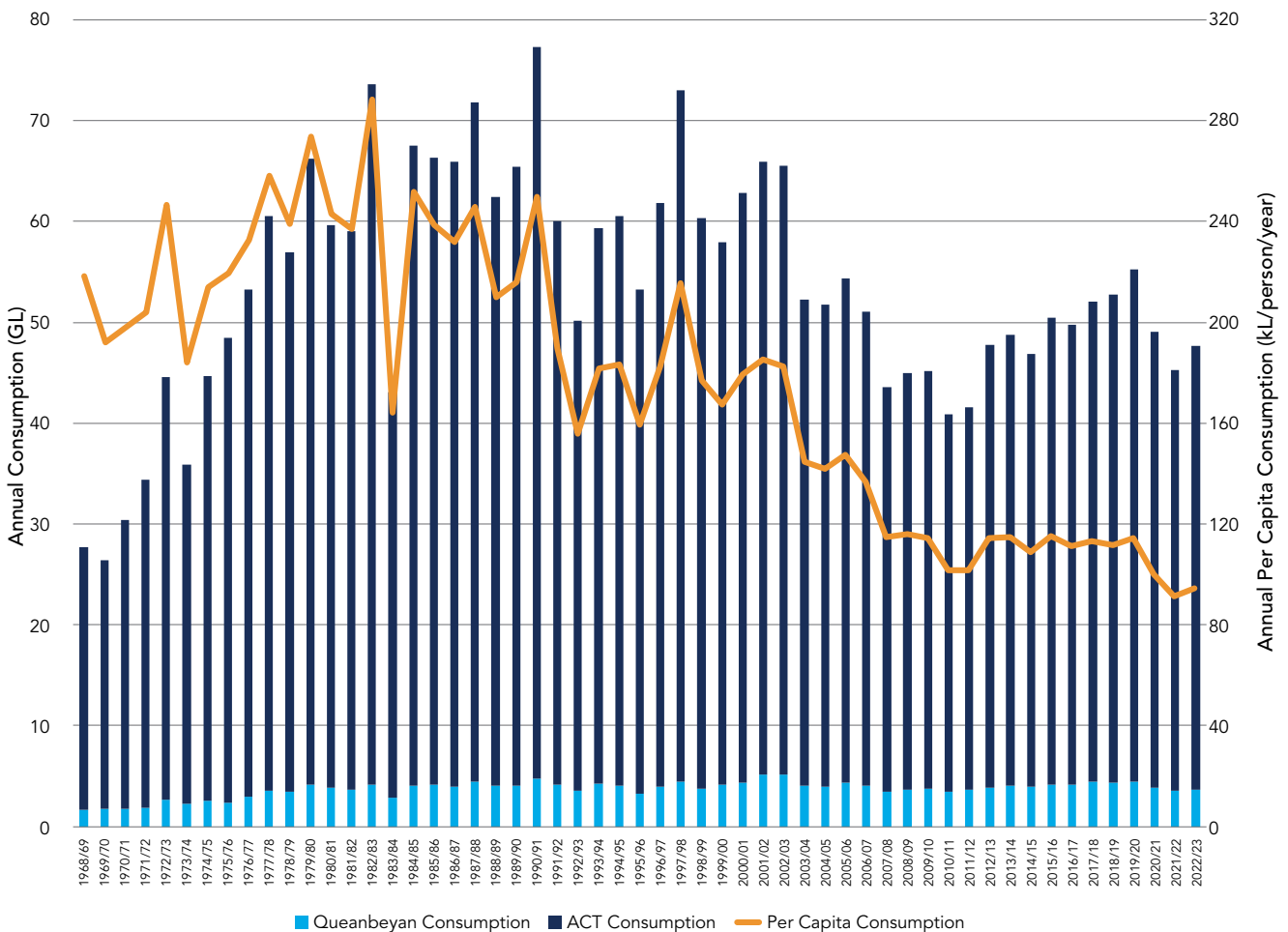
Since November 2010, per capita water consumption in Canberra and Queanbeyan has consistently been 35–40 per cent lower than it was before the introduction of water restrictions in 2002.

This is one of the largest sustained water use reductions per capita in Australia.

Canberra Airport rainfall for the reporting period totalled 913.2 mm, which was an increase of 28.8 mm on the previous 12-month period. Our combined dam capacity was at 99.5 per cent of the total 278 GL volume at 30 June 2023.

Our water treatment plants produced a combined 48 GL of drinking water over the period. Stromlo Water Treatment Plant produced 43 GL, sourced primarily from Bendora, and Googong Water Treatment Plant produced 5 GL. Googong Water Treatment plant operated for seven weeks in September and October 2022.

Figure 3: Annual water consumption for ACT and Queanbeyan



WATER QUALITY

We provide over 130 million litres of treated water each day and we take the quality of our drinking water very seriously.

Our approach to managing drinking water supply is consistent with the framework of the *Australian Drinking Water Guidelines (ADWG) 2011* and in compliance with the *Public Health (Drinking Water) Code of Practice 2007* (the Code). We conduct a comprehensive water quality monitoring program across our supply and distribution systems which informs our operational decisions and through which we verify the quality of customers' drinking water.

The higher inflows to all our dams brought a corresponding increase in pathogens in our source water. We managed this through our multiple-barrier approach, ensuring the water leaving our treatment plants was 100 per cent compliant with the ADWG requirements. This quality verification is published to the community in our Annual Drinking Water Quality Report in compliance with the Code.

There were eight notifiable events to ACT Health as per the Code during the year; four of these referred to raw water that had not yet been treated, and four occurred in the reticulation system requiring further investigation to resolve the issue.

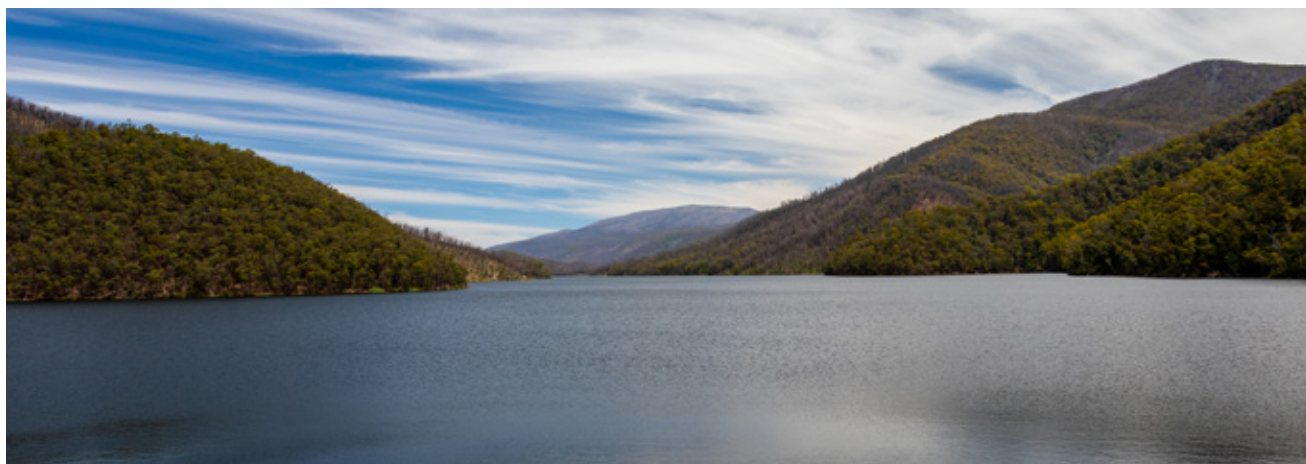
We maintained our third-party certification of the Hazard Analysis and Critical Control Point risk management system for water quality management. The recertification was issued in April 2022 with no identified issues to be rectified.

In June 2022, some members of our community told us the taste of their drinking water changed. During this period water was being sourced from Bendora Dam and treated at Stromlo Water Treatment Plant. The change in taste was due to a natural component, 2-Methylisoborneol, or MIB, which can be found in water reserves across Australia. MIB does not make the water unsafe to drink, however some people can smell and taste this compound even if it is detected at very low levels. MIB concentrations in Bendora Dam peaked in August 2022 and naturally dissipated through October 2022. Icon Water continues to monitor for MIB in the Cotter River dams. Since October 2022, MIB results have remained below detection levels in the dams and at the water treatment plant.

While all dams were at full supply level in Spring 2022, we operated the Googong Water Treatment Plant for seven weeks to clean and maintain the Stromlo Water Treatment Plant.

Delivering our high standard of water quality in 2022–23 was challenged by the ongoing impact of high inflows to Googong reservoir since 2020. The rapid infill brought runoff from the catchment leading to higher levels of natural organic matter. This in turn affected the treatment capability of the Googong Water Treatment Plant, and meant we had to re-chlorinate the water in service reservoirs across the city to maintain the disinfection residuals at the level required all the way to customers' connections. The naturally occurring compounds affecting taste and odour were well controlled to meet the expectations of our customers.

2022–23 saw an increase in Blue Green Algae (cyanobacteria) levels across all our source water storages, compared to the previous few years. This is managed through the adherence to our Blue Green Algae Response Plan. This document provides guidance and direction on actions required to ensure the continued provision of safe drinking water.



WASTEWATER OPERATIONS

Icon Water has environmental authorisations under the ACT's *Environment Protection Act 1997*, which regulate activities with significant environmental risk.

We performed well, achieving compliance with authorisations for these sites:

- Lower Molonglo Water Quality Control Centre (LMWQCC)
- Uriarra Sewage Treatment Plant
- Cotter Effluent Absorption Facility
- Canberra sewage network

For the period 2022–23, the LMWQCC, Canberra's primary sewage treatment plant, processed a total sewage inflow (raw sewerage) of 43 GL and returned 39 GL of final effluent (clean, treated water) into the Molonglo River.

We also recycled approximately 2 GL of treated effluent onsite with the remaining volume accounted for in losses through the solids management process.

The unprecedented extended wet period was evident at the LMWQCC. The increase of average inflows over the last two years, in contrast to the inflow volume of the previous 16 years, is shown in Figure 4.

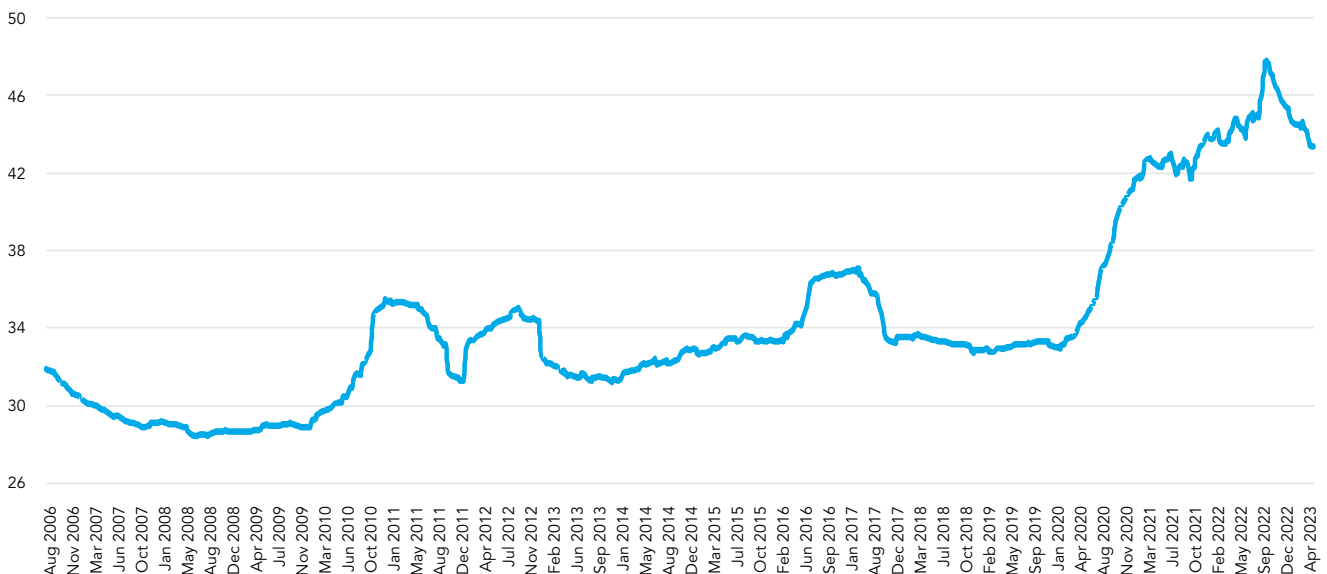
During wet weather, it's possible for the wastewater flow into the plant to be higher than the plant has capacity to treat. When this happens, we divert some of the partially treated wastewater into a storage dam, to reduce the peak inflow and give the plant time to catch up. When the peak flows have passed, the stored, partially treated wastewater is returned back to the plant to complete its treatment. During 2022–23, there were four instances during major wet weather events where the peak inflow exceeded capacity of both our plant's treatment capacity and the storage dam, resulting in a release of partially treated effluent into the Molonglo River.

It is important to note that these releases coincided with high flows in the Molonglo River and therefore, the portion of partially treated effluent entering the river is relatively small.

The solid product remaining from the thermal treatment of sewage biosolids is called Agri-Ash. It is used as a soil conditioner by farmers in the local agricultural industry as part of our 'no opportunity wasted' focus to maximise resource recovery and minimise material to landfill. More than 4,860 tonnes of this commercial product was produced this year. The product is around 60 per cent calcium-based and is especially useful to correct pH on regional pastures typically grazed by livestock – a safe and economical option for farmers. The product is routinely tested to ensure it complies with the NSW Environmental Protection Authority licence for its use.

We have continued our significant capital investment at LMWQCC, upgrading several assets in 2022–23. These are described in more detail in the Capital Works section of this report.

Figure 4: Annual inflow to LMWQCC rolling annual total (GL)



2022–23 KEY PERFORMANCE OUTCOMES

Each of Icon Water's three strategic objectives have performance indicators and targets which we monitor and use to report on their achievement. These are outlined in Table 1.

We also have regulatory, compliance and performance reporting obligations via the following mechanisms:

- Reporting on various service delivery targets annually in the National performance report: Urban water utilities (published by the Bureau of Meteorology (BOM)).
- Reporting on compliance and performance to the Independent Competition and Regulatory Commission (ICRC) and Utilities Technical Regulator.

- Providing water and sewerage information for the National Water Account (published by BOM).

The following performance indicators and targets were selected to reflect key stakeholder and customer needs and expectations of our business.

Table 1: Performance outcomes

Strategic objectives	Performance indicators	Targets (30 June 2023)	Results 2022–23
 <p>Build a safe, innovative and inclusive workplace</p>	High Potential Incidents (HPI)	0 incidents	1 ¹ ●
	Total Recordable Injury Frequency Rate (TRIFR)	≤10	24.5 ² ●
	Safety culture	Maintain the high levels of employee perceptions of organisational and manager commitment to health and safety [target >77%]	85% ●
	Gender diversity	Improved proportion of females in non-traditional roles	
		<ul style="list-style-type: none"> ▪ Competency-based roles [target >10%]³ ▪ STEM roles [target >24%] 	1% ● 24% ●
	Employee engagement	Maintenance and or improvement of proportion of females in the leadership group [target ≥50%]	53% ●
		Decreased rate of unplanned absenteeism [target <9 days per year per employee]	4.4 days ●
		Re-baseline of organisational measurement of engagement	+1.3% ⁴ ●
	Wellbeing and mental health	Improved average number of annual leave days taken each year per employee [target >16.9 days]	20.2 ●

● Target met ● Target not met but within tolerance ● Target not met

1. An employee cut their finger with an angle grinder.

2. Results predominately relate to musculoskeletal injuries resulting from sprains and strains while conducting manual tasks.

3. Competency-based roles relate specifically to roles identified in Schedule B of the Icon Water Enterprise Agreement (2022).

4. Re-baselining the measurement of engagement was rescheduled for 2023–24.

Strategic objectives	Performance indicators	Targets (30 June 2023)	Results 2022–23
 Deliver sustainable value for our community and shareholders	Water quality	Nil non-compliance with the Public Health (Drinking Water) Code of Practice 2007 (ACT)	0 ●
	Reliability – completion of planned maintenance works in the water network	>90% planned work completed on water network (includes dams, treatment plants and reticulation)	85% ⁵ ●
	Reliability – completion of planned maintenance works in the sewer network	>90% planned work completed on sewer network (includes treatment plants and reticulation)	96% ●
		More than 95% of sewerage chokes responded to within 6 hours	97% ●
	Environmental compliance	100% compliance with effluent discharge requirements, environmental authorisations and agreements	100% ●
	Greenhouse gas emissions	Reduction in net CO ₂ -e greenhouse gas emissions from activities consistent with interval targets in the ACT Climate Strategy [target <19,258 tCO ₂ e]	17,119 tCO ₂ e ●
	% total waste recycled or reused	Increase the % of total waste recycled or reused [target >71.2%]	78% ●
	Shareholder return	\$15.6m (profits available for dividends)	\$0.0m ⁶ ●
	Earnings before interest and tax (water and energy)	\$117.9m	\$188.3m ●
	Capital expenditure	+/-10% of \$88.1m	\$67.9m ⁷ ●
	Gearing	≤60%	50% ●
 Enhance customer and community engagement	Customer satisfaction	90% of annual survey participants are satisfied with our overall service	90% ●
	Easy to deal with (Customer Effort Score)	5% improvement on 2021–22 result of 90%	71% ⁸ ●
	Community perception of Icon Water ⁹	Maintain result above 65	69 ●
	Water supply experience	No. of unplanned water interruptions greater than 12 hours [target ≤1 unplanned water interruptions]	0 ●
		Average duration of an unplanned interruption – water (minutes): 111–150	131 ●
	Wastewater service experience	No. of sewer overflows inside customer properties less than or equal to 15	6 ●
		>95% of sewerage chokes responded to within 6 hours	95% ●

● Target met ● Target not met but within tolerance ● Target not met

5. A combination of resourcing and reprioritisation of works resulted in a lower completion rate of planned work on the water network.

6. Profit available for dividend is nil due to the agreed dividend exemption on pre-tax large-scale feed-in-tariff over recoveries.

7. Under target predominately due to several digital projects budgeted as capital expenditure since being assessed as operating expenditure, delays in projects pushing costs into future financial years and a change in lease strategy.

8. This target was very ambitious to reflect the initiatives underway to improve the customer experience. The reprioritisation of other significant projects resulted in deliverables not being fully achieved.

9. Community perception is an index of seven driver questions important to our customers and community – trust, honest, reliable services, fair pricing, efficient and effective customer service, good employer and socially responsible.

OUTLOOK 2023–24

Our Business Strategy 2023–24 to 2026–27 outlines how we will achieve our objectives and realise our vision – to be a valued partner in our community.

We will continue the work on our three strategic objectives: to build a culture that values safety, innovation and inclusiveness; to deliver sustainable value to our community and shareholders; and to enhance customer and community engagement.

These objectives are achieved via our eight strategic priorities, and during 2023–24, we will continue to focus on these priorities to improve on the work we do every day.

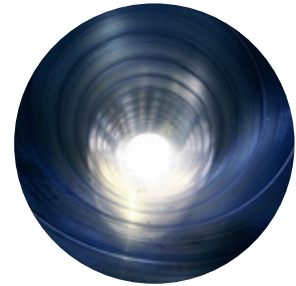
Strategic priorities for 2023–24



People, health and safety strategy



2023–28 price review



Integrated Water Management Program



Review the corporate service model



Digital strategy



Data governance and management



Sustainability



Strategic customer and community engagement



OUR
STRATEGIC
PRIORITIES:
YEAR IN
REVIEW



STRATEGIC OBJECTIVE

BUILD A SAFE, INNOVATIVE AND INCLUSIVE WORKPLACE



STRATEGIC PRIORITY: PEOPLE, HEALTH AND SAFETY STRATEGY

We work hard to build and maintain a positive workplace culture where our people are diverse, capable, and engaged; we know these characteristics are inextricably linked to our ability to deliver our essential services to the community.

During 2022–23 we achieved many key initiatives in this space:

Established the People and Culture team

The first half of 2023 saw the creation of the People and Culture team within the People, Health and Safety Group as part of the Transition of services from ActewAGL. The new team has four staff: Manager, People and Culture; two People and Culture Business Partners; and a Workforce Planning Business Partner. The People and Culture team have established themselves as key partners to the business and have led several programs including a values refresh, a review of human resources policies and procedures, and have begun transition of human resources in-house in 2023–2024.

Values refresh

We conducted a values refresh program to review our current values (safety, excellence and openness) and consider whether they continue to resonate with Icon Water employees. The review has been conducted across the organisation, including values workshops held with our Board, senior leadership group and employees. The workshops were co-facilitated by volunteer Culture Champions from within Icon Water and external consultants. We look forward to finalising the results of the review in early 2023–24.

Flexible working arrangements

A new Flexible Working Arrangement procedure was implemented in February 2023. This procedure provides structure and governance around employees accessing options to adjust or condense hours worked and flexibility in working from home. It demonstrates our commitment to supporting employees in achieving balance in their lives while continuing to meet the needs of the business and our customers.

Enterprise Agreement

Enterprise bargaining negotiations for the 2022 Enterprise Agreement commenced in early 2022. After two unsuccessful votes in 2022 and negotiation between the parties, a new Enterprise Agreement was put to a vote in February 2023 with the majority (80 per cent) of eligible voters voting in favour of the proposal.

The new agreement represents the culmination of considerable effort and goodwill from all parties to reach an agreed position through negotiation. It balances a fair and reasonable offering for our people with the sustainability of the organisation and customer affordability.

Gender equality

We continue to demonstrate our commitment to gender equality across a range of areas.

We regularly review and refine our recruitment processes, maintaining our focus on our job advertisements to ensure they are free of gender bias and encourage any interested person to apply. In accordance with our Recruitment and Selection procedure, we consider the gender balance of our selection panels, and remind ourselves that the role of the panel is to remain objective and maintain equity and fairness throughout the recruitment process. We have also promoted Icon Water as an employer of choice at the Tertiary to Work Fair in March 2023 and the Young Women in Engineering careers fair in April 2023.

The Enterprise Agreement 2022 has introduced improvements for parents and those starting a family including the reduction in the period of continuous service for eligibility for primary and secondary carer's leave from 52 to 40 weeks, the period of primary carer paid parental leave increasing from 14 weeks to 18 weeks and secondary carer's leave increasing from one week to four weeks. Leave provisions now also support staff in the event of miscarriage, pre-term birth and stillbirth.

Other procedures and enablers that support gender equality at Icon Water include Flexible Working Arrangements; Breastfeeding in the Workplace; and Workplace Support for Domestic and Family Violence.

We continued our initiative to increase female participation in non-traditional roles. KPI targets are in place for gender equality, including the percentage of women in leadership roles as well as roles traditionally filled by males such as science, technology, engineering and mathematics (STEM) roles and competency-based roles (as defined in the Enterprise Agreement 2022, Schedule B). The Board and Executive have ongoing oversight of these KPIs.

Engagement survey

The annual 2023 Employee Engagement Survey was conducted in May 2023, with 78 per cent of the business participating. This year the level of engagement saw a minor increase of 0.05 in the overall engagement mean score of 3.73.



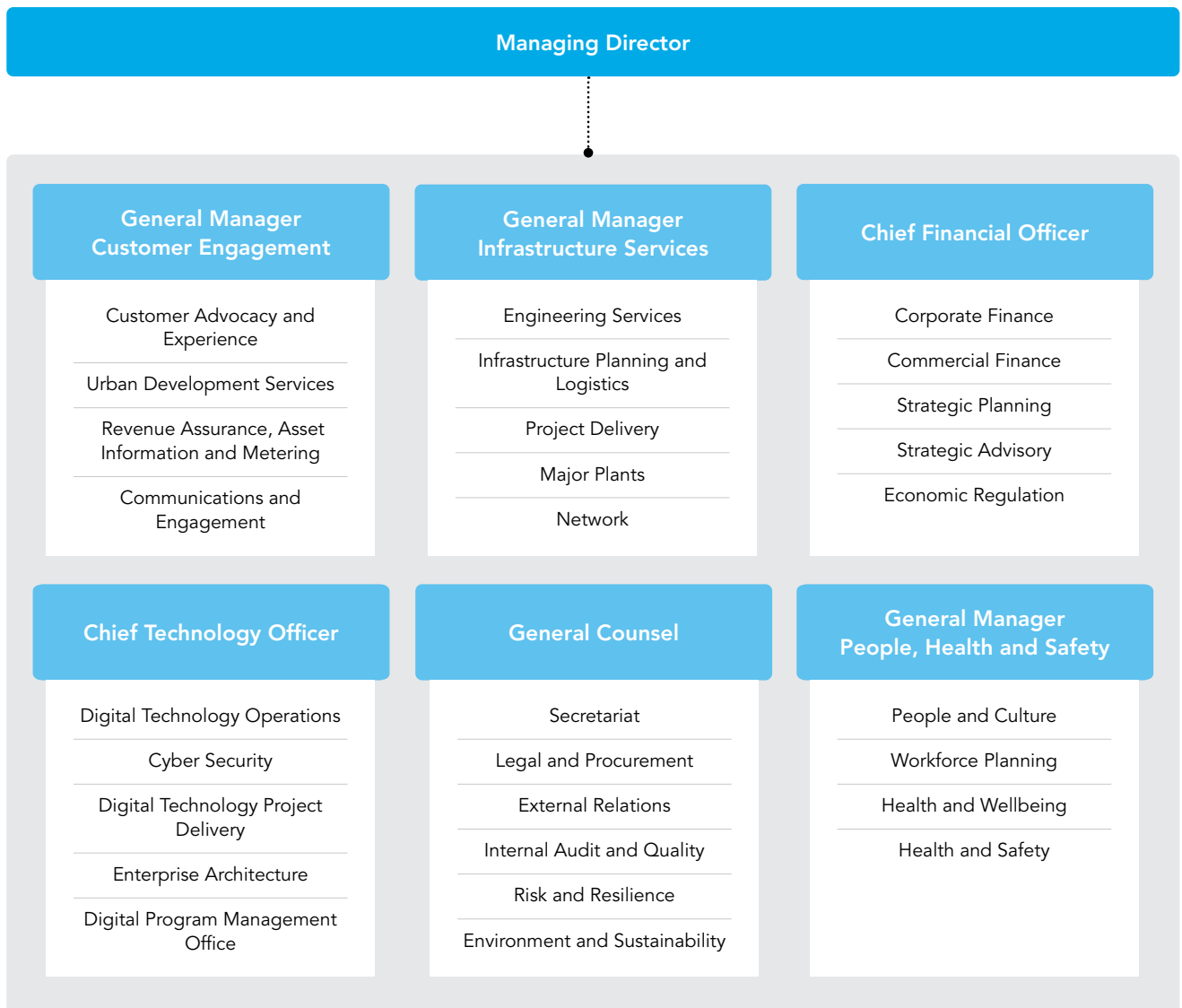
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WATER

ORGANISATIONAL STRUCTURE

Icon Water is made up of six groups, each led by an Executive. As at June 2023, we had 450 employees (447 full time equivalent).

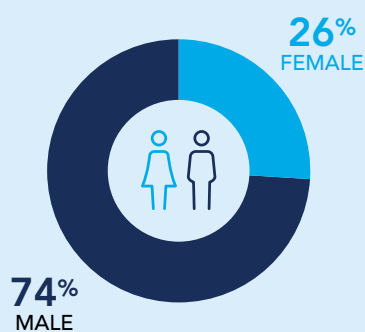
We review our organisational profile and staffing requirements as part of our regular budget planning and to ensure that our operations remain prudent and efficient.

Figure 5: Icon Water's organisation chart



WORKFORCE PROFILE


447
STAFF MEMBERS (FTE)



AGE BREAKDOWN

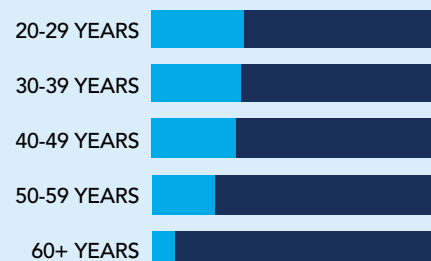


Table 2: Staff profile by employment type and gender

	Female	Male	Total
Full time equivalent (FTE)	117	330	447
Headcount	119	331	450
% of workforce (based on headcount)	26%	74%	100%

Table 3: Staff profile by employment category and gender (headcount)

	Female	Male	Total
Casual	0	0	0
Permanent full-time	100	308	408
Permanent part-time	7	3	10
Temporary full-time	12	20	32
Temporary part-time	0	0	0
Total	119	331	450

Table 4: Staff profile by age groups and gender (headcount)

	Female	Male	Total
20-29 years	16	34	50
30-39 years	32	71	103
40-49 years	44	107	151
50-59 years	24	86	110
60 years and over	3	33	36
Total	119	331	450



Table 5: Staff profile by average years of service by gender (headcount)

	Female	Male	Average
Average years of service	7.1	11.0	10.0

Table 6: Workforce gender composition by occupation

	Female	Male	Total
Manager (Branch Manager and above)	4%	3%	7%
Non-Manager (Team Leader and below)	23%	70%	93%

Table 7: Gender profile of employment-related activities

	Female	Male
Recruitment: candidates	26%	69% (5% non-disclosed)
Recruitment: appointments	38%	62%
Promotions	19%	81%
Retention following parental leave*	100%	100%
Resignations	31%	69%

*Includes both Primary Carer's and Secondary Carer's Leave

Table 8: Staff profile by equity and diversity groups (headcount)

	Number	Percentage
Aboriginal and Torres Strait Islander	6	1.3%
Culturally and linguistically diverse	39	8.7%
People with disability	6	1.3%
Total	51	11.3%



Table 9: Gender pay

	Female annual median salary	Male annual median salary
Executives	\$330,905	\$347,566
Manager Service Agreement – Fixed Annual Remuneration	\$215,990	\$226,271
Level 2	\$70,044	\$72,817
Level 3 Zone A	\$88,457	\$87,480
Level 3 Zone B	\$101,623	\$102,165
Level 4 Zone A	\$118,138	\$121,499
Level 4 Zone B	\$144,763	\$146,816
Level 5 Zone A	\$162,784	\$164,456
Level 5 Zone B	\$175,000	\$179,138
Level 6	\$191,636	\$193,242
Water – Electrical Fitter	\$104,601	\$108,938
Water Industry Operator Network Maint Levels A-C	\$81,429	\$81,180
Water Industry Operator Treatment Level 2		\$118,589
Water Industry Operator Treatment Level 3		\$141,730
Water Industry Operator Treatment Level 4		\$161,261
Water Industry Operator Treatment Level (Senior)		\$199,041
Overall	\$121,680	\$122,078

Note: Salary figures calculated on median annual base salaries at 30 June 2023. Classification levels have been combined or excluded where the median salary represents a single employee to protect the privacy and anonymity of these employees. All classification levels are included in the overall totals.

Executive salaries are reviewed annually and benchmarked against similar organisations. Differences between male and female salaries within classification levels are due to length of service or seniority.

Table 10: Staff by classification and gender

	Number			Percentage	
	Female	Male	Total	Female	Male
Executives	3	4	7	43%	57%
Manager Service Agreement – Fixed Annual Remuneration	5	4	9	56%	44%
Non-Manager Legacy Agreement	0	1	1	0%	100%
Level 2 Zone A	1	0	1	100%	0%
Level 2 Zone B	1	7	8	13%	87%
Level 3 Zone A	18	15	33	55%	45%
Level 3 Zone B	16	38	54	30%	70%
Level 4 Zone A	24	65	89	27%	73%
Level 4 Zone B	24	58	82	29%	71%
Level 5 Zone A	15	30	45	33%	67%
Level 5 Zone B	5	11	16	31%	69%
Level 6 Zone A	3	8	11	27%	73%
Level 6 Zone B	1	1	2	50%	50%
Water – Electrical Fitter ¹⁰	1	3	4	25%	75%
Water Industry Operator Network Maint Level A	1	28	29	3%	97%
Water Industry Operator Network Maint Level B	0	14	14	0%	100%
Water Industry Operator Network Maint Level C	1	13	14	7%	93%
Water Industry Operator Treatment Level 2	0	8	8	0%	100%
Water Industry Operator Treatment Level 3	0	12	12	0%	100%
Water Industry Operator Treatment Level 4	0	6	6	0%	100%
Water Industry Operator Treatment Level (Senior)	0	5	5	0%	100%
Total	119	331	450	26%	74%

.....

10. Based on classification level and does not reflect the total number of Electrical Fitters.



WORK, HEALTH AND SAFETY

Icon Water has operated through significant changes this year, including planning for the transition out of our Corporate Service Agreement (CSA) with ActewAGL and the implementation of the sourcing strategy for the services covered under the CSA contract.

During this period of change, we continued to focus on and improve the physical and psychological health and safety of our people.

Our commitment to a healthy and safe workplace and workforce is implemented via our People Health and Safety Strategy 2022–23 to 2023–24 and our AS/NZS ISO45001 certified *Health and Safety Management System*.

The People Health and Safety Strategy 2022–23 to 2023–24 focuses on four areas to improve health and safety in Icon Water:

1. Leadership – We model behaviours that enable positive people, health and safety outcomes.
2. Culture – We grow skills, capability and behaviours that promote a positive culture.
3. Performance – We have people, services and systems that are user-centric and outcome-driven.
4. Wellbeing – We support our people to develop skills and confidence in effective self-management of their health and wellbeing.

Incidents and injuries

There were 74 health and safety incidents recorded in 2022–23, which is 7.5 per cent lower than the 80 incidents recorded in the previous year. Out of the 74 incidents, 1 was high severity, 20 were medium severity and 53 were low severity.

Three notifiable incidents were reported to WorkSafe ACT, the same as the previous year. All incidents prompted rapid investigation with corrective and preventive actions put into place. We continue to share safety learnings from incidents across the business.

This year there were 18 recordable injuries including 14 Lost Time Injuries, 4 Medical Treatment Injuries and no Restricted Work Duty Injuries. Most of these injuries continued to be low severity musculoskeletal injuries from undertaking manual work. Our Total Recordable Injury Frequency Rate has increased slightly to 24.5.

Good catches

'Good catch' reporting (commonly known as hazard reporting) has improved as the business increased its understanding of the Good Catches Program implemented last year. There were 174 good catches reported this year, a 50 per cent increase compared to the last year. On average, 14 good catches have been reported monthly and this has met our target of higher than 10 reports per month. We addressed and closed 159 good catches this year, which is an increase from 24 good catches closed last year.

Service strikes

There were four service strikes associated with activities being undertaken by Icon Water this year. This has met our target of less than six service strikes a year. A service strike is striking an active underground or overhead utility service that supply electricity, communications, gas, streetlights, water or wastewater.

Health and Safety Management System

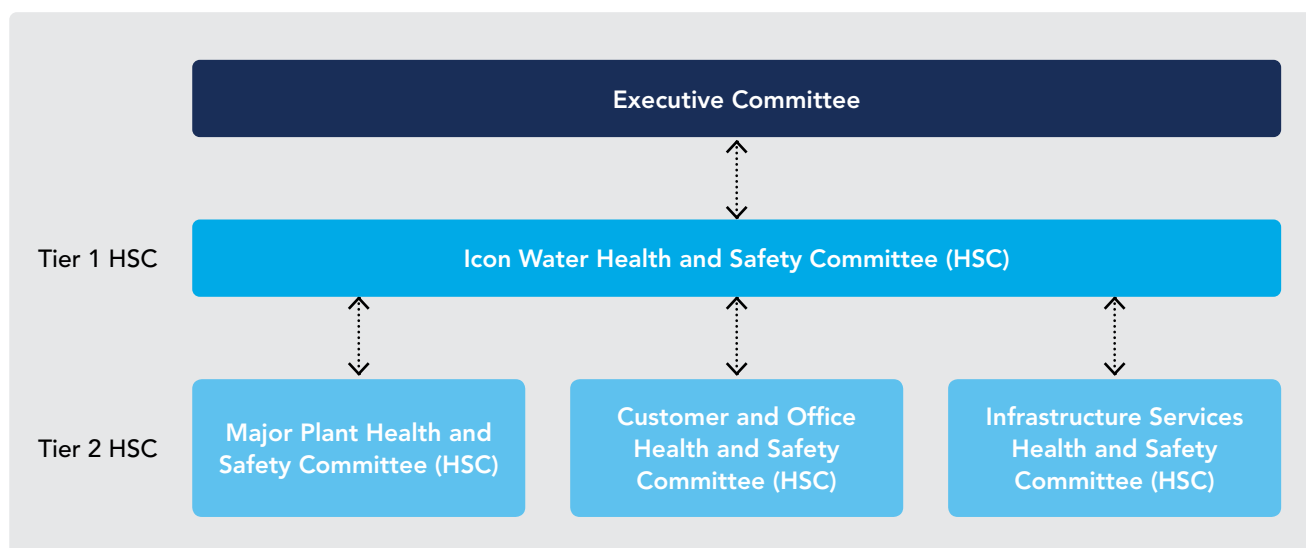
We continued to improve our Health and Safety Management System (HSMS) throughout the year. Our HSMS successfully transitioned to certification to AS/NZS ISO 45001:2018 *Occupational Health and Safety Management Systems*. Certification to this standard ensures we provide safe and healthy workplaces while proactively improving our performance in line with industry best practice. To assist our people to understand the HSMS, we published an Icon Water HSMS Manual following certification.

We improved our Health and Safety Consultation Framework taking into account our workers' views and in consultation with the Joint Consultative Committee which brings together the combined unions that are party to our enterprise agreement and employee representatives. We then updated our Health and Safety Committee (HSC) structure to align with legislative requirements and best practice, including establishing three frontline HSCs and one business-wide HSC (see Figure 6).

These new committees focus on consultation and participation of workers in health and safety management to improve the efficiency and effectiveness of the committees.

This year, we consulted on and introduced our Health and Safety Worker Participation Program. The program summarised how we involve our people in health and safety management and included enabling instructions so staff can more proactively participate. We also introduced additional work groups and Health and Safety Representatives in the office and customer service environments. This has ensured staff from all teams and levels have access to representation in health and safety and can be consulted with effectively.

Figure 6: Icon Water Health and Safety Committee (HSC) Structure



Through the People, Health and Safety Strategy 2022–23 to 2023–24, we also delivered the following improvements on the HSMS across leadership, culture and performance objectives:

- Our Executive Inspection Program was reviewed and broadened to include all Branch Managers. The program has been renamed as ‘Safety Connect Visit’ to focus on dedicated leadership engagement and connection with frontline workers.
- Review of the Just Culture framework and instructions in consultation with key stakeholders to provide action pathways for observed behaviours.
- We continued to provide our flagship behaviour program, ‘Switch On’, to all new starters. We also reviewed feedback from all attendees for future improvement.
- The Good Catch program survey allowed for feedback and reporting trends to improve the program.

Health and Wellbeing Program

Our 2023 Health and Wellbeing Program is a body of work focused on enhancing, maintaining and protecting the health and wellbeing of our workers. It provides the roadmap for meeting the objectives of the broader People, Health and Safety Strategy 2022–23 to 2023–24 regarding wellbeing, as well as contributing to aspects of our leadership, culture and performance objectives. The program has been recognised by the ACT Healthier Work Program at Gold status (see case study on page 33).

This year we:

- Developed and commenced the Icon Water Psychological Health Framework detailing the steps we are undertaking to incorporate the identification and control of psychological hazards and risks into our health and safety systems and practices.
- Redeveloped our Colleague Support Network, an employee-led network that provides on the ground support and guidance across the business.
- Continued to provide onsite and community-based health and fitness resources including onsite physiotherapy, subsidised gym memberships and ergonomic assessments for computer, vehicle and other workspaces.
- Developed a detailed tasks library so we can better manage the risks associated with manual tasks, including being able to place injured workers more quickly into suitable and meaningful roles while they recover.
- Maintained our active social club which provides opportunities for community building and social connection across the business. This includes charity fundraising for local community groups and awareness raising for relevant social and health messaging campaigns.
- Continued our progress on developing a comprehensive five year Disability, Diversity, Access and Inclusion Plan. We are consolidating work done to date to establish a consistent, measurable and evidence-based approach.
- Continued to support the work of our Reconciliation Action Plan Working Group.
- Developed thorough, accessible and transparent processes for all aspects of injury management (early intervention, workers compensation, income protection and wellbeing support) to ensure a smooth transition of injury management services from ActewAGL.
- Continued our oversight of and review into our health monitoring program.
- Developed and published an inhouse health and wellness newsletter promoting relevant information and internal resources to support good health both within and outside of the workplace.
- Review of our fatigue management practices and ongoing work to develop practical and effective guidance material, tools and practices to manage fatigue in the workplace.

CASE STUDY

ACT Government Healthier Work Program

Healthier Work (act.gov.au) is a recognition and resources scheme for ACT workplaces to promote health and wellbeing across the ACT. Icon Water had previously been awarded Silver recognition in 2019. Our new Health and Wellbeing Program is structured around three pillars of workplace health: health promotion; injury prevention; and responding to incidents (including early intervention, injury management, rehabilitation and return to work), and three domains of human wellbeing: physical; psychological; and sociocultural. This framework encompasses activities that are both proposed and underway and is a comprehensive but cohesive suite of activities with a clear purpose – a happy healthy workforce.

Once this program was endorsed by our Executive, we resubmitted ourselves to the ACT Government Healthier Work Program for review.



Under a revised set of criteria in the new Healthier Work Program, we are thrilled to have received Gold level recognition for our approach and initiatives in supporting the health and wellbeing of our people. This recognition emphasises the value of having a structured and visible Health and Wellbeing Program that

ensures a holistic and evidence-based approach to promoting health for Icon Water employees.

Participation in the Healthier Work Program also gives us access to resources and supports to ensure our ongoing best practice for employee health and wellbeing.



STRATEGIC OBJECTIVE

ENHANCE CUSTOMER AND COMMUNITY ENGAGEMENT



STRATEGIC PRIORITY: STRATEGIC CUSTOMER AND COMMUNITY ENGAGEMENT

We are committed to delivering quality products and services that our customers and community value.

This commitment is reflected in our strategic objective to enhance customer and community engagement.

We care about what our customers think, and we show this by listening to understand customer needs and seeking their feedback on our services and planning. We consider the voice of the customer when we make decisions and improve our services, and we actively participate as a member of our community to foster a culture where we all care for water.

During 2022–23, we received over 80,000 customer calls (including faults and emergencies, accounts and general enquiries).

We are committed to appropriate quality assurance, consistency in billing practices, and clear and helpful communication across every channel.

A survey of 300 residential households and 200 businesses indicated that 90 per cent of our customers are satisfied with our services. Our drinking water continues to be highly regarded with 91 per cent of our customers satisfied with the quality.

Let's Talk Water and Wastewater

Our Let's Talk Water and Wastewater engagement activities are designed to inform our strategic priorities and investment decisions and support a deeper understanding of our customers.

We have engaged through multiple channels including surveys, focus groups, deep dive deliberative processes and panels.

Our customers have told us they have clear expectations and priorities for how we plan and invest in the future. Water security, environmental sustainability, maintaining quality, maintaining long-term affordability and being more visible in the community are the key areas of focus for our customers.

Our 2022–23 engagement program sought engagement from the community and stakeholders for two significant projects for our primary wastewater treatment plant, Lower Molonglo Water Quality Control Centre (LMWQCC).

This year, engagement has been conducted over two phases. The first phase included a Citizen Panel with participants representing all segments and demographics, an Environmental Panel with representatives from various environmental groups, and an Expert Panel – a group of eight experts and academics in the water cycle, the environment and meteorology.

The second phase of engagement included a community survey and presentations to various Community Councils.

We have continued to promote Let's Talk Water and Wastewater across available external forums to increase the number of people it reaches. We are also sharing insights with our partners to identify mutual areas of interest and responsibility.

Community engagement

Our external education and community support programs are an integral component of our vision 'to be a valued partner in our community'.

We inform and educate the community about our services for two primary reasons:

- To encourage behaviour change by highlighting the impacts (financial, environmental and safety) of individual behaviours on our network services.

- To increase water and wastewater literacy by building an understanding of the wastewater network and our water supply catchments, as well as our role as Canberra's water and wastewater utility.

We provide information to the community and where possible direct access to specific infrastructure particularly through schools, tertiary institutions and community organisations. We also share information to the community via our website and social media channels including Facebook, Twitter, Instagram, LinkedIn and YouTube.

External education programs

Our education program provides engaging water and wastewater literacy programs to local schools (primary, secondary schools and tertiary students along with industry and community groups). In doing so we are building local knowledge of the ACT and Queanbeyan urban water network including source water, water quality, the water and

wastewater treatment process, catchment management, permanent water conservation measures (PWCMS), and the urban water cycle. Even though our dams have been full this year, it is important that we build ongoing knowledge around PWCMS and long-term, sustainable water use.

Our Free the Poo campaign was developed to build the community's awareness of our wastewater systems. Key messaging for this campaign highlights the impacts of wet wipes, sanitary products and other non-flushable items on the wastewater network when flushed down the toilet. This messaging was illustrated through the Gallery of Gross and the Blockage Busters video series. The campaign incorporates a multifaceted communication strategy including radio, social media, a mobile application game, out of home advertising (bus wraps and messaging in shopping centres), as well as promotion through our community and education partners.

CASE STUDY

External tours programs

This year's hybrid education program incorporated digital webinars and face-to-face sessions in the classroom, and external tours across our major water and wastewater assets. Tours to water and wastewater treatment plants for secondary, tertiary students and industry stakeholders proved popular this year, with 102 site tours delivered to 2,056 participants.

We continued our community tours of the Cotter Pump Station for ACT Heritage Week in April, and welcomed six generations of Garrett Cotter's family (whom the Cotter River is known to be named after), to the Cotter Dam in November 2022 for the bicentennial celebrations of his arrival to the region in 1822.



Our Cotter Dam Discovery Tours (CDDT) and education excursions remain popular for ACT and Queanbeyan primary, secondary students and community groups.

The CDDT location provides opportunity to engage audiences in local water education to deliver multiple consecutive tours and educational activities to larger groups.

Tour programs

Our tour programs resumed in semester one 2023. Guided tours were made available across our major plants including Mount Stromlo Water Treatment Plant, Lower Molonglo Water Quality Control Centre, the Cotter and Googong dams and Googong Water Treatment Plant. We engaged with secondary and tertiary students as well as industry programs across 102 site tours to 2,056 participants.

The Cotter Dam Discovery Trail tour remains popular for ACT and Queanbeyan primary and secondary students and community groups.

These education excursions allow us to engage with larger groups and teach the history of our water supply through engaging education activities.

To ensure these tours are accessible to students of all socio-economic backgrounds, this year we supported six ACT and Queanbeyan schools with a bus subsidy to attend Cotter Dam excursions.

Unlike the dams within the Cotter catchment, the Googong Dam is publicly accessible for limited recreational activities. As the Googong community continues to grow we maintain our focus on protecting the quality of the Googong catchment area. We provide information on acceptable recreation activities to residents of the Googong township and visitors to the area. We also work closely with key stakeholders including ACT Parks and Conservation, the Googong Township Group and Queanbeyan-Palerang Regional Council.

CASE STUDY

STEM event

Icon Water's education program was included as part of ACT STEM education network's STEM science showcase at the Canberra Show in February 2023.

Our Free the Poo video game and our interactive catchment model, provided an engaging experience to over 65,000 children and families who visited the showcase. The three-day event provided the opportunity to engage with the Canberra community and build water and wastewater literacy.

The audience were fascinated with our jar tester display, which shows exactly why some things should not be flushed down the toilet. The demonstration showed how badly various well-known household products like wet wipes, tissues and paper towel break down once they are flushed into the wastewater network compared to toilet paper. Our Gallery of Gross allowed us to share front line images from our crew members who are required to clear avoidable blockages caused by inappropriate items in the wastewater network.



We know that if people understand the impacts of their actions, including risks to their own plumbing, they are more likely to commit to positive behaviour change.

Table 11: Consultations

Project	Consultation Process (tools used)	Groups or Individuals consulted	Approx. number consulted	Outcome
School and community education program	<ul style="list-style-type: none"> Education sessions about urban water cycle, Icon Water assets and treatment processes Digital school presentations Education program newsletter Use of website education materials 	ACT and Queanbeyan primary and secondary schools Tertiary groups – universities, CIT Industry delegates Community groups and individuals ACT Government	145 sessions direct 3,981 pax. 11 STEM education events 63,700 pax. 4 newsletters 43,278 water education web page unique visitors	Increased awareness of our water catchments, the urban water cycle and network Increased understanding of water quality and treatment processes, sustainability, conservation and wastewater drain care Contributed to the study of various tertiary areas of study including STEM, environment, history, geography, plumbing
Community engagement and awareness program	<ul style="list-style-type: none"> Participation at local events such as Floriade Community and Lifeline's Bookfairs Participation in OzWater conference Community group talks Advertising Articles in publications Flyers and brochures Social media Website Media releases 	ACT residents and visitors Interstate water industry operators and local trade community Website and social media users	150,000+	Relationship and awareness building Increased knowledge of services available and importance of individual responsibility in relation to the network (water consumption, drain care etc.)
Brand awareness and engagement	<ul style="list-style-type: none"> Promotion of Icon Water as Canberra's water and wastewater provider through partnerships, media, social media, website, stakeholder and sponsorship engagement 	Customers and community	Website: over 812,840+ unique visits Social media: 962,000 impressions	Relationship building, education, community support and increased brand awareness
Let's Talk Water and Wastewater Strategic Engagement Program	<ul style="list-style-type: none"> Surveys Social media posts and polls Deliberative deep-dive process Presentation to environmental and community groups Icon Water Expert Panel Stakeholder interviews 	Customers and community	Online survey provided by direct email to 98,936 customers. Citizens' panels: 20 community members	Community education on two significant projects for our primary wastewater treatment plant, Lower Molonglo Water Quality Control Centre (LMWQCC). The community informed future approach for communication relating to the projects

CASE STUDY

Water Week, 17–23 October 2022

During Water Week we lifted the lid on Canberra's wastewater network. Our new Virtual Reality (VR) experience gave student attendees to Questacon's Q Lab the chance to virtually enter our sludge holding tank to see first-hand how wet wipes are removed, by hand, from the network. While in the queue, students were kept engaged through watching the graphic VR imagery that was displayed on digital screens.

Our Free the Poo video game was also a popular drawcard for many kids. As were the experiments run by Questacon staff such as a water vortex, density column (demonstrating how water from different densities do not mix), an upside-down water jar and walking water demonstration.

Over the week the combined Questacon and Icon Water teams engaged with over 7,600 visitors including students from 17 school groups, teachers and other visitors.



CASE STUDY

Music by the River

Our sponsorship of Music by the River allowed the Queanbeyan and Canberra community to enjoy a night under the stars like no other – a free, family friendly event and an uplifting experience.

Almost 5,000 people attended the event (believed to be one of the largest crowds ever seen on the banks of the Queanbeyan River).

Crowds were entertained by the Canberra Symphony Orchestra, esteemed conductor George Ellis with his band, and the talented musician and songwriter, Darren

Percival, who delivered Elton John classics, including the ultimate crowd-pleaser 'Rocket Man'.

This event allows Icon Water and the Queanbeyan-Palerang Regional Council to celebrate our long history together, as we close in on 100 years of providing water to the Queanbeyan Community. The free live music performance is presented in partnership by Icon Water, Queanbeyan Palerang Regional Council and the Canberra Symphony Orchestra.





ABORIGINAL AND TORRES STRAIT ISLANDER COMMUNITY ENGAGEMENT

As the ACT's sole drinking water and wastewater provider, we embrace our responsibility to respect the rich Aboriginal culture of the Canberra region, and in particular the land and waterways under our management.

We continue to learn from First Nations people with a connection to the region about traditional water and land management practices.

In our operational work, we understand that Aboriginal heritage items and places exist on land and waterways under our management. Training and procedures continue to be reinforced so staff are empowered to identify and protect items of cultural heritage significance.

When designing and constructing major infrastructure we perform heritage assessments in consultation with representative Aboriginal organisations, where relevant, to avoid and minimise impacts on Aboriginal cultural heritage sites and artefacts.

Our Reflect Reconciliation Action Plan (RAP) recognises that we are in the early stages of our reconciliation journey as we build the necessary foundations for authentic and meaningful reconciliation across our business.

During 2022–23, we progressed several actions in our RAP and continued activities towards our goal of building strong working relationships and engagement with local Aboriginal and Torres Strait Islander groups.

Together with the Upper Murrumbidgee Catchment Network, we supported a Cool Burn at our Williamsdale Offset property attended by ACT Government stakeholders, sustainability groups and local community members.

Ngunnawal Elder Wally Bell shared a very personal and heartfelt Welcome to Country and spent the morning sharing his knowledge about the traditional land-care approach of using fire to selectively burn small areas of vegetation. This was done to control weed growth and encourage new seasonal growth in preferable native grass species.

Attendees had the opportunity to experience the Cool Burn approach first-hand and discuss many of the traditional approaches to caring for country.

This year we continued our sponsorship of the Ngadyung program with Dreamtime Connections through our Community Support Program. The program is rolled out to ten different schools each year and involves an education session on bush tucker plants found in the local area, how to use the plants and the tools traditionally used for hunting and gathering. As part of this program, we also hosted a bush tucker education session for our staff in our established bush tucker garden at our Mitchell office. The garden includes self-watering raised wicking beds containing a range of bush tucker/medicinal plants with sandstone rocks used for seating to form a yarning circle.

We held activities to celebrate Reconciliation Week at both our Lower Molonglo Water Quality Control Centre and our Mitchell office, bringing staff together to learn about the history and cultural significance of Welcome to and Acknowledgement of Country. This year, we also provided funding support to the Belconnen Arts Centre event NAIDOC in the North, through the Community Support Program.

The original artwork designed for our RAP by Ngunnawal, Wiradjuri and Kamilaroi artist, Lynnice Church, represents the three rivers that connect on Ngunnawal Country: the Molonglo, Murrumbidgee and Yass rivers. It now hangs proudly in the foyer at our Mitchell building. Aboriginal and Torres Strait Islander artwork also appears on some of our fleet vehicles.

We continue to participate in the Water Services Association of Australia (WSAA) Reconciliation Community of Practice to share experiences and learnings with industry peers. Senior leaders and employees also had the opportunity to participate in one of 19 Yarning Circles held at the Australian Water Association's national Oz Water event in May this year. Participants were able to listen to indigenous perspectives and share thoughts, reflections and experiences in progressing reconciliation.

We actively acknowledge days and weeks of significance to Aboriginal and Torres Strait Islander peoples on our social media channels and internal communications and encourage the use of Ngunnawal language in greetings and Acknowledgment of Country at events and meetings.





COMMUNITY SUPPORT PROGRAM

We have been part of the Canberra community for more than 100 years, and it is important to us that our support extends beyond water and wastewater services. One of the ways we do this is through our Community Support Program.

Through the program we provide financial and in-kind assistance to local organisations. We focus particularly on supporting organisations that deliver valuable local community support services and programs, as well as activities that encourage community access and participation. Our program is open for community applications in March and April each year. We highlight our partnerships through our website and across our social media channels, as well as through public relations and sponsored media stories.

The program has two primary objectives:

1

To meet the objectives under the *Territory-owned Corporation Act 1990*, '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'.

2

To complement and progress our Business Strategy goals by providing a focused and efficient program to promote our brand and meet our commitment to the community.

The guidelines we use to assess funding applications are published on our website. During 2022–23 we committed \$400,028 to sponsorships and donations through 29 groups, individuals, and organisations.

Table 12: Community support

Organisation – event/donation		2022–23
1	Lifeline – Gala dinner, women of spirit awards and book fairs	\$50,000
2	Questacon – Aquarium exhibit, awareness and education about sustainable water practices	\$40,000
3	Menslink – business breakfast and various campaigns	\$35,000
4	Catchment Studio	\$25,525
5	OzHarvest	\$20,000
6	Dementia Australia	\$20,000
7	Karinya house for mothers and babies	\$15,000
8	Domestic Violence Crisis Support (DVCS) – various campaigns	\$15,000
9	Royal Life Saving ACT – day at the lake/ACT water safety week	\$10,000
10	Kids in Care ACT – Christmas presents for kids in crisis	\$10,000
11	Roundabout Canberra – Sustainable recycling	\$9,090
12	Dreamtime Connections – Ngadyung program	\$7,000
13	Canberra Special Kids Christmas Party – Christmas party for kids with disabilities	\$6,363
14	ACT Chief Ministers Inclusion Awards	\$5,000
15	Belconnen Arts NAIDOC week	\$4,000
16	Focus ACT – one + one ball	\$3,200
17	Every Chance – Sports registrations	\$3,200
18	Tennis ACT – Canberra Girls get Active event	\$3,000
19	2XX – radio landcare program	\$1,650
20	The Salvation Army	\$1,000
21	The CBR GALS	\$1,000
Total		\$285,028

Table 13: Community inclusion

Organisation – event/donation		2022–23
1	Canberra Symphony Orchestra – Music by the River with QPRC	\$40,000
2	Rise Above Capital Regional Cancer Relief – Cancer Convoy	\$20,000
Total		\$60,000

Table 14: Affiliated industry partner

Organisation – event/donation		2022–23
1	Master Plumbers Association – awards nights and Icon Water community excellence award	\$20,000
2	Southern ACT Catchment Group	\$12,000
3	Ginninderra Catchment Group – Frog Watch Program (schools' education)	\$10,000
4	Molonglo Conservation Group	\$5,000
5	Australian Water Association – ACT Water Matters conference, Leaders dinner	\$5,000
6	Conservation Council ACT – World Environment Day dinner	\$3,000
Total		\$55,000



STRATEGIC OBJECTIVE

DELIVER SUSTAINABLE VALUE FOR OUR
COMMUNITY AND SHAREHOLDERS



STRATEGIC PRIORITY: SUSTAINABILITY

Sustainability is at the heart of what we do. Under this priority, we focused on building resilience to climate change, reducing our emissions and contributing to a regenerative circular economy.

Managing greenhouse gas emissions and adapting to climate change

We continued to work on actions that reduce greenhouse gas (GHG) emissions in our eMission Possible Plan on our pathway to net zero by 2045 and shared lessons learnt through OzWater'23 and Next Water'23 conference presentations.

We progressed actions in the third year of our Climate Change Adaption Plan. We established a replacement five-year Climate Change Adaptation Plan – sustaining resilience – that uses the latest modelling data and consideration of cascading impacts consistent with the Intergovernmental Panel on Climate Change Assessment Report 6.

We continued our fugitive GHG emissions project, monitoring and measuring our nitrous oxide emissions at LMWQCC, our greatest generator of greenhouse gas emissions. More information on this is provided as a case study in our research, development and innovation section on page 49. This information will help us review our net zero pathway, particularly in terms of identifying possible mitigation measures to explore.

Our renewable energy systems (our solar photovoltaic arrays and mini-hydros) provided four per cent of all electricity used on our sites. As part of our net zero pathway we transitioned 25 per cent of the grid

electricity used at our main NSW sites to GreenPower™ and we have a strategy in place to increase this by 25 per cent per calendar year.

This year we welcomed the introduction of 100 per cent zero emission battery electric vehicles into our fleet with the acquisition of two Kia Niro electric vehicles. These vehicles form part of our pool fleet where we continue to collect and evaluate data on the effectiveness of zero emissions vehicles for various utility functions. In the second half of this financial year our fleet team have also secured two trials with zero emission vans. We will continue to seek feedback and conduct trials to better understand appropriate fit for purpose design and application for our transition to net zero fleet.

Overall, there was a three per cent reduction in GHG emissions across Icon Water. This was partly due to reductions in the use of natural gas and fuel oil in our LMWQCC furnace and because we were able to reduce the amount of biosolids that were diverted from the furnace for storage onsite.

Managing resources in a circular economy

Contributing to Canberra's circular economy and improving our sustainability is pivotal to our mission to sustain and enhance quality of life. We continued to work on actions in our Circular Economy Plan, which takes a holistic view of the resources we control and the waste we generate.

We considered energy efficiency in all our projects maintaining a steady electricity consumption over the year.

We continued our focus on resource recovery of our waste streams and recycled 79 per cent of our operational waste during 2022–23, including:

- Over 4,860 tonnes of biosolids-derived Agri-Ash was used as a soil conditioner by local farmers. When our heat treatment process for biosolids is disrupted, we need to stockpile and treat onsite for around two years before they can be beneficially re-used. This year, around 930 tonnes of biosolids

were beneficially re-used on agricultural paddocks resulting in diversion of this stream from landfill.

- On the back of a successful waste concrete trial last year wherein concrete, culverts and pipes sorted from excavations were crushed and reused in our internal operations, around 480 tonnes of concrete was crushed this year. This will be reused onsite as laydown area material along with stabilisation fill for supporting pipe works. This has resulted in us procuring less virgin aggregate material for use.
- The amount of solids sent to landfill from our water treatment plants increased slightly from last year. This is possibly due to higher than usual rainfall in certain months leading to higher catchment runoff and thus more turbid water received for treatment. We are continuing to explore reuse options for our water treatment solids which might include use as an ingredient for topsoil, road base or wetland media.

We have reduced the amount of waste sent to landfill by 25 per cent compared to the previous financial year. This is largely because of the significant reduction in the amount of screenings being sent to landfill (an 84 per cent reduction). Last year, we faced maintenance issues with our sludge holding tank as it was nearing its end of life – so to ease the load on the tank the screenings had to be temporarily sent to landfill. This year, as part of our solids handling upgrade project a new sludge holding tank has been commissioned. The new efficient equipment means we can send screenings to the new sludge holding tank with biosolids for heat treatment, to become and be re-used as Agri-Ash.

We have also substantially decreased our business's metered potable water consumption which almost halved this year. This reduction is mainly due to additional monitoring which identified an opportunity to address water lost and reduce usage at the plant. Some of the reduction is also due to the pattern of wet weather and less demand for potable water required onsite.



Table 15: Sustainable development performance

Indicator as at 30 June	Unit	Current	Previous	Percentage change
Stationary energy usage				
Electricity use	Kilowatt hours	34,890,170	34,255,114	+2
Natural gas use (non-transport)	Megajoules	41,824,941	42,179,530	-1
Diesel use (non-transport)	Kilolitres	6.5	9.1	-33
Transport fuel usage				
Battery electric vehicles	Number	2	0	NA
Hydrogen fuel cell electric vehicles	Number	0	0	0
Plug in hybrid electric vehicles	Number	1	1	0
Hybrid electric vehicles	Number	2	0	NA
Internal combustion engine	Number	130	135	-4%
Total number of vehicles	Number	132	135	-2%
Fuel use – Petrol	Kilolitres	8.4	8.2	+2%
Fuel use – Diesel	Kilolitres	319.8	332.1	-4%
Fuel use – Liquid petroleum gas	Kilolitres	0.1	0.1	0
Fuel use – Compressed natural gas	Gigajoules	0	0	0
Water usage				
Water use	Kilolitres	64,628	121,262	-47%
Resource efficiency and waste				
Reams of paper purchased	Reams	475	673	-29%
Recycled content of paper purchased ¹	Percentage	30%	43%	-30%
Waste to landfill ²	Tonnes	2601	3,472	-25%
Co-mingled material recycled ³	Tonnes	2.16	1.56	+38%
Paper and cardboard recycled (incl. secure paper)	Tonnes	13.25	9.97	+33%
Organic material recycled ⁴	Tonnes	0	0	0
Greenhouse gas emissions				
Emissions from natural gas use (non-transport)	Tonnes CO2-e	2,703	2,726	-0.8
Emissions diesel use (non-transport)	Tonnes CO2-e	22	26	-15%
Emissions from transport fuel use	Tonnes CO2-e	1,108	889	+25
Total emissions⁵	Tonnes CO2-e	17,997	18,593	-3%

Additional table notes

- Electricity use includes onsite renewable energy.
- The total electricity use for the previous year has changed from 36,538,578 due to a recalculation once actual data became available.
- This excludes direct water, gas and electricity consumption at the Bunda Street office (where Icon Water occupies one floor of a commercial office building).
- Estimates are provided for 2022–23 resource efficiency and waste data as not all invoicing has been received at the time of data collection.
- Waste to landfill includes general office waste, maintenance waste and treatment plant material disposed of to landfill including alum sludge, screening material and security burial material. Waste to landfill data does not include legacy, project, construction and demolition waste data.
- Total emissions also include fugitive nitrous oxide emissions. Fugitive nitrous oxide emissions have been calculated using the same approach as in previous years for consistency.

1. 30% of paper purchased contained 20% or more recycled content. The decrease in paper purchased during 2022–23 is likely due to digitisation of processes.
2. The reduction in waste to landfill is largely attributed to a significant reduction in the amount of screenings being sent to landfill.
3. The increase in comingled along with paper and cardboard recycling is likely to be due to an increase in staff returning to the office and the addition of new comingled and paper and cardboard facilities introduced in Mitchell office.
4. Organic material (food waste from kitchen) is now being picked up from Mitchell office.
5. Emissions from grid electricity in the ACT have been assumed to be zero. NGERs emissions factors for Scope 2 and National Greenhouse Accounts emissions factors for Scope 3 have been used for NSW grid electricity. These figures exclude methane and furnace stack emissions.

Research, development and innovation

We approach research, development and innovation as enablers of change in areas that support us to deliver our core purpose and essential services and prepare us for strategic challenges in the future.

We provide funding, in-kind support and share scientific understanding with other 'can do' collaborative partners and leading research institutions to solve problems relevant to our community and industry.

Our partners include universities, peer utilities and industry associations such as the Water Services Association of Australia (WSAA) and Water Research Australia (Water RA). These relationships give us access to international projects and knowledge via Cooperative Research Centres (CRCs), the Water Environment Research Foundation, International Water Association, the Smart Water Fund and individual Australian Research Council (ARC) projects. This allows us to influence, drive and leverage projects through collaborative funding models. We are also a member of the Australian Water Association's Australian and New Zealand Biosolids Partnership collaborating on wastewater biosolids and biochar.

In 2022–23, we contributed to the following notable research, development and innovation projects:

- In partnership with the University of Canberra, we continued our focus on eDNA to provide more precise presence and absence data and quicker sampling times for Macquarie perch. We also expanded the *'Environmental DNA (eDNA) techniques for monitoring Macquarie perch translocation'* program to use eDNA to identify carp in farm dams near and upstream of Googong reservoir.
- We initiated a WSAA project with peer utilities and Griffith University to research and develop an industry paper on nutrient trading regimes. The report, *'How a nutrient trading regime can deliver environmental outcomes'*, was released in March 2023. The paper outlines the environmental, social and economic benefits of catchment-scale nutrient offset options for resilient regions and includes Australian and international case studies. The report has initiated discussions between government and catchment groups on the potential application in the ACT region for realising improved catchment condition.
- Two research projects, awarded through the Perpetual Endowment Fund, established with the Australian National University (ANU) to support water sustainability research projects, commenced in 2021–22, and continued through 2022–23:
 - A research project conducting plant growth trials using biochar derived from our biosolids from LMWQCC on wheat and pine seedlings. This involves maximising phosphorus availability from biosolids through the production of biochar.
 - A research project to improve understanding and incorporation of runoff non-recovery in source water models for improved water security.
- We continued and extended our participation in the ARC Nutrients in a Circular Economy (NiCE) Hub. Our participation is centred on investigating the fugitive greenhouse gas emissions of nitrous oxide from wastewater treatment processes, due to the presence of nutrients (nitrogen) in the influent, and how they might be reduced while not jeopardising other environmental outcomes.
- We continued our work on two linked research programs with the University of Queensland, WaterRA and several peer water utilities, assessing ways to effectively monitor and mitigate fugitive greenhouse gas emissions from wastewater treatment processes as part of our net zero commitment (referred to in our Case Study).
- Our bid for \$34.5 million to establish CRC Solving Antimicrobial Resistance in Agribusiness, Food and Environments was successful, with WaterRA the nominated representative on the Research and Commercialisation Committee. This project will enable us to leverage, influence and access research in managing the emerging challenge of antimicrobial resistance. This project is expected to support our approach to both source water catchment protection and our non-potable water, effluent discharge and biosolids-derived products from wastewater treatment.
- We continued resource recovery trial projects. This includes looking at options for wastewater treatment plant solids including blending biosolids with hydromud spoil. This generates a topsoil for reuse on site. A trial to reuse water treatment solids as water wetland media for water quality improvement or potential as road base around lagoons or on Icon Water's tracks was also conducted.

We share our knowledge and expertise through conference presentations, industry papers and publications.

- In 2022–23, we presented on the following around our fugitive greenhouse gas emissions research and development work:
 - At OzWater'23, we co-hosted a panel with Melbourne Water discussing net zero emissions efforts under the ARC NiCE Hub.
 - We presented our nitrous oxide emission monitoring project findings with Associate Professor Liu Ye from the University of Queensland (UQ) at the WSAA Climate Change, Energy and Environment network meeting in November 2023.
 - We presented the results and challenges of the nitrous oxide monitoring project at NextWater in February 2023 with Ms Kaili Li (PhD candidate from UQ).
- We presented at the 2023 ACT Water Matters Conference in June 2023 on three topics: Canberra's water security in a climate change future; How a nutrient trading regime can deliver environmental outcomes; and Balancing water security and environmental biodiversity: a win-win for regional water supply and fish conservation.

- As project coordinator, we opened the online launch of WSAA's Australia Nutrient Offset Report in March 2023 in partnership with the Australian Rivers Institute at Griffith University and water industry peers.
- We attended and presented at a launch event for the Australian Biochar 2030 roadmap in June 2023 focusing on establishing a market for the growing biochar industry.

We continued to participate in various WSAA groups such as the Research Managers Network and Innovation Network, WaterRA forums and W-Lab (the platform for showcasing the latest advances, innovations and international water utility technologies). Our involvement included:

- participation in the Steering Committee for ARC Industrial Transformation Training Centre for Transformation of Australia's Biosolids Resource (ITTC Biosolids) Project 1A – Novel Biosolids, processing routes for next generation, high quality products.
- participation in a joint WSAA Modern Slavery Working Group and the Climate Change, Energy and Environment Network.
- contributing to a multi-utility team in the W-Lab Technical Advisory Group on net zero technologies which is expected to lead to technology trials at various utilities in the near future.

Commissioner for Sustainability and the Environment

We sought input and feedback from the Commissioner for Sustainability and the Environment during the development of our second version of the *Climate Change Adaptation Plan – securing resilience*.

Advice was provided to the Commissioner on the technology selection and intent for further community engagement on the bioreactors secondary wastewater treatment process and biosolids treatment projects at our LMWQCC facility.



STRATEGIC PRIORITY: 2023–28 PRICE REVIEW

The prices that Icon Water can charge for water and wastewater services in the ACT are regulated by the Independent Competition and Regulatory Commission (ICRC).

In May 2018, the ICRC issued its five-yearly price direction, which set the path for Icon Water's prices for the period 1 July 2018 to 30 June 2023. Each year in this period, the ICRC updates the prices to account for actual inflation, government charges, and market factors.

In 2022–23, the annual water and wastewater bills for a typical Canberra household using 200 kL of water per year decreased by 2.2 per cent, roughly 50 cents less per week. The lower prices are primarily due to market factors and reduced payments for the ACT Government's Water Abstraction Charge due to the ACT's lower water consumption in the 2021–22 financial year.

Independent Competition and Regulatory Commission 2023–28 water and wastewater price investigation

The ICRC concluded its 2023–28 water and wastewater price investigation, and in May 2023 issued its five-year price decision, which sets the path for Icon Water for the period 1 July 2023 – 30 June 2028.

The ICRC's final decision considered the investments outlined in our price proposal that are necessary for us to continue providing reliable water and wastewater services to our community. These investments focus on the services our customers told us they value most: reliable water and wastewater services; quality drinking water; affordable pricing; and responsive customer service. At the same time, we will respond to major factors influencing our operating environment, allowing us to proactively make plans for our ageing infrastructure while supporting a growing ACT population and mitigating the effects of climate change. The ICRC's final decision includes approximately \$717 million of

capital investment over the 2023–28 regulatory period.

Our pricing process overview and the full price proposal and submission to the ICRC's draft decision are available at iconwater.com.au/pricing.

The final decision means an increase in the prices our customers pay for water and wastewater services for the next five years. A typical household consuming 200 kL of water per year would see an increase of 6.1 per cent each year. Prices are rising due to recent high inflation and an increase in capital spending. These factors have been partially offset by the growth in Canberra's population and the ability to spread these increased costs across a broader customer base. Each year in the 2023–28 regulatory period, the ICRC will update prices to account for actual inflation, government charges, and market factors.

As part of the price direction for the 2023–28 regulatory period, the ICRC also made a commitment to conduct a review of the sewerage tariffs charged by Icon Water, this will likely occur in the coming years.

STRATEGIC PRIORITY: REVIEW THE CORPORATE SERVICE MODEL

ActewAGL has historically provided corporate and customer services to Icon Water through the Corporate Services Agreement (CSA) and Customer Services and Community Support Agreement (CSCSA).

The CSA expired on 30 June 2023, and following an agreement to extend the transition period, we are now working towards completing transition by 31 December 2024. In preparation for the expiry of the CSA, Icon Water stood up a Transition Program to implement the Board-approved sourcing strategy for those services covered under the former CSA contracts.

In 2021–22, a new Retail Customer Service Agreement (RCSA) with ActewAGL was executed. The RCSA continues services related to meter reading, billing and related customer contact, accounts receivable and credit management. In 2021–22, Icon Water also approached the market and signed contracts with service providers for the delivery and continued operations of ICT services, networks, and the financial information management system.

During 2022–23, we have continued to make progress towards delivering the approved sourcing strategy including engaging new strategic advisory services and an approach to engage a Transition Program Management Office and Systems Integrator service provider to ensure the continued success of the Transition Program.

Whilst we are well positioned to transition a number of corporate services at or shortly after expiry of the CSA, more complex and integrated services will be transitioned in 2024. To support the successful transition of these services a new governance model was developed and implemented to create further efficiencies through greater consistency across all CSA services. This will also increase continuous improvement and strategic benefits through aligning this program to the Digital Strategy. The benefit of this approach is to position the organisation to provide a modern, digital service experience for both employees and customers.

Table 16: Services being transitioned

Corporate Services Agreement	
<ul style="list-style-type: none"> ▪ ICT physical hardware, computer software systems & supporting technical services ▪ Emergency and fault contact centre ▪ Procurement ▪ Warehouse management ▪ Vehicle fleet management ▪ Property management 	<ul style="list-style-type: none"> ▪ Security management ▪ Human resource services ▪ Treasury ▪ Economic regulation affairs and pricing ▪ Tax ▪ Accounts payable ▪ Accounting

STRATEGIC PRIORITY: DIGITAL STRATEGY

To keep pace with the digital world and provide the contemporary service and experience our customers expect, our Digital Strategy 2021–28 remains one of our strategic priorities.

Our Digital Strategy also supports the corporate sourcing strategy, reducing risk and maximising opportunities of the transition from the CSA and CSCSA to new arrangements.

During 2022–23, the second tranche of work under the Digital Strategy commenced delivering outcomes for the business. We also concluded the first Cyber Security Strategy and accompanying roadmap to further improve our cyber-preparedness and ensure our compliance with *Security of Critical Infrastructure Act 2018* obligations.

Throughout 2022–23 we delivered the following upgrades and new capabilities:

- Work and Asset Management System upgrades and enhancements. We have made version upgrades to modules of our works and asset management system to maintain support and take advantage of new features. This included enhancements to support additional work types in the system.

- Modern ways of working. We have adopted modern ways of working and mitigating security risks by implementing the following upgraded Microsoft capabilities:
 - Exchange Online migration – We retired an unsupported platform for managing our email services and migrated all users to Microsoft’s latest offerings via Exchange Online.
 - Office365 and OneDrive migration – We have implemented a simple and secure platform for users to create, store and collaborate on content at the enterprise level. This has also assisted with flexible work arrangements for our staff.
- Noggin upgrade and compliance management system upgrades. We have made upgrades to our incident and compliance management systems, migrating to more secure and flexible versions of these systems.
- Cyber safety campaign. An ongoing program has commenced to improve the knowledge and awareness of our staff in the threats and tactics faced whilst using computer systems. Achieved through the use of an online training platform and a regular communications campaign and pivoting the overall messaging to align with our strong safety heritage.
- Cyber security (identity access management). We established foundational capability for identity and access management across our environments. Key deliverables included reviewing legislative requirements, and then developing a governance framework and the policy and processes that will help us effectively manage identities and access to our environment and managed services.
- Customer management platform implementation. This is a multi-staged project that involves establishing a new platform to improve the user experience for specific customer types including developers, building applicants, and those submitting connection requests and approvals. Later stages of the project will focus on improving customer complaints and liquid trade waste management as part of our essential services.
- Customer complaints system. We have decommissioned our 20 year old customer complaints management system and developed an interim system in readiness to migrate to the new customer management platform.
- Encrypted telemetry network. We have replaced obsolete base stations and radio equipment with contemporary equipment that meets the requirements for communications, monitoring and field operation.

In addition, a Change Management Model and supporting Change Strategy were developed and implemented to improve consistency and standardise our approach to managing the people side of change for projects and initiatives under the Digital Program. To date, the Change Management Model has been applied to over 30 projects, creating opportunity for people across the business to collaborate, engage in continuous conversations, and provide valuable insights to projects so that we can change at pace and be able to sustain business outcomes.

STRATEGIC PRIORITY: DATA GOVERNANCE AND MANAGEMENT

In 2022–23, we developed an enterprise data governance and management framework, a key step in improving our data governance maturity.

The Data Governance Framework was co-designed with the business and with external expertise to ensure we created one that was fit-for-purpose. This included:

1. Discovery. Seek to understanding the data landscape, key stakeholders and business sentiment.
2. Role definition. Define and assign data governance roles and responsibilities, including a data governance committee.
3. Maturity assessment. Assess baseline and target maturity levels for data governance, that are realistic and achievable.

4. Processes and tools. Design Icon Water's Data Governance Framework, and develop templates and process outlines to support the model.

5. Roadmap. Document a clear set of activities to realise data governance objectives and maturity level.

Part of the process included a clear focus on our people, aligning to our Digital Strategy, aligning to the ACT Government's Data Governance and Management Framework and assessing tools which will support our data governance capabilities.

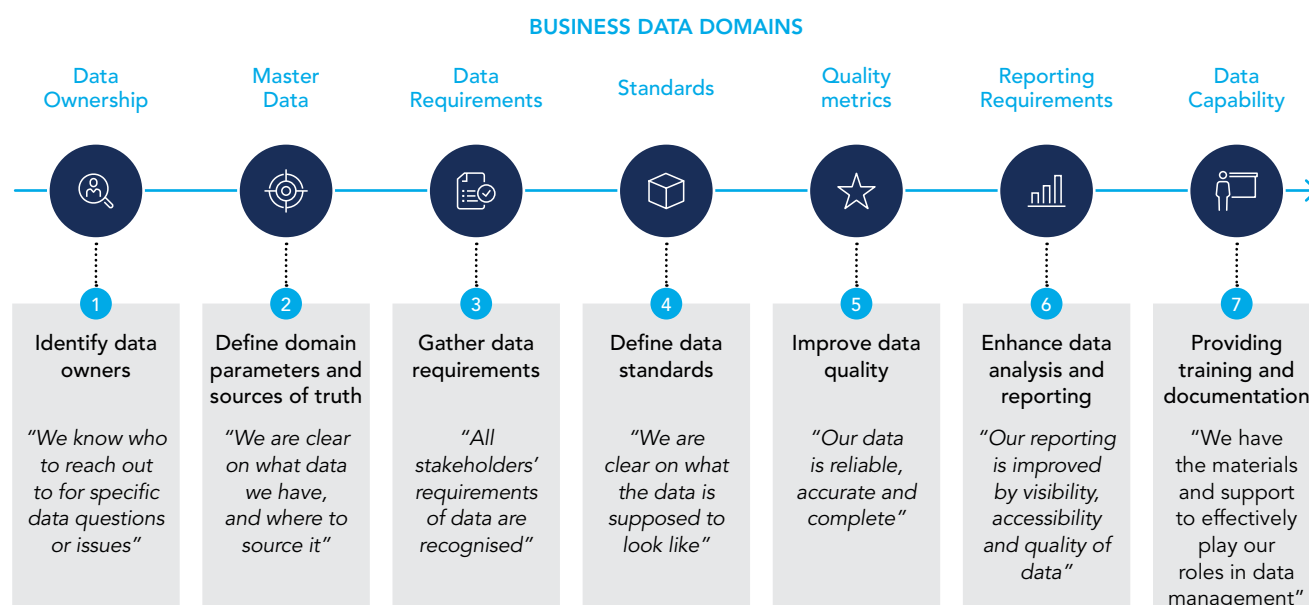
The approved Data Governance Framework is shown in Figure 7.

The Data Governance Framework is aimed to provide a common understanding of data in our organisation, and a consistent structure to manage it. This includes:

- Clarity around the roles and responsibilities for data management, ensuring accountability for all data domains.
- A common set of processes for analysing, improving and maintaining data.
- Communication of expectations for how data should be collected and managed through its lifecycle.

A Data Governance Committee has been established to oversee the implementation of the Data Governance Framework and support the establishment of data governance roles and responsibilities. The framework is being piloted with an initial two domains, with a view to learn, iterate and continue to other rollout thereafter.

Figure 7: Data Governance Framework





STRATEGIC PRIORITY: PLANNING FOR MAJOR END OF LIFE ASSETS

A significant proportion of the ACT's water and wastewater infrastructure was constructed in the 1960s and 1970s.

As our assets age, ongoing operations and maintenance can become more challenging and costly. So we can maintain service levels for our customers, we must continue to prioritise upgrades and modernisation our assets. Our strategic asset management approach ensures that our investments are thoughtfully evaluated to deliver long-term sustainable value to our community.

Asset management

Our Asset Management System (AMS) underpins our ability to provide affordable, resilient and reliable services to the community.

We are committed to continually improving our AMS and asset management capability to align with the international standard AS/NZS55001 and associated supporting standards (see Figure 8). We have made improvements to several of the seven elements of our AMS.

We continued to improve how we plan and deliver assets to provide resilient and reliable services. The focus in 2022–23 has been on continuous improvements in several of the elements of our AMS, as follows:

Organisation and people

We undertook quantitative and qualitative engagement on customer expectations for services, and the balance of pricing, planning and service levels. We used this information to update our targeted service levels and proposed revised service outcomes as part of our 2023–28 price proposal.

Strategy and planning

We have started to implement our Integrated Water Management Program (IWMP) to ensure future investment decisions consider the whole water cycle. The IWMP has been developed from our water, wastewater and non-drinking water service strategies and drought management plan activities.

Governance arrangements have been established to provide oversight and accountability for the IWMP. Priority activities have been identified for 2022–23 to 2023–24 to support informed and timely decisions on our next water source, preferred wastewater system strategic pathways and drought response actions. We are continuing to work closely with the Office of Water, Utilities Technical Regulation and the Environmental Protection Agency on key issues related to water security and wastewater strategic planning.

Asset decision-making

We have reviewed and updated the asset models for our network of water and wastewater pipes. These have been used to estimate future customer service levels under varying levels of interventions and renewals. This has supported our decision-making and allowed us to optimise our intervention programs to optimally balance current customer prices and longer-term service impacts.

Asset creation

We have standardised and improved our asset creation by updating and publishing our asset standards. We have introduced three new standards associated with:

- managing electrical hazards near metallic pipelines
- minimum technical requirements for new reservoirs
- establishing sustainability guidelines for design.

We have also updated existing Icon Water standards and our water network design requirements to reflect updates to technical codes and in response to stakeholder feedback.

These standards work together to ensure that the assets designed and accepted by Icon Water will minimise ongoing service and operating risks and costs, particularly where infrastructure is gifted to us as part of a development.

Maintain and protect

We have reviewed and updated our condition monitoring framework. This includes updating the methods used for condition assessment including vibration monitoring and thermography. This will allow for consistent, modern and systematic application of condition monitoring across all our assets, and early detection and intervention of asset issues, which in turn reduces the number of unplanned outages. Over time this will improve both customer service levels and efficiency.

Operations

We have addressed gaps in our asset data. As many assets were installed prior to modern, computerised information systems, there were some information gaps. We have undertaken site visits and resolved these gaps and provided this information in verified systems of records. This is an ongoing area of focus.

Figure 8: Icon Water's Asset Management System as defined in our Strategic Asset Management Plan



CAPITAL WORKS

In 2022–23, Icon Water invested \$67.9 million in capital works to grow and improve our water and wastewater networks to meet future demand and protect the natural environment.

Most significantly we have continued a major program of works at the Lower Molonglo Water Quality Control Centre (LMWQCC).

LMWQCC, our primary sewage treatment plant, was constructed in the 1970s.

Now in its sixth decade, significant components of the plant have needed to be replaced due to age, increasing risk of failure, cost to maintain, and to continue to meet environmental regulations.

In 2022–23, we continued or completed the following major projects:



High voltage asset renewal

This project will address reliability issues related to ageing electrical infrastructure.

Extensive early procurement of long lead time items is complete. Construction work is progressing well on site with excavation activities associated with the installation of a new electrical ring main, which will provide redundancy of power supply at the plant.

\$47.6m

Estimated total project value

Anticipated construction period:
FY22-FY24



Solids handling

This project had multiple parts including furnace and exhaust upgrades, screening and ventilation upgrades, centrifuge replacement and a new sludge holding tank. The project delivered a more reliable and consistent solids feed to the furnaces, improving its efficiency.

All projects have been completed.

\$102.0m

Estimated total project value

Construction period:
FY17-FY23



Tertiary filters and disinfection upgrade

This project involved renewal of the tertiary treatment filtration system. These assets had not had a major renewal since installation in the late 1970s.

This project has been completed.

\$42.6m

Estimated total project value

Construction period:
FY19-FY23

Other capital works projects



Belconnen trunk sewer upgrades

Wastewater from Belconnen and Gungahlin is collected and conveyed via the Belconnen trunk sewer to the Ginninderra sewer tunnel and then to LMWQCC for treatment.

The Belconnen trunk sewer was constructed in the 1960s and increased capacity was needed to meet current and future population growth. As well as improving capacity, the network will be upgraded to include extra ventilation and odour control units to protect new and existing infrastructure and improve the amenity of existing and future communities.

Construction has progressed in 2022–23 with completion of the trunk sewer and the first of the Odour Control Units (OCUs). Completion of the remaining OCUs and project commissioning will continue into 2023–24.

\$34.1m

Estimated total project value

Anticipated construction period:
FY21-FY24



Cotter Pump Station upgrade

The Cotter Pump Station supplies raw water from either the Cotter Dam or the Murrumbidgee River to Stromlo Water Treatment Plant. Access to this water supply is reliant on the pump station.

The upgrade will ensure the ongoing reliability of this ageing asset which is critical to water security.

The project involves constructing a new building, plus two new pumps, a high voltage switch room and supply and discharge manifolds. The new pump station will provide redundant pumping capacity and allow for decommissioning of the historic Cotter Pump Station (Cotter WPS No.1).

Detailed design is completed, and construction will commence early 2023–24 with construction completion expected in 2024–25.

\$26.0m

Estimated total project value

Anticipated construction period:
FY23-FY24



Water meter upgrades

Our annual water meter and service upgrade program continued in 2022–23.

We replaced 10,390 meters in the planned replacement program (9,727 small and 663 large meters). In addition, there were 395 reactive meter replacements to rectify meters that had failed.

1,584 new meters (small and large) were issued for new building development projects.

The total number of meters replaced and issued was 12,369 which is a 48 per cent increase from the previous year, largely due to the shortfall in the previous year as a result of COVID-19 impacts. Of the total, 84 per cent were planned, three per cent were reactive and 13 per cent were new meters issued.

\$18.5m

Estimated total project value

Ongoing program



O'Connor reservoir roof replacement and floor sealing

The O'Connor reservoir, with a capacity of 27.3 ML, was built in 1958 to supply the North Canberra pressure zone. Due to its age, both the roof structure and the floor joints had suffered significant deterioration.

The construction of the O'Connor reservoir roof replacement commenced in 2021–22 with replacement of the roof structure and renewal of the floor joints. Commissioning was completed in 2022–23.

\$7.5m

Total project value

Construction period:
FY22-FY23



LMWQCC biosolids management renewal

The LMWQCC biosolids management renewal project is a renewal-driven upgrade of the biosolids treatment and management infrastructure. The furnaces have been in operation since the 1970s and are nearing their end of nominal service life.

The project business case was endorsed in 2022–23 and the project has moved to the plan stage.

~\$182m

Estimated total project value

Anticipated construction period:
FY25-FY28



LMWQCC secondary treatment bioreactors

The LMWQCC Secondary Treatment Bioreactors project is proposed to address the region's population growth by augmenting the secondary treatment bioreactor capacity to accommodate ACT population projections.

The project business case was endorsed in 2022–23 and the project has moved to the plan stage.

~\$290m

Estimated total project value

Anticipated construction period:
FY26-FY30



CORPORATE
GOVERNANCE AND
ACCOUNTABILITY



THE BOARD

At 30 June 2023, the Icon Water Board comprised eight Directors: seven non-Executive Directors and the Managing Director. The Voting Shareholders determine the terms of appointment and remuneration of the non-Executive Directors.

Procedures for the appointment of Directors are outlined in the *Territory-owned Corporations Act 1990*, the company's constitution, and Icon Water's internal management system procedures.

In November 2022, we advertised nationally for two non-Executive Director positions that will be vacated in the next reporting period – July and November 2023.

The Board met seven times during the financial year. Details of attendance at Board and Committee meetings are on page 95 in the Financial Reports.

There are two committees of the Icon Water Board: the Risk and Assurance Committee and the Remuneration Committee. At 30 June 2023, the Risk and Assurance Committee consisted of three Directors and met four times during the financial year. The Board Remuneration Committee consisted of all Directors and met once.

The Risk and Assurance Committee members are Carol Lilley (Chair), Brett Tucker (member – part year), Helen Locher (member) and Peter Dennis (member – part year).

At 30 June 2023 all eight Directors sat on the subsidiary Boards of each of Icon Retail Investments Limited and Icon Distribution Investments Limited. Further details on their Board membership and Director attendance is provided within the Financial Reports.

Our Directors' profiles for this reporting period are outlined below:



WENDY CAIRD

Chair
MAICD

Wendy Caird was first appointed to the Icon Water Board in December 2009, was appointed as Acting Deputy Chair of the Icon Water Board from July 2013, Deputy Chair in March 2014, then Chair from March 2017. Ms Caird's appointment term was extended in March 2020 when she was reappointed as Chair of the Icon Water Board due to her extensive knowledge of Icon Water's business and experience on the ActewAGL Partnerships Board. Ms Caird is the Chair of Icon Water's Remuneration Committee, Chair of Icon Distribution Investments Limited and Icon Retail Investments Limited and until 31 January 2023, Deputy Chair of the ActewAGL Partnerships Board. She was also Chair of ActewAGL's Safety, Audit and Risk Committee until 2 October 2022.

Ms Caird has held a number of positions with Public Services International (France) including Co-chair Asia Pacific Region (1998–2002), a Member of the Executive Board (1997–2002), Global Director of the Quality Public Services campaign (2002–2006), and a Member of the Global Coordinating Committee of the "Global Call to Action Against Poverty: (Make Poverty History)" campaign (2005–2006).

Ms Caird held a number of executive positions with the Community and Public Sector Union (Australia), including as NSW Branch Secretary and National Secretary.



CAROL LILLEY

Deputy Chair
BCom, CIA, CGAP, FCA, GAICD

Carol Lilley was first appointed to the Icon Water Board in April 2013 and to the boards of Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2017. She is Chair of Icon Water Board's Risk and Assurance Committee and a Member of the Remuneration Committee. Ms Lilley was appointed as Deputy Chair of the Boards of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2017. Ms Lilley's appointment term was extended in October 2020 due to her specialist financial expertise and extensive knowledge of Icon Water's business. Ms Lilley was appointed as a Member of the ActewAGL Partnerships Board in February 2023.

Ms Lilley is a full-time independent board director and Audit Committee Member. She was a Partner of an accounting firm and a financial

statement and internal auditor for nearly 20 years. Her experience is in governance and assurance including financial statement audit, internal audit and project and risk management, with a particular focus on government.

Ms Lilley is currently Chair of the Audit Committee for Transport Canberra and City Services Directorate and she also has various governance roles for Commonwealth Government entities (including as a Member of the Audit & Risk Committees for Services Australia and Chair for the Department of Home Affairs amongst others).

Ms Lilley is a Graduate of the Australian Institute of Company Directors, Fellow of Chartered Accountants Australia and New Zealand, was a registered company auditor and is a certified internal auditor.



RAY HEZKIAL

Managing Director
BEng (Civil), DipPM, MBA, MIEAust,
MAICD

In November 2018 Ray Hezkial was appointed as a Member of the Boards of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited. Mr Hezkial is also a Member of the Icon Water Remuneration Committee. Mr Hezkial was appointed as a Member of the ActewAGL Partnerships Board and the ActewAGL Retail Investments Board in April 2019.

Mr Hezkial joined Icon Water in 2003 and has undertaken multiple roles prior to his appointment as Managing Director in November 2018. In his previous role as General Manager, Infrastructure Services, Mr Hezkial was responsible for managing Icon Water's capital works

program, provision of network operations and all aspects of day to day maintenance relating to the ACT's water and sewer reticulation systems.

Mr Hezkial has a Master of Business Administration, Diploma in Project Management, and Bachelor of Engineering (Civil). Mr Hezkial is a Member of the Institute of Engineers Australia and of the Australian Institute of Company Directors.



BRETT TUCKER

Director
BRurSc, Grad.Cert Accounting and Finance, MAICD, Churchill Fellow

Term concluded 9 July 2023

Brett Tucker was appointed to the Icon Water Board in July 2017. He was a Member of the Icon Water Remuneration Committee, a Director of the Icon Retail Investments Limited Board as well as a Director of the Icon Distribution Investments Limited Board. Mr Tucker was also a Member of the Icon Water Board's Risk and Assurance Committee until April 2023.

Mr Tucker has more than 30 years of professional experience, including Non-Executive Director, Managing Director and Chief Executive roles in public and private sector water and energy utilities.

Mr Tucker currently owns and operates Blackwatch Consulting, a business providing high level strategy, governance and technical advice to government and private sector corporations, industry groups and project teams.

He is a former Director of the Peter Cullen Trust and provides mentoring and coaching support to a number of senior managers and prospective industry leaders.

Mr Tucker holds an Honours Degree in Rural Science and a Graduate Certificate in Accounting and Finance. He was awarded a Churchill Fellowship in 1998 and is a Member of the Australian Institute of Company Directors.



DORTE EKELUND

Director
BURP (Hons), MBA, FPIA, MAICD

Dorte Ekelund was appointed to the Icon Water Board in November 2017. She is a Member of the Icon Water Remuneration Committee, a Director of the Icon Retail Investments Limited Board and a Director of the Icon Distribution Investments Limited Board.

Ms Ekelund is a Commissioner of the Northern Territory Planning Commission, and a Member of the University of Wollongong's SMART Infrastructure Advisory Council.

Ms Ekelund is an urban and regional planner with over 35 years' experience working in strategic and statutory land use and infrastructure planning across all levels of government. She has worked in NSW local government, headed the Federal Government's Major Cities Unit, was Deputy Director-General of the Western Australian Department of Planning and Infrastructure, and a member of the WA Planning Commission. Ms Ekelund has held a number of urban planning roles in the ACT Government,

including as Director-General of the ACT Environment, Planning and Sustainable Development Directorate (2013–2017) where she was responsible for energy and water policy and programs, as well as urban planning.

Ms Ekelund has considerable experience in environmental policies and management, including climate change mitigation and adaptation action. Her experience in energy includes membership of the Council of Australian Governments (COAG) Energy Senior Officials and oversight of significant policy initiatives and investment in renewables which led to the ACT sourcing 100% of its electricity from renewables. Ms Ekelund has also been the ACT member of the Murray-Darling Basin Officials Group.

Ms Ekelund has a Bachelor of Urban and Regional Planning (Class 1 Honours), an MBA, and is an adjunct Professor (Planning) at the University of Canberra. She is a Fellow of the Planning Institute of Australia.



DR HELEN LOCHER

Director
BSc (Earth Science), MEnvSc (Environmental Science),
PhD (Civil Engineering), GAICD

Dr Helen Locher was appointed to the Icon Water Board in May 2020. She is a member of the Icon Water Remuneration Committee and a Director of the Icon Retail Investments Limited Board as well as a Director of the Icon Distribution Investments Limited Board. Dr Locher also sits on the Risk and Assurance Committee. Ms Locher's appointment was extended for a second three-year term in May 2023.

Dr Locher is currently a non-executive director of the Tasmanian Water and Sewerage Corporation (TasWater), and a tribunal member of the Tasmanian Civil and Administrative Tribunal. She has had previous board roles with the Environmental Protection Agency (Tasmania) and the Resource Management and Planning Commission (Tasmania).

Dr Locher has 18 years of experience working in senior roles for Hydro Tasmania, more than 30 years doing international consulting work, and 15 years serving on

boards. She has considerable experience working with the water and energy industries, focused on environmental, social and sustainability challenges arising with major infrastructure development and operations across a variety of contexts. She has worked in more than 30 countries and on all continents, and as an independent consultant has delivered assignments for clients including the World Bank, International Finance Corporation, Asian Development Bank, Mekong River Commission and the International Hydropower Association. Dr Locher has received several international awards recognising her significant contributions to better addressing sustainability issues in the global hydropower sector.

Dr Locher has a Bachelor of Science (Earth Science), a Masters of Environmental Science, a PhD in Civil Engineering, and is a Graduate of the Australian Institute of Company Directors.



PETER DENNIS

Director
B.Eng, M Environmental Studies,
Dip Mgmt, FIEAust, CPEng, NER,
FIE Aust, MAICD

Peter Dennis was appointed to the Icon Water Board in May 2020. He is a member of the Icon Water Remuneration Committee and a Director of the Icon Retail Investments Limited Board as well as a Director of the Icon Distribution Investments Limited Board. Mr Dennis' appointment was extended for a second three year term in May 2023, and he joined the Icon Water Board's Risk and Assurance Committee in June 2023.

Mr Dennis is General Manager of Water for Beca Hunter H20, a Director of the NSW Local Government Procurement Board, and President and Director for the Australian Water Association.

Mr Dennis has over 30 years' water industry experience in Australia and overseas. He has been the Chief Executive Officer of Seqwater (Bulk Water Utility for South East Queensland); Chief Executive Officer of the Armidale Regional Council; as well as holding senior executive roles with Hunter Water Corporation. Peter has extensive experience in all aspects of water utility management including strategy development and execution, customer/community

consultation, operational leadership, regulator engagement, policy development, infrastructure delivery, ongoing asset management and workforce planning.

He has a strong interest in sustainable urban water management and in ensuring the water industry is resilient against the impact of climate variability. He has also been actively involved in supporting our Pacific neighbours to meet the challenges of sustainable water management.

Mr Dennis was included in the Top 100 Most Influential Engineers in Australia (2014 and 2015) and awarded the Newcastle Division of Engineers Australia's 'Professional Engineer of the Year (2009)'.

Mr Dennis has a Bachelor of Engineering in chemical engineering, Masters of Environmental Studies, a postgraduate Diploma of Management, a Corporate Directors Diploma and is an Adjunct Professor in Engineering at the University of Newcastle. He also lectured in environmental process technologies for over 15 years.



JULIE-ANNE SCHAFER

Director
LLB (Hons), ANZIIIF, FAICD

Julie-Anne Schafer was appointed to the Icon Water Board in November 2021 and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited on 15 December 2021. Ms Schafer is also a member of the Icon Water Remuneration Committee. Ms Schafer was appointed as a Member of the ActewAGL Partnerships Board in July 2022 and as Chair of the ActewAGL Safety, Audit and Risk Committee in October 2022.

Ms Schafer has directorship experience in diverse and highly regulated sectors, including financial services, utilities, transport, member services and health.

Ms Schafer is currently a non-executive director of Urban Utilities and Chair of the Audit, Finance and

Risk Committee and member of the Experience and Safety Committee for Urban Utilities. She is also Chair of Peak Services Holdings Pty Ltd, Peak Services Pty Ltd, and Local Buy Pty Ltd. Ms Schafer was previously a partner in Brisbane professional legal service firms, specialising in commercial and insurance matters. She is a former Deputy Chancellor of QUT, President of the Queensland Law Society, and Chair of Queensland's largest mutual.

She is a Fellow of the Australian Institute of Company Directors and has a Bachelor of Laws with Honours. She facilitates in governance and the practice of directorship, risk and strategy, in the Company Director Course, for the Australian Institute of Company Directors.



GEOFFREY BUCHANAN

Director
Assoc DipBus, BBus (with
Distinction), BSc (Hons), MGeogSc

Appointed 10 July 2023

Geoffrey Buchanan was appointed to the Icon Water Board from 10 July 2023 and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited on 30 August 2023.

Mr Buchanan has more than 20 years of community engagement experience on cultural heritage, natural resource management, and energy issues, involving extensive experience working with First Nations communities. In July 2022, he commenced in his current role as Research Fellow at the Centre for Aboriginal Economic Policy Research at the Australian National University, where he had previously worked on community-based and collaborative research projects from 2004–2012. From 2013–2015, he worked in the Native Title Research Unit at the Australian Institute of Aboriginal and Torres Strait Islander Studies with a focus on supporting native title governance by Prescribed Bodies Corporate.

From 2015–2022, Mr Buchanan was a Senior Policy Officer at the ACT Council of Social Service where he led community and consumer

engagement on energy issues as manager of the ACT Energised Consumers Project. In this role he represented ACT community members' and energy consumers' interests on a number of ACT and national committees, including the Independent Competition and Regulatory Commission's Consumer Consultative Committee. Mr Buchanan is the ACT representative on Energy Consumers Australia's Board Reference Committee and the Council on the Ageing's National Energy Advocates group. He remains engaged in the ACT community sector as a Director on the Board of Council on the Ageing ACT (since 2022) and as a member of ACT's Shelter's Executive Committee (since 2023).

Mr Buchanan has an Associate Diploma of Business (Management), a Bachelor of Business (with Distinction) majoring in Management, a Bachelor of Science (Honours) in Australian Environmental Policy and Economics, Indigenous Australian Studies, and Social Policy and Development, and a Masters in Geographical Sciences.

Company Secretary



ALISON PRATT

B.Ec, LLB (Hons), GDLP, GAICD

Alison Pratt, General Counsel, was appointed as the company secretary of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2019, and held the position of alternate company secretary prior to this. Ms Pratt worked in private commercial legal practice in Australia and the United Kingdom before joining Icon Water in 2013.

Her legal experience includes advising clients from both the private and public sectors on corporate governance, property, environment, construction and planning. Ms Pratt holds a Bachelor of Economics, a Bachelor of Laws and a Graduate Diploma in Legal Practice. She is admitted to practice law in the Supreme Court of the ACT and is a Graduate of the Australian Institute of Company Directors.

THE EXECUTIVE



RAY HEZKIAL

Managing Director
BEng (Civil), DipPM, MBA, MIEAust,
MAICD

In November 2018 Ray Hezkial was appointed as a Member of the boards of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited. Mr Hezkial is also a Member of the Icon Water Remuneration Committee. Mr Hezkial was appointed as a Member of the ActewAGL Partnerships Board and the ActewAGL Retail Investments Board in April 2019.

Mr Hezkial joined Icon Water in 2003 and has undertaken multiple roles prior to his appointment as Managing Director in November 2018. In his previous role as General Manager, Infrastructure Services, Mr Hezkial was responsible for managing Icon Water's capital works

program, provision of network operations and all aspects of day-to-day maintenance relating to the ACT's water and sewer reticulation systems.

Mr Hezkial has a Master of Business Administration, Diploma of Project Management, and Bachelor of Engineering (Civil). Mr Hezkial is a Member of the Institute of Engineers Australia and of the Australian Institute of Company Directors.



JOY YAU

Chief Financial Officer
BA (Hons), CA, GAICD

Joy Yau is responsible for the overall financial management, economic regulation, asset management strategy, data governance, and business strategy of Icon Water, including oversight of its investment in ActewAGL. Ms Yau joined Icon Water in 2014 and has over 18 years of professional experience including extensive commercial and strategic financial management roles across the utility, retail and hospitality sectors in Australia and the United Kingdom.

Ms Yau holds a Bachelor of Arts with Honours in Accounting and Management Control, is a Fellow of the Institute of Chartered Accountants in England and Wales, is a member of Chartered Accountants Australia and New Zealand and is a Graduate of the Australian Institute of Company Directors.



DAVINA MCCORMICK

General Manager Customer Engagement
BBus (Dist), MBA, Cert. Public Participation, GAICD

Davina McCormick leads the group responsible for setting the strategic direction and implementing programs that enhance customer and community engagement. Her team delivers operational customer service, communications and engagement, asset information and protection, development services, metering and account management functions that consider the priorities, values and expectations of our customers and community.

She has a diverse range of marketing, service design, customer and stakeholder engagement, project management and strategy skills.

Her experience spans new venture start-ups, global companies and government corporations in a range of sectors including financial services, energy, education and utilities.

Ms McCormick holds a Master of Business Administration, a Bachelor of Business (Marketing and Management), a Certificate in Public Participation from the International Association for Public Participation and is a Graduate of the Australian Institute of Company Directors.



GERARD BRIERLEY

General Manager Infrastructure Services
BE (Civil), GradCert (Economics)

Gerard Brierley leads the Infrastructure Services Group, which is responsible for the operation of our water and wastewater assets for the Canberra community. He is responsible for setting the strategic direction for a large multi-disciplinary team of operational, engineering, maintenance, planning and project delivery professionals.

Mr Brierley has over 15 years of experience in the water and wastewater industry and has led the development and delivery of investment programs within utilities as well as private industry.

His expertise is in leading large, complex infrastructure projects with a particular focus on community and stakeholder liaison.

Mr Brierley holds a Bachelor of Engineering (Civil) and a Graduate Certificate of Economics.



ALISON PRATT

General Counsel
B.Ec, LLB (Hons), GDLP, GAICD

Alison Pratt, General Counsel, was appointed as the company secretary of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2019, and held the position of alternate company secretary prior to this. Ms Pratt worked in private commercial legal practice in Australia and the United Kingdom prior to joining Icon Water in 2013.

Her legal experience includes advising clients from both the private and public sectors on corporate governance, property, environment, construction and planning.

Ms Pratt holds a Bachelor of Economics, a Bachelor of Laws and a Graduate Diploma in Legal Practice. She is admitted to practice law in the Supreme Court of the ACT and is a Graduate of the Australian Institute of Company Directors.



DR TONY POLLOCK

Chief Technology Officer
PhD (Engineering), BEng (Hons), BSc

Dr Tony Pollock is an engineer and a business leader focused on improving business efficiency and customer experience through technology, innovation and digital transformation. He has 20 years' experience in strategic planning, program management, business change, and ICT development and operations in both the public and private sectors.

Before joining Icon Water, Dr Pollock held several senior executive positions in defence and national security, initiating and implementing large scale digital programs and significant operational capability for the Australian Government.

Prior to this, Dr Pollock held a number of roles developing and commercialising emerging technologies across the telecommunications, health and energy sectors.

Dr Pollock holds a PhD in Engineering, a Bachelor of Engineering with Honours, a Bachelor of Science and an Advanced Diploma of Project Management.



MARK MULLIGAN

General Manager People Health and Safety
Masters (Mgmt), Cert IV Training and Assessment

Mark joined Icon Water in 2022 and brings over 30 years' experience in the energy and utilities sector. Mark's areas of expertise include: risk management; workplace training; workforce planning; vendor contract management; and business and strategic planning.

Mark is passionate about accessible and inclusive workplaces and recently chaired the Australian National University's Disability, Access and Inclusion Working Group for over three years prior to joining Icon Water.

Mark holds a Master of Management, a Certificate IV in Training and Assessment, Lead Auditor qualifications and is also an electrician by trade.

BOARD AND SENIOR EXECUTIVE REMUNERATION

The Voting Shareholders determine remuneration for Icon Water Board Directors. Board Committee members and Directors of Icon Distribution Investments Limited and Icon Retail Investments Limited are not separately remunerated. The Board meets as the Remuneration Committee to discuss the remuneration of the Managing Director.

The remuneration framework for determining Senior Executive remuneration includes evaluations of each executive role, conducted by an independent remuneration consultant with specialist expertise in the utilities sector. As part of these evaluations, the independent expert also conducts remuneration benchmarking, which contributes to decision-making on Senior Executive remuneration.

Table 17: Board and Senior Executive remuneration 2022–23

		Short-term employee benefits		Post-employee benefits	Other long-term benefits	Total remuneration \$
		Salary & fees \$	Non-monetary benefits \$	Superannuation ¹ \$	Employee entitlements \$	
Board Directors	Wendy Caird <i>Non-Executive Director, Chair</i>	84,421	564	10,975	-	95,960
	Carol Lilley <i>Non-Executive Director, Deputy Chair</i>	67,540	564	8,780	-	76,884
	Brett Tucker <i>Non-Executive Director</i>	42,179	-	5,483	-	47,662
	Dorte Eklund <i>Non-Executive Director</i>	42,179	-	5,483	-	47,662
	Dr Helen Locher <i>Non-Executive Director</i>	42,179	-	5,483	-	47,662
	Peter Dennis <i>Non-Executive Director</i>	46,813	-	700	-	47,513
	Julie-Anne Schafer <i>Non-Executive Director</i>	42,179	-	5,483	-	47,662
	Total Board Directors remuneration	367,490	1,128	42,387	-	411,005
Senior Executives	Ray Hezkial ² <i>Managing Director</i>	606,201	7,103	27,606	17,117	658,027
	Davina McCormick <i>General Manager Customer Engagement</i>	344,901	3,021	27,606	6,911	382,439
	Joy Yau <i>Chief Financial Officer</i>	374,555	3,823	27,606	11,040	417,024
	Gerard Brierley ² <i>General Manager Infrastructure Services</i>	335,254	3,060	27,606	7,137	373,057
	Alison Pratt ² <i>General Counsel</i>	322,954	3,501	27,606	9,121	363,182
	Dr Tony Pollock <i>Chief Technology Officer</i>	355,088	3,022	27,606	4,698	390,414
	Mark Mulligan ³ <i>General Manager People, Health & Safety</i>	272,611	2,243	22,740	-	297,594
	Total Senior Executive remuneration	2,611,564	25,773	188,376	56,024	2,881,737

¹ Superannuation is calculated on an accrual basis. Superannuation contributions are generally made in accordance with tax concession guidelines. Individual Non-Executive Directors may obtain approval from the Australian Tax Office to be exempt from receiving superannuation contribution payments from Icon Water due to these obligations being met by other employers. Where this occurs, the obligatory superannuation contribution is paid directly to the individual Non-Executive Director as cash and included within their total fees payment.

² Ray Hezkial, Gerard Brierley and Alison Pratt utilised their excess recreation leave balances during this financial year which has been offset from their salary and fees payment.

³ Mark Mulligan commenced employment as General Manager People, Health & Safety on 5 September 2022.



RISK MANAGEMENT

Risk management is a vital function of Icon Water's governance framework and is an enabler of our strategic objectives.

Effective risk management increases the probability of successful outcomes while protecting the community and our business operations.

A key initiative this year was to align our Risk Management Framework (the framework) to the *International Standard on Risk Management ISO 31000:2018*. The framework identifies why we undertake risk management and how we are expected to do so. It integrates risk management practices into governance practices, informal and formal decision-making, business-as-usual and audit activities within our strategic business planning, policy advice and project management.

Other risk activities undertaken in 2022–23:

- Over 100 risk workshops were provided to staff to collaborate in the risk assessment process supporting better decisions about actions to take on risk.
- We delivered training and refresher sessions on risk management, focusing on applying these processes to enhance internal business practices. This training provided a foundation to recognise and understand how managing risk impacts and benefits individuals and the organisation.
- We empowered the business to take greater ownership on risk assessment information drawn from subject matter experts from within the business. This has improved the quality of the information and created a proactive approach to managing risk.
- The introduction of risk champions, which has improved the commitment by risk owners to manage their risks within their own business areas. This has resulted in improved accuracy of risk information and enhanced communication of risk data across the business.
- Enterprise risk reviews were conducted across seven enterprise risk themes and 13 enterprise risks. Key improvements have seen a greater emphasis on the use of strategic 'parent' controls with operational and tactical 'child' controls and the introduction of control effectiveness against critical controls with appointed control owners. The outcomes of the enterprise risk reviews are provided to the Board throughout the year. The revised process saw improvement in broader management inclusion in developing the risk assessments and elevated the enterprise risk information to align with the strategic level of the Board.



ENVIRONMENTAL MANAGEMENT

We are committed to protecting the environment and improving sustainability for our business and our community.

This is articulated through our Sustainability and Environment Policy which is underpinned by our certified Environmental Management System. Through this financial year, we continued to implement a wide range of environmental and sustainability programs and initiatives, achieving legislative compliance and making positive change.

Environmental compliance

Environmental compliance is critical to our business, and we continued to comply with all environmental licences, environmental discharge requirements and legal obligations this year, despite continued challenges from major rainfall events.

We incorporated ecologically sustainable development in decision-making, as required under the *Territory-owned Corporations Act 1990 (ACT)*, through completion of 21 sustainability assessments which consider environmental and social impacts and opportunities in capital infrastructure project planning.

We aligned with our general environmental duty under ACT, NSW and Commonwealth environmental legislation through completion of seven Development Application approvals, four National Capital Authority Works' approvals, four Environmental Significance Opinions, two Nature Conservation

Licences, two Letter of Design Reviews, and one Environmental Protection and Biodiversity Conservation Act Self-Referral for our activities.

Catchments and waterways

Healthy catchments and ecosystems are essential to our work. We conducted inspections of all major reservoirs and water protection zones to ensure the safety of our drinking water supply. These assessments comply with our Source Water Protection Strategy and will inform our formal triennial catchment sanitary survey in 2024.

We have undertaken several environmental programs on our Williamsdale biodiversity offset property, including erosion and sediment control, invasive species management, and riparian area fencing.

These programs help improve the property's environmental condition and demonstrate our commitment to source water protection. We also continued to trial intermittent livestock grazing at our sites to reduce bushfire fuel, better manage invasive weed species, and decrease the cost of maintaining the grounds.

We continue to deliver conservation and rehabilitation programs to help protect threatened species in our water sources. As part of these efforts we have been working

with the University of Canberra to monitor protected fish species in the Cotter catchment using environmental DNA monitoring techniques. We have extended this program to identify carp in farm dams near and upstream of the Googong reservoir. Our ongoing monitoring of Macquarie perch in the Cotter reservoir and Cotter River throughout 2022–23 show adult numbers are stable and the spawning stage has been successful for the sixth consecutive year.

We continued to participate in various catchment management forums and community events to influence source water protection. Through our involvement in the ACT and Region Catchment Management Coordination Group we continued assistance in the implementation of relevant actions in the *ACT Water Strategy 2014–44* and the *ACT and Region Catchment Strategy*.

CASE STUDY

Innovative fish conservation

On World Environment Day (5 June 2023), we launched our Balancing water security and environmental biodiversity. The publication summarises our efforts to conserve threatened fish populations over the life of the enlarged Cotter Dam. This work has been conducted in partnership with ACT Parks and Conservation Services and the University of Canberra. While it's been almost 10 years since the completion of the Cotter Dam enlargement, we have maintained a constant focus on fish management to ensure the conservation of aquatic species, including several threatened species, in their Cotter reservoir habitats.

This award-winning fish management program comprised 18 research projects, and included regular surveys and long-term aquatic monitoring, and the completion of various construction projects to mitigate the risks of the inundation and provide a more protective environment for these threatened fish populations.

Some of the 18 projects included:

- Building a seven km artificial freshwater rock reef in the inundation zone – a world first – as a substitute for the fringing aquatic plants used by the Macquarie perch to shelter from cormorants.
- Installing fishways (also known as fish ladders) above the dam to open a substantial area in the Cotter River as spawning habitat for the Macquarie perch.
- Salvaging rubbish from the waterways so the area was left in a better state than before we started the project. This included removing ten dumped vehicles from the Cotter River, which were compromising water quality and biodiversity health.
- Installing more than 50 large scale erosion and sediment control structures around the dam, including restoring native vegetation cover, stabilising drainage lines with rocks and limiting activities that cause erosion and sedimentation.
- Preventing disease by removing invasive fish caught between the old Cotter Dam and construction of the new dam wall; establishing strict requirements for all personnel working near or in the water to avoid contamination; and disinfecting the stream bed to kill potential pathogens and the Epizootic Haematopoietic Necrosis virus (known to kill Macquarie perch).
- Monitoring fish populations each year and seeing a healthy and self-sustaining Macquarie perch population thrive with good fish management.

The project proved balancing water security and biodiversity conservation in managed freshwater systems is possible – with effective collaboration.



BUSHFIRE RISK MANAGEMENT

Bushfires pose a potential threat to our operations which is managed through an annual works program, known as the Bushfire Operational Plan (BOP).

These works primarily involve removing vegetation to meet the requirements of the ACT Government's Strategic Bushfire Management Plan and the specific bushfire protection needs of our water and wastewater assets.

The 2022–23 BOP identified 62 hazard reduction works to be completed at major treatment plants, water mains, service reservoirs, pump stations, weather stations, power lines, access roads and other critical assets. All 62 works have been completed in the financial year and an additional 20 sites requiring work outside of the scheduled BOP were completed.

The BOP is approved by the ACT Emergency Services Agency Commissioner, with lists of completed works reported to the Commissioner on a quarterly basis.

The Bureau of Meteorology's forecast of potential impacts for the 2022–23 high risk weather season was used in the review of bushfire scenarios and environmental conditions to assist business preparations.

Several employees were trained in basic wildfire awareness (accredited) and bushfire awareness, which improves staff safety and strengthens interoperability with fire agencies during bushfire response and recovery operations.





RESILIENCE

Icon Water has implemented a holistic resilience program, that incorporates emergency, business continuity, and security functions.

The program includes the preparation of response and recovery plans and related support documentation, training, internal audit and review mechanisms, and an exercise regime that meets the requirements of relevant ACT and NSW legislation and emergency management best practice.

Operationally, the business responded to six emergency incidents and prepared for twelve potentially disruptive events. The number of incidents and events was higher than the average, primarily due to the La Niña climatic conditions.

Eight exercises were conducted over the year, and a number of staff undertook Australasian Inter-Service Incident Management System (AIIMS) training, Liaison Officer training and qualified as AIIMS Level 2 Incident Controllers. The exercise and training program is designed to provide the business with a cadre of qualified and experienced staff who can be appointed as members of an Incident Management Team.

During the reporting period, the Commonwealth Government progressed several critical infrastructure resilience reforms designed to deliver a national uplift in critical infrastructure security. Under the reforms we have developed a Critical Infrastructure Risk Management Program and implemented a cyber-security incident reporting regime. We have also progressed a range of initiatives to enhance our capacity to respond to emerging cyber, personnel, supply chain, physical security challenges, and natural hazard risks.

Icon Water is represented on the ACT Security and Emergency Management Senior Officers Group as required, is a member of the Emergency Plans Review Group; and the ACT Critical Infrastructure Working Group. We also participate in other resilience-related forums across jurisdictions and government.



INTERNAL AUDIT

Icon Water's internal audit function provides independent, objective assurance and consulting to add value and improve our operations.

Internal audit activity is performed in accordance with established internal procedure, which conforms to:

- the *International Standards for the Professional Practice of Internal Auditing*; and
- the requirements of *ISO 19011 for the auditing of management systems*.

Our internal audit strategy is set annually and is supported by our annual internal audit program. The 2022–23 audit program incorporated a broad range of performance and compliance-related internal audits. A key focus was assessing the effectiveness of

several key governance and people related functions including risk management, fraud control, training and development and community support. Compliance reviews relating to water quality, customer and environmental topics were also performed.

Internal audit is responsible for:

- maintaining and continually improving an effective internal audit framework that conforms to relevant best practice principles and standards
- developing and executing a broad, comprehensive program of internal audit activity to evaluate and improve the effectiveness of our risk management, quality (internal) control and governance processes necessary to achieve organisational objectives.

The Risk and Assurance Committee operates as a Committee of the Icon Water Board. The role of the Committee is to provide

independent assurance and advice to the Board on the integrity of Icon Water's internal control and compliance framework. The Committee achieves this through its review and independent advice on matters relating to assurance, risk management and internal control, and financial management. In accordance with our internal audit methodology, we report the following to the Risk and Assurance Committee on an ongoing basis:

- status of audits from the annual internal audit program
- outcomes of all audits contained in the annual internal audit program
- status of implementation of internal audit recommendations.

TERRITORY RECORDS MANAGEMENT

Records Management Program

The Icon Water Records Management Program provides a framework for how we create, manage and dispose of records of business activities. The program was updated to reflect the changes due to the implementation of SharePoint Online and the new Electronic Documents and Records Management System (Records365). The revised program can be viewed on our [website](#).

Records management practices and capabilities

All business records are maintained within a SharePoint Online collaboration site and/or in identified IT systems. These collaboration sites have been integrated with Records365 and are referred to as RecordKeeper sites.

A business classification scheme and records disposal schedules relevant to Icon Water have been identified and implemented in Records365 based on the revised disposal schedules as listed in Table 18.

Recordkeeping maturity assessment

During the reporting period, we completed a recordkeeping maturity assessment, and a copy of the assessment was provided to the Territory Records Office (TRO) on 21 April 2023.

Table 18: Records disposal schedules – implemented

Function	Effective	Year and No.
Business development	2009	NI2009-9
Corporate governance	2009	NI2009-10
Finance and treasury management	2017	NI2017-83
Government and stakeholder relations	2017	NI2017-84
Human resources	2017	NI2017-79
Information and communications technology	2017	NI2017-85
Property equipment and fleet	2017	NI2017-86
Records and information management	2017	NI2017-87
Sewerage management	2014	NI2014-290
Solicitor and legal services	2017	NI2017-88
Strategy and governance	2017	NI2017-89
Water management	2014	NI2014-291



FRAUD PREVENTION

At Icon Water we promote a culture of ethical conduct and are committed to minimising the occurrence of fraud and corruption.

We achieve this by developing, implementing, monitoring and reviewing a range of prevention, detection and response strategies and measures.

Fraud prevention includes regular formal fraud awareness training at induction for all new staff and contractors and regular refresher training for existing staff.

Fraud, corruption and unethical behaviour control practices are also embedded and include appropriate detection measures, transparent and timely investigations and monitoring of implementation of recommendations to reduce the likelihood of future reoccurrence.

The assessment of fraud controls is reviewed annually for effectiveness and opportunities to improve and enhance risk mitigation. This is done in consultation with risk owners, control owners and other stakeholders across Icon Water to improve the education and

awareness of fraud and corruption control.

There have been no reported allegation of internal fraud, corruption or unethical behaviour within the reported period.

There have been 301 instances of alleged unlawful connections to the water network identified in the reporting period which are managed by Icon Water's Metering Services Team. A number of actions are undertaken to reduce and/or rectify these reported cases which can result in water loss, loss of revenue and increased risk of network contamination due to backflow. These include educating plumbers, builders, developers and customers on the correct process to connect to the water network, regular inspections, audits of new construction sites and disconnection of services where applicable.

FREEDOM OF INFORMATION

Icon Water is a company wholly owned by the ACT Government, established under the *Corporations Act 2001*, and is subject to the *Freedom of Information Act 2016* (FOI Act 2016).

Our registered office is in the central business district, is wheelchair accessible and central to public transport. Icon Water's principal place of business is in Mitchell, ACT, and is wheelchair accessible.

We provide phone and online services to communicate with the community, as well as other forms of public interaction and engagement, including sponsorships and customer satisfaction surveys. We also carry out a broad range of education activities with groups in the community (including schools) which demonstrate the value of our services and infrastructure. Information of interest to the public, such as service interruptions, water storage levels, water quality standards, price/service charges, water meters, drain care, sponsorship, water conservation and service obligations outlined in the Consumer Protection Code are available on the [Icon Water website](#).

Icon Water maintains an Integrated Management System (IMS) of documents including policies, procedures, work instructions and forms. Documents in the possession of Icon Water relate to all business and operational activities and are categorised in line with the *Territory Records Act 2002*.

Documents of interest to the public may be available through our website or available under open access information via iconwater.com.au/FOI. Where documents are not available on our website, we may be able to give access to documents without a formal freedom of information request reducing time and potential costs.

General inquiries and requests for access to documents held by Icon Water can be made to:

The Company Secretary
Freedom of Information Requests
Icon Water Limited
GPO Box 366
Canberra ACT 2601

Alternatively, by contacting Icon Water by email via talktous@iconwater.com.au or by phone on 02 6248 3111.

FOI requests 1 July 2022 to 30 June 2023

Icon Water received nine requests for access to documents under section 30 of the *FOI Act 2016* during the reporting period. Four applications were granted with full access to documents. Three applications were partially granted with the removal of personal information, and one application was partially granted with the removal of some information as working internal documents. One application was fully refused as disclosure would have prejudiced business affairs, competitive commercial activities and the business' ability to obtain confidential information.

Three applications were not processed within the standard processing timeframes due to their complexity or receipt over the Christmas period, but all were granted extensions by the applicants. All applications were processed at no cost to the applicants. The documents disclosed in these applications can be found in the FOI disclosure log on Icon Water's website at iconwater.com.au/FOI.

Two applications were made to the ACT Ombudsman under section 74 or to ACAT under section 84 of the *FOI Act 2016*. As at 30 June 2023 the ACT Ombudsman has made no determinations on these.

No applications were received for amendment of personal records under section 59 of the *FOI Act 2016*.

No applications were received to publish open access information.

MODERN SLAVERY

At Icon Water, we are committed to providing a safe workplace free from modern slavery both within Icon Water and in our supply chain.

Modern slavery refers to situations of exploitation or coercion including slavery, servitude, forced labour, human trafficking, debt bondage, forced marriage, child labour and organ trafficking. It can be perpetrated on anyone, regardless of race, age or gender.

We procure a large variety of goods and services from approximately 2,500 suppliers. Despite more than 99 per cent of our suppliers being based in Australia, many of them engage staff and procure products from overseas. In response, we have principles and procurement processes in place that require our suppliers to address the risk of modern slavery in their supply chains.

While we have not identified any instances of modern slavery to date, we have developed tools to address the situation should we become aware of its occurrence within Icon Water or in our supply chain.

We acknowledge that tackling modern slavery requires an ongoing focus and commitment and we are prepared to do so. In 2022–23, our internal modern slavery working group has continued to work through our three-phased approach by having strong policies and publications, training and capacity building, and supply chain due diligence, in which we:

- delivered Icon Water's third Modern Slavery Statement for 2021–22 as required by the *Modern Slavery Act 2018* (Cth)
- reviewed and incorporated anti-modern slavery approaches to our action plan
- worked internally with business units to ensure modern slavery and sustainability is considered and included

in procurements (for all risk profiles), and developed quick reference guides for sustainable procurement

- provided input through Water Services Association of Australia (WSAA) on the Commonwealth Modern Slavery Legislative review
- attended the National Government Modern Slavery Conference 2023
- actively participated in the WSAA Modern Slavery Working Group including the evaluation panel for an industry-wide modern slavery supplier platform to identify modern slavery risks through our tier two supply chain.

We are committed to adapting our approach as we learn from our experience and shared industry knowledge and any changes to legislative requirements.

PUBLIC INTEREST DISCLOSURE

Icon Water complies with public interest disclosure requirements under both ACT and Commonwealth laws. While these laws vary to some extent, they provide for reporting of wrongdoing and for the rights and protection of people who report corrupt, illegal or improper conduct or substantial waste of public resources.

We are committed to upholding core values and ethical and lawful conduct in all aspects of our business. We encourage reporting and are committed to ensuring that people can raise genuine concerns about suspected wrongdoing in a safe and confidential way, without fear of reprisal or detrimental treatment.

Our Whistleblower Policy is published on our website, together with information about how to make a public interest disclosure.

Icon Water manages public interest disclosures in accordance with the *Public Interest Disclosure (Integrity Commission – Managing Disclosures and Conducting Investigations) Guidelines 2021* issued by the ACT Integrity Commissioner.



LEGAL SERVICES DIRECTION

Icon Water is a separate legal entity from the Australian Capital Territory, and we comply with our obligations under the *Law Officers (General) Legal Services Directions 2012 (ACT)* and the *Law Officer (Model Litigant) Guidelines 2010 (ACT)*. In relation to civil claims and litigation, we use the legal services of various external legal firms. These firms are to act in a manner consistent with the Model Litigant Guidelines when performing relevant legal services for Icon Water or its subsidiaries. This is in addition to the professional and ethical duties with which solicitors are required to comply under the *Legal Profession Act 2006 (ACT)*, the *Legal Profession Regulation 2007 (ACT)* and the *Legal Profession (Solicitors) Conduct Rules 2015 (ACT)*.

HUMAN RIGHTS ACT

Icon Water's Code of Conduct and related procedures outline our corporate behaviour standards, including in relation to protecting human rights in accordance with the *Human Rights Act 2004 (ACT)*.

There were no complaints made about Icon Water or its subsidiaries to the ACT Human Rights Commission during the reporting year.

LEGISLATIVE ASSEMBLY COMMITTEE INQUIRIES AND REPORTS

Select Committee on Estimates 2022–23 – Inquiry into the Appropriation Bill 2022-23 and Appropriation (Office of the Legislative Assembly) Bill 2022-23 Report, September 2022

Recommendation No. and Summary	Action	Status
<p>Recommendation 34 Icon Water examine the reasons for the MIB contamination to supply long-term high-quality drinking water.</p> <p>Government response Agreed.</p>	<p>There are a number of hypotheses as to why MIB was detected at elevated levels in 2022.</p> <p>We are continuing discussions with the ANU regarding research into MIB occurrence and we are engaging with other utilities and organisations in the water industry who have experienced MIB events.</p> <p>In order to assist with the investigation into the root cause of this unprecedented taste and odour event, we continue to monitor for MIB and geosmin (another common cause of taste and odour complaints in drinking water). Monitoring is being conducted at Bendora and Cotter dams, and at the Stromlo Water Treatment Plant.</p> <p>We will continue to monitor these compounds through winter to obtain a full year's worth of data. This will help us to understand MIB and geosmin prevalence within our dams and to inform water treatment operations.</p> <p>The MIB monitoring results so far show that, following the community taste and odour complaints raised in July 2022, MIB concentrations in Bendora Dam peaked at 19 ng/L in early August 2022. In the subsequent months, MIB concentrations trended downwards to 3-7 ng/L by 14 October 2022.</p> <p>MIB monitoring results from October 2022 through to June 2023 have reduced from an average of 3 ng/L to no detections.</p> <p>Since 10 September 2022, we have not received any further calls from customers about this issue.</p>	In progress
<p>Recommendation 35 Icon Water should provide as part of the recorded message on known issues a pathway option to leave customer feedback.</p> <p>Government Response Agreed in principle.</p>	<p>The new telephony system is scheduled for implementation in late September 2023. The first phase will be a basic upgrade to a more contemporary version of the system. Access to enhanced features such as functionality to provide a pathway option for a customer to leave feedback will possibly be available in a future phase of the upgrade.</p>	In progress

Report No. 8 of the Standing Committee on Public Accounts Inquiry into Annual and Financial reports 2020–21

Recommendation No. and Summary	Action	Status
<p>Recommendation 4 Icon Water provide more detailed data on reliable water supply performance indicator and its target for unplanned interruptions.</p> <p>Government Response Agreed</p>	<p>Icon Water's 2023–24 Business Strategy (Statement of Corporate Intent) includes updated KPIs to align to our Price Proposal, which includes more detail on the reliability performance indicators. The strategy is available on the Icon Water website.</p> <p>Our 2023–24 Annual Report will advise on our performance against these updated KPIs.</p> <p>The updated KPIs include:</p> <ul style="list-style-type: none"> planned work completed on the water network planned work completed on sewer network percentage of connections with >3 water or wastewater interruptions per year percentage of connections with a water or wastewater interruption >6 hours average response time between fault logged and crew onsite Respond to Priority 1¹ activities within 120 mins 	In progress

¹ Priority 1 activity is where a customer is experiencing total loss of water supply; a wastewater overflow to a dwelling or property; or an event causing major property damage, personal injury, public health risk or damage to the environment.

Select Committee on Estimates 2018–19 – Appropriation Bill 2018–2019 and Appropriation (Office of the Legislative Assembly) Bill 2018–2019 Report, July 2018

Recommendation No. and Summary	Action	Status
Recommendation 52 Icon Water should undertake an independent market appraisal of the value of the services provided in the Service Agreements with ActewAGL.	Icon Water continues to implement the corporate services sourcing strategy. Further information on the activities underway to support expiry in 2023 are available on Icon Water's website and on page 56 of this Report.	In progress
Government Response Agreed in principle.		

AUDITOR-GENERAL AND OMBUDSMAN REPORTS

ACT Auditor-General's report 2021–22 Financial Audits Financial Results and Audit Findings Report No. 10/2022

No new audit findings were identified for Icon Water.

Ombudsman Reports

There were no Ombudsman reports relating to Icon Water during 2022–23.

A close-up photograph of a person's hands being washed under a chrome faucet. The hands are covered in white soap suds. Water is flowing from the faucet into a white sink. The background is a plain, light-colored wall.

FINANCIAL REPORTS

FINANCIAL MANAGEMENT ANALYSIS

The following financial information is based on audited Financial Statements for 2022–23 and comparatives for the 2021–22 financial year.

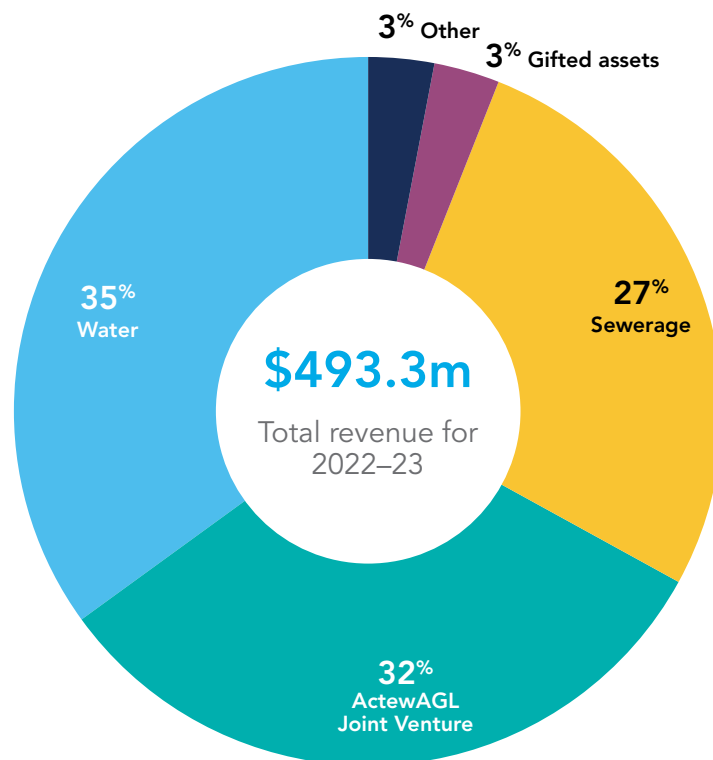
Operating Result

Icon Water recorded a net profit after tax for the year 2022–23 of \$59.7m (2021–22: \$76.0m).

The result was largely driven by an increase in joint venture revenue, offset by reduced revenue related to lower water consumption, and higher operational and financing costs. The increase in joint venture revenue was predominantly attributable to the fluctuation in large-scale feed in tariff recoveries driven by the volatility in average spot price within the Australian wholesale electricity market. The lower water consumption volumes were primarily driven by the continued higher than average rainfall experienced throughout the year.

Total Revenue

During 2022–23 Icon Water derived \$493.3m in revenue and joint venture income. The components of this are depicted in the following graph:

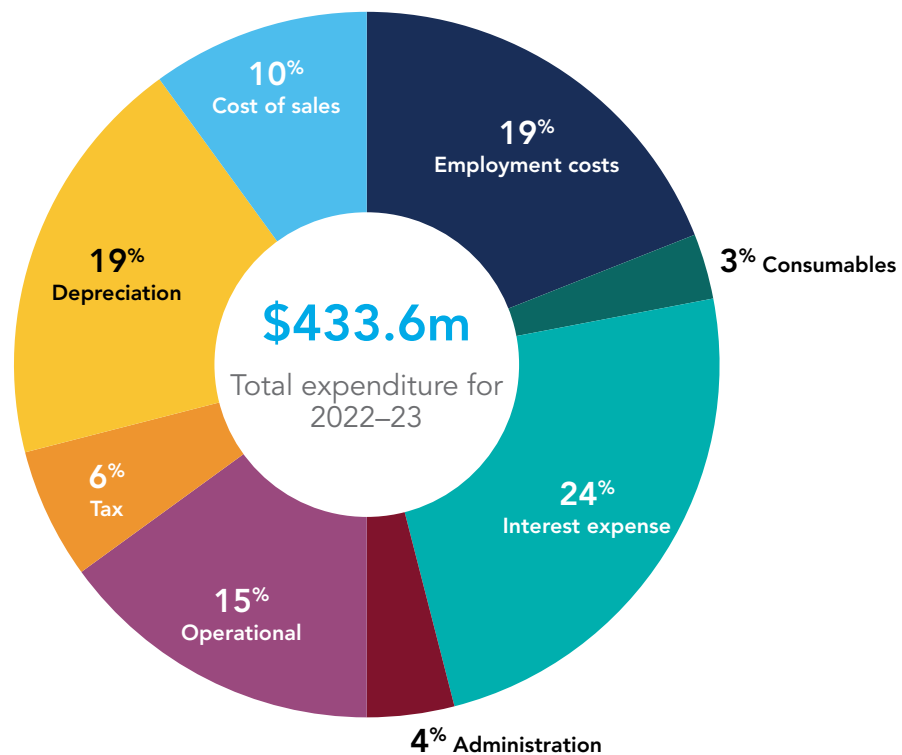


Comparison to 2021–22 Total Revenue

Total revenue of \$493.3m was \$24.9m higher than 2021–22. The primary factor was a \$21.4m increase in joint venture revenue, primarily attributable to the continued effects of large-scale feed in tariff fluctuations, in conjunction with a \$2.5m increase in water revenues suppressed by the continuation of wetter than average weather conditions and an increase of \$1.9m in financing income due to higher cash balances held with higher cash interest rates. This was partially offset by a decrease of \$0.9m in other income being mainly attributable to the \$1.0m fair value loss on the Fyshwick investment property valuation recognised in the current year.

Total Expenditure

During 2022–23 Icon Water incurred \$433.6m in expenditure. The components of this are depicted in the following graph:



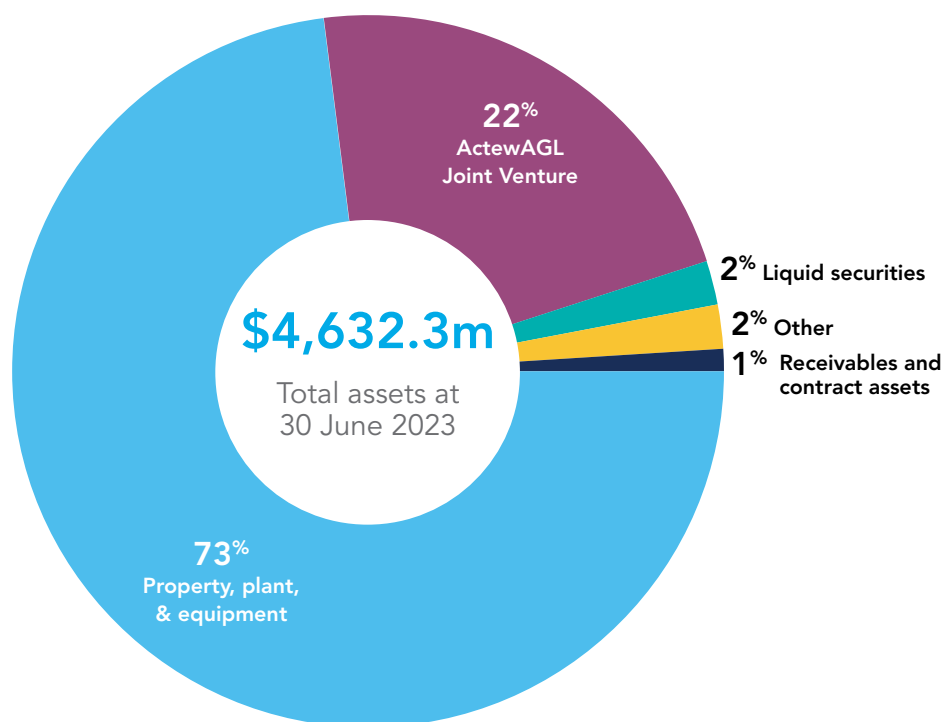
Comparison to 2021–22 Total Expenditure

Total expenditure was \$41.2m higher than 2021–22 mainly due to the following factors:

- Higher financing costs of \$22.2m due to the higher consumer price index which is linked to indexed bonds within the borrowings portfolio;
- Higher operational expenditure of \$26.0m primarily due to expenditure related to the continued investment in upgrading Icon Water's digital platform and operating systems; a combination of annual Enterprise Agreement wage increases and increased employee numbers; expenditure related to the 2023–2028 Regulatory Price Review and higher depreciation, predominantly related to the impact of the upwards revaluation of infrastructure assets recognised over the last two financial periods; and
- Lower income tax equivalents expense of \$6.9m resulting from the corresponding decrease in profit compared to the prior year.

Assets

Icon Water has \$4,632.3m in assets at 30 June 2023. The components are as depicted in the following graph:

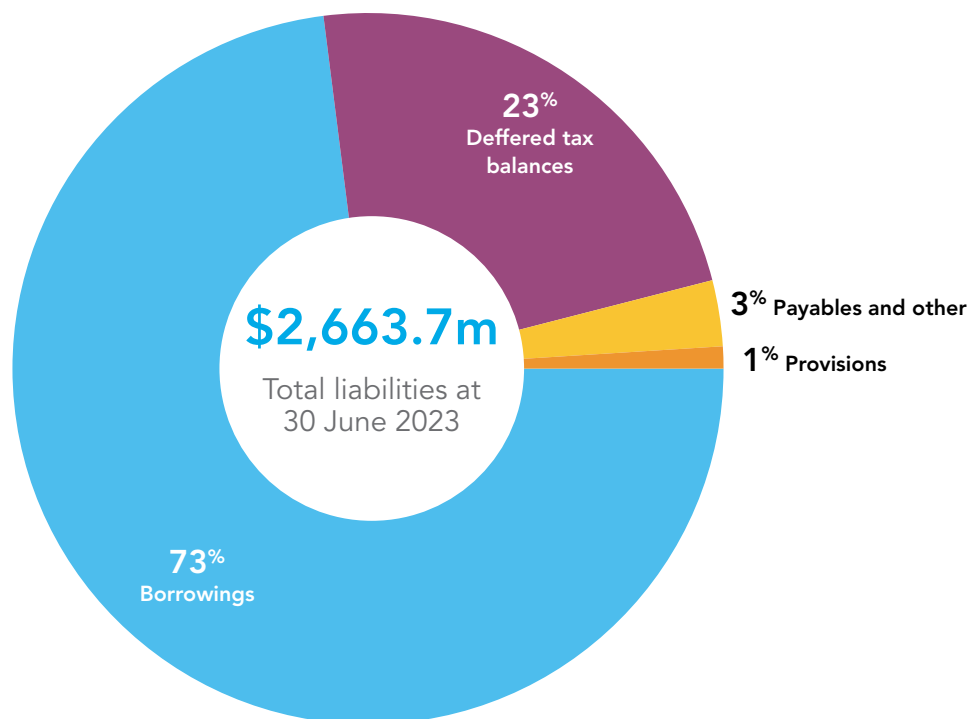


The major components are as follows:

- Property, plant and equipment totalling \$3,382.9m mainly consisting of Icon Water's water and sewerage infrastructure assets; and
- Investment of \$1,042.7m in the ActewAGL Joint Venture partnerships, consisting of two separate businesses, energy retail and distribution.

Liabilities

Icon Water has \$2,663.7m in liabilities. The components are as depicted in the following graph:



The major components are as follows:

- Outstanding borrowings at 30 June 2023 are \$1,937.5m, an increase of \$22.5m this year primarily due to a new medium term note borrowing of \$40m; and
- Deferred tax liability at 30 June 2023 of \$617.4m. This amount is mainly due to the tax effect of revaluation adjustments to the fair value of land and building assets, water and sewerage infrastructure assets and the infrastructure assets held within the investment in ActewAGL Joint Venture partnerships.

Payments to the ACT Government

Payments to the ACT Government during 2022-23 included the payment of the 2021-22 final dividend of \$20.4m and income tax equivalent payments of \$28.6m.

The shareholders of Icon Water maintain a dividend policy of 100% distribution of net profit after tax less gifted asset revenue. During the year ended 30 June 2023, Icon Water formally requested consent for dividend relief in relation to the anticipated fluctuation in the calculation of large-scale feed in tariff recoveries which has arisen from the prevailing spot price volatility within the Australian wholesale electricity market. These recoveries represent a significant component of the share of results that the Group receives from the ActewAGL Joint Venture partnerships and these amounts are subsequently returned or passed on to customers in future years in the form of reduced network charges. The shareholders of Icon Water granted approval on 21 December 2022 for a one-off exemption in relation to its dividend policy for the year ended 30 June 2023.



Icon Water Limited and Controlled Entities

ABN 86 069 381 960

ANNUAL REPORT

For the year ended
30 June 2023

Icon Water Limited and Controlled Entities

ABN 86 069 381 960

Annual Report for the year
ended 30 June 2023

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The financial statements are the consolidated financial statements for Icon Water Limited and its controlled entities. A list of major subsidiaries is disclosed in Note 11. The financial statements are presented in Australian dollars (AUD).

Icon Water Limited is a company limited by shares, incorporated and domiciled in Australia. Its principal registered office is:

Level 5, ActewAGL House
40 Bunda Street
Canberra ACT 2600

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' report on page 7, which does not form part of the financial statements.

The financial statements were authorised for issue on 31 August 2023. The directors have the power to amend and reissue the financial statements.

Directors' report

The directors present their report on the consolidated entity (referred to hereafter as 'the Group' or 'Icon Water'), consisting of Icon Water Limited and its controlled entities for the year ended 30 June 2023.

Directors

The following persons held office as directors of Icon Water during the whole of the financial year and up to the date of this report unless otherwise indicated:

Wendy Caird, Chair

MAICD

Wendy Caird was first appointed to the Icon Water Board in December 2009, was appointed as Acting Deputy Chair of the Icon Water Board from July 2013, Deputy Chair in March 2014, then Chair from March 2017. Ms Caird's appointment term was extended in March 2020 when she was reappointed as Chair of the Icon Water Board due to her extensive knowledge of Icon Water's business and experience on the ActewAGL Partnerships Board. Ms Caird is the Chair of Icon Water's Remuneration Committee, Chair of Icon Distribution Investments Limited and Icon Retail Investments Limited and until 31 January 2023, Deputy Chair of the ActewAGL Partnerships Board. She was also Chair of ActewAGL's Safety, Audit and Risk Committee until 2 October 2022.

Ms Caird has held a number of positions with Public Services International (France) including Co-chair Asia Pacific Region (1998–2002), a Member of the Executive Board (1997–2002), Global Director of the Quality Public Services campaign (2002–2006), and a Member of the Global Coordinating Committee of the "Global Call to Action Against Poverty: (Make Poverty History)" campaign (2005–2006).

Ms Caird held a number of executive positions with the Community and Public Sector Union (Australia), including as NSW Branch Secretary and National Secretary.

Carol Lilley, Deputy Chair

BCom, CIA, CGAP, FCA, GAICD

Carol Lilley was first appointed to the Icon Water Board in April 2013 and to the boards of Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2017. She is Chair of Icon Water Board's Risk and Assurance Committee and a Member of the Remuneration Committee. Ms Lilley was appointed as Deputy Chair of the Boards of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2017. Ms Lilley's appointment term was extended in October 2020 due to her specialist financial expertise and extensive knowledge of Icon Water's business. Ms Lilley was appointed as a Member of the ActewAGL Partnerships Board in February 2023.

Ms Lilley is a full-time independent board director and Audit Committee Member. She was a Partner of an accounting firm and a financial statement and

internal auditor for nearly 20 years. Her experience is in governance and assurance including financial statement audit, internal audit and project and risk management, with a particular focus on government.

Ms Lilley is currently Chair of the Audit Committee for Transport Canberra and City Services Directorate and she also has various governance roles for Commonwealth Government entities (including as a Member of the Audit & Risk Committees for Services Australia and Chair for the Department of Home Affairs amongst others).

Ms Lilley is a Graduate of the Australian Institute of Company Directors, Fellow of Chartered Accountants Australia and New Zealand, was a registered company auditor and is a certified internal auditor.

Directors (continued)

Ray Hezkial, Managing Director

BEng (Civil), DipPM, MBA, MIEAust, MAICD

In November 2018 Ray Hezkial was appointed as a Member of the Boards of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited. Mr Hezkial is also a Member of the Icon Water Remuneration Committee. Mr Hezkial was appointed as a Member of the ActewAGL Partnerships Board and the ActewAGL Retail Investments Board in April 2019.

Mr Hezkial joined Icon Water in 2003 and has undertaken multiple roles prior to his appointment as Managing Director in November 2018. In his

previous role as General Manager, Infrastructure Services, Mr Hezkial was responsible for managing Icon Water's capital works program, provision of network operations and all aspects of day to day maintenance relating to the ACT's water and sewer reticulation systems.

Mr Hezkial has a Master of Business Administration, Diploma in Project Management, and Bachelor of Engineering (Civil). Mr Hezkial is a Member of the Institute of Engineers Australia and of the Australian Institute of Company Directors.

Brett Tucker, Director

BRurSc, Grad.Cert Accounting and Finance, MAICD, Churchill Fellow
Term concluded 9 July 2023

Brett Tucker was appointed to the Icon Water Board in July 2017. He was a Member of the Icon Water Remuneration Committee, a Director of the Icon Retail Investments Limited Board as well as a Director of the Icon Distribution Investments Limited Board. Mr Tucker was also a Member of the Icon Water Board's Risk and Assurance Committee until April 2023.

Mr Tucker has more than 30 years of professional experience, including Non-Executive Director, Managing Director and Chief Executive roles in public and private sector water and energy utilities.

Mr Tucker currently owns and operates Blackwatch Consulting, a business providing high level strategy, governance and technical advice to government and private sector corporations, industry groups and project teams. He is a former Director of the Peter Cullen Trust and provides mentoring and coaching support to a number of senior managers and prospective industry leaders.

Mr Tucker holds an Honours Degree in Rural Science and a Graduate Certificate in Accounting and Finance. He was awarded a Churchill Fellowship in 1998 and is a Member of the Australian Institute of Company Directors.

Directors (continued)

Dorte Ekelund, Director

BURP (Hons), MBA, FPIA, MAICD

Dorte Ekelund was appointed to the Icon Water Board in November 2017. She is a Member of the Icon Water Remuneration Committee, a Director of the Icon Retail Investments Limited Board as well as a Director of the Icon Distribution Investments Limited Board.

Ms Ekelund is a Commissioner of the Northern Territory Planning Commission, and a Member of the University of Wollongong's SMART Infrastructure Advisory Council.

Ms Ekelund is an urban and regional planner with over 35 years' experience working in strategic and statutory land use and infrastructure planning across all levels of government. She has worked in NSW local government, headed the Federal Government's Major Cities Unit, was Deputy Director-General of the Western Australian Department of Planning and Infrastructure, and a member of the WA Planning Commission. Ms Ekelund has held a number of urban planning roles in the ACT Government, including as Director-

General of the ACT Environment, Planning and Sustainable Development Directorate (2013–2017) where she was responsible for energy and water policy and programs, as well as urban planning.

Ms Ekelund has considerable experience in environmental policies and management, including climate change mitigation and adaptation action. Her experience in energy includes membership of the Council of Australian Governments (COAG) Energy Senior Officials and oversight of significant policy initiatives and investment in renewables which led to the ACT sourcing 100% of its electricity from renewables. Ms Ekelund has also been the ACT member of the Murray-Darling Basin Officials Group.

Ms Ekelund has a Bachelor of Urban and Regional Planning (Class 1 Honours), an MBA and is an adjunct Professor (Planning) at the University of Canberra. She is a Fellow of the Planning Institute of Australia.

Dr Helen Locher, Director

BSc (Earth Science), MEnvSc (Environmental Science), PhD (Civil Engineering), GAICD

Dr Helen Locher was appointed to the Icon Water Board in May 2020. She is a member of the Icon Water Remuneration Committee and a Director of the Icon Retail Investments Limited Board as well as a Director of the Icon Distribution Investments Limited Board. Dr Locher also sits on the Risk and Assurance Committee. Ms Locher's appointment was extended for a second three-year term in May 2023.

Dr Locher is currently a non-executive director of the Tasmanian Water and Sewerage Corporation (TasWater), and a tribunal member of the Tasmanian Civil and Administrative Tribunal. She has had previous board roles with the Environmental Protection Agency (Tasmania) and the Resource Management and Planning Commission (Tasmania).

Dr Locher has 18 years of experience working in senior roles for Hydro Tasmania, more than 30 years doing international consulting work, and 15 years

serving on boards. She has considerable experience working with the water and energy industries, focused on environmental, social and sustainability challenges arising with major infrastructure development and operations across a variety of contexts. She has worked in more than 30 countries and on all continents, and as an independent consultant has delivered assignments for clients including the World Bank, International Finance Corporation, Asian Development Bank, Mekong River Commission and the International Hydropower Association. Dr Locher has received several international awards recognising her significant contributions to better addressing sustainability issues in the global hydropower sector.

Dr Locher has a Bachelor of Science (Earth Science), a Masters of Environmental Science, a PhD in Civil Engineering, and is a Graduate of the Australian Institute of Company Directors.

Directors (continued)

Peter Dennis, Director

BEng, M Environmental Studies, Dip Mgmt, FIE Aust, CPEng, NER, Int PE (Aus), MAICD

Peter Dennis was appointed to the Icon Water Board in May 2020. He is a member of the Icon Water Remuneration Committee and a Director of the Icon Retail Investments Limited Board as well as a Director of the Icon Distribution Investments Limited Board. Mr Dennis' appointment was extended for a second three-year term in May 2023, and he joined the Icon Water Board's Risk and Assurance Committee in June 2023.

Mr Dennis is General Manager of Water for Beca Hunter H20, a Director of the NSW Local Government Procurement Board, and President and Director for the Australian Water Association.

Mr Dennis has over 30 years' water industry experience in Australia and overseas. He has been the Chief Executive Officer of Seqwater (Bulk Water Utility for South East Queensland); Chief Executive Officer of the Armidale Regional Council; as well as holding senior executive roles with Hunter Water Corporation. Peter has extensive experience in all aspects of water utility management including strategy development and execution,

customer/community consultation, operational leadership, regulator engagement, policy development, infrastructure delivery, ongoing asset management and workforce planning.

He has a strong interest in sustainable urban water management and in ensuring the water industry is resilient against the impact of climate variability. He has also been actively involved in supporting our Pacific neighbours to meet the challenges of sustainable water management.

Mr Dennis was included in the Top 100 most Influential Engineers in Australia (2014 and 2015) and awarded the Newcastle Division of Engineers Australia 'Professional Engineer of the Year (2009)'.

Mr Dennis has a Bachelor of Engineering in chemical engineering, Masters of Environmental Studies, a postgraduate Diploma of Management, a Corporate Directors Diploma and is an Adjunct Professor in Engineering at the University of Newcastle. He also lectured in Environmental Process Technologies for over 15 years.

Julie-Anne Schafer, Director

LLB (Hons), ANZIIF, FAICD

Appointed 16 November 2021

Julie-Anne Schafer was appointed to the Icon Water Board in November 2021 and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited on 15 December 2021. Ms Schafer is also a member of the Icon Water Remuneration Committee. Ms Schafer was appointed as a Member of the ActewAGL Partnerships Board in July 2022 and as Chair of the ActewAGL Safety, Audit and Risk Committee in October 2022.

Ms Schafer has directorship experience in diverse and highly regulated sectors, including financial services, utilities, transport, member services and health.

Ms Schafer is currently a non-executive director of Urban Utilities and Chair of the Audit, Finance and Risk Committee and member of the Experience and Safety Committee for Urban Utilities. She is also Chair of Peak Services Holdings Pty Ltd, Peak Services Pty Ltd and LocalBuy Pty Ltd.

Ms Schafer is a non-executive member of the Office of the National Rail Safety Regulator and is a member of the board of the Australian Reinsurance Pool Corporation. She is President of the National Competition Council.

Ms Schafer was previously a partner in Brisbane professional legal service firms, specialising in commercial and insurance matters. She is a former Deputy Chancellor of QUT, President of the Queensland Law Society, and Chair of Queensland's largest mutual.

She is a Fellow of the Australian Institute of Company Directors and has a Bachelor of Laws with Honours. She facilitates in Governance and the Practice of Directorship, Risk and Strategy in the Company Director Course, for the Australian Institute of Company Directors.

Directors (continued)

Geoffrey Buchanan, Director

Assoc DipBus, BBus (with Distinction), BSc (Hons), MGeogSc
Appointed 10 July 2023

Geoffrey Buchanan was appointed to the Icon Water Board from 10 July 2023 and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited on 30 August 2023.

Mr Buchanan has more than 20 years of community engagement experience on cultural heritage, natural resource management, and energy issues, involving extensive experience working with First Nations communities. In July 2022, he commenced in his current role as Research Fellow at the Centre for Aboriginal Economic Policy Research at the Australian National University, where he had previously worked on community-based and collaborative research projects from 2004–2012. From 2013–2015, he worked in the Native Title Research Unit at the Australian Institute of Aboriginal and Torres Strait Islander Studies with a focus on supporting native title governance by Prescribed Bodies Corporate.

From 2015–2022, Mr Buchanan was a Senior Policy Officer at the ACT Council of Social Service where he led community and consumer engagement on energy issues as manager of the ACT Energised

Consumers Project. In this role he represented ACT community members' and energy consumers' interests on a number of ACT and national committees, including the Independent Competition and Regulatory Commission's Consumer Consultative Committee. Mr Buchanan is the ACT representative on Energy Consumers Australia's Board Reference Committee and the Council on the Ageing's National Energy Advocates group. He remains engaged in the ACT community sector as a Director on the Board of Council on the Ageing ACT (since 2022) and as a member of ACT Shelter's Executive Committee (since 2023).

Mr Buchanan has an Associate Diploma of Business (Management), a Bachelor of Business (with Distinction) majoring in Management, a Bachelor of Science (Honours) in Australian Environmental Studies majoring in Environmental Policy and Economics, Indigenous Australian Studies, and Social Policy and Development, and a Masters in Geographical Sciences.

Company Secretary

Alison Pratt

B.Ec, LLB (Hons), GDLP, GAICD

Alison Pratt, General Counsel, was appointed as the company secretary of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2019, and held the position of alternate company secretary prior to this. Ms Pratt worked in private commercial legal practice in Australia and the United Kingdom prior to joining Icon Water in 2013.

Her legal experience includes advising clients from both the private and public sectors on corporate governance, property, environment, construction and planning. Ms Pratt holds a Bachelor of Economics, a Bachelor of Laws and a Graduate Diploma in Legal Practice. She is admitted to practice law in the Supreme Court of the ACT and is a Graduate of the Australian Institute of Company Directors.

Meetings of directors

The table below details the number of Board and Committee meetings held and attended by directors during the year ended 30 June 2023.

	Icon Water Board		Risk and Assurance Committee		Remuneration Committee	
	A	B	A	B	A	B
Managing Director						
Ray Hezkial	6	7	-	-	1	1
Non-Executive Directors						
Wendy Caird	7	7	-	-	1	1
Carol Lilley	7	7	4	4	1	1
Brett Tucker	6	7	3	3	1	1
Dorte Ekelund	6	7	-	-	1	1
Dr Helen Locher	7	7	4	4	1	1
Peter Dennis	7	7	1	1	1	1
Julie-Anne Schafer	7	7	-	-	1	1

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the period

Principal activities

Icon Water is an unlisted public company whose primary business is the delivery of water, sewerage and associated services. Icon Water owns and operates the ACT's network of dams, water treatment plants, sewage treatment plants, reservoirs, water and sewage pumping stations, mains and other related infrastructure. Icon Water is owned by the ACT Government and has two voting shareholders, the Chief Minister of the ACT and the Minister for Water, Energy and Emissions Reduction. Icon Water, through its wholly-owned subsidiaries, Icon Distribution Investments Limited and Icon Retail Investments Limited, is also a 50% partner in the ActewAGL Joint Venture.

The ActewAGL Joint Venture consists of two partnerships:

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

The principal activities of Icon Water's subsidiary companies are as follows:

- Icon Distribution Investments Limited - a holding company for Icon Water's interest in the Distribution Partnership of the ActewAGL Joint Venture.
- Icon Retail Investments Limited - a holding company for Icon Water's interest in the Retail Partnership of the ActewAGL Joint Venture.

Review of operations

A summary of the revenue and results is set out below.

	2023 \$'000	2022 \$'000
Revenue from contracts with customers, other income and finance income	336,096	332,567
Share of net profit from ActewAGL partnerships	157,234	135,801
Total revenue and share of net profit from the ActewAGL partnerships	493,330	468,368
Profit before income tax equivalents expense	85,525	108,742
Income tax equivalents expense	(25,840)	(32,731)
Profit for the year	59,685	76,011
Payments to the ACT Government		
Interim dividend for current year profit	-	42,088
Final dividend for previous year profit	20,390	15,072
	20,390	57,160
Income tax equivalents payments	28,553	13,636
Total payments to the ACT Government	48,943	70,796

Dividends

Dividends paid or declared by Icon Water to its owner, the ACT Government during the financial year are set out in note 6 of the consolidated financial statements.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of Icon Water during the year ended 30 June 2023.

Matters subsequent to the end of the financial year

There are no matters or circumstances which have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial periods.

Likely developments and expected results of operations

There are no likely developments that will affect the expected results of operations.

Regulation and licence compliance

Licence to provide water and sewerage services

Icon Water must comply with the obligations set out in the licence to provide water and sewerage services, which was issued by the Independent Competition and Regulatory Commission (ICRC) under the *Utilities Act 2000 (ACT)* on 29 June 2001 (Licence). The Licence requires Icon Water to comply with all applicable laws and the *Utilities Act 2000 (ACT)* (including any regulations, industry codes, technical codes and directions under this Act). Icon Water reports on its compliance with the Licence to the ICRC each year.

During the year ending 30 June 2023, Icon Water reported no material breaches of any applicable law or the Licence, with materiality determined in accordance with the ICRC Material Breach Guideline.

Environmental Regulations

There are two key environmental approvals relevant to operational compliance performance. In accordance with the *Environment Protection Act 1997 (ACT)*, Icon Water is subject to an Environmental Authorisation for water discharges and air emissions from the Lower Molonglo Water Quality Control Centre (LMWQCC). Icon Water is also subject to a New South Wales Environment Protection Licence for water discharge from the Googong Water Treatment Plant in accordance with the *Protection of the Environment (Operations) Act 1997 (NSW)*.

Icon Water holds several other environmental activity approvals, approved management plans and development approval conditions for both operational and project activities that require compliance.

During the financial year, Icon Water materially complied with all requirements in respect to these licences, approvals and associated legislation. There were instances where there were delays in relation to sampling which did not result in infringement notices or fines. There were notifiable incidents, primarily relating to wet weather events causing sewer overflows and controlled releases from the LMWQCC bypass storage dam and stack emission exceedances from LMWQCC. All notifiable incidents were reported to the ACT or NSW Environment Protection Authority (as relevant) and have not resulted in infringement notices or fines. ACT Parks and Conservation Services issued a repair damage direction under the *Nature Conservation Act 2014 (ACT)* regarding erosion caused by operations at Oakey Hill reservoir. Remediation works have been identified and implemented.

Regulation and licence compliance (continued)

Licence to Take Water

Issued by the ACT Environment Protection Authority (EPA) under the *Water Resources Act 2007 (ACT)*, the 'Licence to Take Water' provides for taking of water covered by water access entitlements and the protection of environmental flows. Icon Water provided the 2021-22 annual report to the EPA on 31 October 2022. Icon Water complied with the requirements of the licence throughout 2022-23. Icon Water provided monthly reports to the EPA detailing compliance with the environmental flow requirements.

Drinking Water Utility Licence

Icon Water has a 'Drinking Water Utility Licence' issued by the ACT Health Directorate, which authorises Icon Water to carry on the Operation of Drinking Water Utility under the *Public Health Act 1997 (ACT)*. Icon Water provided water in accordance with the *Australian Drinking Water Guidelines 2011* and provided notification reports to the ACT Health Directorate throughout 2022-23. Icon Water complied with the requirements of the licence throughout 2022-23.

Insurance of officers and directors

During the year, Icon Water paid a premium of \$242,635 (30 June 2022: \$311,667) in respect of a contract insuring the directors and officers of Icon Water Limited and its controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of Icon Water, other than where such liabilities arise out of conduct involving wilful breach of duty by the officers or the improper use by the officers of their position. The policy also applies if a claim is made against directors or officers after they have left the service of Icon Water, where the claim was over events during the directors' Icon Water service.

No claim has been made against the officers and directors insurance policy during the 2022-23 financial year.

Indemnity of officers and directors

Icon Water has indemnified directors and officers of Icon Water and its controlled entities against liabilities and legal costs arising in the course of their duties. This includes as a director appointed by Icon Water or by a subsidiary company of Icon Water to serve on the board of a company or partnership that is part owned directly or indirectly by Icon Water or by a subsidiary company of Icon Water, to the extent permitted by the *Corporations Act 2001*. This indemnity is to operate only where and to the extent that the director or officer is unable to require an insurer to meet the damage, liability, cost, loss or expense.

No liability has arisen under these indemnities as at the date of this report.

Proceedings on behalf of the company

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

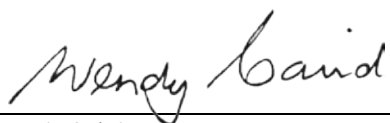
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13.

Rounding of amounts

Icon Water Limited is a company of the kind referred to in Corporations (Rounding in Financial/Directors' reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission (ASIC), relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed for and on behalf of, and in accordance with a resolution of, the Board of directors.



Wendy Caird
Chair

Canberra
31 August 2023



Ray Hezkiel
Managing Director

Canberra
31 August 2023



Carol Lilley
Risk and Assurance Committee, Chair

Canberra
31 August 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly and Icon Water Limited

Opinion

I have audited the consolidated financial report of Icon Water Limited and its Controlled Entities (Group) for the year ended 30 June 2023 which comprises the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, directors' declaration and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes.

In my opinion, the consolidated financial report:

- (i) presents fairly, in all material respects, the Group's consolidated financial position as at 30 June 2023, its consolidated financial performance and consolidated cash flows for the year then ended; and
- (ii) is presented in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial report' section of this report.

I am independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Group for the financial report

The directors of the Group are responsible for:

- preparing and fairly presenting the consolidated financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001*;
- determining the internal controls necessary for the preparation and fair presentation of the consolidated financial so that it is free from material misstatement, whether due to error or fraud; and
- assessing the ability of the Group to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the consolidated financial report.

Auditor's responsibilities for the audit of the consolidated financial report

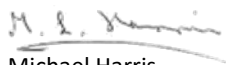
My objective is to obtain reasonable assurance about whether the consolidated financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Group's internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the Group's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the consolidated financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial report, including the disclosures, and whether it represents the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial report.

I communicate with the directors of the Group regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Michael Harris

Auditor-General

5 September 2023

AUDITOR'S INDEPENDENCE DECLARATION

In relation to the audit of the financial report of Icon Water Limited and its Controlled Entities for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

This declaration is in respect of Icon Water Limited and the entities it controlled during the period.



Michael Harris
Auditor-General
5 September 2023

Consolidated statement of profit or loss and other comprehensive income

	Note	2023 \$'000	2022 \$'000
Revenue from contracts with customers	3a	331,714	329,264
Cost of providing goods and services	4b	(302,777)	(276,803)
Other income	4a	2,106	2,952
Operating profit		31,043	55,413
Finance income	4c	2,276	351
Finance costs	4c	(105,028)	(82,823)
Net finance costs		(102,752)	(82,472)
Share of net profit of joint venture partnerships accounted for using the equity method	8c	157,234	135,801
Profit before income tax equivalents expense		85,525	108,742
Income tax equivalents expense	5a	(25,840)	(32,731)
Profit for the year		59,685	76,011
Other comprehensive income			
Revaluation of plant and equipment assets in the ActewAGL investment	8c	(64,684)	(25,563)
Property, plant and equipment revaluation increment	8d	207,894	411,016
Income tax relating to components of other comprehensive income	5a	(42,963)	(115,636)
Items that will not be reclassified subsequently to profit or loss		100,247	269,817
Total comprehensive income for the year		159,932	345,828
Total comprehensive income is attributable to:			
Owners of Icon Water Limited and Controlled Entities		159,932	345,828

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated balance sheet

	Note	2023 \$'000	2022 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	7a	83,898	89,944
Trade and other receivables	7b	32,657	34,148
Contract assets	3b	20,152	19,730
Prepayments	8a	5,260	5,872
Inventories	8b	5,720	4,819
Current tax receivable		1,499	-
Total current assets		149,186	154,513
Non-current assets			
Prepayments	8a	3,772	4,649
Investments accounted for using the equity method	8c	1,042,732	992,182
Property, plant and equipment	8d	3,382,880	3,157,907
Right-of-use assets	8e	3,232	5,050
Investment property	8f	17,750	18,750
Intangible assets	8g	32,748	37,973
Total non-current assets		4,483,114	4,216,511
Total assets		4,632,300	4,371,024
LIABILITIES			
Current liabilities			
Trade and other payables	7c	49,128	52,695
Contract liabilities	3b	9,651	9,412
Lease liabilities	8e	1,616	2,493
Borrowings	7d	99,813	-
Provisions	8h	25,435	44,873
Current tax payable		-	3,734
Total current liabilities		185,643	113,207
Non-current liabilities			
Borrowings	7d	1,837,678	1,854,670
Lease liabilities	8e	1,376	2,546
Provisions	8h	11,529	13,006
Contract liabilities	3b	10,102	7,038
Deferred tax balances	8i	617,418	571,935
Total non-current liabilities		2,478,103	2,449,195
Total liabilities		2,663,746	2,562,402
Net assets		1,968,554	1,808,622
EQUITY			
Share capital	9a	758,871	758,871
Reserves	9b	889,191	788,944
Retained profits		320,492	260,807
Total equity		1,968,554	1,808,622

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		329,923	328,290
Payments to suppliers and employees (inclusive of GST)		(219,657)	(200,039)
		110,266	128,251
Interest received		2,199	307
Income tax equivalents paid		(28,553)	(13,636)
Interest paid		(107,550)	(82,906)
Net cash (outflow)/inflow from operating activities		(23,638)	32,016
Cash flows from investing activities			
Payments for property, plant and equipment		(78,464)	(66,102)
Payments for intangible assets		(4,453)	(2,433)
Proceeds from sale of assets		13	62
Distributions received from joint venture partnership	8c	42,000	86,000
Net cash (outflow)/inflow from investing activities		(40,904)	17,527
Cash flows from financing activities			
Proceeds from borrowings		81,657	20,267
Dividends paid	6	(20,390)	(57,160)
Payment of lease liabilities		(2,771)	(2,828)
Net cash inflow/(outflow) from financing activities		58,496	(39,721)
Net (decrease)/increase in cash and cash equivalents		(6,046)	9,822
Cash and cash equivalents at the beginning of the financial year		89,944	80,122
Cash and cash equivalents at end of the financial year	7a	83,898	89,944

Cash flows are included in the consolidated statement of cash flows on a gross basis. The Goods and Services Tax (GST) component of cash flows arising from investing and financial activities which is recoverable from, or payable to, the Australian Taxation Office (ATO) is classified within operating cash flows.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

	Note	Attributable to the owners of Icon Water Limited and Controlled Entities			Total equity \$'000
		Share capital \$'000	Asset revaluation reserve \$'000	Retained profits \$'000	
Balance at 1 July 2021		758,871	519,127	247,274	1,525,272
Profit for the year		-	-	76,011	76,011
Other comprehensive income		-	269,817	-	269,817
Total comprehensive income for the year		-	269,817	76,011	345,828
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	6	-	-	(62,478)	(62,478)
Balance at 30 June 2022		758,871	788,944	260,807	1,808,622
Balance at 1 July 2022		758,871	788,944	260,807	1,808,622
Profit for the year		-	-	59,685	59,685
Other comprehensive income		-	100,247	-	100,247
Total comprehensive income for the year		-	100,247	59,685	159,932
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	6	-	-	-	-
Balance at 30 June 2023		758,871	889,191	320,492	1,968,554

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the financial statements

How the numbers are calculated

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the entity, including:

- (a) Accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not provide guidance for a particular type of transaction.
- (b) Analysis and sub-totals, including segment information.
- (c) Information about estimates and judgements made in relation to particular items are included in the notes to the financial statements.

- 1. Significant accounting policies
- 2. Segment information
- 3. Revenue from contracts with customers
- 4. Other income and expense items
- 5. Income tax equivalents expense
- 6. Dividends
- 7. Financial assets and liabilities
- 8. Non-financial assets and liabilities
- 9. Equity
- 10. Remuneration of auditors

Group structure

This section provides information which will help users understand how the Group structure affects the financial position and performance of the Group as a whole. In particular, there is information about the Group's interests in joint ventures, which are accounted for as equity accounted investments (refer note 12). A list of significant investments in subsidiaries is provided in note 11.

- 11. Investments in controlled entities
- 12. Interests in joint ventures
- 13. Parent entity financial information

Unrecognised items

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

- 14. Contingencies
- 15. Commitments for expenditure
- 16. Events occurring after the reporting period

Key management personnel and related parties

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

- 17. Key management personnel
- 18. Related party transactions

How the numbers are calculated

1. Significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below and in the relevant notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Icon Water Group is a for-profit entity for the purpose of preparing the financial statements.

(i) *Compliance with Australian Accounting Standards – Simplified Disclosure Requirements*

The consolidated financial statements of the Group comply with Australian Accounting Standards – Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

(ii) *Early adoption of standards*

The directors have not elected under section 334(5) of the *Corporations Act 2001* to early adopt any new Australian Accounting Standard in the current year.

(iii) *New and amended accounting standards adopted by the Group*

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2022 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

(iv) *Impact of accounting standards issued but not yet applied by the Group*

There are certain new accounting standards, amendments to standards and interpretations that have been published, that are not mandatory for the current reporting period and have not been early adopted by the Group. While these remain subject to ongoing assessment, these standards are not expected to have a material impact on the Group or its controlled entities, in the current or future reporting periods and on foreseeable future transactions.

(v) *Historical cost convention*

These financial statements have been prepared on a historical cost basis except those assets and liabilities recognised at fair value including property, plant and equipment, investment properties and carbon credits.

(vi) *Going concern*

The financial statements have been prepared on a going concern basis. At 30 June 2023, current liabilities exceed current assets by \$36.5 million. Included in current liabilities is a medium term note of \$99.8 million maturing in May 2024 which will be refinanced with a long-term borrowing upon expiry using approved borrowing limits held with the ACT Government pursuant to *Treasury Authorisation TI2022/5 – Financial Management (Icon Water Borrowing & Investment Limit) Approval 2022*.

The deficiency in current assets is managed by the Icon Water Group's ability to utilise the authorised borrowing facilities in *Treasury Authorisation TI2022/5* and to generate profits with related cash flows as evidenced by current and prior year results. In the opinion of the directors, the Icon Water Group has adequate resources to continue as a going concern and pay its debts as and when they fall due and payable.

b) Rounding and presentation of amounts

Icon Water Limited is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar. Where applicable, comparative figures have been adjusted to conform to changes in presentation for the current year.

c) Goods and Services Tax (GST)

Revenues, expenses, assets other than receivables, and liabilities other than payables are recognised exclusive of GST. Receivables and payables are stated inclusive of the amount of GST payable and receivable.

d) Impact of climate change related risk

As the ACT region's water and sewerage utility, Icon Water's operations and financial results are affected by weather, rainfall cycles and climate change. Climate change may increase the occurrence of extreme events, such as bushfires, drought, floods and heat waves. These extreme events will have an impact on Icon Water's financial results through changing the demand for water and also increasing operating and capital costs.

Climate change may also cause the ACT region's average temperatures to increase which may result in increased consumption of water (revenue) and a corresponding increase to the operating expenditure to supply that water, especially if dam levels are low. Wetter conditions could result in reduced consumption of water (revenue). The demand for water may also impact the useful life of the water and sewerage infrastructure assets. Potential secondary impacts such as decline in water quality may affect water availability and treatment costs. Climate change may result in additional infrastructure assets being constructed to ensure the ACT region's longer term water security. Potential changes to the demand for water, the useful life of assets and the requirement to enhance existing assets may have an impact on the future price of water charged to the community.

Icon Water has a significant investment in the ActewAGL partnerships which own and/or operate gas and electricity distribution networks, in addition to selling electricity, gas and other services in the ACT and surrounding regions. The ACT Government's response to climate change includes a policy to reduce electricity emissions to zero and achieve carbon neutrality by 2045. This strategy places a strong emphasis on the energy sector to effectively reduce emissions that come directly from electricity and gas assets and develop renewable energy opportunities.

The changes in the prevailing policy environment have been a key consideration in determining the fair value assessment of the plant and equipment assets within the ActewAGL Distribution Partnership as at 30 June 2023. The outcome of the combined quantitative and qualitative assessment determined that the fair value of these assets was below the carrying value held by Icon Water. This has resulted in the recognition of a revaluation decrement of \$64.7 million within the Asset revaluation reserve (2022: \$25.6 million decrement). Refer to note 8c for further information.

However, considerable uncertainty remains as the energy transition is expected to negatively impact gas demand and customer numbers over the longer term, with some related demand uplift for electricity. In the event that network price caps are put in place that limit the ability to recover the full value of the gas regulated asset base in the ActewAGL Distribution Partnership, this will negatively impact the fair value of the gas network unless future changes to current regulatory pricing mechanisms to deal with potential stranded assets and/or access to other forms of recovery through government compensation is accommodated in the medium to longer term. The next five-year regulatory pricing period for gas commencing on 1 July 2026 may consider several responses including accelerated depreciation, decommissioning costs and price caps on increases, which will provide a better view as to modelling the future cashflows of the gas network but considerable uncertainty presently exists with respect to the future regulatory response for gas. This may result in a material change to the estimated cash inflows expected to be received by Icon Distribution from its investment in the ActewAGL Distribution Partnership and the resultant fair value of the gas assets in future periods.

2. Segment information

Description of segments and principal activities

Management has determined the operating segments that are used to make strategic decisions are as follows:

Reportable business segment	Principal activities				
Water	The supply of water services and the owner and operator of the ACT's network of dams, water treatment plants, reservoirs, water mains and other related infrastructure.				
Sewerage	The provision of sewerage services and maintenance of sewage treatment plants within the ACT.				
Investments	The business activities of the controlled entities and investing activities of the parent company.				

	Water \$'000	Sewerage \$'000	Investments ¹ \$'000	Unallocated \$'000	Consolidated \$'000
Year ended 30 June 2023					
Consolidated statement of profit or loss and other comprehensive income					
Sales to external customers including share of net profit of joint venture partnerships	172,724	131,615	157,234	-	461,573
Other revenue	983	1,123	-	2,276	4,382
Commonwealth subvention revenue	-	13,493	-	-	13,493
Gifted assets revenue	9,505	4,377	-	-	13,882
Total segment revenue	183,212	150,608	157,234	2,276	493,330
Interest expense	5,304	12,419	87,305	-	105,028
Segment result before income tax equivalents expense	4,204	9,844	69,201	2,276	85,525
Income tax equivalents expense					25,840
Profit for the year					59,685
Consolidated balance sheet					
Segment assets	2,070,588	1,429,905	1,047,769	84,038	4,632,300
Segment liabilities	405,386	537,151	1,721,209	-	2,663,746
Other					
Acquisition of property, plant and equipment (including gifted assets)	36,560	48,911	-	-	85,471
Acquisition of intangible assets	1,505	1,505	-	-	3,010
Depreciation and amortisation	49,668	33,509	-	-	83,177

¹ Investments include 100% ownership of Icon Retail Investments Limited and Icon Distribution Investments Limited.

2. Segment information (continued)

Year ended 30 June 2022	Water \$'000	Sewerage \$'000	Investments ¹ \$'000	Unallocated \$'000	Consolidated \$'000
Consolidated statement of profit or loss and other comprehensive income					
Sales to external customers including share of net profit of joint venture partnerships	171,589	131,069	135,801	-	438,459
Other revenue	1,480	1,472	-	351	3,303
Commonwealth subvention revenue	1,313	11,819	-	-	13,132
Gifted assets revenue	8,085	5,389	-	-	13,474
Total segment revenue	182,467	149,749	135,801	351	468,368
Interest expense	10,688	13,621	58,514	-	82,823
Segment result before income tax equivalents expense	13,988	17,827	76,576	351	108,742
Income tax equivalents expense					32,731
Profit for the year					76,011
Consolidated balance sheet					
Segment assets	1,999,202	1,284,380	997,434	90,008	4,371,024
Segment liabilities	524,227	586,119	1,452,056	-	2,562,402
Other					
Acquisition of property, plant and equipment (including gifted assets)	32,374	47,826	-	-	80,200
Acquisition of intangible assets	1,187	1,186	-	-	2,373
Depreciation and amortisation	43,415	30,233	-	-	73,648

Accounting policy

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to a segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of receivables, property, plant and equipment, and other assets, net of related allowances.

While most of these assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by segments are allocated based on a reasonable estimate of usage. Segment liabilities consist primarily of trade and other payables and employee benefits.

Operating cash, borrowings, interest expense and interest revenue have not been allocated to segments, as this type of activity is managed by a central treasury function, which manages the cash position of the Group.

¹ Investments include 100% ownership of Icon Retail Investments Limited and Icon Distribution Investments Limited.

3. Revenue from contracts with customers

a) Revenue from contracts with customers

	2023 \$'000	2022 \$'000
Revenue recognised over time		
Water revenue	171,097	169,484
Sewerage revenue	130,617	130,066
Commonwealth subvention revenue	13,493	13,132
	315,207	312,682
Revenue recognised at a point in time		
Gifted assets revenue	13,882	13,474
Other water related revenue	1,931	2,394
Other sewerage related revenue	694	714
	16,507	16,582
Total revenue from contracts with customers	331,714	329,264

Accounting policy

Water and sewerage revenue

Water and sewerage revenue relates to the provision of drinking water and waste water services to customers and is recognised over time as the performance obligation is satisfied, as customers simultaneously receive and use the services provided. The transaction price includes a supply charge and a consumption charge. The prices are set by the regulator and the revenue is billed quarterly and accrued for when unbilled (see critical accounting estimate below). The amount of revenue that Icon Water recognises reflects the right to consideration from customers at an amount that corresponds directly with the value transferred to the customer for the performance completed to date. The Group has elected to use the practical expedient 'right to invoice' available in AASB 15 *Revenue from Contracts with Customers* for these revenues as the Group recognises revenue at the amount for which the Group has the right to invoice the customer. No element of financing is deemed present as the invoices are issued with a credit term of 21 days.

Commonwealth subvention revenue

Icon Water receives a Commonwealth subvention payment for location limitations associated with providing water supply and sewerage services in the ACT as it is an inland location. Icon Water's performance obligation is satisfied over time, consistent with the provision of providing drinking water and waste water services to customers. As revenue is received in equal instalments throughout the year, no element of financing is deemed present.

Gifted assets revenue

Gifted asset revenue is derived from water and sewerage infrastructure assets which are gifted to Icon Water. These assets may include water and sewerage pipes, fittings, hydrants, valves and manholes. Icon Water's performance obligation is to accept the gifted assets and revenue is recognised at the point in time when the Group gains control of the asset. The transaction price used to recognise revenue has been measured as the replacement cost of the asset (refer to note 8d).

Other water and sewerage related revenue

Other water and sewerage related revenue relates to trade waste services and regulated external services provided to customers which are not water and wastewater services. Revenue from these sales is recognised based on the price specified in the contract. Icon Water's performance obligation is met at a point in time when the services have been provided. No element of financing is deemed present as the invoices are issued with a credit term of 21 days or are payable prior to the services being performed.

3. Revenue from contracts with customers (continued)

a) Revenue related to contracts with customers (continued)

Critical Accounting Estimate

Revenue recognition

Icon Water's water revenue includes an estimated accrual for water consumed but not yet billed. This is a regular occurrence at the end of each reporting period. The estimate is calculated by determining unbilled consumption (water consumed for the period less actual billings), applying historical assumptions regarding the tier split of the balance, and then multiplying the unbilled consumption by relevant tier prices. The 30 June 2023 accrual amount was \$16.1 million (30 June 2022: \$15.7 million) and is reflected in note 3b below. Management has determined that it is highly probable that a significant reversal of the accrued revenue will not occur in future periods. This is because Icon Water has satisfied its performance obligation for the accrued revenue, the prices have been set by the regulator and revenue is billed for quarterly.

b) Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	2023 \$'000	2022 \$'000
Current assets		
Net trade receivables (Refer note 7b)	20,198	22,941
Total net trade receivables	20,198	22,941
Current assets		
Accrued revenue relating to water supply contracts	18,779	18,250
Other accrued revenue (i)	1,373	1,480
Total contract assets	20,152	19,730
Current liabilities		
Revenue received in advance relating to water and sewerage supply contracts	9,651	9,412
Total current contract liabilities	9,651	9,412
Non-current liabilities		
Revenue received in advance relating to water and sewerage capital contributions	10,102	7,038
Total non-current contract liabilities	10,102	7,038

(i) Other accrued revenue primarily consists of accrued community service obligations revenue for the June quarter of \$1.3 million (30 June 2022: \$1.3 million).

Accounting policy

A contract asset is recognised in relation to an estimated accrual for water consumed but not yet billed (refer to note 3a). The community service obligation revenue accrual is for water and sewerage services consumed by community service organisations but not yet billed.

A contract liability is recognised in relation to water and sewerage revenue received in advance from customers, where the Group has not yet provided the services.

4. Other income and expense items

This note provides a breakdown of the items included in 'other income', an analysis of expenses by nature and a breakdown of the items included in 'finance income and costs'.

a) Other income

	2023 \$'000	2022 \$'000
Change in fair value of investment property	(1,000)	-
Rental income from investment property	2,297	2,131
Other income	809	821
Total other income	2,106	2,952

b) Breakdown of expenses by nature

	2023 \$'000	2022 \$'000
Operational costs	108,654	106,112
Employment and associated costs	81,940	72,657
Depreciation and amortisation expense	83,177	73,648
Consumables used	12,151	10,535
Other expenses	16,855	13,851
Cost of providing goods and services	302,777	276,803

c) Finance income and costs

	2023 \$'000	2022 \$'000
Finance income		
Interest from financial assets not at fair value through profit or loss	2,276	351
Finance income	2,276	351
Finance costs		
Interest and finance charges paid/payable financial liabilities not at fair value through profit or loss	109,059	85,509
Interest and finance charges paid/payable for lease liabilities	154	249
Provisions: unwinding of discount	39	35
	109,252	85,793
Amount capitalised	(4,224)	(2,970)
Finance costs expensed	105,028	82,823
Net finance costs	102,752	82,472

4. Other income and expense items (continued)

Accounting policy

Finance income

Interest income on financial assets at amortised cost is calculated using the effective interest method (which is the rate that discounts estimated future cash receipts through the expected life of the financial instrument) by applying the effective interest rate to the gross carrying amount of a financial asset.

Total interest income on financial assets that are measured at amortised cost for the year was \$2.3 million (30 June 2022: \$0.4 million).

Finance costs

Borrowing costs incurred for the construction of qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that take a substantial period of time (greater than 12 months) to get ready for their intended use. Icon Water typically has qualifying assets at any given period as part of its capital expenditure program. Other borrowing costs are expensed.

5. Income tax equivalents expense

a) Income tax equivalents expense

	2023 \$'000	2022 \$'000
Current tax		
Income tax equivalents expense recognised in the current year	23,419	24,004
Adjustment to current tax for prior periods (i)	(99)	(2,385)
	23,320	21,619
Deferred tax		
Deferred tax equivalents expense recognised in the current year	2,520	11,112
	2,520	11,112
Income tax equivalents expense	25,840	32,731

(i) Adjustments for prior periods relates to differences between the income tax equivalents expense calculated for financial statement disclosure and the income tax return lodged in the subsequent financial period.

b) Numerical reconciliation of income tax equivalents to prima facie tax payable:

	2023 \$'000	2022 \$'000
Profit before income tax equivalents expense	85,525	108,742
Tax on profit at Australian prima facie tax rate of 30% (2021-22: 30%)	25,658	32,622
Increase/(decrease) in income tax equivalents expense due to:		
Non-assessable dividends	(144)	(144)
Non-assessable income	(43)	-
Non-deductible expenses	225	176
Post-tax share of results from joint venture partnerships	302	157
Adjustments for prior periods	(158)	(79)
Other	-	(1)
Income tax equivalents expense	25,840	32,731

c) Income tax equivalents expense recognised in other comprehensive income:

	2023 \$'000	2022 \$'000
<i>Items that will not be reclassified subsequently to profit and loss</i>		
Deferred tax debited directly to equity (Refer note 8i)	(42,963)	115,636
Income tax equivalents expense relating to components of other comprehensive income	(42,963)	115,636

5. Income tax equivalents expense (continued)

Accounting policy

National Tax Equivalents Regime

Icon Water and its controlled entities are established as a Territory Owned Corporation hence Icon Water and its controlled entities are exempt from Federal income tax. Icon Water is required to make an equivalent payment to the ACT Government as required by the *Taxation (Government Business Enterprises) Act 2003*.

Tax effect accounting procedures are followed whereby the income tax equivalents expense or revenue for the period is the tax payable/receivable on the current period's taxable income based on the National Tax Equivalents Regime. This is adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Tax consolidation legislation

Icon Water and its wholly-owned Australian controlled entities are part of a tax consolidated group formed under tax consolidation legislation. These entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

The subsidiaries have entered into a tax funding agreement under which the wholly-owned entities fully compensate Icon Water for any current tax payable assumed and are compensated by Icon Water for any current tax receivable and deferred tax assets relating to unused tax credits that are transferred to Icon Water under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from Icon Water, which is issued to the controlled entities as soon as practicable at the end of the financial year. Icon Water may also require payment of interim funding amounts to assist with obligations to pay tax instalments. The funding amounts are recognised as intercompany receivable or payable.

6. Dividends

	2023 \$'000	2022 \$'000
Dividends payable at the beginning of the financial year	20,390	15,072
Amount appropriated from operating profit (i)	-	62,478
	20,390	77,550
Amount paid during the year	(20,390)	(57,160)
Dividends payable at the end of the financial year (i)	-	20,390

- (i) During the year ended 30 June 2023, Icon Water formally requested consent for dividend relief in relation to the anticipated fluctuation in the calculation of large-scale feed in tariff (LFIT) recoveries which has arisen from the prevailing spot price volatility within the Australian wholesale electricity market. LFIT recoveries represent a significant component of the share of results that the Group receives from the ActewAGL joint venture partnerships (refer note 8c) and these amounts are subsequently returned or passed on to customers in future years in the form of reduced network charges. The shareholders of Icon Water granted approval on 21 December 2022 for a one-off exemption in relation to its dividend policy for the year ended 30 June 2023.

Accounting policy

The shareholders maintain a dividend policy of 100% distribution of net profit after tax less gifted asset revenue. An interim, fully authorised dividend is declared and paid in June with a provision made for the payment of a final dividend in October.

7. Financial assets and liabilities

a) Cash and cash equivalents

	2023 \$'000	2022 \$'000
Current assets		
Cash at bank and on hand	73,898	49,944
Short-term deposits	10,000	40,000
Total cash and cash equivalents	83,898	89,944

Accounting policy

Cash and cash equivalents includes cash on hand, short-term deposits held with financial institutions with a maturity of 1 to 3 months from inception and other short-term, highly liquid investments that are readily convertible to cash.

b) Trade and other receivables

	2023 \$'000	2022 \$'000
Current assets		
Water revenue receivables	12,065	13,409
Sewerage revenue receivables	9,133	10,015
Other trade receivables (i)	378	318
Allowance for impairment of receivables	(1,378)	(801)
Net trade receivables	20,198	22,941
Other receivables (ii)	7,421	5,954
Employee entitlement receivable – related parties	5,038	5,253
Total trade and other receivables	32,657	34,148

- (i) These amounts generally arise from transactions outside the principal operating activities of the Group.
- (ii) Under the terms and conditions of the Customer Services and Community Support Agreement with ActewAGL Retail Partnership, and the Corporate Services Agreement with ActewAGL Distribution Partnership, Icon Water is expecting to receive a refund of \$5.0 million as at 30 June 2023 (30 June 2022: \$2.6 million).

7. Financial assets and liabilities (continued)

Accounting policy

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 21 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

The Group recognises a loss allowance for all trade receivables and contract assets. The loss allowance is calculated based on the simplified approach outlined in AASB 9 *Financial Instruments* which requires that the Group recognises lifetime expected credit losses.

Bad debts are written off when debts become uncollectible in a subsequent period. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

Current other receivables

This includes amounts such as GST and interest receivable which are receivable within one year from the end of the reporting period.

Employee entitlement receivable

A number of employees of Icon Water have been seconded to the joint venture partnerships. A receivable from the joint venture partnerships is recognised as employee entitlements are reimbursed to Icon Water for these seconded employees.

c) Trade and other payables

	2023 \$'000	2022 \$'000
Current liabilities		
Trade payables	16,546	9,333
Other payables and accruals	32,582	43,362
Total trade and other payables	49,128	52,695

Accounting policy

Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method. They represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

7. Financial assets and liabilities (continued)

d) Borrowings

	2023 \$'000	2022 \$'000
Current liabilities		
Unsecured loans	99,813	-
	99,813	-
Non-current liabilities		
Unsecured loans	1,837,678	1,854,670
	1,837,678	1,854,670
Total borrowings	1,937,491	1,854,670

Icon Water maintains a balanced portfolio consisting of a capital indexed bond (CIB), two CPI linked indexed annuity bonds (IAB) and six medium term notes (MTN)).

Instrument	Start Date	Maturity Date	Issue yield (%)	Balance (\$m)
MTN	22 May 2014	22 May 2024	4.22	\$99.8
MTN	23 May 2016	21 May 2026	2.67	\$124.5
MTN	18 April 2018	18 April 2028	3.25	\$474.7
MTN	17 May 2021	17 May 2030	1.81	\$49.8
CIB	17 June 2010	17 June 2030	3.72	\$341.3
MTN	23 October 2019	23 October 2031	1.87	\$376.7
MTN	22 October 2022	23 October 2034	4.75	\$39.2
IAB	12 June 2008	12 June 2048	2.42	\$322.3
IAB	12 June 2009	12 June 2048	3.94	\$109.2
Total				\$1,937.5

Accounting policy

All borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method.

CIBs are adjusted quarterly based on the Consumer Price Index (CPI). The adjustment is made to the principal of the loan and an expense is recognised in the period of the adjustment depending on the terms of the loan. IABs are adjusted by quarterly changes to CPI with the interest and principal repayments impacted by changes to CPI, although the principal of the loans reduces to zero by maturity date. Fluctuations in CPI influences principal balances over the term of the loan.

Borrowing costs incurred for the construction of qualifying assets are capitalised in accordance with the accounting policy in note 4c.

7. Financial assets and liabilities (continued)

e) Accounting policy relating to investments, other financial assets and financial liabilities

Accounting policy

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Initial and subsequent measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

Fair value

If the market for a financial asset is not active, and for unlisted securities, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 7b for further details.

7. Financial assets and liabilities (continued)

e) Accounting policy relating to investments, other financial assets and financial liabilities (continued)

Accounting policy

Financial risk management

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Icon Water uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The carrying value less impairment allowance of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

8. Non-financial assets and liabilities

a) Prepayments

	2023 \$'000	2022 \$'000
Current assets		
Prepayments	5,260	5,872
	5,260	5,872
Non-current assets		
Prepayments (i)	3,772	4,649
	3,772	4,649

(i) This includes \$3.3 million for carbon credits (30 June 2022: \$3.3 million for carbon credits).

Accounting policy

Prepayments are recognised when payments have been made for services in advance of Icon Water utilising the benefit of those services.

Prepayments are amortised over the period in which services will be provided to Icon Water. Where the prepayment relates to a period that is greater than 12 months from the end of the financial year, it is classified as non-current.

Carbon credits prepayment

Icon Water is required to offset carbon emissions generated during the construction and operation of the major water security projects. Icon Water has made prepayments for carbon credits associated with these emissions which will be received in the future.

b) Inventories

	2023 \$'000	2022 \$'000
Current assets		
Finished goods	5,720	4,819
Total inventories	5,720	4,819

Inventories consist of consumables such as spare system asset components, chemicals and fuel, and personal issue items for operational use.

The cost of consumables used and recognised as an expense during the year was \$12.2 million (30 June 2022: \$10.5 million).

Accounting policy

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average cost basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The difference between cost and net realisable value is recorded as a write down of inventory.

Stocktakes are performed on a cyclical basis, where inventory is assessed for obsolescence and written off to profit or loss when required.

8. Non-financial assets and liabilities (continued)

c) Investments accounted for using the equity method

	2023 \$'000	2022 \$'000
Non-current assets		
Interest in joint venture partnerships	1,042,732	992,182
Total investments accounted for using the equity method	1,042,732	992,182

The movement in the carrying value in the interest in ActewAGL joint venture partnerships has changed as follows:

	2023 \$'000	2022 \$'000
Carrying amount at the beginning of the financial year	992,182	967,944
Share of results	157,234	135,801
Distributions received from the ActewAGL joint venture partnerships	(42,000)	(86,000)
Revaluation of plant and equipment assets in the ActewAGL Distribution Partnership	(64,684)	(25,563)
Carrying amount at the end of the financial year	1,042,732	992,182

Accounting policy

Principles of consolidation

Icon Water has reviewed and assessed its joint arrangement partnerships (ActewAGL Retail Partnership and ActewAGL Distribution Partnership) in accordance with the requirements of AASB 11 *Joint Arrangements* and concluded them to be joint ventures. The interests in the joint venture partnerships are accounted for using the equity method.

Under the equity method, the share of the profit and losses of partnerships is recognised in the consolidated statement of profit or loss. Profits or losses on transactions establishing the joint venture partnerships and transactions with the joint ventures are eliminated to the extent of the consolidated entity's ownership interest. This is continued until the profits or losses are realised by the joint venture partnership on consumption or sale, unless they related to an unrealised loss that provides evidence of the impairment of an asset transferred.

Revaluation of plant and equipment within the Distribution Partnership

ActewAGL Distribution Partnership's accounting policies for their electricity and gas assets will be adjusted such that it aligns to Icon Water Group's accounting policy on property, plant and equipment assets accounted for at Fair Value. Revaluations are performed at the end of every five-year regulatory period (assessed separately for the electricity and gas assets) or whenever there have been significant changes in the longer term expectations of Icon Water, with adjustments in intervening years as necessary to ensure that movements in observable market measures are appropriately measured.

Where the inputs have been reset by the Australian Energy Regulator (AER), gas and electricity infrastructure assets are valued by Icon Water using an income approach. The terminal value used is based on the Regulated Asset Base value determined by the AER. The expected net cash flows are then discounted to their present value using a market equivalent risk adjusted discount rate.

In the intervening years throughout the five-year regulatory period, gas and electricity infrastructure assets are valued by application of a market multiples approach only where management has determined that there are no indicators present of significant changes in the longer term expectations of the ActewAGL Distribution Partnership at reporting date.

8. Non-financial assets and liabilities (continued)

Accounting policy (continued)

Revaluation of plant and equipment within the Distribution Partnership (continued)

In performing fair value assessments from a market participant perspective, management will select several publicly traded Australian and internationally based entities with similar characteristics to the ActewAGL Distribution Partnership to form a comparable peer group.

The assumptions used in determining the Fair Value assessment adopted at reporting date are detailed in the critical accounting estimate.

Critical Accounting Estimate

Revaluation of plant and equipment within the Distribution partnership

Icon Distribution assesses the fair value of plant and equipment within the ActewAGL Distribution Partnership annually.

Gas assets

The ACT Government's *Climate Change and Greenhouse Gas Reduction (Natural Gas Transition) Amendment Bill* was legislated in June 2023 and formalises its long-term strategy to transition away from fossil-fuel gas and achieve carbon neutrality by 2045.

In order to achieve this, it is more than likely that the use of natural gas within the ACT will cease within the next 23-year period. For the year ended 30 June 2023, the fair value of gas assets has been determined by application of an income approach using a discounted cash flow method.

The following key estimates and assumptions underlying the valuation calculations for the current reporting period are:

- estimated future cash flows, based on management's estimates, have been projected over 23 years to 30 June 2045, with no terminal value applied;
- forecasted revenue considers reducing volumes over time and a declining regulated asset base (RAB);
- forecasts include cash inflows anticipated from the disposal of decommissioned regulated assets;
- only nominal capital expenditure is forecast to be incurred until 2045. Investment or growth capital expenditure has not been forecast as the assets are considered to be in good condition with the remaining service life likely able to deliver natural gas until termination by, or before, 2045;
- other operational and incidental expenditures such as taxes and decommissioning costs are also expected to be fully recovered over the forecast period;
- under recoveries due to revenue shortfalls are expected to be recovered in subsequent regulatory periods. Decreasing volumes over the forecast period may result in price increases to the remaining customer base. Management have not included pricing caps in later years where pricing increases are expected;
- the Weighted Cost of Capital (WACC) discount rate of 6.00% (2022: 5.10%) has been developed from a market participant perspective and has been applied to discount cash flows and reflects the longer-term view of the risks inherent in the forecast cash flows;
- the RAB is expected to be fully recovered over the remaining useful life and it is also assumed that returns are not expected to be recovered beyond an asset's useful life. Inherent in this assumption is that the Australian Energy Regulator (AER) will allow the RAB base and associated regulatory depreciation to be recovered by 2045; and
- the RAB has been depreciated on a straight-line basis and will have a nil value by the end of the forecast period in 2045.

8. Non-financial assets and liabilities (continued)

Critical Accounting Estimate (continued)

Revaluation of plant and equipment within the Distribution partnership (continued)

Gas assets (continued)

All estimates regarding future outcomes are based upon the use of scenarios, judgements and assumptions and are subject to risk and uncertainty that may be beyond the control of management, therefore there is a possibility that changes in circumstances will materially alter projections which could lead to changes to estimates in future reporting periods.

Specialist valuation advice has been obtained to perform the income valuation approach and also undertake a correlation using the market-multiples approach to further assess the reasonableness of the valuation outcome. This included calculating implied EV/EBITDA multiples and EV/RAB multiples. In addition to the income valuation approach and the market-multiples approach, an assessment has also been made as to whether there are qualitative factors that could impact the valuation.

The valuation is sensitive to variations in the WACC, consumption volumes, decommissioning costs and assumptions around the estimated useful life of the RAB.

The valuation exercise undertaken for gas assets for the year ended 30 June 2023 resulted in a \$40.8 million decrement adjustment being required for the equity accounted investment in the partnership reflecting the change in value of Icon Distribution's investment in those underlying assets. This adjustment was recognised in the Asset revaluation reserve.

Electricity assets

For the year ended 30 June 2023, the fair value of electricity assets has been determined by application of an income approach using a discounted cash flow method. The following key estimates and assumptions underlying the valuation calculations for the current reporting period are:

- estimated future cash flows, based on management's estimate, have been projected over five years and discounted to their present value using the WACC;
- the WACC discount rate of 6.00% (2022: 5.10%) has been used to discount cash flows and has been developed from a market participant perspective. The WACC discount rate used is based on external valuation advice and is considered the best estimate of a long-term view of the market cost of capital;
- future capital expenditure, fixed and variable operational expenditure and related revenues relating to restructuring or improving asset performance have been included in the cash flows, derived from the Board approved 2023-24 long term forecasts and taking into account the latest determinations from the AER; and
- the projected regulatory asset base value (at a multiple of 1.25) has been used to compute the terminal value of the valuation.

The valuation exercise undertaken for electricity assets for the year ending 30 June 2023 resulted in a \$23.9 million decrement adjustment being required for the equity accounted investment in the partnership reflecting the change in value of Icon Distribution's investment in those underlying assets. This adjustment was recognised in the Asset revaluation reserve balance.

For the year ended 30 June 2023, the combined valuation exercise for gas and electricity assets resulted in the recognition of a \$64.7 million decrement (30 June 2022: \$25.6 million decrement) in the Asset revaluation reserve.

8. Non-financial assets and liabilities (continued)

d) Property, plant and equipment

	Water network \$'000	Sewerage network \$'000	Infrastructure land & buildings \$'000	Non- infrastructure land & buildings \$'000	Plant and equipment at cost \$'000	Total \$'000
At 1 July 2022						
Cost or fair value	1,950,748	1,251,307	26,273	33,828	17,213	3,279,369
Accumulated depreciation	(57,300)	(53,308)	(3)	(62)	(10,789)	(121,462)
Net book amount	1,893,448	1,197,999	26,270	33,766	6,424	3,157,907
Year ended 30 June 2023						
Opening net book amount	1,893,448	1,197,999	26,270	33,766	6,424	3,157,907
Additions	23,085	41,776	-	667	2,678	68,206
Depreciation charge	(42,816)	(26,657)	(39)	(754)	(2,262)	(72,528)
Gifted assets	11,803	5,462	-	-	-	17,265
Retirements	-	-	-	-	(62)	(62)
Revaluation	82,790	125,104	-	-	-	207,894
Borrowing costs	560	3,612	-	26	-	4,198
Closing net book amount	1,968,870	1,347,296	26,231	33,705	6,778	3,382,880
As at 30 June 2023						
Cost or fair value	2,032,733	1,403,807	26,273	34,521	19,800	3,517,134
Accumulated depreciation	(63,863)	(56,511)	(42)	(816)	(13,022)	(134,254)
Net book amount	1,968,870	1,347,296	26,231	33,705	6,778	3,382,880

8. Non-financial assets and liabilities (continued)

d) Property, plant and equipment (continued)

Accounting policy

Acquisition and recognition of assets

The cost method is used for all acquisitions of property, plant and equipment assets. Cost is measured as the purchase price plus incidental costs directly attributable to the acquisition, and an estimate of the costs of dismantling and removing the item at the end of its useful life.

Gifted assets provided free of charge are initially valued at replacement costs of those assets and subsequently revalued as part of the class of property, plant and equipment to which the asset belongs.

Plant and equipment – held at cost

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Water network and sewerage network assets – valuation

Water and sewerage assets are measured at Fair Value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*. Revaluations are performed at the end of every five-year regulatory period or whenever there have been significant changes in the longer-term expectations of Icon Water, along with adjustments in intervening years as necessary to ensure that movements in observable market measures are appropriately recorded.

Where the inputs have been reset by the Independent Competition and Regulatory Commission (ICRC), water and sewerage infrastructure assets are valued using an income approach. The terminal value used is based on the Regulated Asset Base value determined by the ICRC. The expected net cash flows are then discounted to their present value using a market equivalent risk adjusted discount rate.

In the intervening years throughout the five-year regulatory period, water and sewerage infrastructure assets are valued by application of a market multiples approach only where management has determined that there are no indicators present of significant changes in the longer-term expectations of Icon Water at reporting date.

When performing fair value assessments from a market participant perspective, management select several publicly traded Australian and internationally based entities with similar characteristics to Icon Water to form a comparable peer group.

The assumptions used in determining the Fair Value assessment adopted at reporting date are detailed in the critical accounting estimate.

Land and building assets – valuation

Land and buildings are shown at Fair Value less subsequent depreciation for buildings. Valuations are undertaken by external independent valuers every three years with the most recent valuation in June 2022 performed by Certified Practicing Valuers.

If the Fair Value of an asset materially differs from its carrying amount outside of the three year valuation cycle, then the asset will be revalued regardless of when the last valuation occurred.

Land and buildings are measured at Fair Value in accordance with AASB 13 *Fair Value Measurement*. Land assets have been valued on the basis of highest and best use. Building assets have been valued with regard to the risk of physical and functional obsolescence. The majority of Icon Water's land and buildings are considered specialised assets and are therefore valued using the current replacement cost approach.

8. Non-financial assets and liabilities (continued)

d) Property, plant and equipment (continued)

Accounting policy (continued)

Accounting impact – changes to Fair Value

Increases in the carrying amounts arising on revaluation of land and buildings and water and sewerage assets are credited, net of tax, to the asset revaluation reserve in shareholder's equity. Any revaluation increase arising on the revaluation of such land and building and water and sewerage assets is recognised in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the profit or loss. In this case the increase is credited to the profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and building and water and sewerage assets is recognised in the profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation

Land is not depreciated and is substantially held under 99-year renewable crown leases in the ACT. Depreciation is calculated using the straight-line method to allocate the assets' cost or revalued amounts, net of their residual values over their estimated useful lives as follows:

	<u>Years</u>
Water network	
Dams	30 - 150
Reservoirs	50 - 100
Treatment plants	20 - 60
Mains	80
Other assets	10 - 80
Sewerage network	
Mains	80
Treatment plants	20 - 60
Sewer tunnels	120
Other assets	10 - 80
Buildings	60
Plant and equipment	5 - 15

8. Non-financial assets and liabilities (continued)

d) Property, plant and equipment (continued)

Critical Accounting Estimate

Fair value assessment of water and sewerage infrastructure assets

Icon Water assesses the fair value of water and sewerage infrastructure assets annually.

During the year ended 30 June 2023, the Independent Competition and Regulatory Commission (ICRC) published the regulated price determination for the next five-year regulatory cycle, commencing 1 July 2023 to 30 June 2028.

In making their determination, the ICRC reviews the actual capital investment for the current regulatory period (2018-23) and the proposed expenditure for the next regulatory period (2023-28). If actual and proposed capital expenditure are considered to be both prudent and efficient they are added to the Regulated Asset Base (RAB) at the appropriate time. In the building block methodology utilised by the ICRC, capital expenditure is recovered through the return on capital and depreciation building blocks. This requires a roll-forward calculation of the RAB for each year of the next regulatory period. The RAB is also indexed by inflation to maintain its real value, and separate adjustments are made to the allowed nominal return on capital to ensure there is no double-counting.

To ensure alignment with the ICRC's approach, Icon Water has adjusted the value of its water and sewerage assets to correspond with the opening balance of the RAB of each respective asset class of the next regulatory period as at 30 June 2023. Where the inputs have been reset by the ICRC, the fair value of water and sewerage assets are determined by application of an income approach using a discounted cash flow method.

The following key estimates and assumptions underlying the valuation calculations for the current reporting period are:

- estimated future cash flows, based on management's estimates, have been projected over five years and discounted to their present value using the Weighted Cost of Capital (WACC) discount rate;
- the WACC of 6.10% (2022: 5.00%) has been used to discount cash flows and has been developed from a market participant perspective. The WACC discount rate used is based on external valuation advice and is considered the best estimate of a long-term view of the market cost of capital;
- future capital expenditure, fixed and variable operational expenditure and related revenues for restructuring or improving asset performance have been included in the cash flows, as set out in Icon Water's *Statement of Corporate Intent 2023*; and
- the projected regulatory asset base value (at a multiple of 1.15) has been used to compute the terminal value of the valuation.

The valuation exercise for the year ending 30 June 2023 resulted in a \$82.8 million increment adjustment being required for water infrastructure assets (30 June 2022: \$271.0 million increment) and a \$125.1 million increment adjustment being required for sewerage infrastructure assets (30 June 2022: \$133.8 million increment). These adjustments were recognised in the Asset revaluation reserve.

8. Non-financial assets and liabilities (continued)

e) Leases

This note provides information for leases where Icon Water is a lessee.

i) Amounts recognised in the consolidated balance sheet relating to leases:

	2023 \$'000	2022 \$'000
Right-of-use assets		
Building	1,091	1,860
Vehicles	910	992
Equipment	1,231	2,198
Total right-of-use assets	3,232	5,050
Lease liabilities		
Current	1,616	2,493
Non-current	1,376	2,546
Total lease liabilities	2,992	5,039

Future undiscounted lease payments in relation to lease liabilities as at 30 June are as follows:

	2023 \$'000	2022 \$'000
Within one year	1,689	2,514
Later than one year but not later than five years	1,493	2,680
Later than five years	5	20
	3,187	5,214

Additions to the right-of-use assets during the year were \$0.6 million (30 June 2022: \$0.3 million).

ii) Depreciation of right-of-use assets recognised in the consolidated statement of profit or loss:

	2023 \$'000	2022 \$'000
Depreciation - right-of-use assets		
Buildings	770	770
Vehicles	651	668
Equipment	967	1,270
	2,388	2,708

8. Non-financial assets and liabilities (continued)

e) Leases (continued)

Accounting policy

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by Icon Water. The right-of-use assets are recognised at cost comprising of the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets may comprise small items of equipment.

Building lease

Icon Water leases building space at 40 Bunda Street, Canberra City for a period of 15 years which expires on 8 December 2024. This lease contains a single lease component which has been used to calculate the right-of-use asset and corresponding liability.

The asset and liability arising from this lease is initially measured on a present value basis. The lease liability includes the net present value of the fixed payments. As there is no interest rate implicit in the lease, the lease payments are discounted using Icon Water's incremental borrowing rate, being the rate that Icon Water would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The building lease contains variable lease payment terms which are varied to reflect changes in market rental rates. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

There is no extension option for the building lease.

8. Non-financial assets and liabilities (continued)

e) Leases (continued)

Accounting policy (continued)

Equipment and vehicle leases

Icon Water leases vehicles and equipment which are typically leased for fixed periods of 3 to 12 years. These leases contain both lease and non-lease components. Icon Water has elected to not separate lease and non-lease components and instead accounts for these as a single lease component. This single lease component is used to calculate the right-of-use assets and corresponding liabilities.

Each lease is negotiated on an individual basis, however all equipment and vehicle leases contain similar terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. The leased assets may not be used as security for borrowing purposes.

There are no extension or termination options for the equipment and vehicle leases.

Lease payments

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Depreciation of right-of-use assets

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If Icon Water is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While Icon Water revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings.

8. Non-financial assets and liabilities (continued)

f) Investment property

	Total \$'000
Opening balance at 1 July 2022	18,750
Fair value adjustment to investment property	(1,000)
Closing balance at 30 June 2023	17,750

Accounting policy

Measurement

Investment properties, principally freehold office buildings, are held for long-term rental yields and are not occupied by the Group. They are carried at fair value. Changes in fair values are presented in profit or loss as part of other income.

Valuation

Valuations are undertaken every year by Certified Practising Valuers. When an independent external valuation is not undertaken at the end of a reporting period, Icon Water updates the assessment of the fair value of each property, taking into account the most recent independent valuations.

Impairment

At each reporting date, the Group assesses, whether there is any indication that an asset may be impaired. If such an indication of impairment exists, the Group estimates the recoverable amount of the asset. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. The decrement in the carrying amount is recognised as an expense in net profit or loss in the reporting period in which the recoverable amount write-down occurs. For investment properties held at fair value, changes in fair value are recognised in the profit or loss as part of other income.

Lease income

Rental income recognised by Icon Water during the financial year was \$2.3 million. Icon Water did not receive any variable lease income that is not dependent on an index or rate.

During the financial year, the Group leased out its investment property which is an owned commercial property to ActewAGL. The lease was classified as an operating lease as the lease did not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The lease contained a non-cancellable period of 14 years which expired on 30 June 2023.

8. Non-financial assets and liabilities (continued)

g) Intangible assets

	Computer software \$'000	Carbon credits \$'000	Total \$'000
At 1 July 2022			
Cost or fair value	67,360	1,624	68,984
Accumulated amortisation and impairment	(30,392)	(619)	(31,011)
Net book amount	36,968	1,005	37,973
Year ended 30 June 2023			
Opening net book amount	36,968	1,005	37,973
Additions	2,868	142	3,010
Amortisation charge	(8,261)	-	(8,261)
Borrowing costs capitalised	26	-	26
Closing net book amount	31,601	1,147	32,748
At 30 June 2023			
Cost or fair value	70,254	1,147	71,401
Accumulated amortisation and impairment	(38,653)	-	(38,653)
Net book amount	31,601	1,147	32,748

Accounting policy

Carbon credits

Carbon credits are recognised at cost when received and are subsequently measured at fair value. Carbon credits are subject to an annual impairment test and are disposed of when surrendered or sold.

Computer software

Icon Water capitalises and amortises specific-use computer software, such as its Works Asset Management System, Geospatial Information System and design drawing software. Computer software includes capitalised development costs being an internally generated intangible asset.

Cloud computing arrangements

Icon Water has a number of cloud computing arrangements that provide it with the right to access the cloud-based software over a contracted period. Costs incurred to configure or customise, and the ongoing fees to obtain access to such software, are recognised as operating expenses when the services are received. Some additional costs are incurred for the development of software code. Where this development enhances or creates additional capability to existing systems and meets the definition of, and recognition criteria, for an intangible asset, it is recognised as a software asset.

Amortisation methods and useful lives

The Group amortises software intangible assets with a limited useful life using the straight-line method over 5 - 9 years.

8. Non-financial assets and liabilities (continued)

g) Intangible assets (continued)

Accounting policy (continued)

Impairment

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If such an indication of impairment exists, the Group estimates the recoverable amount of the asset. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. The decrement in the carrying amount is recognised as an expense in net profit or loss in the reporting period in which the recoverable amount write-down occurs.

For assets held at fair value a revaluation increase is recognised in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the profit or loss, in which case the increase is credited to the profit or loss to the extent of the decrease previously expensed.

Critical Accounting Estimate

Configuration and customisation in cloud computing arrangements

Some customisation and configuration activities undertaken in implementing cloud computing arrangements entail the development of software code that enhances or modifies, or creates additional capacity to, existing on-premise systems. Judgement is applied in determining whether the benefits from these costs meet the definition of, and recognition criteria for, an intangible asset in AASB 138 *Intangible Assets*.

Costs that do not result in intangible assets are expensed as incurred, unless they are paid to the suppliers of the cloud computing arrangement to significantly customise the cloud-based software for the Group, in which case the costs are recognised as a prepayment for services and amortised over the expected renewable term of the contractual or service arrangement.

8. Non-financial assets and liabilities (continued)

h) Provisions

	Current		Non-Current	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Employee entitlements	18,919	18,071	1,276	1,679
Employee entitlements – seconded employees	5,038	5,253	-	-
Provision for dividend (refer to note 6)	-	20,390	-	-
Other employee related provisions	338	683	349	510
Workers' compensation provisions	646	183	2,138	3,090
Provision for make good restoration	494	293	1,579	1,540
Provision for service agreement expiry	-	-	6,187	6,187
	25,435	44,873	11,529	13,006

The movements in each class of provision during the financial year, other than employee entitlements and provision for dividends (refer to note 6), is set out below:

	Other employee related provisions \$'000	Workers' compensation ¹ \$'000	Make good restoration \$'000	Service agreement expiry ² \$'000	Total \$'000
Balance at 1 July 2022	1,193	3,273	1,833	6,187	12,486
Additional provision recognised in the year	-	-	460	-	460
Credited to profit or loss	(384)	(23)	-	-	(407)
Used during the year	(122)	(466)	(259)	-	(847)
Unwinding of discount	-	-	39	-	39
Carrying amount at 30 June 2023	687	2,784	2,073	6,187	11,731

Accounting policy

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Wages and salaries

Liabilities for wages and salaries (including on-costs) expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

¹ Includes pre-1989 workers' compensation provisions.

² Estimation of costs payable to the ActewAGL Distribution Partnership in relation to the termination of the Corporate Services Agreement which ceased on 30 June 2023. There are provisions within the agreement that allow for these services to continue over of a period of transition that is expected to conclude on 31 December 2024.

8. Non-financial assets and liabilities (continued)

h) Provisions (continued)

Accounting policy (continued)

Annual, sick and long service leave

A liability for annual, sick and long service leave (where employees have been employed by Icon Water for seven years or greater) is recognised as a current provision for employee benefits. Under AASB 119 *Employee Benefits*, leave entitlements that are not expected to be wholly settled in 12 months must be discounted to a present value.

An employee who has completed seven years' service with a single employer is entitled to long service leave for the period of the service and is therefore classified as a current provision. Long service leave less than seven years is measured as a non-current provision for employee benefits. Long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels and for long service leave, expectation of employee departures and periods of service.

Expected future payments are discounted using interest rates on high quality corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

8. Non-financial assets and liabilities (continued)

i) Deferred tax balances

	2023 \$'000	2022 \$'000
Net deferred tax (liability)/asset		
At the beginning of the financial year	(571,935)	(445,185)
Income tax (charged)/credited to the income statement (Refer note 5a)	(2,520)	(11,114)
Income tax (charged)/credited to other comprehensive income and equity (Refer note 5c)	(42,963)	(115,636)
At the end of the financial year	(617,418)	(571,935)

The composition of the Group's deferred tax assets and liabilities recognised in the balance sheet and the deferred tax expense charged/(credited) to the income statement is as follows:

	Deferred tax balance		(Credited)/charged to the income statement	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade and other receivables	413	240	(173)	17
Employee entitlements	3,957	3,789	(168)	(184)
Other provisions and accruals	7,344	6,776	(568)	(1,736)
Contract liabilities	3,252	2,604	(648)	(1,098)
Lease liabilities	677	1,019	342	622
Deferred tax assets	15,643	14,428	(1,215)	(2,379)
Contract assets	-	(65)	(65)	2
Property, plant and equipment	(230,535)	(229,440)	1,095	11,620
Right-of-use assets	(723)	(1,269)	(546)	(712)
Intangible assets	(4,337)	(3,552)	784	1,068
Investments accounted for using the equity method	(63,013)	(60,847)	2,167	1,515
Asset revaluation reserve	(334,453)	(291,190)	300	-
Deferred tax liabilities	(633,061)	(586,363)	3,735	13,493
Total deferred tax balances	(617,418)	(571,935)	2,520	11,114

Accounting policy

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to use those temporary differences and losses.

9. Equity

a) Share capital

Movements in fully paid authorised shares:

	Number of shares	Total \$'000
Balance as at 1 July 2022	2	758,871
Balance as at 30 June 2023	2	758,871

Icon Water Limited does not have a limited amount of authorised capital.

Capital risk management

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern so they continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure while maintaining financial flexibility to accommodate future investments.

The gearing ratios at 30 June 2023 and 30 June 2022 were as follows:

	2023 \$'000	2022 \$'000
Total debt (note 7d)	1,937,491	1,854,670
Total equity	1,968,554	1,808,622
	3,906,045	3,663,292
Gearing ratio	49.6%	50.6%

Icon Water has used the gearing ratio of debt (total borrowings) over capital (total equity plus total debt) to monitor its capital position.

b) Reserves

	2023 \$'000	2022 \$'000
Asset revaluation reserve	889,191	788,944
Total reserves	889,191	788,944

The movement in the asset revaluation reserve during the financial year is as follows:

	2023 \$'000	2022 \$'000
Balance the beginning of the financial year	788,944	519,127
Revaluation – net of tax		
Investment in ActewAGL partnerships (Plant and equipment)	(45,279)	(17,894)
Property, plant and equipment	145,524	287,711
Balance at the end of the financial year	889,191	788,944

Accounting policy

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. In the event of an asset sale or disposal, any balance in the reserve in relation to the asset is transferred to retained profits.

10. Remuneration of auditors

During the year the following fees were paid or payable for audit services provided by the auditor of the Group, the ACT Audit Office:

	2023	2022
	\$	\$
Fees for the audit and review of the financial reports of the Icon Water Group	344,857	345,733
Total remuneration of auditors	344,857	345,733

No other services were provided by the ACT Audit Office to the Icon Water Group during the year ended 30 June 2023.

Group structure

11. Investment in controlled entities

a) Significant investments in subsidiaries

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2023 %	2022 %
Icon Distribution Investments Limited	Australia	Ordinary	100	100
Icon Retail Investments Limited	Australia	Ordinary	100	100

Accounting policy

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of Icon Water and its controlled entities as at 30 June 2023 and the results for the period then ended.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation.

Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

12. Interests in joint ventures

a) Joint venture partnership - ActewAGL Partnerships

Icon Retail Investments Limited entered into a joint venture partnership with AGL ACT Retail Investments Pty Ltd to manage the retail operations of the ACT electricity and gas networks. Icon Distribution Investments Limited entered into a joint venture partnership with Jemena Networks (ACT) Pty Ltd to manage the ACT electricity network and the ACT, Queanbeyan and Nowra gas networks.

Both entities have a 50% participating interest in their respective joint ventures. Information relating to the joint venture partnerships is presented in accordance with the accounting policy described below and is set out as follows:

	2023 \$'000	2022 \$'000
Share of ActewAGL Partnership's commitments		
Capital commitments	12,157	28,266
	12,157	28,266

b) Contingent liabilities relating to joint ventures

Claims

There are no contingent public liability insurance claims against the ActewAGL partnerships at year end. The Group's share of the partnerships' contingent liability is nil at 30 June 2023 (30 June 2022: nil).

Bank guarantees

A number of bank guarantees have been provided by the ActewAGL partnerships for the normal operations of the business. Each of the partners in the ActewAGL Partnerships is jointly and severally liable for the debts of the partnership.

These have not been recognised in the consolidated balance sheet.

13. Parent entity financial information

a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2023 \$'000	2022 \$'000
Balance sheet		
Current assets	303,770	283,409
Total assets	4,477,527	4,151,640
Current liabilities	195,745	120,257
Total liabilities	2,579,987	2,458,830
Net assets	1,897,540	1,692,810
Share capital	758,872	758,872
Reserves		
Asset revaluation reserve	804,288	658,763
Retained profits	334,379	275,175
Total equity	1,897,539	1,692,810
Profit for the year	59,204	75,529
Total comprehensive income	204,729	363,239

b) Guarantees entered into by the parent entity

The parent entity bank guarantees at 30 June 2023 are nil (30 June 2022: nil).

c) Contingent liabilities of the parent entity

The parent entity contingent liabilities at 30 June 2023 are referred to in note 14.

d) Contractual commitments for the acquisition of property, plant or equipment

The parent entity contractual commitments for the acquisition of property, plant and equipment at 30 June 2023 are referred to in note 15.

Accounting policy

The financial information for the parent entity, Icon Water Limited, has been prepared on the same basis as the consolidated financial statements.

Unrecognised items

14. Contingencies

Contingent liabilities

i. Commonwealth Superannuation Scheme

A number of claims have been made against the Commonwealth and Icon Water in relation to information purportedly given to former employees regarding their eligibility to originally join the Commonwealth Superannuation Scheme. To date, Icon Water has settled a number of these claims. Future claims fall into the categories of current claims in the process of pre-settlement, notified prospective claims and possible future claims. Possible future claims have not been provided for and are therefore disclosed as a contingent liability.

These individuals may make a claim for settlement at a future date that, if successful, creates a liability for Icon Water. Any liability in relation to this group is uncertain as the individuals have not been identified and have not yet advised of any intention to bring a claim now or in the future. Insufficient evidence exists to estimate the financial effect of this contingent liability. Depending on the circumstances of each claim, costs arising from settlement of these claims may be shared between Icon Water and the Commonwealth. No other reimbursement of Icon Water's costs is likely. Icon Water is not able to quantify claims at this point in time.

ii. Claims

Entities within Icon Water are involved in other disputes in the normal course of operations. The directors believe that material losses (including costs) are not anticipated in resolving those claims.

15. Commitments for expenditure

a) Capital and operating commitments

	2023 \$'000	2022 \$'000
Capital expenditure commitments	42,019	60,503
Other expenditure commitments (i)	79,955	86,807

- (i) The Corporate Services Agreement with ActewAGL Distribution Partnership to provide corporate services to Icon Water ceased on 30 June 2023. There are provisions within the agreement that allow for these services to continue over a period of transition that is expected to conclude on 31 December 2024. On 9 September 2021, Icon Water entered into a Retail Customer Services Agreement with ActewAGL Retail Partnership to provide retail services from 1 July 2023. The expenditure commitments include these contracts as well as general expenditure commitments.

16. Events occurring after the reporting period

No matters or circumstances have occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

Key management personnel and related parties

17. Key management personnel

Key management personnel composition

The key management personnel (KMP) of the Group includes the Managing Director and only his direct reports who have authority and responsibility for planning, directing and controlling the activities of Icon Water. It also includes the following persons who held office as directors of Icon Water during the whole of the financial year and up to the date of this report unless otherwise indicated. KMP during the year ended 30 June 2023 were:

Name	Position
Non-Executive Directors	
Wendy Caird	Independent Non-Executive Director, Chair
Carol Lilley	Independent Non-Executive Director, Deputy Chair
Brett Tucker	Independent Non-Executive Director (term concluded 9 July 2023)
Dorte Ekelund	Independent Non-Executive Director
Dr Helen Locher	Independent Non-Executive Director
Peter Dennis	Independent Non-Executive Director
Julie-Anne Schafer	Independent Non-Executive Director
Senior Executives	
Ray Hezkial	Managing Director
Davina McCormick	General Manager Customer Engagement
Joy Yau	Chief Financial Officer
Gerard Brierley	General Manager Infrastructure Services
Alison Pratt	General Counsel
Dr Tony Pollock	Chief Technology Officer
Mark Mulligan	General Manager People, Health & Safety (appointed 5 September 2022)

On 10 July 2023, Geoffrey Buchanan was appointed as an Independent Non-Executive Director to the Icon Water Limited Board. There have been no other changes in KMP since the end of the financial year.

Key management personnel compensation

The aggregate compensation made to key management personnel (KMP) of the Group is set out below:

	2023 \$'000	2022 \$'000
Short-term employee benefits	3,006	2,613
Post-employment benefits	231	212
Other long-term benefits	56	54
Total benefits	3,293	2,879

The compensation of KMP of the Group for the current year is set out on the following pages. The compensation disclosed relates only to the period of time the individual was considered to be a KMP.

17. Key management personnel (continued)

Senior Executive remuneration

In accordance with the requirements of the Territory-owned Corporations Act 1990, only the five most highly remunerated officers (other than directors) are to be individually disclosed. Icon Water has chosen to voluntarily disclose the total remuneration paid to all persons who met the criteria for Senior Executive KMP during the financial year.

	Short-term employee benefits			Post-employment benefits		Other long-term benefits		Total remuneration
	Salary & fees	Non-monetary benefits	Superannuation ⁽⁴⁾	Employee entitlements				
	\$	\$	\$	\$	\$	\$	\$	\$
Senior Executive KMP								
Ray Hezkial ⁽¹⁾	2022-23 606,201	7,103	27,606	17,117				658,027
	2021-22 569,460	5,908	27,654	16,538				619,560
Davina McCormick	2022-23 344,901	3,021	27,606	6,911				382,439
	2021-22 326,381	2,939	27,606	5,650				362,576
Joy Yau	2022-23 374,555	3,823	27,606	11,040				417,024
	2021-22 345,018	3,733	27,606	9,824				386,181
Gerard Brierley ⁽¹⁾	2022-23 335,254	3,060	27,606	7,137				373,057
	2021-22 337,747	3,016	27,606	5,835				374,204
Alison Pratt ⁽²⁾	2022-23 322,954	3,501	27,606	9,121				363,182
	2021-22 311,419	3,406	27,606	8,788				351,219
Dr Tony Pollock	2022-23 355,088	3,022	27,606	4,698				390,414
	2021-22 346,144	3,132	27,606	7,298				384,180
Mark Mulligan ⁽³⁾	2022-23 272,611	2,243	22,740	-				297,594
	2021-22 -	-	-	-				-
Total Senior Executive KMP	2022-23 2,611,564	25,773	188,376	56,024				2,881,737
	2021-22 2,236,169	22,134	165,684	53,933				2,477,920

⁽¹⁾ Ray Hezkial and Gerard Brierley utilised their excess recreation leave balances during this financial year which has been offset from their salary and fees payment.

⁽²⁾ Alison Pratt utilised her excess recreation leave balance during this financial year and the corresponding 2021-22 financial year. This has been offset from her salary and fees payment.

⁽³⁾ Mark Mulligan commenced employment as General Manager People, Health & Safety on 5 September 2022.

⁽⁴⁾ Superannuation is calculated on an accrual basis. Superannuation contributions are generally made in accordance with tax concession guidelines.

17. Key management personnel (continued)

Non-Executive Director remuneration

		Short-term employee benefits		Post-employment benefits	Total remuneration
		Board & Committee fees	Non-monetary benefits	Superannuation ⁽³⁾	
		\$	\$	\$	\$
Non-Executive Directors					
Wendy Caird Chair	2022-23	84,421	564	10,975	95,960
	2021-22	82,183	550	10,684	93,417
Carol Lilley Deputy Chair	2022-23	67,540	564	8,780	76,884
	2021-22	65,779	550	8,551	74,880
Brett Tucker	2022-23	42,179	-	5,483	47,662
	2021-22	41,080	550	5,340	46,970
Dorte Ekelund	2022-23	42,179	-	5,483	47,662
	2021-22	41,080	-	5,340	46,420
Dr Helen Locher	2022-23	42,179	-	5,483	47,662
	2021-22	41,080	-	5,340	46,420
Peter Dennis	2022-23	46,813	-	700	47,513
	2021-22	41,080	-	5,340	46,420
Julie-Anne Schafer ⁽¹⁾	2022-23	42,179	-	5,483	47,662
	2021-22	25,825	-	3,357	29,182
Dr Thomas Parry AM ⁽²⁾	2022-23	-	-	-	-
	2021-22	15,220	-	1,979	17,199
Total Non-Executive Director KMP	2022-23	367,490	1,128	42,387	411,005
	2021-22	353,327	1,650	45,931	400,908

(1) Julie-Anne Schafer commenced as a director on 16 November 2021.

(2) Dr Thomas Parry ceased holding office of director on 15 November 2021.

(3) Superannuation contributions are made on behalf of Non-Executive Directors in accordance with statutory obligations. Individual Non-Executive Directors may obtain approval from the Australian Tax Office to be exempt from receiving superannuation contribution payments from Icon Water due to these obligations being met by other employers. Where this occurs, the obligatory superannuation contribution is paid directly to the individual Non-Executive Director as cash and included within their total fees payment.

Accounting policy

Short-term employee benefits

Short-term employee benefits include all recreation leave accrued for during the period.

Non-monetary benefits are free or subsidised goods or services received in the current period, such as car parking expenses, gym fees, income protection insurance and professional membership fees including fringe benefits tax, where applicable.

Other long-term benefits

Other long-term benefits include all long service leave accrued during the financial year after the individual has reached one year of service.

18. Related party transactions

Transactions with key management personnel

There have been no related party transactions with directors and their related parties apart from those disclosed in the key management personnel note (note 17), and water and sewerage invoices issued on an arm's length basis (30 June 2022: nil).

Parent entities

The wholly-owned group consists of Icon Water and its controlled entities. These entities are Icon Retail Investments Limited and Icon Distribution Investments Limited. The results of the ActewAGL Joint Venture partnerships, which is 50% owned by Icon Water through its subsidiaries, Icon Retail Investments Limited and Icon Distribution Investments Limited are accounted for using the equity method. Icon Water has several operational arrangements with its controlled entities. All transactions are at an arm's length basis.

The following transactions occurred with related parties:

	2023 \$	2022 \$
Wholly-owned controlled entities:		
Dividend revenue	109,478,809	94,550,734
Income tax equivalents expense to the ACT Government	25,840,489	32,731,420
Aggregate amounts receivable from and payable to entities in the wholly-owned groups at balance date were as follows:		
– Current receivables (tax funding agreement)	45,107,296	34,344,964
– Current receivables (other)	109,478,809	94,550,734
– Current payables and other (dividends)	-	20,390,319
– Non-interest bearing loans	766,866,503	669,208,494

The parent entity in the wholly-owned group is Icon Water Limited.

Ownership interests in related parties

Interests held in the controlled entities are set out in note 11.

Other related parties

The following transactions occurred with the ActewAGL Joint Venture Partnerships:

	2023 \$	2022 \$
Purchase and sale of goods and services:		
– Purchase of goods and services	40,005,565	35,106,225
– Sale of goods and services	16,434,364	13,649,322
Aggregate amounts receivable from and payable to joint venture partnerships at balance date:		
– Current receivables	10,587,329	8,566,555
– Current accounts payables and other	6,374,366	5,968,642

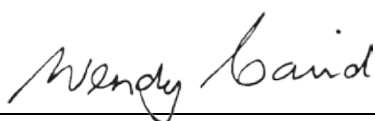
Directors' declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 14 to 60 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Australian Accounting Standards – General Purpose Financial Statements – Simplified Disclosures, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable (refer to note 1a).

The financial statements were authorised for issue by the directors on 31 August 2023. The directors have the power to amend and reissue the financial statements.

This declaration is made in accordance with a resolution of directors.



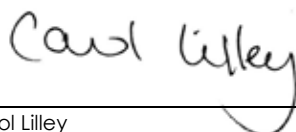
Wendy Caird
Chair

Canberra
31 August 2023



Ray Hezkial
Managing Director

Canberra
31 August 2023



Carol Lilley
Risk and Assurance Committee, Chair

Canberra
31 August 2023



Icon Distribution
Investments Limited

ABN 83 073 025 224

ANNUAL
REPORT

For the year ended
30 June 2023

Icon Distribution Investments Limited

ABN 83 073 025 224

Annual Report for the year ended 30 June 2023

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The financial statements are for Icon Distribution Investments Limited (Icon Distribution) as an individual entity. The financial statements are presented in Australian dollars (AUD).

Icon Distribution Investments Limited is a company limited by shares, incorporated and domiciled in Australia. Its principal registered office is:

Level 5, ActewAGL House
40 Bunda Street
Canberra ACT 2600

A description of the nature of the entity's operations and its principal activities is included in the Directors' report on page 7, which does not form part of the financial statements.

The financial statements were authorised for issue on 31 August 2023. The directors have the power to amend and reissue the financial statements.

Directors' Report

The directors present the financial report of Icon Distribution Investments Limited (Icon Distribution) for the year ended 30 June 2023.

Directors

The following persons held office as directors of Icon Distribution during the whole of the financial year and up to the date of this report unless otherwise indicated:

Wendy Caird, Chair

MAICD

Wendy Caird was first appointed to the Icon Water Board in December 2009, was appointed as Acting Deputy Chair of the Icon Water Board from July 2013, Deputy Chair in March 2014, then Chair from March 2017. Ms Caird's appointment term was extended in March 2020 when she was reappointed as Chair of the Icon Water Board due to her extensive knowledge of Icon Water's business and experience on the ActewAGL Partnerships Board. Ms Caird is the Chair of Icon Water's Remuneration Committee, Chair of Icon Distribution Investments Limited and Icon Retail Investments Limited and until 31 January 2023, Deputy Chair of the ActewAGL Partnerships Board. She was also Chair of ActewAGL's Safety, Audit and Risk Committee until 2 October 2022.

Ms Caird has held a number of positions with Public Services International (France) including Co-chair Asia Pacific Region (1998–2002), a Member of the Executive Board (1997–2002), Global Director of the Quality Public Services campaign (2002–2006), and a Member of the Global Coordinating Committee of the "Global Call to Action Against Poverty: (Make Poverty History)" campaign (2005–2006).

Ms Caird held a number of executive positions with the Community and Public Sector Union (Australia), including as NSW Branch Secretary and National Secretary.

Carol Lilley, Deputy Chair

BCom, CIA, CGAP, FCA, GAICD

Carol Lilley was first appointed to the Icon Water Board in April 2013 and to the boards of Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2017. She is Chair of Icon Water Board's Risk and Assurance Committee and a Member of the Remuneration Committee. Ms Lilley was appointed as Deputy Chair of the Boards of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2017. Ms Lilley's appointment term was extended in October 2020 due to her specialist financial expertise and extensive knowledge of Icon Water's business. Ms Lilley was appointed as a Member of the ActewAGL Partnerships Board in February 2023.

Ms Lilley is a full time independent board director and Audit Committee Member. She was a Partner in an accounting firm and a financial statement

and internal auditor for nearly 20 years. Her experience is in governance and assurance including financial statement audit, internal audit and project and risk management, with a particular focus on government.

Ms Lilley is currently Chair of the Audit Committee for Transport Canberra and City Services Directorate and she also has various governance roles for Commonwealth Government entities (including as a Member of the Audit & Risk Committees for Services Australia and Chair for the Department of Home Affairs amongst others).

Ms Lilley is a Graduate of the Australian Institute of Company Directors, Fellow of Chartered Accountants Australia and New Zealand, was a registered company auditor and is a certified internal auditor.

Directors (continued)

Ray Hezkial, Director

BEng (Civil), DipPM, MBA, MIEAust, MAICD

In November 2018 Ray Hezkial was appointed as a Member of the Boards of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited. Mr Hezkial is also a Member of the Icon Water Remuneration Committee. Mr Hezkial was appointed as a Member of the ActewAGL Partnerships Board and the ActewAGL Retail Investments Board in April 2019.

Mr Hezkial joined Icon Water in 2003 and has undertaken multiple roles prior to his appointment as Managing Director in November 2018. In his previous

role as General Manager, Infrastructure Services, Mr Hezkial was responsible for managing Icon Water's capital works program, provision of network operations and all aspects of day to day maintenance relating to the ACT's water and sewer reticulation systems.

Mr Hezkial has a Master of Business Administration, Diploma in Project Management, and Bachelor of Engineering (Civil). Mr Hezkial is a Member of the Institute of Engineers Australia and of the Australian Institute of Company Directors.

Brett Tucker, Director

BRurSc, Grad.Cert. Accounting and Finance, MAICD, Churchill Fellow
Term concluded 9 July 2023

Brett Tucker was appointed to the Icon Water Board in July 2017 and was a Member of the Icon Water Board's Risk and Assurance Committee and Remuneration Committee, and a Director of both the Icon Retail Investments Limited Board and Icon Distribution Investments Limited Board.

Mr Tucker has more than 30 years of professional experience, including Non-Executive Director, Managing Director and Chief Executive roles in public and private sector water and energy utilities.

Mr Tucker currently owns and operates Blackwatch Consulting, a business providing high level strategy,

governance and technical advice to government and private sector corporations, industry groups and project teams. He is a former Director of the Peter Cullen Trust and provides mentoring and coaching support to a number of senior managers and prospective industry leaders.

Mr Tucker holds an Honours Degree in Rural Science and a Graduate Certificate in Accounting and Finance. He was awarded a Churchill Fellowship in 1998 and is a Member of the Australian Institute of Company Directors.

Directors (continued)

Dorte Ekelund, Director

BURP (Hons), MBA, FPIA, MAICD

Dorte Ekelund was appointed to the Icon Water Board in November 2017. She is a Member of the Icon Water Remuneration Committee, a Director of the Icon Retail Investments Limited Board as well as a Director of the Icon Distribution Investments Limited Board.

Ms Ekelund is a Commissioner of the Northern Territory Planning Commission, and a Member of the University of Wollongong's SMART Infrastructure Advisory Council.

Ms Ekelund is an urban and regional planner with over 35 years' experience working in strategic and statutory land use and infrastructure planning across all levels of government. She has worked in NSW local government, headed the Federal Government's Major Cities Unit, was Deputy Director-General of the Western Australian Department of Planning and Infrastructure, and a member of the WA Planning Commission.

Ms Ekelund has held a number of urban planning roles in the ACT Government, including as Director-

General of the ACT Environment, Planning and Sustainable Development Directorate (2013–2017) where she was responsible for energy and water policy and programs, as well as urban planning.

Ms Ekelund has considerable experience in environmental policies and management, including climate change mitigation and adaptation action. Her experience in energy includes membership of the Council of Australian Governments (COAG) Energy Senior Officials and oversight of significant policy initiatives and investment in renewables which led to the ACT sourcing 100% of its electricity from renewables. Ms Ekelund has also been the ACT member of the Murray-Darling Basin Officials Group.

Ms Ekelund has a Bachelor of Urban and Regional Planning (Class 1 Honours), an MBA and is an adjunct Professor (Planning) at the University of Canberra. She is a Fellow of the Planning Institute of Australia.

Dr Helen Locher, Director

BSc (Earth Science), MEnvSc (Environmental Science), PhD (Civil Engineering), GAICD

Dr Helen Locher was appointed to the Icon Water Board in May 2020. She is a member of the Icon Water Remuneration Committee and a Director of the Icon Retail Investments Limited Board as well as a Director of the Icon Distribution Investments Limited Board. Dr Locher also sits on the Risk and Assurance Committee. Ms Locher's appointment was extended for a second three-year term in May 2023.

Dr Locher is currently a non-executive director of the Tasmanian Water and Sewerage Corporation (TasWater), and a tribunal member of the Tasmanian Civil and Administrative Tribunal. She has had previous board roles with the Environmental Protection Agency (Tasmania) and the Resource Management and Planning Commission (Tasmania).

Dr Locher has 18 years of experience working in senior roles for Hydro Tasmania, more than 30 years doing international consulting work, and 15 years

serving on boards. She has considerable experience working with the water and energy industries, focused on environmental, social and sustainability challenges arising with major infrastructure development and operations across a variety of contexts.

She has worked in more than 30 countries and on all continents, and as an independent consultant has delivered assignments for clients including the World Bank, International Finance Corporation, Asian Development Bank, Mekong River Commission and the International Hydropower Association. Dr Locher has received several international awards recognising her significant contributions to better addressing sustainability issues in the global hydropower sector.

Dr Locher has a Bachelor of Science (Earth Science), a Masters of Environmental Science, a PhD in Civil Engineering, and is a Graduate of the Australian Institute of Company Directors.

Directors (continued)

Peter Dennis, Director

BEng, M Environmental Studies, Dip Mgmt, FIE Aust, CPEng, NER, Int PE (Aus), MAICD

Peter Dennis was appointed to the Icon Water Board in May 2020. He is a member of the Icon Water Remuneration Committee and a Director of the Icon Retail Investments Limited Board as well as a Director of the Icon Distribution Investments Limited Board. Mr Dennis' appointment was extended for a second three-year term in May 2023, and he joined the Icon Water Board's Risk and Assurance Committee in June 2023.

Mr Dennis is General Manager of Water for Beca Hunter H2O, a Director of the NSW Local Government Procurement Board, and President and Director for the Australian Water Association.

Mr Dennis has over 30 years' water industry experience in Australia and overseas. He has been the Chief Executive Officer of Seqwater (Bulk Water Utility for South East Queensland); Chief Executive Officer of the Armidale Regional Council; as well as holding senior executive roles with Hunter Water Corporation. Peter has extensive experience in all aspects of water utility management including strategy development and execution, customer/community consultation, operational leadership, regulator engagement, policy development, infrastructure

delivery, ongoing asset management and workforce planning.

He has a strong interest in sustainable urban water management and in ensuring the water industry is resilient against the impact of climate variability. He has also been actively involved in supporting our Pacific neighbours to meet the challenges of sustainable water management.

Mr Dennis was included in the Top 100 most Influential Engineers in Australia (2014 and 2015) and awarded the Newcastle Division of Engineers Australia 'Professional Engineer of the Year (2009)'.

Mr Dennis has a Bachelor of Engineering in chemical engineering, Masters of Environmental Studies, a postgraduate Diploma of Management, a Corporate Directors Diploma and is an Adjunct Professor in Engineering at the University of Newcastle. He also lectured in Environmental Process Technologies for over 15 years.

Directors (continued)

Julie-Anne Schafer, Director

LLB (Hons), FAICD, ANZIIF

Julie-Anne Schafer was appointed to the Icon Water Board in November 2021 and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited on 15 December 2021. Ms Schafer is also a member of the Icon Water Remuneration Committee. Ms Schafer was appointed as a Member of the ActewAGL Partnerships Board in July 2022 and as Chair of the ActewAGL Safety, Audit and Risk Committee in October 2022.

Ms Schafer has directorship experience in diverse and highly regulated sectors, including financial services, utilities, transport, member services and health.

Ms Schafer is currently a non-executive director of Urban Utilities and Chair of the Audit, Finance and Risk Committee and member of the Experience and Safety Committee for Urban Utilities. She is also Chair of Peak Services Holdings Pty Ltd, Peak Services Pty Ltd and LocalBuy Pty Ltd.

Ms Schafer is a non-executive member of the Office of the National Rail Safety Regulator and is a member of the board of the Australian Reinsurance Pool Corporation. She is President of the National Competition Council.

Ms Schafer was previously a partner in Brisbane professional legal service firms, specialising in commercial and insurance matters. She is a former Deputy Chancellor of QUT, President of the Queensland Law Society, and Chair of Queensland's largest mutual.

She is a Fellow of the Australian Institute of Company Directors and has a Bachelor of Laws with Honours. She facilitates in Governance and the Practice of Directorship, Risk and Strategy in the Company Director Course, for the Australian Institute of Company Directors.

Geoffrey Buchanan, Director

Assoc DipBus, BBus (with Distinction), BSc (Hons), MGeogSc

Appointed 30 August 2023

Geoffrey Buchanan was appointed to the Icon Water Board from 10 July 2023 and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited on 30 August 2023. Mr Buchanan has more than 20 years of community engagement experience on cultural heritage, natural resource management, and energy issues, involving extensive experience working with First Nations communities. In July 2022, he commenced in his current role as Research Fellow at the Centre for Aboriginal Economic Policy Research at the Australian National University, where he had previously worked on community-based and collaborative research projects from 2004–2012. From 2013–2015, he worked in the Native Title Research Unit at the Australian Institute of Aboriginal and Torres Strait Islander Studies with a focus on supporting native title governance by Prescribed Bodies Corporate.

From 2015–2022, Mr Buchanan was a Senior Policy Officer at the ACT Council of Social Service where he led community and consumer engagement on energy issues as manager of the ACT Energised

Consumers Project. In this role he represented ACT community members' and energy consumers' interests on a number of ACT and national committees, including the Independent Competition and Regulatory Commission's Consumer Consultative Committee. Mr Buchanan is the ACT representative on Energy Consumers Australia's Board Reference Committee and the Council on the Ageing's National Energy Advocates group. He remains engaged in the ACT community sector as a Director on the Board of Council on the Ageing ACT (since 2022) and as a member of ACT Shelter's Executive Committee (since 2023).

Mr Buchanan has an Associate Diploma of Business (Management), a Bachelor of Business (with Distinction) majoring in Management, a Bachelor of Science (Honours) in Australian Environmental Studies majoring in Environmental Policy and Economics, Indigenous Australian Studies, and Social Policy and Development, and a Masters in Geographical Sciences.

Company Secretary

Alison Pratt

B.Ec, LLB (Hons), GDLP, GAICD

Alison Pratt, General Counsel, was appointed as the company secretary of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2019, and held the position of alternate company secretary prior to this. Ms Pratt worked in private commercial legal practice in Australia and the United Kingdom prior to joining Icon Water in 2013.

Her legal experience includes advising clients from both the private and public sectors on corporate governance, property, environment, construction and planning. Ms Pratt holds a Bachelor of Economics, a Bachelor of Laws and a Graduate Diploma in Legal Practice. She is admitted to practice law in the Supreme Court of the ACT and is a Graduate of the Australian Institute of Company Directors.

Meetings of directors

The number of director's meetings held in the year and the number of meetings attended by each director who held office during the financial year are:

	Number of meetings attended	Number of meetings eligible to attend
Wendy Caird	6	6
Carol Lilley	6	6
Ray Hezkial	5	6
Brett Tucker	5	6
Dorte Ekelund	5	6
Dr Helen Locher	6	6
Peter Dennis	6	6
Julie-Anne Schafer	6	6

Principal activities and review of operations

Icon Distribution holds a 50% interest in the ActewAGL Distribution Partnership. Its operations and the expected results of those operations are dependent on that of the ActewAGL Distribution Partnership. Icon Distribution Investments Limited and Jemena Networks (ACT) Pty Ltd hold the two issued shares in ActewAGL Distribution Investments Pty Ltd as joint tenants of the ActewAGL Distribution Partnership. ActewAGL Distribution Investments Pty Ltd is a holding company for investments of ActewAGL Distribution.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of Icon Distribution during the year.

Trading results and dividends

A dividend of \$97,686,762 (30 June 2022: \$83,389,495) has been declared by the directors to be paid, which is 100% of 30 June 2023 after tax net profit.

Matters subsequent to the end of the financial year

No matters of significance have arisen since the end of the financial year.

Likely developments and expected results of operations

There are no likely developments that will affect the expected results of operations.

Environmental regulations

Icon Distribution has various environmental reporting requirements and obligations in each state and territory that it holds a licence. The licences were issued to the ActewAGL Distribution Partnership and reporting and compliance obligations are undertaken by the Partnership. During the financial year, Icon Distribution materially complied with all requirements in respect to these licences. There have been no recorded incidents of non-compliance with laws or regulations which has resulted in the issuance of directions, sanctions or fines to Icon Distribution.

Insurance of officers and directors

Icon Water had in place during the financial year a package of insurance that included insurance for directors and officers of Icon Water, its controlled entities and the ActewAGL Joint Venture.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of Icon Distribution, other than where such liabilities arise out of conduct involving wilful breach of duty by the officers or the improper use by the officers of their position. The policy also applies if a claim is made against directors or officers after they have left the service of Icon Water, where the claim was over events that occur during their service at Icon Water.

No claim has been made against the officers and directors insurance policy during the 2022-23 financial year.

Indemnity of officers and directors

Icon Water has indemnified officers and directors of Icon Distribution and its controlled entities against liabilities and legal costs arising in the course of their duties. This includes as a director appointed by Icon Water or by a subsidiary company to Icon Water to serve on the board of a company or partnership that is part owned directly or indirectly by Icon Water or by a subsidiary company of Icon Water, to the extent permitted by the *Corporations Act 2001*. This indemnity is to operate only where and to the extent that the director or officer is unable to require an insurer to meet the damage, liability, cost, loss or expense.

No liability has arisen under these indemnities as at the date of this report.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 11.

Rounding of amounts

Icon Distribution is a company of the kind referred to in Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission (ASIC), relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed for and on behalf of, and in accordance with a resolution of, the Board of directors.



Wendy Caird
Chair

Canberra
31 August 2023



Ray Hezkial
Director

Canberra
31 August 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly and Icon Distribution Investments Limited

Opinion

I have audited the financial report of Icon Distribution Investments Limited (Company) for the year ended 30 June 2023 which comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, director's declaration and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report:

- (i) presents fairly, in all material respects, the Company's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended; and
- (ii) is presented in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of this report.

I am independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Company for the financial report

The directors of the Company are responsible for:

- preparing and fairly presenting the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001*;
- determining the internal controls necessary for the preparation and fair presentation of financial report so that it is free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Company to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial report.

Auditor's responsibilities for the audit of the financial report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Company's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the Company's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether it represents the underlying transactions and events in a manner that achieves fair presentation.

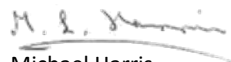
I communicate with the directors of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Michael Harris
Auditor-General
5 September 2023

AUDITOR'S INDEPENDENCE DECLARATION

In relation to the audit of the financial report of Icon Distribution Investments Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Michael Harris
Auditor-General
5 September 2023

Statement of profit or loss and other comprehensive income

	Note	2023 \$'000	2022 \$'000
Revenue			
Share of net profit of the joint venture partnership accounted for using the equity method	2	139,665	119,314
		139,665	119,314
Profit before income tax equivalents expense		139,665	119,314
Income tax equivalents expense	3a	(41,978)	(35,925)
Profit for the year		97,687	83,389
Other comprehensive income			
Revaluation of property, plant and equipment within joint venture investment	5	(64,685)	(25,563)
Income tax equivalents expense relating to components of other comprehensive income	3c	19,405	7,669
Items that will not be reclassified subsequently to profit and loss		(45,280)	(17,894)
Total comprehensive income for the year		52,407	65,495
Total comprehensive income is attributable to:			
Owners of Icon Distribution Investments Limited		52,407	65,495

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Balance sheet

	Notes	2023 \$'000	2022 \$'000
ASSETS			
Non-current assets			
Investments accounted for using the equity method	5	1,007,007	957,027
Total non-current assets		1,007,007	957,027
Total assets		1,007,007	957,027
LIABILITIES			
Current liabilities			
Dividends payable	4, 14d	97,687	83,389
Total current liabilities		97,687	83,389
Non-current liabilities			
Deferred tax balances	7	100,821	117,727
Intercompany loan	6, 14d	723,202	625,334
Total non-current liabilities		824,023	743,061
Total liabilities		921,710	826,450
Net assets		85,297	130,577
EQUITY			
Contributed equity	8	400	400
Reserves	9	84,897	130,177
Total equity		85,297	130,577

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of cash flows

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Distributions received from the ActewAGL Distribution Partnership		25,000	69,000
Payments to suppliers (inclusive of goods and services tax)		-	(11)
Net cash inflow from operating activities		25,000	68,989
Cash flows from financing activities			
Income tax equivalents paid by Icon Water	3a	(39,479)	(34,771)
Payments of dividends to Icon Water	4	(83,389)	(19,623)
Net cash (outflow) from financing activities		(122,868)	(54,394)
Net (increase)/decrease in intercompany loan	14e	(97,868)	14,595

The parent entity, Icon Water Limited, facilitates the cash transactions on behalf of Icon Distribution which is offset by an intercompany loan account. All cash is handled through Icon Water and is reflected in the financial statements of that company.

The above statement of cash flows should be read in conjunction with the accompanying notes.

Statement of changes in equity

	Note	Attributable to the owners of Icon Distribution			Total equity \$'000
		Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	
Balance at 1 July 2021		400	148,071	-	148,471
Profit for the year		-	-	83,389	83,389
Other comprehensive income		-	(17,894)	-	(17,894)
Total comprehensive income for the year		-	(17,894)	83,389	65,495
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	4	-	-	(83,389)	(83,389)
Balance at 30 June 2022		400	130,177	-	130,577
Balance at 1 July 2022		400	130,177	-	130,577
Profit for the year		-	-	97,687	97,687
Other comprehensive income		-	(45,280)	-	(45,280)
Total comprehensive income for the year		-	(45,280)	97,687	52,407
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	4	-	-	(97,687)	(97,687)
Balance at 30 June 2023		400	84,897	-	85,297

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the financial statements

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operation of the entity, including:

- Accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not provide guidance for a particular type of transaction.
- Analysis and sub-totals.
- Information about estimates and judgments made in relation to particular items are included in the notes.

This section also provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria. It also includes additional information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

1. Significant accounting policies
2. Revenue
3. Income tax equivalents expense
4. Dividends
5. Investments accounted for using the equity method
6. Financial liabilities
7. Deferred tax balances
8. Contributed equity
9. Reserves
10. Remuneration of auditors
11. Contingent liabilities
12. Commitments for expenditure
13. Events occurring after the reporting period
14. Related party transactions

1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for Icon Distribution as an individual entity.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Icon Distribution is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with Australian Accounting Standards – Simplified Disclosure Requirements

The financial report of Icon Distribution complies with Australian Accounting Standards – Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

(ii) Historical cost convention

These financial statements have been prepared on a historical cost convention, unless otherwise stated in the financial statements.

(iii) Early adoption of standards

The directors have not elected under section 334(5) of the *Corporations Act 2001* to early adopt any new Australian Accounting Standard in the current year and they are not expected to have a material impact.

(iv) New and amended standards adopted

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2022 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

(v) Going concern

The financial report has been prepared on a going concern basis. At 30 June 2023, current liabilities exceed current assets by \$97.7 million. This deficiency in current assets is managed by an intercompany loan and the Icon Water Group's ability to generate profits, as evidenced by current and prior year results as well as generating positive cash inflow from operating activities. In the opinion of the directors, Icon Distribution has adequate resources to continue as a going concern and pay its debts as and when they fall due and payable.

(b) Rounding and presentation of amounts

Icon Distribution is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Where applicable, comparative figures have been adjusted to conform to changes in presentation for the current year.

(c) Goods and Services Tax (GST)

Revenues, expenses, assets other than receivables, and liabilities other than payables are recognised exclusive of GST. Receivables and payables are stated inclusive of the amount of GST payable and receivable.

1. Significant accounting policies (continued)

(d) Impact of climate change related risk

Icon Distribution has a significant investment in the ActewAGL Distribution Partnership which owns the gas distribution networks and owns and operates the electricity distribution networks in the ACT and surrounding regions. Australia's transition to a low carbon economy is subject to considerable uncertainty including in relation to government policy, technology development and consumer uptake of new technologies. The ACT Government has introduced legislated targets to reduce electricity emissions to zero and ultimately achieve carbon neutrality by 2045. This strategy places a strong emphasis on the energy sector to effectively reduce emissions that come directly from electricity and gas assets and develop renewable energy opportunities in the short to medium term.

A fair value assessment of the plant and equipment assets within the partnership was undertaken as at 30 June 2023. The outcome of the combined quantitative and qualitative assessment determined that the fair value of these assets was below the carrying value held by Icon Distribution. This has resulted in the recognition of a revaluation decrement of \$64.7 million in the Asset revaluation reserve (2022: \$25.6 million decrement). Refer to note 5 for further information.

However, considerable uncertainty remains as the energy transition is expected to negatively impact gas demand and customer numbers over the longer term, with some related demand uplift for electricity. In the event that network price caps are put in place that limit the ability to recover the full value of the gas regulated asset based within the ActewAGL Distribution Partnership, this will negatively impact the fair value of the gas network unless future changes to current regulatory pricing mechanisms to deal with potential stranded assets and/or access to other forms of recovery through government compensation is accommodated in the medium to longer term.

The next five-year regulatory pricing period for gas commencing on 1 July 2026 may consider several responses including accelerated depreciation, decommissioning costs and price caps on increases, which will provide a better view as to modelling the future cashflows of the gas network but considerable uncertainty presently exists with respect to the future regulatory response for gas. This may result in a material change to the estimated cash inflows expected to be received by Icon Distribution from its investment in the ActewAGL Distribution Partnership and the resultant fair value of the gas assets in future periods.

2. Revenue

	2023	2022
	\$'000	\$'000
Share of net profit from the ActewAGL Distribution Partnership accounted for using the equity method	139,665	119,314
	139,665	119,314

Accounting policy

Icon Distribution derives all of its income from the ActewAGL Distribution Partnership. Icon Distribution recognises the profit or loss as it is generated by the ActewAGL Distribution Partnership.

3. Income tax equivalents expense

(a) Total income tax equivalents expense comprises:

	2023 \$'000	2022 \$'000
Current tax		
Income tax equivalents expense recognised in the current year	39,822	34,912
Adjustment to current tax for prior periods (i)	(343)	(141)
	39,479	34,771
Deferred tax		
Deferred tax equivalents expense recognised in the current year (Refer note 7)	2,499	1,154
	2,499	1,154
Income tax equivalents expense	41,978	35,925

- (i) Adjustments for prior periods relates to differences between the income tax equivalents expense calculated for financial statement disclosure and the income tax return lodged in the subsequent financial period.

(b) Numerical reconciliation of income tax equivalents expense to prima facie tax payable:

	2023 \$'000	2022 \$'000
Profit before income tax equivalents expense	139,665	119,314
Tax on profit at Australian prima facie tax rate of 30% (2021-22: 30%)	41,900	35,794
Increase/(decrease) in income tax equivalents expense due to:		
Non-deductible expenses	85	92
Post-tax share of results from joint venture partnerships	174	180
Adjustments to current tax for prior periods (i)	(181)	(141)
Income tax equivalents expense	41,978	35,925

- (i) Adjustments for prior periods relates to differences between the income tax equivalents expense calculated for financial statement disclosure and the income tax return lodged in the subsequent financial period.

(c) Income tax equivalents expense recognised in other comprehensive income:

	2023 \$'000	2022 \$'000
<i>Items that will not be reclassified subsequently to profit and loss</i>		
Deferred tax debited directly to equity (Refer note 7)	(19,405)	(7,669)
Income tax equivalents expense relating to components of other comprehensive income	(19,405)	(7,669)

3. Income tax equivalents expense (continued)

Accounting policy

National Tax Equivalents Regime

Icon Distribution is exempt from Federal income tax. Icon Water and its controlled entities are required to make an equivalent payment to the ACT Government as required by the *Territory-owned Corporations Act 1990*.

The income tax equivalents expense or benefit for the period is the tax payable/receivable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period where Icon Water's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Tax consolidation legislation

Icon Water and its controlled entities have entered into a tax funding agreement under which the controlled entities fully compensate Icon Water for any current tax payable assumed and are compensated by Icon Water for any current tax receivable and deferred tax assets relating to unused tax credits that are transferred to Icon Water under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the controlled entities' financial statements.

The amounts receivable/payable under the tax funding agreement is due upon receipt of the funding advice from Icon Water, which is issued as soon as practicable at the end of the financial year. Icon Water may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as non-current intercompany loan receivable or payable.

4. Dividends

	2023 \$'000	2022 \$'000
Dividend payable at the beginning of the financial year	83,389	19,623
Amount appropriated from operating profit	97,687	83,389
	181,076	103,012
Amount paid during the year	(83,389)	(19,623)
Dividend payable at the end of the financial year	97,687	83,389

Accounting policy

Icon Distribution pays 100% of its profits to its immediate parent entity, Icon Water Limited. A provision is made for this dividend at the end of the financial year.

5. Investments accounted for using the equity method

	2023 \$'000	2022 \$'000
Non-current assets		
Investment in the ActewAGL Distribution Partnership	1,007,007	957,027
	1,007,007	957,027

The movement in the carrying value in the investment in ActewAGL Distribution Partnership during the year has changed as follows:

	2023 \$'000	2022 \$'000
Carrying amount at beginning of financial year	957,027	932,276
Share of net profit from the ActewAGL Distribution Partnership	139,665	119,314
Distributions received from the ActewAGL Distribution Partnership	(25,000)	(69,000)
Revaluation of plant and equipment assets in the ActewAGL Distribution Partnership	(64,685)	(25,563)
Carrying amount at end of financial year	1,007,007	957,027

Commitments and contingent liabilities in respect to joint ventures

(a) Commitments

Icon Distribution has entered into a joint arrangement with Jemena Networks (ACT) Pty Ltd to manage the ACT electricity network and the gas network in the ACT, Queanbeyan and Shoalhaven regions. Icon Distribution has a 50% participating interest in the ActewAGL Distribution Partnership. Information relating to the ActewAGL Distribution Partnership is set out below:

Share of the ActewAGL Distribution Partnership commitments:

	2023 \$'000	2022 \$'000
Capital commitments	12,157	28,266

Each of the partners in the ActewAGL Distribution Partnership is jointly and severally liable for the debts of the Partnership. The assets of the ActewAGL Distribution Partnership exceeded its debts at 30 June 2023.

(b) Bank guarantees

A number of bank guarantees have been provided by the partnership for the normal operations of the business.

Each of the partners in the ActewAGL Distribution Partnership is jointly and severally liable for the debts of the partnership.

(c) Contingent liabilities

There are no contingent public liability insurance claims against the ActewAGL Distribution Partnership at year end. Icon Distribution's share of this contingent liability is nil as at 30 June 2023 (30 June 2022: nil).

Accounting policy

The cost method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Icon Distribution has assessed its joint arrangement in ActewAGL Distribution Partnership and concluded the arrangement to be a joint venture. The interest in the joint venture is accounted for using the equity method. Under this method, the share of the profits or losses of the partnership is recognised as income in the statement of profit or loss and other comprehensive income, and the share of movement in reserves is recognised in reserves in the balance sheet.

5. Investments accounted for using the equity method (continued)

Accounting policy (continued)

Icon Distribution's share in the plant and equipment assets of the ActewAGL Distribution Partnership will be adjusted to fair value, if material, to align to Icon Water Group's accounting policy on property, plant and equipment assets. The valuation is conducted by way of discounting the expected cash flows of the ActewAGL Distribution Partnership to present value.

An annual assessment of fair value is performed to determine if it is materially different to the carrying value at the end of the reporting period. The assessment includes both qualitative and quantitative reviews.

Critical Accounting Estimate

Revaluation of plant and equipment within the Distribution partnership

Icon Distribution assesses the fair value of plant and equipment within the ActewAGL Distribution Partnership annually.

Gas assets

The ACT Government's *Climate Change and Greenhouse Gas Reduction (Natural Gas Transition) Amendment Bill* was legislated in June 2023 and formalises its long-term strategy to transition away from fossil-fuel gas and achieve carbon neutrality by 2045.

In order to achieve this, it is more than likely that the use of natural gas within the ACT will cease within the next 23-year period. For the year ended 30 June 2023, the fair value of gas assets has been determined by application of an income approach using a discounted cash flow method.

The following key estimates and assumptions underlying the valuation calculations for the current reporting period are:

- estimated future cash flows, based on management's estimates, have been projected over 23 years to 30 June 2045, with no terminal value applied;
- forecasted revenue considers reducing volumes over time and a declining regulated asset base (RAB);
- forecasts include cash inflows anticipated from the disposal of decommissioned regulated assets;
- only nominal capital expenditure is forecast to be incurred until 2045. Investment or growth capital expenditure has not been forecast as the assets are considered to be in good condition with the remaining service life likely able to deliver natural gas until termination by, or before, 2045;
- other operational and incidental expenditures such as taxes and decommissioning costs are also expected to be fully recovered over the forecast period;
- under recoveries due to revenue shortfalls are expected to be recovered in subsequent regulatory periods. Decreasing volumes over the forecast period may result in price increases to the remaining customer base. Management have not included pricing caps in later years where pricing increases are expected;
- the Weighted Cost of Capital (WACC) discount rate of 6.00% (2022: 5.10%) has been developed from a market participant perspective and has been applied to discount cash flows and reflects the longer-term view of the risks inherent in the forecast cash flows;
- the RAB is expected to be fully recovered over the remaining useful life and it is also assumed that returns are not expected to be recovered beyond an asset's useful life. Inherent in this assumption is that the Australian Energy Regulator (AER) will allow the RAB base and associated regulatory depreciation to be recovered by 2045; and
- the RAB has been depreciated on a straight-line basis and will have a nil value by the end of the forecast period in 2045.

5. Investments accounted for using the equity method (continued)

Critical Accounting Estimate (continued)

Revaluation of plant and equipment within the Distribution partnership (continued)

Gas assets (continued)

All estimates regarding future outcomes are based upon the use of scenarios, judgements and assumptions and are subject to risk and uncertainty that may be beyond the control of management, therefore there is a possibility that changes in circumstances will materially alter projections which could lead to changes to estimates in future reporting periods.

Specialist valuation advice has been obtained to perform the income valuation approach and also undertake a correlation using the market-multiples approach to further assess the reasonableness of the valuation outcome. This included calculating implied EV/EBITDA multiples and EV/RAB multiples. In addition to the income valuation approach and the market-multiples approach, an assessment has also been made as to whether there are qualitative factors that could impact the valuation.

The valuation is sensitive to variations in the WACC, consumption volumes, decommissioning costs and assumptions around the estimated useful life of the RAB.

The valuation exercise undertaken for gas assets for the year ended 30 June 2023 resulted in a \$40.8 million decrement adjustment being required for the equity accounted investment in the partnership reflecting the change in value of Icon Distribution's investment in those underlying assets. This adjustment was recognised in the Asset revaluation reserve.

Electricity assets

For the year ended 30 June 2023, the fair value of electricity assets has been determined by application of an income approach using a discounted cash flow method. The following key estimates and assumptions underlying the valuation calculations for the current reporting period are:

- estimated future cash flows, based on management's estimate, have been projected over five years and discounted to their present value using the WACC;
- the WACC discount rate of 6.00% (2022: 5.10%) has been used to discount cash flows and has been developed from a market participant perspective. The WACC discount rate used is based on external valuation advice and is considered the best estimate of a long-term view of the market cost of capital;
- future capital expenditure, fixed and variable operational expenditure and related revenues relating to restructuring or improving asset performance have been included in the cash flows, derived from the Board approved 2023-24 long term forecasts and taking into account the latest determinations from the AER; and
- the projected regulatory asset base value (at a multiple of 1.25) has been used to compute the terminal value of the valuation.

The valuation exercise undertaken for electricity assets for the year ending 30 June 2023 resulted in a \$23.9 million decrement adjustment being required for the equity accounted investment in the partnership reflecting the change in value of Icon Distribution's investment in those underlying assets. This adjustment was recognised in the Asset revaluation reserve.

For the year ended 30 June 2023, the combined valuation exercise for gas and electricity assets resulted in the recognition of a \$64.7 million decrement (30 June 2022: \$25.6 million decrement) in the Asset revaluation reserve.

6. Financial liabilities

	2023 \$'000	2022 \$'000
Non-current liabilities		
Intercompany loan – Icon Water Limited	723,202	625,334
	723,202	625,334

Accounting policy

The intercompany loan liability to Icon Water Limited is non-interest bearing, unsecured and is not payable in the normal course of business.

7. Deferred tax balances

	2023 \$'000	2022 \$'000
Net deferred tax liability		
At the beginning of the financial year	117,727	124,242
Income tax (charged)/credited to the statement of profit or loss (Refer note 3a)	2,499	1,154
Income tax (charged)/credited to other comprehensive income and equity (Refer note 3c)	(19,405)	(7,669)
At the end of the financial year	100,821	117,727

The composition of Icon Distribution's deferred tax assets and liabilities recognised in the balance sheet and the deferred tax expense charged/(credited) to the statement of profit or loss is as follows:

	Deferred tax liability		(Credited)/charged to the statement of profit or loss	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Investments accounted for using the equity method	64,436	61,937	(2,499)	(1,154)
Asset revaluation reserve	36,385	55,790	-	-
Total	100,821	117,727	(2,499)	(1,154)

8. Contributed equity

Movements in fully paid ordinary shares:

	Number of shares	Total \$'000
Balance as at 1 July 2022	400,000	400
Balance as at 30 June 2023	400,000	400

Icon Distribution does not have a limited amount of authorised capital.

9. Reserves

	2023	2022
	\$'000	\$'000
Asset revaluation reserve	84,897	130,177
Total reserves	84,897	130,177

Accounting Policy

The asset revaluation reserve is used to record increments and decrements on Icon Distribution's valuation of the ActewAGL Distribution Partnership plant and equipment assets.

10. Remuneration of auditors

The ACT Audit Office has chosen to provide a consolidated invoice for the Icon Water Group audits. Payment for the audit and review of the financial report by the ACT Audit Office, as auditor of the Icon Water Group, will be made by the immediate parent entity, Icon Water Limited, on behalf of Icon Distribution.

11. Contingent liabilities

No contingent liabilities are known to the directors at the date of this report (30 June 2022: nil).

12. Commitments for expenditure

At 30 June 2023, Icon Distribution had not committed to any future capital expenditure (30 June 2022: nil).

13. Events occurring after the reporting period

No matters or circumstances have arisen since 30 June 2023 that have significantly affected, or may significantly affect, Icon Distribution's operations in future financial periods or the results of those operations in future financial periods.

14. Related party transactions

(a) Transactions with Director related entities

There were no transactions during the financial year with the directors of Icon Distribution.

Any transactions with directors or in which directors are interested, are conducted on an arm's length basis in the normal course of business and on commercial terms and conditions.

(b) Transactions with key management personnel

The remuneration of directors is paid through the immediate parent entity, Icon Water Limited.

(c) Parent entity

The immediate parent entity in the wholly-owned group is Icon Water Limited.

The ultimate parent entity is the ACT Government who owns 100% of the shares of Icon Water.

(d) Outstanding balances arising from transactions with related entities

	2023 \$	2022 \$
Amounts due to immediate parent entity		
Current	97,686,762	83,389,495
Non-current	723,202,468	625,333,986
Total related party payables	820,889,230	708,723,481

(e) Transactions with related entities in the wholly-owned Group

During the financial year ended 30 June, the following transactions were undertaken by entities within the Icon Water Group:

(i) Transactions with immediate parent entity

	2023 \$	2022 \$
Distributions received from the ActewAGL Distribution Partnership	(25,000,000)	(69,000,000)
Payments to suppliers made on behalf of Icon Distribution	-	11,216
Payment of dividends to Icon Water Limited	83,389,485	19,622,794
Income tax equivalents payments made on behalf of Icon Distribution	39,478,998	34,770,999
Net increase/(decrease) in intercompany loan with Icon Water Limited	97,868,483	(14,594,991)

(f) Loan from immediate parent entity

	2023 \$	2022 \$
Balance at the beginning of the financial year	625,333,986	639,928,977
Net increase/(decrease) in intercompany loan with Icon Water Limited	97,868,483	(14,594,991)
Balance at the end of the financial year	723,202,469	625,333,986

The immediate parent entity, Icon Water Limited, facilitates the cash transactions on behalf of Icon Distribution which is offset by an intercompany loan account. All cash is handled through Icon Water and is reflected in the financial statements of that company.

Directors' declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 12 to 26, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards – General Purpose Financial Statements - Simplified Disclosures, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable (refer to note 1a(v)).

This declaration is made in accordance with a resolution of directors. The financial statements were authorised for issue by the directors on 31 August 2023. The directors have the power to amend and reissue the financial statements.



Wendy Caird
Chair

Canberra
31 August 2023



Ray Hezkiel
Director

Canberra
31 August 2023



Icon Retail Investments
Limited

ABN 23 074 371 207

ANNUAL REPORT

For the year ended
30 June 2023

Icon Retail Investments Limited

ABN 23 074 371 207

Annual Report for the year ended 30 June 2023

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The financial statements are for Icon Retail Investments Limited (Icon Retail) as an individual entity. The financial statements are presented in Australian dollars (AUD).

Icon Retail Investments Limited is a company limited by shares, incorporated and domiciled in Australia. Its principal registered office is:

Level 5, ActewAGL House
40 Bunda Street
Canberra ACT 2600

A description of the nature of the entity's operations and its principal activities is included in the Directors' report on page 7, which does not form part of the financial statements.

The financial statements were authorised for issue on 31 August 2023. The directors have the power to amend and reissue the financial statements.

Directors' Report

The directors present the financial report of Icon Retail Investments Limited (Icon Retail) for the year ended 30 June 2023.

Directors

The following persons held office as directors of Icon Retail during the whole of the financial year and up to the date of this report unless otherwise indicated:

Wendy Caird, Chair

MAICD

Wendy Caird was first appointed to the Icon Water Board in December 2009, was appointed as Acting Deputy Chair of the Icon Water Board from July 2013, Deputy Chair in March 2014, then Chair from March 2017. Ms Caird's appointment term was extended in March 2020 when she was reappointed as Chair of the Icon Water Board due to her extensive knowledge of Icon Water's business and experience on the ActewAGL Partnerships Board. Ms Caird is the Chair of Icon Water's Remuneration Committee, Chair of Icon Distribution Investments Limited and Icon Retail Investments Limited and until 31 January 2023, Deputy Chair of the ActewAGL Partnerships Board. She was also Chair of ActewAGL's Safety, Audit and Risk Committee until 2 October 2022.

Ms Caird has held a number of positions with Public Services International (France) including Co-chair Asia Pacific Region (1998–2002), a Member of the Executive Board (1997–2002), Global Director of the Quality Public Services campaign (2002–2006), and a Member of the Global Coordinating Committee of the "Global Call to Action Against Poverty: (Make Poverty History)" campaign (2005–2006).

Ms Caird held a number of executive positions with the Community and Public Sector Union (Australia), including as NSW Branch Secretary and National Secretary.

Carol Lilley, Deputy Chair

BCom, CIA, CGAP, FCA, GAICD

Carol Lilley was first appointed to the Icon Water Board in April 2013 and to the boards of Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2017. She is Chair of Icon Water Board's Risk and Assurance Committee and a Member of the Remuneration Committee. Ms Lilley was appointed as Deputy Chair of the Boards of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2017. Ms Lilley's appointment term was extended in October 2020 due to her specialist financial expertise and extensive knowledge of Icon Water's business. Ms Lilley was appointed as a Member of the ActewAGL Partnerships Board in February 2023.

Ms Lilley is a full time independent board director and Audit Committee Member. She was a Partner in an accounting firm and a financial statement

and internal auditor for nearly 20 years. Her experience is in governance and assurance including financial statement audit, internal audit and project and risk management, with a particular focus on government.

Ms Lilley is currently Chair of the Audit Committee for Transport Canberra and City Services Directorate and she also has various governance roles for Commonwealth Government entities (including as a Member of the Audit & Risk Committees for Services Australia and Chair for the Department of Home Affairs amongst others).

Ms Lilley is a Graduate of the Australian Institute of Company Directors, Fellow of Chartered Accountants Australia and New Zealand, was a registered company auditor and is a certified internal auditor.

Directors (continued)

Ray Hezkial, Director

BEng (Civil), DipPM, MBA, MIEAust, MAICD

In November 2018 Ray Hezkial was appointed as a Member of the Boards of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited. Mr Hezkial is also a Member of the Icon Water Remuneration Committee. Mr Hezkial was appointed as a Member of the ActewAGL Partnerships Board and the ActewAGL Retail Investments Board in April 2019.

Mr Hezkial joined Icon Water in 2003 and has undertaken multiple roles prior to his appointment as Managing Director in November 2018. In his previous role as General Manager, Infrastructure Services, Mr

Hezkial was responsible for managing Icon Water's capital works program, provision of network operations and all aspects of day to day maintenance relating to the ACT's water and sewer reticulation systems.

Mr Hezkial has a Master of Business Administration, Diploma in Project Management, and Bachelor of Engineering (Civil). Mr Hezkial is a Member of the Institute of Engineers Australia and of the Australian Institute of Company Directors.

Brett Tucker, Director

BRurSc, Grad.Cert. Accounting and Finance, MAICD, Churchill Fellow
Term concluded 9 July 2023

Brett Tucker was appointed to the Icon Water Board in July 2017 and was a Member of the Icon Water Board's Risk and Assurance Committee and Remuneration Committee, and a Director of both the Icon Retail Investments Limited Board and Icon Distribution Investments Limited Board.

Mr Tucker has more than 30 years of professional experience, including Non-Executive Director, Managing Director and Chief Executive roles in public and private sector water and energy utilities.

Mr Tucker currently owns and operates Blackwatch Consulting, a business providing high level strategy,

governance and technical advice to government and private sector corporations, industry groups and project teams. He is a former Director of the Peter Cullen Trust and provides mentoring and coaching support to a number of senior managers and prospective industry leaders.

Mr Tucker holds an Honours Degree in Rural Science and a Graduate Certificate in Accounting and Finance. He was awarded a Churchill Fellowship in 1998 and is a Member of the Australian Institute of Company Directors.

Directors (continued)

Dorte Ekelund, Director

BURP (Hons), MBA, FPIA, MAICD

Dorte Ekelund was appointed to the Icon Water Board in November 2017. She is a Member of the Icon Water Remuneration Committee, a Director of the Icon Retail Investments Limited Board as well as a Director of the Icon Distribution Investments Limited Board.

Ms Ekelund is a Commissioner of the Northern Territory Planning Commission, and a Member of the University of Wollongong's SMART Infrastructure Advisory Council.

Ms Ekelund is an urban and regional planner with over 35 years' experience working in strategic and statutory land use and infrastructure planning across all levels of government. She has worked in NSW local government, headed the Federal Government's Major Cities Unit, was Deputy Director-General of the Western Australian Department of Planning and Infrastructure, and a member of the WA Planning Commission.

Ms Ekelund has held a number of urban planning roles in the ACT Government, including as Director-

General of the ACT Environment, Planning and Sustainable Development Directorate (2013–2017) where she was responsible for energy and water policy and programs, as well as urban planning.

Ms Ekelund has considerable experience in environmental policies and management, including climate change mitigation and adaptation action. Her experience in energy includes membership of the Council of Australian Governments (COAG) Energy Senior Officials and oversight of significant policy initiatives and investment in renewables which led to the ACT sourcing 100% of its electricity from renewables. Ms Ekelund has also been the ACT member of the Murray-Darling Basin Officials Group.

Ms Ekelund has a Bachelor of Urban and Regional Planning (Class 1 Honours), an MBA and is an adjunct Professor (Planning) at the University of Canberra. She is a Fellow of the Planning Institute of Australia.

Dr Helen Locher, Director

BSc (Earth Science), MEnvSc (Environmental Science), PhD (Civil Engineering), GAICD

Dr Helen Locher was appointed to the Icon Water Board in May 2020. She is a member of the Icon Water Remuneration Committee and a Director of the Icon Retail Investments Limited Board as well as a Director of the Icon Distribution Investments Limited Board. Dr Locher also sits on the Risk and Assurance Committee. Ms Locher's appointment was extended for a second three-year term in May 2023.

Dr Locher is currently a non-executive director of the Tasmanian Water and Sewerage Corporation (TasWater), and a tribunal member of the Tasmanian Civil and Administrative Tribunal. She has had previous board roles with the Environmental Protection Agency (Tasmania) and the Resource Management and Planning Commission (Tasmania).

Dr Locher has 18 years of experience working in senior roles for Hydro Tasmania, more than 30 years doing international consulting work, and 15 years

serving on boards. She has considerable experience working with the water and energy industries, focused on environmental, social and sustainability challenges arising with major infrastructure development and operations across a variety of contexts.

She has worked in more than 30 countries and on all continents, and as an independent consultant has delivered assignments for clients including the World Bank, International Finance Corporation, Asian Development Bank, Mekong River Commission and the International Hydropower Association. Dr Locher has received several international awards recognising her significant contributions to better addressing sustainability issues in the global hydropower sector.

Dr Locher has a Bachelor of Science (Earth Science), a Masters of Environmental Science, a PhD in Civil Engineering, and is a Graduate of the Australian Institute of Company Directors.

Directors (continued)

Peter Dennis, Director

BEng, M Environmental Studies, Dip Mgmt, FIE Aust, CPEng, NER, Int PE (Aus), MAICD

Peter Dennis was appointed to the Icon Water Board in May 2020. He is a member of the Icon Water Remuneration Committee and a Director of the Icon Retail Investments Limited Board as well as a Director of the Icon Distribution Investments Limited Board. Mr Dennis' appointment was extended for a second three-year term in May 2023, and he joined the Icon Water Board's Risk and Assurance Committee in June 2023.

Mr Dennis is General Manager of Water for Beca Hunter H2O, a Director of the NSW Local Government Procurement Board, and President and Director for the Australian Water Association.

Mr Dennis has over 30 years' water industry experience in Australia and overseas. He has been the Chief Executive Officer of Seqwater (Bulk Water Utility for South East Queensland); Chief Executive Officer of the Armidale Regional Council; as well as holding senior executive roles with Hunter Water Corporation. Peter has extensive experience in all aspects of water utility management including strategy development and execution, customer/community

consultation, operational leadership, regulator engagement, policy development, infrastructure delivery, ongoing asset management and workforce planning.

He has a strong interest in sustainable urban water management and in ensuring the water industry is resilient against the impact of climate variability. He has also been actively involved in supporting our Pacific neighbours to meet the challenges of sustainable water management.

Mr Dennis was included in the Top 100 most Influential Engineers in Australia (2014 and 2015) and awarded the Newcastle Division of Engineers Australia 'Professional Engineer of the Year (2009)'.

Mr Dennis has a Bachelor of Engineering in chemical engineering, Masters of Environmental Studies, a postgraduate Diploma of Management, a Corporate Directors Diploma and is an Adjunct Professor in Engineering at the University of Newcastle. He also lectured in Environmental Process Technologies for over 15 years.

Directors (continued)

Julie-Anne Schafer, Director

LLB (Hons), FAICD, ANZIIF

Julie-Anne Schafer was appointed to the Icon Water Board in November 2021 and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited on 15 December 2021. Ms Schafer is also a member of the Icon Water Remuneration Committee. Ms Schafer was appointed as a Member of the ActewAGL Partnerships Board in July 2022 and as Chair of the ActewAGL Safety, Audit and Risk Committee in October 2022.

Ms Schafer has directorship experience in diverse and highly regulated sectors, including financial services, utilities, transport, member services and health.

Ms Schafer is currently a non-executive director of Urban Utilities and Chair of the Audit, Finance and Risk Committee and member of the Experience and Safety Committee for Urban Utilities. She is also Chair of Peak Services Holdings

Pty Ltd, Peak Services Pty Ltd and LocalBuy Pty Ltd.

Ms Schafer is a non-executive member of the Office of the National Rail Safety Regulator and is a member of the board of the Australian Reinsurance Pool Corporation. She is President of the National Competition Council.

Ms Schafer was previously a partner in Brisbane professional legal service firms, specialising in commercial and insurance matters. She is a former Deputy Chancellor of QUT, President of the Queensland Law Society, and Chair of Queensland's largest mutual.

She is a Fellow of the Australian Institute of Company Directors and has a Bachelor of Laws with Honours. She facilitates in Governance and the Practice of Directorship, Risk and Strategy in the Company Director Course, for the Australian Institute of Company Directors.

Geoffrey Buchanan, Director

Assoc DipBus, BBus (with Distinction), BSc (Hons), MGeogSc
Appointed 30 August 2023

Geoffrey Buchanan was appointed to the Icon Water Board from 10 July 2023 and as a Director of Icon Retail Investments Limited and Icon Distribution Investments Limited on 30 August 2023. Mr Buchanan has more than 20 years of community engagement experience on cultural heritage, natural resource management, and energy issues, involving extensive experience working with First Nations communities. In July 2022, he commenced in his current role as Research Fellow at the Centre for Aboriginal Economic Policy Research at the Australian National University, where he had previously worked on community-based and collaborative research projects from 2004–2012. From 2013–2015, he worked in the Native Title Research Unit at the Australian Institute of Aboriginal and Torres Strait Islander Studies with a focus on supporting native title governance by Prescribed Bodies Corporate.

From 2015–2022, Mr Buchanan was a Senior Policy Officer at the ACT Council of Social Service where he led community and consumer engagement

on energy issues as manager of the ACT Energised Consumers Project. In this role he represented ACT community members' and energy consumers' interests on a number of ACT and national committees, including the Independent Competition and Regulatory Commission's Consumer Consultative Committee. Mr Buchanan is the ACT representative on Energy Consumers Australia's Board Reference Committee and the Council on the Ageing's National Energy Advocates group. He remains engaged in the ACT community sector as a Director on the Board of Council on the Ageing ACT (since 2022) and as a member of ACT Shelter's Executive Committee (since 2023).

Mr Buchanan has an Associate Diploma of Business (Management), a Bachelor of Business (with Distinction) majoring in Management, a Bachelor of Science (Honours) in Australian Environmental Studies majoring in Environmental Policy and Economics, Indigenous Australian Studies, and Social Policy and Development, and a Masters in Geographical Sciences.

Company Secretary

Alison Pratt

B.Ec, LLB (Hons), GDLP, GAICD

Alison Pratt, General Counsel, was appointed as the company secretary of Icon Water Limited, Icon Distribution Investments Limited and Icon Retail Investments Limited in March 2019, and held the position of alternate company secretary prior to this. Ms Pratt worked in private commercial legal practice in Australia and the United Kingdom prior to joining Icon Water in 2013.

Her legal experience includes advising clients from both the private and public sectors on corporate governance, property, environment, construction and planning. Ms Pratt holds a Bachelor of Economics, a Bachelor of Laws and a Graduate Diploma in Legal Practice. She is admitted to practice law in the Supreme Court of the ACT and is a Graduate of the Australian Institute of Company Directors.

Meetings of directors

The number of director's meetings held in the year and the number of meetings attended by each director who held office during the financial year are:

	Number of meetings attended	Number of meetings eligible to attend
Wendy Caird	6	6
Carol Lilley	6	6
Ray Hezkial	5	6
Brett Tucker	5	6
Dorte Ekelund	5	6
Dr Helen Locher	6	6
Peter Dennis	6	6
Julie-Anne Schafer	6	6

Principal activities and review of operations

Icon Retail holds a 50% interest in the ActewAGL Retail Partnership. Its operations and the expected results of those operations are dependent on that of the ActewAGL Retail Partnership. Icon Retail along with AGL ACT Retail Investments Pty Ltd hold two issued shares as joint tenants of ActewAGL Retail Investments Pty Ltd. ActewAGL Retail Investments Pty Ltd is a holding company for the investments of the ActewAGL Retail Partnership.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of Icon Retail during the year.

Trading results and dividends

A dividend of \$11,792,047 (2022: \$11,161,239) has been declared by the directors to be paid, which is 100% of 30 June 2023 after tax net profit.

Matters subsequent to the end of the financial year

No matters of significance have arisen since the end of the financial year.

Likely developments and expected results of operations

There are no likely developments that will affect the expected results of operations.

Environmental regulations

Icon Retail has various environmental reporting requirements and obligations in each state and territory that it holds a licence. The licences were issued to the ActewAGL Retail Partnership and reporting and compliance obligations are undertaken by the Partnership. During the financial year, Icon Retail materially complied with all requirements in respect to these licences. There have been no recorded incidents of non-compliance with laws or regulations which has resulted in the issuance of directions, sanctions or fines to Icon Retail.

Insurance of officers

Icon Water had in place during the financial year a package of insurance that included insurance for directors and officers of Icon Water and its controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of Icon Retail, other than where such liabilities arise out of conduct involving wilful breach of duty by the officers or the improper use by the officers of their position. The policy also applies if a claim is made against directors or officers after they have left the service of Icon Water, where the claim was over events that occur during their service at Icon Water.

No claim has been made against the officers and directors insurance policy during the 2022-23 financial year.

Indemnity of officers and directors

Icon Water has indemnified officers and directors of Icon Retail and its controlled entities against liabilities and legal costs arising in the course of their duties. This includes as a director appointed by Icon Water or by a subsidiary company to Icon Water to serve on the board of a company or partnership that is part owned directly or indirectly by Icon Water or by a subsidiary company of Icon Water, to the extent permitted by the *Corporations Act 2001*. This indemnity is to operate only where and to the extent that the director or officer is unable to require an insurer to meet the damage, liability, cost, loss or expense. No liability has arisen under these indemnities as at the date of this report.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 11.

Rounding of amounts

Icon Retail is a company of the kind referred to in Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission (ASIC), relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed for and on behalf of, and in accordance with a resolution of, the Board of directors.



Wendy Caird
Chair

Canberra
31 August 2023



Ray Hezkiel
Director

Canberra
31 August 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly and Icon Retail Investments Limited

Opinion

I have audited the financial report of Icon Retail Investments Limited (Company) for the year ended 30 June 2023 which comprises the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, directors' declaration and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In my opinion, the financial report:

- (i) presents fairly, in all material respects, the Company's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended; and
- (ii) is presented in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of this report.

I am independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Company for the financial report

The directors of the Company are responsible for:

- preparing and fairly presenting the financial in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001*;
- determining the internal controls necessary for the preparation and fair presentation of the financial report that is free from material misstatement, whether due to error or fraud; and
- assessing the ability of the Company to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial report.

Auditor's responsibilities for the audit of the financial report

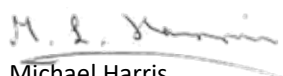
My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Company's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the Company's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether it represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Michael Harris
Auditor-General

5 September 2023

AUDITOR'S INDEPENDENCE DECLARATION

In relation to the audit of the financial report of Icon Retail Investments Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Michael Harris
Auditor-General
5 September 2023

Statement of profit or loss and other comprehensive income

	Note	2023 \$'000	2022 \$'000
Revenue			
Share of net profit of the joint venture partnership accounted for using the equity method	2	17,089	16,006
		17,089	16,006
Profit before income tax equivalents expense		17,089	16,006
Income tax equivalents expense	3a	(5,297)	(4,845)
Profit for the year		11,792	11,161
Total comprehensive income for the year		11,792	11,161
Total comprehensive income is attributable to:			
Owners of Icon Retail Investments Limited		11,792	11,161

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Balance sheet

	Notes	2023 \$'000	2022 \$'000
ASSETS			
Non-current assets			
Receivables	5a, 13d	6,737	6,737
Investments accounted for using the equity method	6	48,297	48,209
Deferred tax balances	7	1,422	1,090
Total non-current assets		56,456	56,036
Total assets		56,456	56,036
LIABILITIES			
Current liabilities			
Dividends payable	4, 13d	11,792	11,161
Total current liabilities		11,792	11,161
Non-current liabilities			
Intercompany loan	5b, 13d	43,664	43,875
Total non-current liabilities		43,664	43,875
Total liabilities		55,456	55,036
Net assets		1,000	1,000
EQUITY			
Contributed equity	8	1,000	1,000
Total equity		1,000	1,000

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of cash flows

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Distributions received from the ActewAGL Retail Partnership		17,000	17,000
Payments to suppliers (inclusive of goods and services tax)		-	(11)
Net cash inflow from operating activities		17,000	16,989
Cash flows from financing activities			
Income tax equivalents paid by Icon Water		(5,628)	(4,485)
Payments of dividends to Icon Water	4	(11,161)	(9,685)
Net cash (outflow) from financing activities		(16,789)	(14,170)
Net decrease in intercompany loan	13e	211	2,819

The parent entity, Icon Water Limited, facilitates the cash transactions on behalf of Icon Retail which is offset by an intercompany loan account. All cash is handled through Icon Water and is reflected in the financial statements of that company.

The above statement of cash flows should be read in conjunction with the accompanying notes.

Statement of changes in equity

	Note	Attributable to the owners of Icon Retail		Total equity \$'000
		Contributed equity \$'000	Retained earnings \$'000	
Balance at 1 July 2021		1,000	-	1,000
Profit for the year		-	11,161	11,161
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	4	-	(11,161)	(11,161)
Balance at 30 June 2022		1,000	-	1,000
Balance at 1 July 2022		1,000	-	1,000
Profit for the year		-	11,792	11,792
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	4	-	(11,792)	(11,792)
Balance at 30 June 2023		1,000	-	1,000

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the financial statements

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operation of the entity, including:

- Accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not provide guidance for a particular type of transaction.
- Analysis and sub-totals.
- Information about estimates and judgments made in relation to particular items are included in the notes.

This section also provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria. It also includes additional information that must be disclosed to comply with the Australian Accounting Standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

1. Significant accounting policies
2. Revenue
3. Income tax equivalents expense
4. Dividends
5. Financial assets and liabilities
6. Investments accounted for using the equity method
7. Deferred tax balances
8. Contributed equity
9. Remuneration of auditors
10. Contingent liabilities
11. Commitments for expenditure
12. Events occurring after the reporting period
13. Related party transactions

1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below and in the relevant notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Icon Retail is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with Australian Accounting Standards - Simplified Disclosure Requirements

The financial report of Icon Retail complies with Australian Accounting Standards – Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

(ii) Historical cost convention

These financial statements have been prepared on a historical cost convention, unless otherwise stated in the financial statements.

(iii) Early adoption of standards

The directors have not elected under section 334(5) of the *Corporations Act 2001* to early adopt any new Australian Accounting Standard in the current year and they are not expected to have a material impact.

(iv) New and amended standards adopted

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2022 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

(v) Going concern

The financial report has been prepared on a going concern basis. At 30 June 2023, current liabilities exceed current assets by \$11.8 million. This deficiency in current assets is managed by an intercompany loan and the Icon Water Group's ability to generate profits, as evidenced by current and prior year results as well as generating positive cash inflow from operating activities. In the opinion of the directors, Icon Retail has adequate resources to continue as a going concern and pay its debts as and when they fall due and payable.

b) Rounding and presentation of amounts

Icon Retail is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Where applicable, comparative figures have been adjusted to conform to changes in presentation for the current year.

c) Goods and Services Tax (GST)

Revenues, expenses, assets other than receivables, and liabilities other than payables are recognised exclusive of GST. Receivables and payables are stated inclusive of the amount of GST payable and receivable.

1. Significant accounting policies (continued)

d) Impact of climate change related risk

Australia's transition to a low carbon economy is subject to considerable uncertainty including in relation to government policy, technology development and consumer uptake of new technologies. The ACT Government has introduced legislated targets to reduce electricity emissions to zero and ultimately achieve carbon neutrality by 2045. This strategy places a strong emphasis on the energy sector to effectively reduce emissions that come directly from electricity and gas assets and develop renewable energy opportunities in the short to medium term.

Icon Retail has a significant investment in the ActewAGL Retail Partnership which sells electricity, gas and other services to its retail and commercial customers in the ACT and surrounding regions. It has been assessed that the recent change in the ACT Government's policy has not affected the future cash flow projections and recoverable asset values in determining the fair valuation of the investment in the ActewAGL Retail Partnership as at 30 June 2023.

The energy transition represents a period of significant change and volatility which presents both risks and opportunities for the ActewAGL Retail Partnership. The continued shift towards full electrification will likely increase the overall demand for electricity and a move away from fossil-fuel gas. Ahead of 2045, there may be regulatory intervention in both the national electricity and gas markets, including the possibility of the introduction of network price caps. In such an event, the network price caps would impact all retailers.

2. Revenue

	2023 \$'000	2022 \$'000
Share of net profit from the ActewAGL Retail Partnership accounted for using the equity method	17,089	16,006
	17,089	16,006

Accounting policy

Icon Retail derives all of its income from the ActewAGL Retail Partnership. Icon Retail recognises the profit or loss as it is generated by the ActewAGL Retail Partnership.

3. Income tax equivalents expense

a) Total income tax equivalents expense comprises:

	2023 \$'000	2022 \$'000
Current tax		
Income tax equivalents expense recognised in the current year	5,384	4,424
Adjustment to current tax for prior periods (i)	245	61
	5,629	4,485
Deferred tax		
Deferred tax equivalents expense recognised in the current year (Refer note 7)	(332)	360
	(332)	360
Income tax equivalents expense	5,297	4,845

- (i) Adjustments for prior periods relates to differences between the income tax equivalents expense calculated for financial statement disclosure and the income tax return lodged in the subsequent financial period.

b) Numerical reconciliation of income tax equivalents to prima facie tax payable:

	2023 \$'000	2022 \$'000
Profit before income tax equivalents expense	17,089	16,006
Tax on profit at Australian prima facie tax rate of 30% (2021-22: 30%)	5,127	4,802
Increase/(decrease) in income tax equivalents expense due to:		
Non-deductible expenses	19	5
Post-tax share of results from joint venture partnerships	128	(23)
Adjustments to current tax for period periods (i)	23	61
Income tax equivalents expense	5,297	4,845

- (i) Adjustments for prior periods relates to differences between the income tax equivalents expense calculated for financial statement disclosure and the income tax return lodged in the subsequent financial period.

3. Income tax equivalents expense (continued)

Accounting policy

National Tax Equivalents Regime

Icon Retail is exempt from Federal income tax. Icon Water and its controlled entities are required to make an equivalent payment to the ACT Government as required by the *Territory-owned Corporations Act 1990*.

The income tax equivalents expense or benefit for the period is the tax payable/receivable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period where Icon Water's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Tax consolidation legislation

Icon Water and its controlled entities have entered into a tax funding agreement under which the controlled entities fully compensate Icon Water for any current tax payable assumed and are compensated by Icon Water for any current tax receivable and deferred tax assets relating to unused tax credits that are transferred to Icon Water under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in its controlled entities' financial statements.

The amounts receivable/payable under the tax funding agreement is due upon receipt of the funding advice from Icon Water, which is issued as soon as practicable at the end of the financial year. Icon Water may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as non-current intercompany loan receivable or payable.

4. Dividends

	2023 \$'000	2022 \$'000
Dividend payable at the beginning of the financial year	11,161	9,685
Amount appropriated from operating profit	11,792	11,161
	22,953	20,846
Amount paid during the year	(11,161)	(9,685)
Dividend payable at the end of the financial year	11,792	11,161

Accounting policy

Icon Retail pays 100% of its profits to its immediate parent entity, Icon Water Limited. A provision is made for this dividend at the end of the financial year.

5. Financial assets and liabilities

a) Receivables

	2023 \$'000	2022 \$'000
Non-current assets		
Intercompany receivable – Icon Water Limited	6,737	6,737
	6,737	6,737

Accounting policy

These amounts represent receivables from Icon Water Limited relating to tax losses. Icon Retail holds the receivable with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

b) Financial liabilities

	2023 \$'000	2022 \$'000
Non-current liabilities		
Intercompany loan – Icon Water Limited	43,664	43,875
	43,664	43,875

Accounting policy

The intercompany loan liability to the immediate parent entity, Icon Water Limited, is non-interest bearing, unsecured and is not payable in the normal course of business.

6. Investments accounted for using the equity method

	2023 \$'000	2022 \$'000
Non-current assets		
Investments in the ActewAGL Retail Partnership	48,297	48,209
	48,297	48,209

The movement in the carrying value in the investment in ActewAGL Retail Partnership during the year has changed as follows:

	2023 \$'000	2022 \$'000
Carrying amount at beginning of financial year	48,209	49,202
Share of net profit from the ActewAGL Retail Partnership	17,089	16,006
Distributions received from the ActewAGL Retail Partnership	(17,000)	(17,000)
Carrying amount at end of financial year	48,297	48,209

Commitments and contingent liabilities in respect to joint ventures

a) Commitments

Icon Retail has entered into a joint arrangement with AGL ACT Retail Investments Pty Ltd to sell electricity and gas to its retail and commercial customers in the ACT and surrounding regions (including Goulburn, Boorowa, Yass, Young and Shoalhaven).

Icon Retail has a 50% participating interest in the ActewAGL Retail Partnership. Each of the partners in the ActewAGL Retail Partnership is jointly and severally liable for the debts of the Partnership. The assets of the ActewAGL Retail Partnership exceeded its debts at 30 June 2023.

Icon Retail Investments Limited holds shares in ActewAGL Retail Investments Pty Ltd along with AGL ACT Retail Investments as joint tenants.

The ActewAGL Retail Partnership did not have any contractual commitments for future expenditure as at 30 June 2023 (30 June 2022: nil).

b) Contingent liabilities

There are no contingent public liability insurance claims against the ActewAGL Retail Partnership at year end. Icon Retail's share of this contingent liability is nil at 30 June 2023 (30 June 2022: nil).

6. Investments accounted for using the equity method (continued)

Accounting policy

The cost method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Icon Retail has assessed its joint arrangements in ActewAGL Retail Partnership and ActewAGL Retail Investments Pty Ltd and concluded the arrangements to be joint ventures. The interests in the joint ventures are accounted for using the equity method. Under this method, the share of profit or losses of the partnership or company is recognised as income in the statement of profit or loss and comprehensive income, and the share of movement in reserves is recognised in reserves in the statement of financial position.

Icon Retail's share in plant and equipment assets of the ActewAGL Retail Partnership is adjusted to fair value if considered material to align to Icon Water Group's accounting policy on infrastructure property, plant and equipment assets accounted for at fair value.

7. Deferred tax balances

	2023 \$'000	2022 \$'000
Net deferred tax asset		
At the beginning of the financial year	1,090	1,450
Income tax (charged)/credited to the statement of profit or loss	332	(360)
At the end of the financial year	1,422	1,090

The composition of Icon Retail's deferred tax assets and liabilities recognised in the balance sheet and the deferred tax expense charged/(credited) to the statement of profit or loss is as follows:

	Deferred tax asset		(Credited)/charged to the statement of profit or loss	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Investments accounted for using the equity method	1,422	1,090	(332)	360
Total	1,422	1,090	(332)	360

8. Contributed equity

Movements in fully paid ordinary shares:

	Number of shares	Total \$'000
Balance as at 1 July 2022	1,000	1,000
Balance as at 30 June 2023	1,000	1,000

Icon Retail does not have a limited amount of authorised capital.

9. Remuneration of auditors

The ACT Audit Office has chosen to provide a consolidated invoice for the Icon Water Group audits. Payment for the audit and review of the financial report by the ACT Audit Office, as auditor of the Icon Water Group, will be made by the immediate parent entity, Icon Water Limited, on behalf of Icon Retail.

10. Contingent liabilities

No contingent liabilities are known to the directors at the date of this report (30 June 2022: nil).

11. Commitments for expenditure

At 30 June 2023, Icon Retail had not committed to any future capital expenditure (30 June 2022: nil).

12. Events occurring after the reporting period

No matters or circumstances have arisen since 30 June 2023 that have significantly affected, or may significantly affect, Icon Retail's operations in future financial periods or the results of those operations in future financial periods.

13. Related party transactions

a) Transactions with Director related entities

There were no transactions during the financial year with the directors of Icon Retail.

Any transactions with directors or with entities in which directors are interested, are conducted on an arm's length basis in the normal course of business and on commercial terms and conditions.

b) Transactions with key management personnel

The remuneration of directors is paid through the immediate parent entity, Icon Water Limited.

c) Parent entity

The immediate parent entity in the wholly-owned group is Icon Water Limited.

The ultimate parent entity is the ACT Government who owns 100% of the shares of Icon Water.

d) Outstanding balances arising from transactions with related entities

	2023 \$	2022 \$
Amounts due from immediate parent entity	6,736,996	6,736,996
Total related party receivables	6,736,996	6,736,996
Amounts due to immediate parent entity		
Current	11,792,047	11,161,239
Non-current	43,664,036	43,874,509
Total related party payables	55,456,083	55,035,748

e) Transactions with related entities in the wholly-owned Group

During the financial year ended 30 June, the following transactions were undertaken by entities within the Icon Water Group:

(i) Transactions with immediate parent entity

	2023 \$	2022 \$
Distributions received from the ActewAGL Retail Partnership	(17,000,000)	(17,000,000)
Payments to suppliers made on behalf of Icon Retail	-	11,216
Payment of dividends to Icon Water Limited	11,161,239	9,685,031
Income tax equivalents payments made on behalf of Icon Retail	5,628,288	4,485,292
Net decrease in intercompany loan with Icon Water Limited	(210,473)	(2,818,461)

13. Related party transactions (continued)

f) Loan from immediate parent entity

	2023 \$	2022 \$
Balance at the beginning of the financial year	43,874,509	46,692,970
Net decrease in intercompany loan with Icon Water Limited	(210,473)	(2,818,461)
Balance at the end of the financial year	43,664,036	43,874,509

The immediate parent entity, Icon Water Limited, facilitates the cash transactions on behalf of Icon Retail which is offset by an intercompany loan account. All cash is handled through Icon Water Limited and is reflected in the financial statements of that company.

Directors' declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 12 to 26, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards – General Purpose Financial Statements - Simplified Disclosures, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Icon Retail's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that Icon Retail will be able to pay its debts as and when they become due and payable (refer to note 1a(v)).

This declaration is made in accordance with a resolution of directors. The financial statements were authorised for issue by the directors on 31 August 2023. The directors have the power to amend and reissue the financial statements.



Wendy Caird
Chair

Canberra
31 August 2023



Ray Hezkial
Director

Canberra
31 August 2023

ActewAGL Joint Venture

**Summary financial report
for the year ended 30 June 2023**

ActewAGL

ActewAGL Joint Venture
Summary financial report
For the year ended 30 June 2023

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ActewAGL Joint Venture
Introduction to the summary financial report
For the year ended 30 June 2023

Introduction to the summary financial report

Basis of preparation

This summary financial report is based on the special purpose financial report for the ActewAGL Joint Venture for the year ended 30 June 2023.

The summarised financial report is consistent with the special purpose financial report from which it is derived.

Profit

Profit for the year ended 30 June 2023 was \$313 million, compared to the prior year's profit of \$269 million.

Total revenue for the year ended 30 June 2023 was \$971 million compared to \$951 million in the prior year. The increase is primarily due to the increased sale of electricity attributable to higher electricity consumption. This is partially offset by the regulated decrease in Retail electricity charges due to the impact of ACT Government jurisdictional schemes resulting in lower network charges for retailers.

Total other income for the year ended 30 June 2023 was \$76 million compared to \$27 million in the prior year. The increase is primarily due to the increase in capital contributions received in our energy networks business Evoenergy for capital works undertaken on behalf of its customers, as well as gifted assets received as part of these customer initiated works.

The total cost of providing goods and services for the year ended 30 June 2023 was \$670 million compared to \$632 million in the prior year. The increase is primarily due to the increased cost of electricity purchases due to higher electricity consumption.

Cash flow

The Joint Venture generated \$397 million from its operating activities for the year ended 30 June 2023 compared to \$323 million in the prior year.

Net cash outflows used in investing activities were \$132 million for the current year, compared to \$103 million for the prior year.

Cash surplus to the Joint Venture's operational requirements is returned to the Partners in the form of cash distributions. In the current financial year, \$84 million was distributed to ActewAGL's Partners, \$88 million lower than the \$172 million in the prior year, this decrease occurring in the Distribution Partnership (AAD). This is primarily due to the prior year distribution to AAD Partners of a portion of the large-scale feed-in tariff (LFiT) scheme over-recovery balance collected by Evoenergy which was recovered via lower distributions in the current year. Also, in the prior year the proceeds from the sale of smart metering assets were distributed to Partners.

Financial position

At 30 June 2023, the Joint Venture had net assets of \$1,864 million compared to \$1,635 million in the prior year. The increase is primarily due to an increase in the capital investment in the energy network and the higher cash balance due to the LFiT over-recovery being retained in AAD. Cash available at 30 June 2023, including the LFiT over-recovery balance, was \$304 million, \$173 million higher than the prior year. Current assets were \$546 million compared to \$407 million in the prior year. Current liabilities were \$280 million compared to \$289 million at the same time last year. The Joint Venture does not have any borrowings other than for leases of motor vehicles.

The carrying value of property, plant and equipment is \$1,526 million, compared to \$1,435 million in the prior year, the increase is primarily due to the capital investment in the energy network.

ActewAGL Joint Venture
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	2023	2022
	\$'000	\$'000
Continuing operations		
Revenue	971,082	951,268
Other income	75,653	26,782
Cost of providing goods and services	(670,045)	(631,604)
Share of profits of joint ventures	269	15
Profit before net financing costs, depreciation and amortisation	376,959	346,461
Depreciation and amortisation	(73,025)	(76,346)
Profit before net financing income/costs	303,934	270,115
Finance income	10,721	825
Finance costs	(1,569)	(1,733)
Net financing income/(costs)	9,152	(908)
Profit before tax	313,086	269,207
Income tax benefit	-	32
Profit for the year	313,086	269,239
Profit for the year is attributable to:		
Partners of the ActewAGL Joint Venture	313,086	269,239
Other comprehensive income for the year	-	-
Total comprehensive income for the year	313,086	269,239
Total comprehensive income for the year is attributable to:		
Partners of the ActewAGL Joint Venture	313,086	269,239

ActewAGL Joint Venture
Statement of financial position
As at 30 June 2023

	2023 \$'000	2022 \$'000
Assets		
Current assets		
Cash and cash equivalents	304,423	131,415
Trade and other receivables	88,544	82,384
Contract assets	128,452	173,107
Inventories	16,437	10,212
Other current assets	8,127	9,538
Total current assets	545,983	406,656
Non-current assets		
Investments in joint ventures	2,811	2,542
Receivables	3,958	4,768
Property, plant and equipment	1,525,707	1,435,172
Right-of-use assets	25,164	30,064
Intangible assets	67,602	76,895
Total non-current assets	1,625,242	1,549,441
Total assets	2,171,225	1,956,097
Liabilities		
Current liabilities		
Trade and other payables	81,837	67,820
Contract liabilities	162,519	183,217
Provisions	29,168	28,936
Other liabilities including leases	6,929	9,202
Total current liabilities	280,453	289,175
Non-current liabilities		
Contract liabilities	238	444
Provisions	1,790	1,696
Other liabilities including leases	24,862	29,986
Total non-current liabilities	26,890	32,126
Total liabilities	307,343	321,301
Net assets	1,863,882	1,634,796
Joint Venture Funds		
Joint Venture funds	1,863,882	1,634,796
Total Joint Venture funds	1,863,882	1,634,796

ActewAGL Joint Venture
Statement of cash flows
For the year ended 30 June 2023

	2023	2022
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	1,242,756	1,137,267
Payments to suppliers and employees (inclusive of GST)	(854,311)	(813,336)
Income taxes paid	-	(132)
Finance income received	9,762	758
Finance costs paid	(1,565)	(1,656)
Net cash inflow from operating activities	396,642	322,901
Cash flows from investing activities		
Payments for property, plant and equipment	(125,369)	(110,030)
Payments for intangible assets	(6,528)	(15,809)
Proceeds from sale of property, plant and equipment	274	22,836
Net cash (outflow) from investing activities	(131,623)	(103,003)
Cash flows from financing activities		
Distributions paid to Partners	(84,000)	(172,000)
Principal elements of lease payments	(8,011)	(7,705)
Net cash (outflow) from financing activities	(92,011)	(179,705)
Net increase in cash and cash equivalents	173,008	40,193
Cash and cash equivalents at the beginning of the year	131,415	91,222
Cash and cash equivalents at the end of the year	304,423	131,415

ActewAGL Joint Venture
Joint Venture Board's declaration
For the year ended 30 June 2023

The ActewAGL Joint Venture prepares a special purpose financial report to satisfy the Board's reporting requirements under the *ACTEW/AGL Partnership Facilitation Act 2000*.

In the Board Members' opinion:

- a) the financial statements of the ActewAGL Joint Venture set out on pages 1 to 5:
 - i. comply with applicable Australian Accounting Standards and other mandatory professional reporting requirements; and
 - ii. present fairly, in all material respects, the Joint Venture's financial position as at 30 June 2023 and its performance, as represented by the results of its operations and cash flows, for the financial year ended on that date; and
- b) there are reasonable grounds to believe that the Partnerships which form the basis of the Joint Venture will be able to pay their debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Joint Venture Board.



Damien Nicks
Chair

Hong Kong, 31 August 2023



Ray Hezkial
Board Member

Canberra, 31 August 2023

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL REPORT

To the Partners of the ActewAGL Joint Venture

Opinion

I have audited the summary financial report of the ActewAGL Joint Venture (Joint Venture) for the year ended 30 June 2023 which comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in joint venture funds, statement of cash flows and the ActewAGL Joint Venture Board's (Board's) declaration. The summary financial report has been derived from the audited special purpose financial report of the ActewAGL Joint Venture for the year ended 30 June 2023.

On 4 September 2023, I issued an unmodified audit opinion on the special purpose financial report of the Joint Venture for the year ended 30 June 2023.

In my opinion, the summary financial report, derived from the audited special purpose financial report of the Joint Venture for the year ended 30 June 2023, is consistent, in all material respects, with the special purpose financial report.

Emphasis of matter – basis of accounting and restriction on distribution and use

Without modifying my opinion, I draw attention to the Introduction to the summary financial report and Joint Venture Board's declaration which describe the basis of preparation. The summary financial report has been prepared to assist the ActewAGL Joint Venture to meet the financial reporting requirements of the *ACTEW/AGL Partnership Facilitation Act 2000*. As a result, the summary financial report may not be suitable for another purpose.

The auditor's report is intended solely for the Partners of the Joint Venture and should not be distributed to or used by parties other than the Partners of the Joint Venture.

Summary financial report

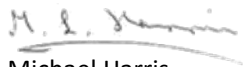
The summary financial report does not contain all Australian Accounting Standard disclosures applied by the Joint Venture in preparing the audited special purpose financial report. Reading the summary financial report and auditor's report thereon, therefore, is not a substitute for reading the audited special purpose financial report or auditor's report.

Responsibilities of the Joint Venture Board for the summary financial report

The Board is responsible for the preparation of the summary financial report.

Auditor's responsibilities

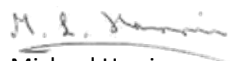
I am responsible for expressing an opinion on whether the summary financial report is consistent, in all material respects, with the audited special purpose financial report based on procedures conducted in accordance with Australian Auditing Standard ASA 810: *'Engagements to Report on Summary Financial Statements'*.



Michael Harris
Auditor-General
4 September 2023

AUDITOR'S INDEPENDENCE DECLARATION

In relation to the audit of the summary financial report of the ActewAGL Joint Venture for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Michael Harris
Auditor-General
4 September 2023

An aerial photograph of a dam and river. The river flows from the top of the frame, over a rocky section, and then over a large concrete dam. The water is turbulent and white with foam as it falls over the dam. On the left side of the river, there are several concrete structures with metal railings, possibly walkways or observation points. The surrounding landscape is rocky and covered with sparse green vegetation. A large white circle is centered over the river, containing the word "APPENDICES" in black capital letters.

APPENDICES

COMPLIANCE STATEMENT

The Icon Water Limited (Icon Water) Annual Report must comply with the Annual reports (Government Agencies) Directions 2023 (the Directions). The Directions are found at the ACT Legislation Register: legislation.act.gov.au.

This compliance statement indicates the subsections, under the five parts of the Directions that are applicable to Icon Water and the location of the information that satisfies these requirements.

Part 1 Directions Overview

The requirements under Part 1 of the Directions relate to the purpose, timing and distribution, and record keeping of annual reports. The Icon Water Annual Report complies with all subsections of Part 1 under the Directions.

In compliance with Section 15 Feedback, Part 1 of the Directions, contact details for Icon Water are provided within this Annual Report to give readers the opportunity to provide feedback.

Part 2 Agency Annual Report Requirements

The requirements within Part 2 of the Directions are mandatory for all reporting agencies and Icon Water complies with all subsections. The information that satisfies the requirements of Part 2 is found in the Icon Water Annual Report as follows:

- a. Transmittal certificate (see page 1)
- b. Organisational overview and performance (see section 1 and 2)
- c. Financial management reporting (see section 4)

Part 3 Reporting by Exception

Icon Water, as a Territory-owned corporation, has nil information to report by exception under Part 3 of the Directions for the 2022–23 reporting period in relation to:

- Dangerous Substances
- Medicines, Poisons and Therapeutic Goods.

Part 4 Agency Specific Annual Report requirements

The following subsections of Part 4 of the Directions are not applicable to Icon Water and are disclosed in the Omissions Report:

- Chief Minister, Treasury and Economic Development
- Education
- Health
- Care and Carer Support Agencies
- City Centre Marketing and Improvements Levy

- Gambling and Racing
- Ministerial and Director-General Directions
- Public Land Management Plans.

Part 5 Whole of Government Annual Reporting

As a Territory-owned corporation, Icon Water is not required to participate in whole of government annual reporting. However, in 2022–23 we did provide input into the ACT Government's Whole of Government annual reporting in relation to our bushfire risk management practices.

As per Part 5 of the Directions, Icon Water must comply with the Part 5 reporting requirements within our own report. The information that satisfies the requirements of Part 5 is found in Section 3 of the Icon Water Annual Report as follows:

- Bushfire risk management (page 73)
- Human rights (page 80)
- Legal services directions (page 80)
- Territory records (page 76).

OMISSIONS REPORT

As a public unlisted company Icon Water is not required to comply with a number of ACT Government reporting requirements which are applicable to public sector entities.

These are outlined below.

Reporting Requirement	Reason/s for Omissions
C.3	Government policy – not applicable to Icon Water. However, details of Icon Water’s major capital works are detailed in Section 2
C.4	Government policy – not applicable to Icon Water. However, details of Icon Water’s Asset Management Strategies are detailed in Section 2.
C.5	Government policy – not applicable to Icon Water
C.6	Government policy – not applicable to Icon Water Icon Water’s performance is detailed in Sections 1, 2 and 4.
D.1	Not applicable to Territory-owned corporations. Icon Water’s advice that it has nil information to report is detailed in the Compliance Statement.
D.2	Medicines, poisons and therapeutic goods
Chief Minister, Treasury and Economic Development	Not applicable to Territory-owned corporations. Icon Water’s advice that it has nil information to report is detailed in the Compliance Statement.
Education	Not applicable to Icon Water
City Centre Marketing and Improvements Levy	Not applicable to Icon Water
Health	Not applicable to Icon Water
Gambling and Racing	Not applicable to Icon Water
Ministerial & Director-General Directions	Not applicable to Icon Water
Public Land Management Plans	Not applicable to Icon Water

GLOSSARY OF ACRONYMS

ADWG	Australian Drinking Water Guidelines
AGL	Australia Gas Light Company
AIIMS	Australasian Inter-Service Incident Management System
AMS	Asset Management System
ANU	Australian National University
ARC	Australian Research Council
BOM	Bureau of Meteorology
BOP	Bushfire Operational Plan
CRC	Cooperative Research Centre
CSA	Corporate Services Agreement
CSCSA	Customer Services and Community Support Agreement
EMP	Environment Management Plan
FTE	Full Time Equivalent
FY	Financial Year
GHG	Greenhouse Gas
GL	Gigalitres
HSC	Health and Safety Committee
ICRC	Independent Competition and Regulatory Commission
ICT	Information and Communications Technology
IDIL	Icon Distribution Investments Limited
IMS	Integrated Management System
IRIL	Icon Retail Investments Limited
IWMP	Integrated Water Management Program
KPI	Key Performance Indicator
LMWQCC	Lower Molonglo Water Quality Control Centre
M2G	Murrumbidgee to Googong pipeline
MIB	2-Methylisoborneol
ML	Megalitres
MLA	Member of the Legislative Assembly (ACT)
OCU	Odour Control Unit
PID	Public Interest Disclosure
RAP	Reconciliation Action Plan
SAMP	Strategic Asset Management Plan
STEM	Science, Technology, Engineering and Mathematics
TOC	Territory-owned Corporation
TRO	Territory Records Office
WSAA	Water Services Association of Australia
WTP	Water Treatment Plant

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Language assistance

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Information about Icon Water and an electronic version of this report can be found at iconwater.com.au.

