

Business Strategy

2025 to 2035



Our Statement of Corporate Intent 2025–26

Year 1 of our 10 year journey





Three Rivers by Lynnice Church

This artwork represents the three rivers that connect on Ngunnawal Country: the Molonglo, Murrumbidgee and Yass rivers. The rivers were used as pathways to travel across Country, the small dots represent the pathway and journey of our people to the inner circle that connects those three rivers as a place of gathering. In the middle of the circle the outline of the mountain ranges surrounding Ngunnawal Country are significant in our landscape. These were pathways and places of learning as well. The smaller circles across the picture are symbolic of different places on Country and the importance of taking care of our land, water and the environment to ensure balance, sustainability and cultural knowledge into the future.

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.

A Message from our Managing Director and Chair

We are pleased to present our Statement of Corporate Intent (SCI) to the ACT Government and our community.

In July 2025, we launched our new Business Strategy to outline our vision, purpose and strategic direction for the next 10 years. Our SCI includes our Business Strategy and identifies the shorter-term goals we will use to deliver on our longer-term outcomes.

Our new vision, 'Creating a sustainable water legacy for our community', represents what we are working towards. Our community is why we do what we do, and why we care so much about doing it well. We are grateful to the Traditional Owners who managed the local waterways and catchments for tens of thousands of years. As we progress our work towards a sustainable water legacy, we will listen, learn and integrate Ngunnawal and First Nations' perspectives and traditional water knowledge in our decisions about water and wastewater services for a growing Canberra and region. A strategic focus during this period will be to progress investigations into longer-term water system options and wastewater system options in the face of climate change for the benefit of the environment, and to support the continued needs and wellbeing of our community. We will also upgrade and modernise our main wastewater treatment plant to make our treatment process more sustainable and resilient.

Our new purpose, 'Delivering essential water services every day', is why we exist. We all know that water is essential for survival, but our community also needs water to prosper. Our services enable the health, hygiene and wellbeing of our community, and allow natural environments, public and recreational spaces, and local industries to thrive. Our community depends on us to provide these services every day. Our dam levels have remained high, and the likelihood of needing temporary water restrictions over the next 12 months is very low.

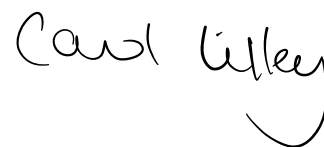
The health, safety and wellbeing of our people remains of utmost importance. We are committed to developing a diverse, inclusive and adaptive workforce, which will be enabled by strengthening our culture and inclusive work practices. Our new leadership and workforce planning frameworks will enable us to build the workforce we need for the future and support the professional growth of our people. We will continue to improve the efficiency and integration of our systems in a way that allows our people to remain connected and do their work effectively.

We know our customers place a high value on water quality and we take our responsibility to provide safe and reliable water and wastewater services very seriously. While our critical infrastructure remains secure, we have an ageing network with increasing risks of performance issues and costs, and increasing complexity to maintain due to Canberra's growth and densification. During 2025–26, we will continue to update our network performance and asset health information so that we can better use predictive insights to maintain the reliability of our services. We will also review how we approach data privacy to ensure we are keeping sensitive information secure.

As a provider of essential services, we must respond to community challenges, such as cost of living pressures, to be effective in our work. To support this, we will ensure our community has a voice in our decision making and embed social value into our core services. In 2025–26, in addition to our regular engagement activities we'll be talking with our customers to help us shape future charging arrangements for our wastewater services. Through our energy investment, we will continue to support the ACT Government's goal of net zero greenhouse gas emissions by 2045.

On behalf of the Board and Executive, we acknowledge the ongoing efforts of our staff in providing essential services to our community. We also extend our appreciation to our customers and the ACT community for their input in shaping our Business Strategy. We are confident that in 2025–26, we are well placed to deliver the outcomes our shareholders, customers and community expect of us.

CAROL LILLEY
Chair
Icon Water



RAY HEZKIAL
Managing Director
Icon Water





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Introduction

About us

We are the ACT's supplier of essential water and wastewater services. We have been part of our community for over 100 years, sourcing, treating, and supplying water, and managing Canberra's wastewater services. We consider environmental and social sustainability in everything we do, as the decisions we make today will impact generations to come.

There is great value in collaborating and sharing knowledge with the Traditional Owners of this region, the Ngunnawal people and others with connections to the ACT and region. Our catchment areas were traditional dwelling points for First Nations people and are rich with cultural history. We are grateful to the Traditional Owners who sustainably managed these waterways and catchments for tens of thousands of years.

We service the largest city in the Murray-Darling Basin, providing a critical link in the Basin's water flows. We are surrounded by the state of NSW and are an important part of the local urban water supply chain, providing bulk water to Queanbeyan and the Googong Township.

We operate one of Australia's largest inland wastewater treatment plants, and we return high-quality flows into the Murrumbidgee River system for beneficial use downstream.

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

We differ from most other water utilities, as we manage energy investments via the ActewAGL Joint Venture, on behalf of the ACT Government and our community. For more information about our corporate structure and our energy investments, see Attachment 1.



The control room at Lower Molonglo Water Quality Control Centre, circa 1970s

Shaping our future



Strategic drivers

Canberra is growing, climate variability is an increasing challenge to our water security, and we need to assess all options to be equipped to harness technological advancements. The following six drivers have significant implications for our strategic direction and performance:

1. **Operating within a more variable and unpredictable climate.** Icon Water is vulnerable to the impacts of climate change. Rising temperatures, rainfall variability, droughts, bushfires, heatwaves and storms all have severe implications for our ability to provide our community with high quality water and reliable wastewater services, and safeguard Canberra's water supply and sewerage network.
2. **Changing system demands from population growth and densification.** Canberra is expected to be home to more than 600,000 people by 2042, an increase of more than 30% from 2022. While this means more customers for us, there will be increasing pressures – on water security, on our network, and how customers connect and interact with us. Our regional neighbours are also growing.
3. **Ageing assets and deteriorating asset performance.** A significant proportion of Icon Water's assets were built in the 1960s and 70s, at the same time as some of Canberra's major districts. Many of these assets are now reaching the end of their economic and engineering life. We have been planning for this large scale of asset renewals and are now implementing these plans.
4. **Balancing the need for investment and customer affordability.** Across the water industry, utilities are forecasting significant investment is required in the next 10-20 years – to improve water security, to renew and upgrade infrastructure to serve the growing customer base, and to prepare for and respond to extreme climate events and emerging contaminants. At the same time, broader economic conditions and social instability are making it harder for some customers to afford our services.
5. **Our workforce profile is changing as are their needs.** Our people are our backbone and enable us to provide essential services to the Canberra community and region. We need to adjust how we think about our workforce – in terms of the skills and capabilities we need, and workplace conditions we operate in, while satisfying the changing expectations about how people want to work.
6. **Leveraging technology while addressing technical legacy.** Technology advancements provide opportunities for automation, analytics and improved efficiency. We can leverage these opportunities in areas such as internal operations, augmented decision-making and customer experience. Our ability to harness these opportunities is dependent on modernising our technology portfolio.

Audience lens

Our customers and community

Over many years, we have been creating deeper connections with our customers and community to better understand what they value and expect of us. We know our customers value the essential water services we provide every day and have clear expectations and priorities for how we plan and invest in the future.

Our customers value:



**Reliable water and
wastewater services**



**Quality
drinking water**



Affordable pricing



**Responsive
customer service**

What our customers and community expect from us:

- Our community agrees with the need to continue to plan for the future; this includes investing in water security and exploring alternative water sources.
 - › There is general agreement that everybody in our community has a role to play in our water future.
 - › Our community wants Icon Water to balance environmental impacts and benefits when making decisions about our water future. There is some appetite for earlier stage 1 temporary water restrictions, including from business customers as more severe restrictions can significantly impact business operations.
- There is community support for achieving greater environmental sustainability and accelerating transition to net zero greenhouse gas emissions while limiting impact on customer prices.
- Our community is committed to Icon Water maintaining quality and reliable core services and is willing to pay something towards reducing interruptions or issues for those who experience them more than usual.
- Affordability should underpin any investment decision. If we need to invest to avoid causing issues in the future, we will consider support for vulnerable customers and other impacted customer segments.
 - › Where customers need our support, our community wants us to intervene early.
 - › When we are talking about what support is available, our community wants us to communicate in a way that people can easily relate their circumstances to.
- Our community considers Icon Water an essential service provider. Customers want us to be more visible – this means being targeted in our partnering initiatives, education and supporting activities, and proactively talking with our community.

As we deliver the strategy, we'll regularly to engage with our customers and community so these insights can continue to inform our decisions and actions.

Our people

All of our people had the opportunity to have a say in our future direction by taking part in online surveys, large-group workshops and small-group “campfire” discussions. Our people are incredibly proud of their contribution to the health and wellbeing of our community, to our natural environments and to the local economy – and expect Icon Water to provide a work environment that enables them to perform at their best.

Our people value:



Community

Our commitment to community drives our decisions and actions.



Care

We care for ourselves and look out for each other.

We care for Country and the world we leave for future generations.



Courage

We are curious and prepared to challenge ourselves.

We speak up, sharing diverse views.



Connection

We connect with those around us knowing we are stronger together.

We support each other to deliver better outcomes.

What our people expect:

- A work environment that enables our people to demonstrate their values every day, particularly when they're faced with challenges.
- Being empowered, trusted and equipped with what they need, so they can do their best work.
- A safe, enjoyable and inclusive workplace for everyone, where contributions are recognised and diversity is embraced.
- A meaningful career with work-life balance, where they can deepen their expertise to achieve personal and professional growth.
- Unbiased, timely and transparent decision-making.

Our shareholders and government

As a territory-owned corporation we have four obligations defined under the *Territory-owned Corporations Act 1990* (ACT). Through delivery of our business strategy, we also contribute towards achievement of key government policies.

What our shareholders expect from us as a territory-owned corporation:

- To operate at least as efficiently as any comparable business,
- To maximise the sustainable return to the Territory on its investment in the corporation or subsidiary in accordance with the performance targets in the latest statement of corporate intent of the corporation,
- To show a sense of social responsibility by having regard to the interests of the community in which it operates, and by trying to accommodate or encourage those interests, and
- If its activities affect the environment – to operate in accordance with the object of ecologically sustainable development.

Key government policy we contribute to:

- ACT Wellbeing Framework, and in particular the domains of:
 - › Health: being healthy and supported with the right care
 - › Environment and climate: the environment sustains all life now and into the future
 - › Economy: we share in our city's economy.
- ACT Climate Change Strategy: the ACT Government has committed to net zero by 2045, and we play a role in Canberra's pathway to electrification.
- ACT Water Strategy: the ACT Government has set a vision of 'working together, managing water wisely to support a vibrant, sustainable and thriving region'.
- ACT Planning Strategy: the ACT Government has set a vision 'to be a sustainable, competitive and equitable city that respects Canberra as a city in the landscape and the National Capital, while being responsive to the future and resilient to change'.



Our vision, purpose and values

Our Purpose | Why we exist

Delivering essential water services every day

Our Vision | What we are working towards

Creating a sustainable water legacy for our community

Our Values | Guide how we behave and treat others

Community

Care

Courage

Connection

Our strategy on a page

Our Purpose

Delivering essential water services every day



Our values

Community

Care

Courage

Connection



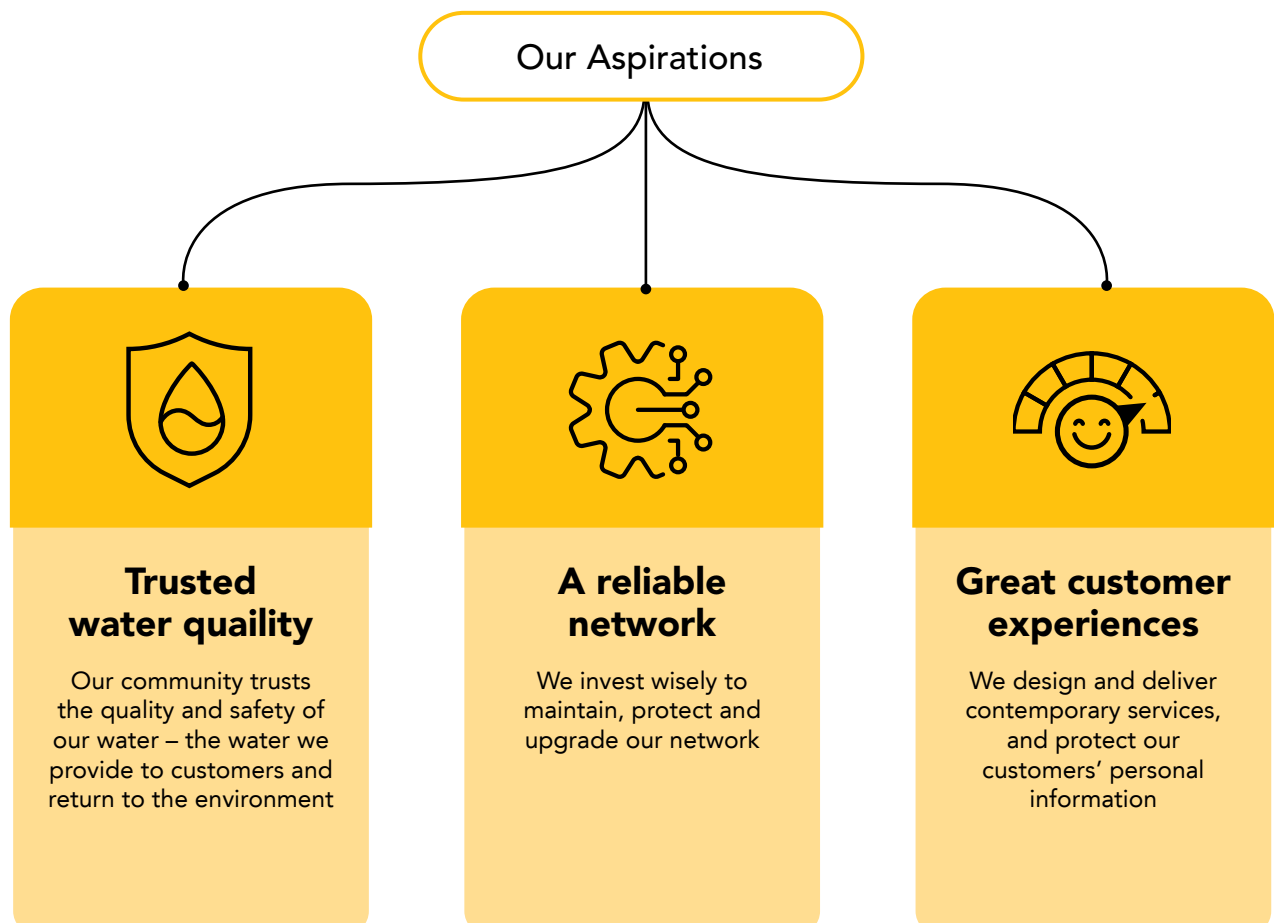
Let's take a closer look at
**our outcomes
and aspirations**



Safe and reliable services

Why it matters

'Delivering essential water services every day' is our purpose, and the foundation of why we exist as an organisation. We have been entrusted with providing reliable wastewater services for Canberra, and quality water for Canberra and neighbouring communities. We need to be vigilant in upholding this responsibility, while also working to create great experiences for customers. Developers are also considered to be our customers. We are aware of the specific needs of the development industry for clarity and responsiveness.





Trusted water quality

Our community trusts the quality and safety of our water – the water we provide to customers and return to the environment

There are many potential threats to water safety and quality, with varying levels of impact on customers and associated costs. We need to show our community how we are responding to their concerns by applying sound evidence to guide the issues we address.

Our desired future state (2035)

There is strong water knowledge in our community and pride in the quality of our water, and we maintain this trust as we deliver the next water source for our region.

We avoid any serious incidents impacting on water safety and quality, but should an incident occur we are prepared to respond and are open with our community about what has happened.

We are prepared and respond appropriately to emerging risks to water safety and quality, in a way that prioritises scientific evidence and considers community perceptions and concerns.

Our decision-making is well-informed with data about where the most significant potential risks lie.

How we'll get there

By actively improving water knowledge in our community through targeted communications that use data and insights.

By ensuring we have the data to make well-informed decisions, and acknowledging when things do not go to plan.

By listening to community concerns, and taking these concerns into account when setting priorities and deciding on actions.

By being clear on our risk appetite with consideration to impact and maturity of the scientific evidence, and using this to guide how we respond and prioritise investment.

By talking openly with our community about the quality of our water and explaining how we have made our decisions.

By building our connections with external peers and specialists, so we are well equipped to respond to emerging risks and issues.

By collaborating with partners to maintain the health of our drinking water catchments and waterways.



A reliable network

We invest wisely to maintain, protect and upgrade our network

We have an ageing network with increasing risks of failure, performance issues and maintenance costs. To maintain the levels of service our customers receive without significantly increasing costs, we need to enhance our data capabilities to assess these risks, make decisions about where to invest and implement solutions that deliver reliability.

Our desired future state (2035)

We can predict emerging network maintenance issues and assess their criticality, and have the capacity and flexibility for pre-emptive interventions that avoid major issues.

When things go wrong, we're responsive, keeping customers informed, and rectifying issues safely to an appropriate standard.

Our critical infrastructure remains secure and protected from external interference.

We maintain the trust of customers and shareholders in the reliability and durability of our network.

How we'll get there

By strengthening our asset management framework and intentionally lifting our maturity levels in key capabilities.

By investing in new capabilities to monitor the network and predict outages and failures ahead of time.

By establishing clear data governance and processes that integrate and make data accessible and usable to the business.

By engaging our residential and non-residential customers to reduce negative impacts on the network.

By reviewing our frameworks to provide a clear view of criticality and impact as our region grows and asset profile shifts, and using this to optimise the trade-offs between proactive and reactive maintenance.

By ensuring we have appropriate security controls around our critical infrastructure, and regularly reviewing them in the light of emerging threats.



Great customer experiences

We design and deliver contemporary services, and protect our customers' personal information

Customer expectations of their service experiences continue to evolve based on what they encounter elsewhere. We need to ensure we stay aligned to prevailing modes and channels of delivery while balancing ease of service with protection of customer information. We also need to improve the interactions and experiences associated with development application processes while protecting the long-term costs to maintain the reliability and safety of our assets for our community and staff.

Our desired future state (2035)

Our systems and processes provide a positive experience for customers.

We protect the personal data that is entrusted to us.

We've made it easy for customers and developers to find the information they need, understand our requirements and receive answers to their questions.

Our decisions are transparent and we effectively communicate the reasoning behind them.

We consistently provide accurate bills and reliable information.

How we'll get there

By maintaining our focus on data protection, and ensuring this is not compromised in the pursuit of being 'easy to deal with'.

By demonstrating care for the individual when customers need our support, including with bill payments.

By investing in our processes and systems, so we are clear on how we communicate our requirements to customers/developers and where we can (and cannot) be flexible.

By continuously improving our core service offerings and commitments.

By increasing our ability to communicate information to customers.

By continuing to have a local 24/7 call centre, available for our customers to contact when emergencies arise.

By ensuring our staff have the skills, information and tools to deliver great experiences and provide consistent information to customers and developers.

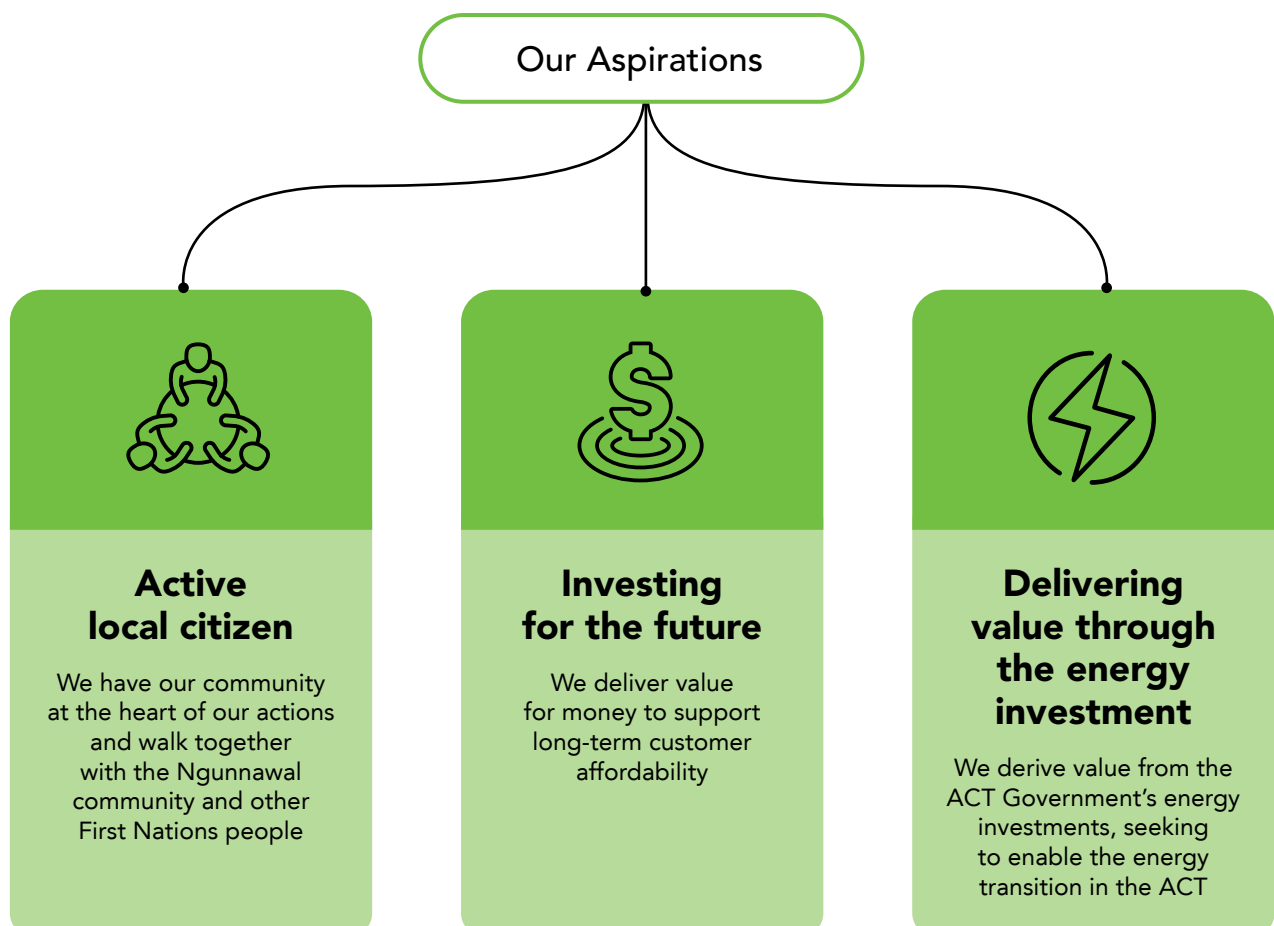
By checking in with customers regularly to ensure we understand how and why their expectations are changing, and using this to drive where we invest.



Value for our community

Why it matters

As a government-owned utility, we have a particular responsibility to create value for our community through affordable services and timely and cost-effective long-term investment in assets. Value is also about how we show up in our community through our core services – including how we recognise and protect the cultural heritage of our community and contribute to social and economic development in the ACT and region. Demonstrating value for our community is key to us maintaining trust.





Active local citizen

We have our community
at the heart of our actions
and walk together
with the Ngunnawal
community and other
First Nations people

As a provider of essential services, our community is at the heart of what we do and drives our decisions and actions. As a local industry leader, we need to be visible and active in our community to champion social equity and good governance, helping ensure all voices are heard. This is not about doing 'extra' activities; it's about challenging how we deliver our core business to best enable social outcomes.

Our desired future state (2035)

We understand our impact on our community and are delivering social value through relevant aspects of our core services/processes.

We contribute to reconciliation within our region and have trusted relationships that enable walking together with the Ngunnawal community and other First Nations peoples.

We demonstrate how community voice and feedback are incorporated in our decision-making.

How we'll get there

By deepening our understanding of community challenges and values, including leveraging the knowledge of government and peak bodies.

By building trusted long-term relationships with local First Nations representatives, listening first and moving forward thoughtfully.

By developing greater sensitivity to how our decisions impact our community.

By defining our social value proposition for how, where and when we impact our community.

By considering where we can embed additional social value into our core services/processes (not just as an add-on).

By updating the financial support available to customers to ensure it is reaching those who need it.



Investing for the future

We deliver value for money to support long-term customer affordability

We need to make significant capital investment in the coming years to upgrade, replace or augment our infrastructure, but this will put pressure on our finances. We need to make sound decisions on trade-offs between pricing for customers, dividends to shareholders and long-term asset capacity and performance. In managing our short- and long-term costs to ensure the price of our services remains affordable, we need to continue supporting customers who require assistance with their bills.

Our desired future state (2035)

We have prudently funded significant infrastructure to support our region's growth, renew assets and address climate change.

Our justification for future investment is sound and appropriately balances our aspirations.

Icon Water is a financially viable standalone business, able to deliver predictable dividends back to the shareholder.

We have maintained customer price stability and affordability.

Our community understands our value and trusts our investment decision-making – they are proud of what we are doing.

Our business is resilient and able to withstand future shocks over the long term.

How we'll get there

By regularly reviewing our customer charges to ensure they continue to be appropriate in the shifting landscape.

By demonstrating we are operating efficiently over the long term, and doing our part to share the cost load.

By improving our infrastructure delivery processes.

By challenging how we've done things in the past, including how we manage the debt and associated risks of large infrastructure projects.

By lifting our capability to quantify, track and realise benefits.

By having a holistic model of the financial levers for the business and how they interact.

By being clear on the trade-offs in our investment decision-making, and starting the conversations early with relevant stakeholders.

By influencing future growth and development in a way that prioritises cost efficiency and defers the need for additional capital investment where appropriate.

By working with the water industry on solutions to shared long-term investment challenges.



Delivering value through the energy investment

We derive value from the ACT Government's energy investments, seeking to enable the energy transition in the ACT

In addition to our role as a water utility, we manage energy investments on behalf of the ACT Government and our community. In our role as investor, we work closely with our energy investment partners towards a sustainable, net zero emissions future in the ACT by 2045.

Our desired future state (2035)

The energy investment board's desired future state includes the following:

- Customers have access to the energy they require at competitive prices.
- Customers are electrifying their homes, businesses and vehicles with personalised advice, products and services.
- Electricity network is expanded in response to ACT Government policy to electrify the ACT, taking into account customer demand, population growth and urban planning.
- Gas network contraction is on track for decommissioning by 2045, with optimised asset utilisation and investment.
- Electricity network operations prioritise safety, sustainability, and security, balanced against reliability, affordability, and deliverability.
- Appropriate investment returns to owners (including the ACT Government).

How we'll get there

Our investment boards will work with our energy investment partners to do the following:

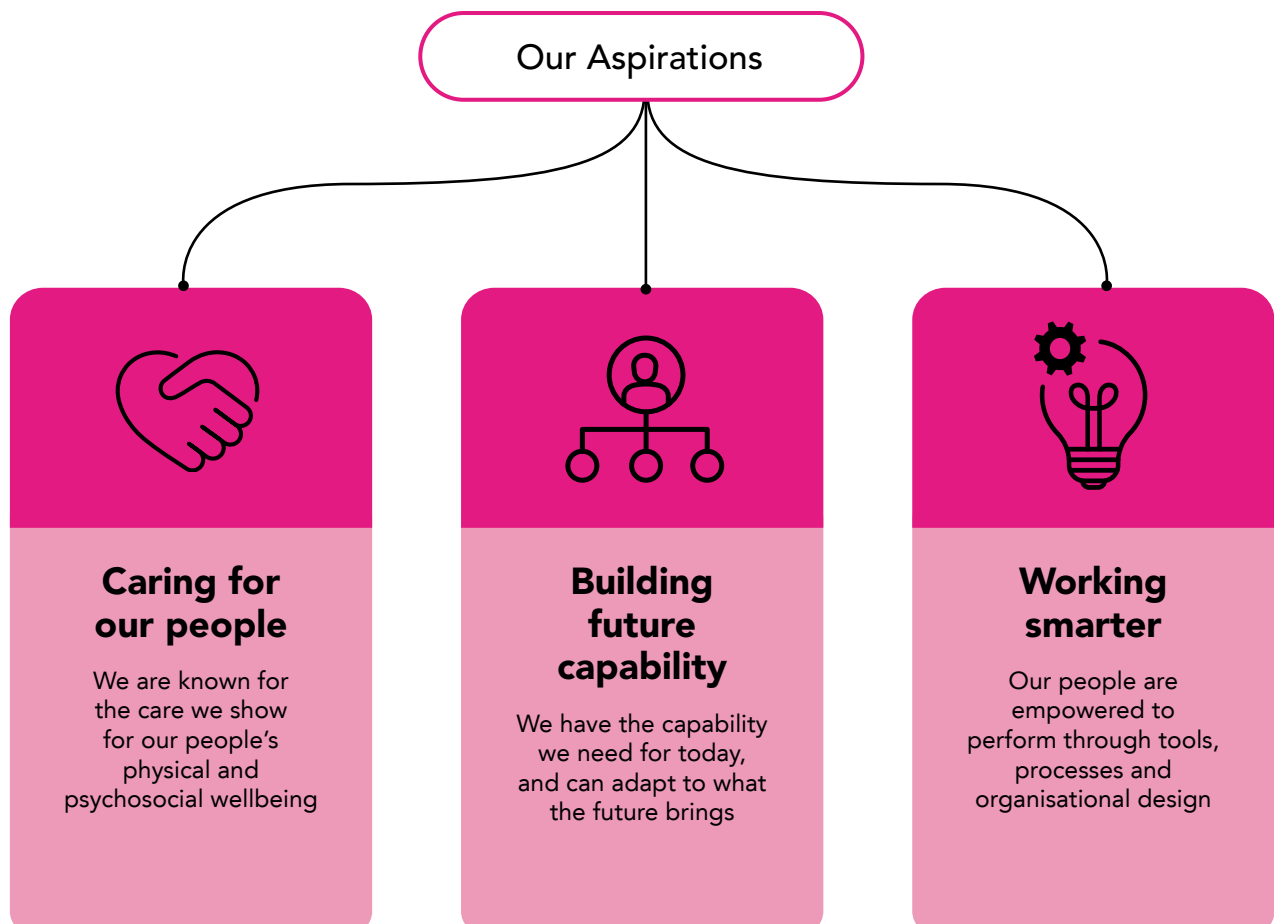
- Set and monitor strategic direction of the energy businesses.
- Establish funding arrangements to support augmentation of the electricity network to meet the needs of electrification.
- Monitor operational performance, including in relation to safety, security, reliability, affordability, customer satisfaction and financial returns.
- Ensure the energy investments consider stakeholder expectations on environment, social and governance matters.



Our people at their best

Why it matters

Our strategic aspirations can only be achieved through the empowerment of our people. The way we organise ourselves, the systems and tools we provide, and the culture we create all play a crucial role in enabling our people to enjoy their work and make their best contribution.





Caring for our people

We are known for the care we show for our people's physical and psychosocial wellbeing

Physical health and safety remains paramount for our workers, and there is an increasing focus on psychological wellbeing, which is a prerequisite for greater diversity and for enabling our people to be at their best.

Our desired future state (2035)

Our people enjoy coming to work because it contributes to their wellbeing.

We maintain our strong safety record, with no deaths or serious injuries at work.

Everyone belongs, they feel safe to speak up, and can bring their whole selves to work.

We are known for our culture of empathy and kindness, and people want to come and work for us.

Our workforce reflects the diversity of our community, and we see the benefits it creates.

Diversity and inclusion are celebrated, and enabled by the design of our roles and processes.

We are proud of our health, safety and wellbeing performance.

How we'll get there

By seeking and listening to our peoples' views, and following through with meaningful action in response to their concerns.

By continuing to focus on health, safety and wellbeing, where all our people know and are equipped to perform their role.

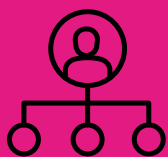
By maintaining a strong commitment to, and role-modelling of, our values.

By equipping leaders to set the right tone, including creating an environment where our people can safely learn from mistakes.

By creating safe space for people to express their diverse identities and perspectives.

By building capability in diversity and inclusion across the organisation, continuing work on the foundational building blocks and maturing this.

By finding ways to add enjoyment and human connection into our work, and opportunities for social connection outside of work.



Building future capability

We have the capability
we need for today,
and can adapt to what
the future brings

Our workforce is ageing, with many of our people serving our community for decades. To ensure continuity as our workforce changes, we must focus on attracting the next generation of workers. At the same time, the nature of our work and the associated capabilities are also evolving so our current workforce will need to adapt and acquire new skills.

Our desired future state (2035)

Our people are proud to work for Icon Water and see a strong connection between their daily work and the aspirations of our strategy.

We have empowered our people and equipped them with the skills and capabilities they need to do their best work.

We have the resources and capability we need to deliver our vision; people and suppliers want to work with us.

Our people are always ready to learn and adaptive to new ways of doing things.

Together with our strategic partners, we have the capability we need to deliver on our business aspirations.

How we'll get there

By shifting from transactional to strategic workforce planning – providing a clear picture of how work will change in the future, what capabilities we will need, and planning ahead for how to fill gaps.

By investing in the development of our workforce, to support professional and personal growth and ensure we have the right skills and capability for today and for the future.

Through renewed focus on developing our team leaders and supervisors, so they are empowered and well supported for their current roles and equipped to step into future leadership roles.

By bolstering our capacity and capability through strategic partnerships, while sharing resources and knowledge for the enduring benefit of our people.

By working with the water sector to address shared people and capability challenges.



Our people are engaged in varied types of work and ways of working, and we know that we work best when we are connected.

Working smarter

Our people are empowered to perform through tools, processes and organisational design

Our desired future state (2035)

Our people are strongly connected and know how they contribute to each other's jobs.

Our internal systems and processes are easy to use and create a positive work experience.

Our people embrace change, because we do it well and there are clear benefits to how we work.

Our ways of working, structure, systems and processes are fit-for-purpose and enable our people to focus on high value activities.

Our resources are effectively directed towards the aspirations of our strategy.

By 2027 we have delivered the productivity growth target, set by our economic regulator, and longer-term have a sustainable business.

How we'll get there

By structuring our work to allow time for people to collaborate across teams, knowing we are stronger together.

By improving the integration of our systems and processes to increase their efficiency and value.

By designing and delivering our digital investment in a way that enables our workforce to succeed.

By addressing key pain points in our systems and processes that cause frustration for our people.

By maintaining an ongoing focus on continuous improvement.

By selectively introducing new tools and capabilities each year that reduce effort, manual processing and duplication.

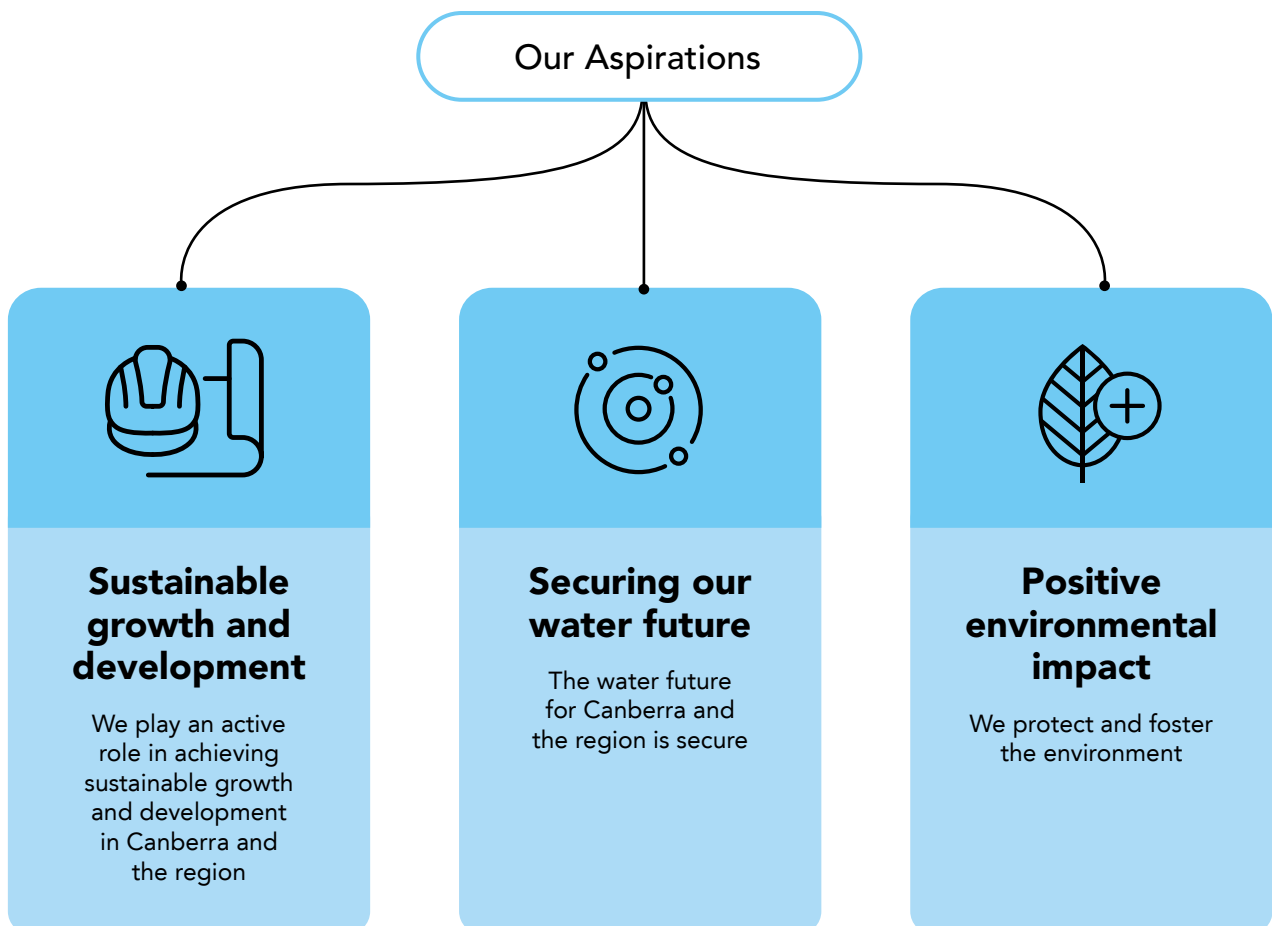
By reviewing and updating the business structure, systems and processes, to streamline activity and decision-making across our value-chain.

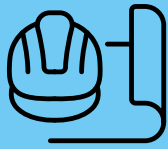


A resilient water future

Why it matters

Achieving a resilient water future speaks directly to our vision of 'creating a sustainable water legacy for our community'. It involves making wise, long-term decisions so Canberra and the region has the water it needs, while protecting the environment for future generations.





Sustainable growth and development

We play an active role in achieving sustainable growth and development in Canberra and the region

Canberra is on a growth trajectory, with proposals for new development increasingly expanding into where we operate and requiring us to adjust how we plan and deliver services. Regional neighbours are also looking to Canberra for bulk water supply to enable their growth.

Our desired future state (2035)

We bring informed and early perspectives to development conversations, and can influence development in a way that serves the best interests of our community, including more cost-efficient outcomes for building and maintaining assets.

Future growth can be supported and services maintained, because we've invested at the right times and in the right places.

Government planners and developers see the value of our work, and understand our processes, perspective and constraints.

How we'll get there

By taking a proactive role in urban planning discussions, so the role of water in sustainable growth and development is understood and considered in policy.

By having a clear view on the principles we need to maintain to protect future assets and operations, and where we can/can't be more flexible to accommodate development and innovation.

Through better engagement with ACT Government and the development community to understand their drivers and adapting what we are doing to ensure that we can more effectively support and enable growth.

By contributing knowledge and expertise about the opportunities, implications and impacts of different growth policy positions and targets.

By developing, publishing and implementing a clear forward program for how we will accommodate growth across water and wastewater services, including our pathway to address capacity constraints across the wastewater network.

By communicating transparently and effectively to developers about the 'why' in our standards and decisions.



Securing our water future

The water future for Canberra and the region is secure

Climate change may result in a range of direct and compounding impacts that have the potential to affect water yield, availability and demand. We operate within a larger water system but we don't control all the elements (such as catchments, lakes, dams and stormwater). A resilient water future increasingly requires a holistic approach.

We need to make major decisions about our assets, to cater for growth and adapt our services for a changing climate – but there are many unknowns, which need to be considered in how we respond and how we invest.

Our desired future state (2035)

We have maintained water security for our customers as the region grows, and through the next drought, because we've made the right investments in supply and managing demand.

We have addressed constraints in our wastewater system and have a clear path for accommodating future growth, that continues to protect public health, effectively handles contaminants and returns quality water to the environment.

We have encouraged and supported our community to conserve water.

We've maintained a steady or reduced risk profile to climate change pressures.

How we'll get there

By having defined Icon Water positions on urban water management, and working co-operatively with other players in the water cycle to make the best use of water across the entire system.

By having a well-considered Water Security Plan, that includes a defined risk appetite and set of decision-making criteria for assessing different scenarios and responses (including drought responses).

By knowing what our next water source is, and being ready to bring it online to ensure our system can continue to meet demand.

By working with ACT Government and regional stakeholders on a cohesive approach to water management, which includes contributing to the ACT Water Strategy.

By continuing to deepen our understanding about our vulnerabilities to climate change and take targeted action to address key risks.

By conserving water with the help of our community, and reducing our own water system losses.

By planning and engaging relevant stakeholders in more plentiful times, rather than reacting in moments of crisis.



Positive environmental impact

We protect and foster the environment

We are reliant on nature for the supply of water for our core business, and similarly we play an important role in protecting the quality of water returned to the environment from Canberra's wastewater system. With increasing pressures on the environment, the regulatory and social expectations are evolving beyond minimising harm to the environment to making a positive impact through our activities. Increasing requirements for transparent public reporting about climate and nature-related risks and opportunities incentivise performance as a good corporate citizen.

Our desired future state (2035)

We become a role model for a nature-positive approach in an inland setting.

We have successfully reduced our contribution to climate change through a range of decarbonising initiatives, and only use insets and offsets for residual emissions that are not able to be eliminated.

We generate less waste from our activities and operations, and put the waste that we do produce to good use.

Where we interact with land and waterways, we actively minimise environmental harm and make a positive impact where possible.

How we'll get there

By collaborating with key partners, industry and experts to understand our environmental impact and minimise it in innovative ways.

By contributing to local climate change mitigation and adaptation plans, noting the important role of water in community resilience.

By having the systems to account for environmental assets and assess total environmental impact (not just per activity).

By partnering with industry and experts to address fugitive emissions from our wastewater treatment, greening our NSW electricity use, switching to zero-emission vehicles and sequestering carbon for our residual emissions only.

By providing clear requirements to developers and our contractors regarding environmental and sustainability standards.

By incorporating net-positive initiatives into new projects where the net benefit can be demonstrated.

By championing and/or piloting innovative ideas for healthier environments and waste reduction/reuse.

By caring for Country with catchment partners and the Ngunnawal community, supporting the capability of others in the region to deliver better environmental outcomes.



Strategy implementation



Safe and reliable services

Short-term

Medium-term

Longer-term

Our customers continue to trust that we deliver safe/reliable services and protect their information.

We have improved our predictive capability to manage our services, and our systems and processes provide a more positive experience for users.

Our community has a high level of confidence in the quality and reliability of our services, and how we navigate potential threats.

Our performance measures:

| Measure | 2023–24 performance | 2025–26 target | 10-year target |
|--|---------------------|----------------|----------------|
| Drinking water quality – The percentage of the population where microbiological compliance was achieved | 100% | 100% | 100% |
| Overall customer satisfaction – Survey respondents 'satisfied' or 'very satisfied' with Icon Water | 95% | ≥90% | ≥95% |
| Discharge water quality – The percentage of compliance with licence parameters for wastewater effluent | N/A | ≥99% | ≥99% |
| Frequency of water interruption – Connections with more than 3 unplanned water interruptions per year | 0.1% | ≤0.2% | ≤0.2% |
| Duration of water interruption – Connections with unplanned water interruptions greater than 6 hours | 0.5% | ≤1% | ≤1% |
| Internal sewage overflows – Sewage overflows inside customer properties | 1 | ≤15 | ≤15 |
| Responsiveness to priority 1 activities – The crew is onsite for priority 1* activities within 120 minutes | 94% | ≥90% | ≥90% |

Our current focus areas:

- 1 Utilise asset health to proactively manage asset risk and investment – so that we can better use predictive insights to get ahead of the upcoming challenges our ageing network brings in terms of increasing risks of failure, performance issues and costs to maintain.
- 2 Review how we approach data privacy – to ensure we manage the personal and sensitive information of our customers and employees in line with community expectations.

* An activity 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.



Value for our community

Short-term

Medium-term

Longer-term

We have a sustainable funding model, and our community has been involved in shaping our future priorities.

We have taken steps to build trust with our local Ngunnawal community and other First Nations peoples.

We are operating efficiently, have a mature capital investment framework, and are embedding community expectations into our core services and investments.

Our community values our services and agrees that we're making good progress towards our vision of "creating a sustainable water legacy for our community".

Our performance measures:

| Measure | 2023–24 performance | 2025–26 target | 10-year target |
|--|---------------------|----------------|----------------|
| Community perception – Community perception index | 71 | ≥67 | ≥70 |
| Early intervention for customers needing support – Of customers in arrears, percentage receiving active support* | 32% | ≥33% | ≥50% |
| Profitability of water and sewerage services – Net Profit After Tax (NPAT)** | (\$38m) | ≥\$20.8m | ≥\$20m |
| Shareholder return – Dividend | \$0m | ≥\$50m | ≥\$30m*** |

Our current focus areas:

- 3 Shape the future charging arrangements for Canberra's wastewater services – so that our prices are fair and encourage our non-residential customers to play their part in protecting the wastewater network and reducing water usage.
- 4 Review (and if needed realign) our governance and funding facilities – so that Icon Water continues to provide value to our community as we deliver on our strategic aspirations.
- 5 Walk together with our local Ngunnawal community and First Nations peoples – to listen, learn and integrate Ngunnawal and other First Nations' perspectives and traditional water knowledge into our decision making.

* Active support includes customers participating in our Staying Connected program or with a payment arrangement in place.

** Excludes gifted assets & capital contributions by developers.

*** Compared to the 2025–26 target, the 10-year target reflects lower dividends due to significantly higher capital investment to renew ageing infrastructure, support Canberra's growth and enable the energy transition. These investments increase asset and borrowing costs, which will be recovered gradually through regulated pricing over the life of the assets.

● Customer and community engagement will form part of this focus area.



Our people at their best

Short-term



Our people see how their work contributes to our strategic aspirations, and are confident we are building the skills and ways of working needed for the future.

Medium-term



Our people are empowered and productive, enabled by technology, processes and how we operate.

Longer-term



We are a diverse, inclusive and adaptive workforce, enabled by our strong culture and inclusive work practices.

Our performance measures:

| Measure | 2023–24 performance | 2025–26 target | 10-year target |
|--|---------------------|----------------|----------------|
| Staff engagement – Staff engagement score | 66 | ≥68 | ≥72 |
| Staff health and safety – Total Recordable Injury Frequency Rate (TRIFR) | 23.7 | ≤14 | ≤8 |
| Leadership skills – Leadership effectiveness index | 54 | ≥55 | ≥64 |
| Workforce diversity – TBC* | - | - | - |



Our current focus areas:

- 6 Bring to life our new leadership and workforce planning frameworks – so that we are building the workforce that we need for the future while supporting the professional growth of our people.
- 7 Embed the corporate services model and optimise across the business – to successfully transition the remaining services/systems while starting to streamline how we work across our entire value-chain.

* We are reviewing our approach to disability, diversity and inclusion, including our performance measures. The measure and associated targets will be added to future SCIs once confirmed.



A resilient water future

Short-term

We are ready to make major decisions on how we service Canberra's growing population in a changing climate.

Medium-term

Our contributions to climate, water, energy and planning are shaping sustainable growth and development for Canberra and the region.

Longer-term

Together with our community we are successfully navigating the challenges of climate change in the face of population growth.

Our performance measures:

| Measure | 2023–24 performance | 2025–26 target | 10-year target |
|---|---------------------|----------------|----------------|
| Water security – The probability of the system being in Temporary Water Restrictions is less than 5% in any year | 0% | <5% | <5% |
| Greenhouse gas emissions – Reduction in net CO ₂ compared to 1990 levels (this captures Scope 1 and 2 emissions) | 50% | 53% | 77.5% |
| Growth and development – TBC* | - | - | - |



Our current focus areas:

- 8 Together with our major projects partner, upgrade and modernise the ACT's main wastewater treatment plant (LMWQCC) – to cater for Canberra's population as it grows above 500,000 people, and to make our treatment process more sustainable and resilient.
- 9 Improve how we plan for growth – so that we can proactively contribute to good urban planning for our community in alignment with the ACT's outcome focussed planning system.
- 10 Progress investigations into water system options and wastewater system options – so that we're ready to make decisions about longer-term water security and wastewater system capacity within the next 2-3 years.

* We are reviewing our approach to growth and development, including our performance measures. The measure and associated targets will be added to future SCIs once confirmed.

Customer and community engagement will form part of this focus area.



Attachments

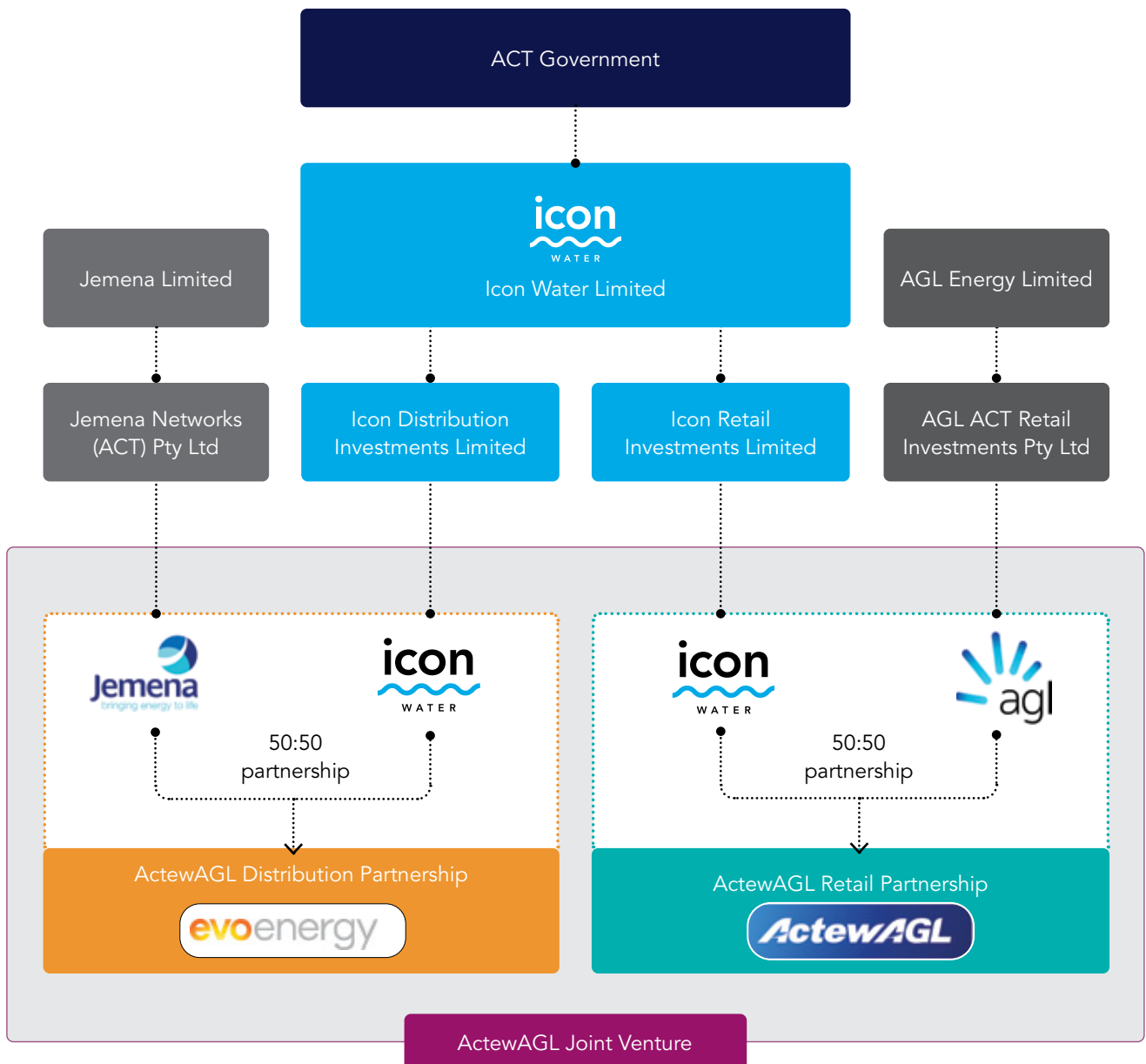
ATTACHMENT 1

Business and corporate

Ownership structure

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

The board is supported by board committees and controlled entity boards which actively manage our investment in the ActewAGL Joint Venture, which operates in the energy sector. Our directors bring valuable skills and diversity to the governance and strategic oversight of Icon Water and provide strategic advice to management in relation to the development and implementation of this Business Strategy.



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

Organisational structure

Our organisational structure has six groups, each led by an executive. As of 31 December 2024, we have 479 employees. We review our organisational profile and staffing requirements as part of our budget planning to ensure our operations remain prudent and efficient.



Major contracts

Effective procurement is critical to our success in owning, managing, and operating the Icon Water network.

We undertake procurement using the Icon Water Procurement Framework. This framework supports us to apply consistent processes which are fair and competitive to achieve value for money across the procurement lifecycle. Procurement levels identify the right-size procurement process, commensurate with value and risk. This achieves a fit-for-purpose procurement strategy or method for each procurement and resulting contract.

Icon Water's central contracts register records contracts with suppliers for all goods, services and works to ensure effective contract management. Procurements at the highest level (which equate to major contracts) must develop and follow detailed contract management plans.

Major contracts that will support our strategy through this period include:

- the transition delivery partner will continue to work with us as we finalise the transition of corporate services from ActewAGL.
- the Professional Engineering Services Agreement (PESA), which takes a collaborative contracting approach to enhance our capacity and capability to plan for the future and improve our delivery certainty, ensuring a positive legacy for our people and our community.
- Major Projects Delivery Program, to deliver major projects such as the Lower Molonglo Water Quality Control Centre Secondary Treatment Upgrade (bioreactor) project.





















Risk management

Effective risk management helps us achieve our business strategy.

Our Risk Management Framework aligns with *ISO 31000: 2018 Risk Management – Guidelines* and sets the foundation and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving our risk management capability. The Icon Water Board has established a Risk and Assurance Committee (RAC) to provide independent assurance and advice to the Board on the management of risks across the business.

A key element of the Risk Management Framework is our enterprise risks. If these risk events were to occur, the impacts would significantly affect our ability to achieve one or more of our aspirations. Our 2025–26 focus areas have been selected to reduce the likelihood or impact of the risk, while also helping achieve our aspirations.

Our current enterprise risks are:

| Enterprise risk | Relevant aspirations | Current focus area |
|---|---|---|
| Inability to operate Icon Water's critical infrastructure/supply |   | 1 Utilise asset health to proactively manage asset risk and investment |
| Customer and community expectations and/or experiences differ from Icon Water's strategy/objectives/actions |    | 3 Shape the future charging arrangements for Canberra's wastewater services 5 Walk together with our local Ngunnawal community and First Nations peoples |
| Icon Water's systems, information or data are severely disrupted or compromised |   | 2 Review how we approach data privacy |
| Icon Water worker or a member of the public suffers a fatality or serious injury or illness |    | N/A Continued implementation of current and planned controls |
| Adverse changes/impacts to workplace culture result in severe impact on business strategic objectives |   | 7 Embed the corporate services model and optimise across the business |
| Inadequate planning leads to inability to meet future workforce resource requirements |  | 6 Bring to life our new leadership and workforce planning frameworks |
| Inability to maximise the sustainable return to the ACT Government |   | 4 Review (and if needed realign) our governance and funding facilities |
| Icon Water is unable to anticipate and comply with legal, regulatory, and governmental requirements |  | N/A Continued implementation of current and planned controls |
| Icon Water not meeting its greenhouse gas emission interval targets and limiting its contribution to climate change |  | 8 Upgrade and modernise the ACT's main wastewater treatment plant* |
| Icon Water fails to provide consistent levels of water and wastewater services |   | 8 Upgrade and modernise the ACT's main wastewater treatment plant 9 Improve how we plan for growth |
| Infrastructure capacity not adequate for future growth |  | 10 Progress investigations into water system options and wastewater system options |

* Approximately three quarters of our greenhouse gas emissions are fugitive emissions (nitrous oxide and methane) generated through the wastewater treatment process.

ATTACHMENT 2





Capital works

We have an ongoing capital works program to ensure we continue to provide effective water and wastewater services to the ACT. These projects support population growth with new infrastructure (growth projects), replace infrastructure as required (renewal projects), enable compliance with changing regulation (regulation projects), or support ongoing improvements to future costs (efficiency projects).










| Capital expenditure by primary driver | 2023–24 Actual \$m | 2024–25 Forecast \$m | 2025–26 Budget \$m | 2026–27 Estimate \$m | 2027–28 Estimate \$m | 2028–29 Estimate \$m |
|---------------------------------------|--------------------|----------------------|--------------------|----------------------|----------------------|----------------------|
| Growth | 12.1 | 40.5 | 111.4 | 152.0 | 180.3 | 133.9 |
| Renewal | 46.7 | 74.4 | 66.5 | 108.5 | 116.7 | 145.3 |
| Regulation | 4.6 | 5.1 | 2.9 | 14.7 | 13.6 | 9.2 |
| Efficiency | 0.6 | 0.9 | 2.9 | 10.7 | 2.5 | 1.8 |
| Capital Interest* | 5.5 | 6.4 | 11.2 | 14.8 | 19.4 | 14.5 |
| Total | 69.5 | 127.3 | 194.9 | 300.6 | 332.4 | 304.7 |

Significant capital works projects over the next four years are detailed below.

These numbers are estimates and are subject to change as we move through the project lifecycle and undertake detailed design, options analysis, market approach and project delivery, which are also subject to risks around estimated population growth, internal and external approvals, skills available in the Canberra region and ongoing inflationary pressures.

| Project and description | Relevant aspirations | Indicative total cost |
|---|--|--|
| Secondary treatment process at the Lower Molonglo Water Quality Control Centre (LMWQCC) – construction of a new membrane bioreactor treatment process so we can treat sewage from Canberra’s growing population. |  | \$500m Anticipated completion in 2030 |
| Renewal of biosolids management infrastructure at LMWQCC – the new assets will balance technical and environmental outcomes and will align to our circular economy plan for waste management and resource recovery. The project now moves into more detailed design development and delivery planning. |  | \$280m Anticipated completion in 2031 |
| Building a new Cotter Pump Station – this will ensure we can reliably and efficiently abstract water from Cotter Dam and the Murrumbidgee River. This project will also allow us to isolate the existing heritage-listed Cotter Pump Station which has reached end of life. |  | \$37m Anticipated completion in 2026 |
| Fyshwick sewage pumping station augmentation – increase capacity to enable connection of new developments to the network. |  | \$37m Anticipated completion in 2028 |

* Capitalised interest represents interest costs incurred during the construction of assets, which have been added to the carrying amount of those assets rather than expensed in the period.

| Project and description | Relevant aspirations | Indicative total cost |
|---|--|---|
| Ongoing digital investment – to empower our workforce in their everyday work, maximise water and wastewater asset performance, optimise our operations, and improve customer experience. We are continuing to upgrade operational systems, retire our legacy ICT portfolio, integrate technology for better performance, create an enterprise data capability, enhance our enterprise resource management capability, and modernise and secure our digital systems and networks. |   | \$23m Indicative cost to 2027–28 |
| Ongoing programs to replace a portion of our water meters, water mains and sewer mains every year – These programs are targeted to assets with poor condition, that don't meet capacity requirements, and which have failed or are nearing the end of their service life. |   | \$22m Indicative cost per year |
| Upgrade and refurbish the office accommodation at LMWQCC – these facilities require upgrading to support a modern working environment for the ~100 staff on site. These facilities have not been significantly upgraded since their original construction in the 1970s. |  | \$18m Anticipated completion in 2026 |
| Corin Dam spillway erosion and access track improvements – to limit the potential environmental impact of erosion downstream of the dam and ensure we can continue to access the area safely. |   | \$10m Anticipated completion in 2028 |
| Water reservoir renewal program – we are replacing reservoirs or major components (like roofs or purlins) on service reservoirs constructed in the late 1950s and early 1960s. In 2024, we started work on replacing Lower Red Hill Reservoir which supplies water to central Canberra. In 2025, we plan to start work on Aranda Reservoir to replace the roof and renew the joint seals. This program ensures we can maintain public and worker safety, and water quality. |   | \$5-7m Indicative cost per year |

ATTACHMENT 3

Community Service Obligations

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

| Community Service Obligations | 2024–25 Forecast \$000 | 2025–26 Budget \$000 | 2026–27 Estimate \$000 | 2027–28 Estimate \$000 | 2028–29 Estimate \$000 |
|---|------------------------|----------------------|------------------------|------------------------|------------------------|
| Water services for schools, hospitals, charities and churches or ecclesiastical establishments | 2,668 | 2,710 | 2,875 | 3,051 | 3,237 |
| Wastewater services for schools, hospitals, charities and churches or ecclesiastical establishments | 4,180 | 4,517 | 4,793 | 5,085 | 5,395 |
| In home haemodialysis water and wastewater services | 13 | 13 | 14 | 15 | 16 |
| ACT Civil and Administrative (ACAT) discharges | 22 | 24 | 25 | 26 | 28 |
| Total | 6,883 | 7,264 | 7,707 | 8,177 | 8,676 |

ATTACHMENT 3

Financials

Income Statement year ended 30 June

| Icon Water Limited Year ended 30 June | NOTES | 2023–24 Actual \$000 | 2024–25 Forecast \$000 | 2025–26 Budget \$000 | 2026–27 Estimate \$000 | 2027–28 Estimate \$000 | 2028–29 Estimate \$000 |
|---|-------|----------------------------|------------------------------|----------------------------|------------------------------|------------------------------|------------------------------|
| Revenue | | | | | | | |
| Water business | | 197,041 | 220,156 | 245,969 | 265,362 | 282,593 | 300,095 |
| Sewerage business | | 145,705 | 157,806 | 170,176 | 184,860 | 199,634 | 211,489 |
| Interest income | | 4,526 | 6,503 | 4,227 | 3,925 | 4,041 | 4,149 |
| Commonwealth subvention | | 13,830 | 14,176 | 14,530 | 14,893 | 15,266 | 15,647 |
| Energy investment | | 46,593 | 82,598 | 89,251 | 97,315 | 94,349 | 89,053 |
| Other revenue | | 5,418 | 2,442 | 2,104 | 2,167 | 2,232 | 2,299 |
| Total revenue | | 413,113 | 483,681 | 526,257 | 568,522 | 598,115 | 622,732 |
| Expenditure | | | | | | | |
| ACT Government charges | | 48,011 | 51,348 | 54,711 | 57,047 | 59,568 | 62,007 |
| Depreciation | | 87,167 | 90,223 | 91,882 | 97,497 | 102,433 | 114,495 |
| Employment costs | | 74,318 | 82,716 | 86,333 | 89,355 | 92,482 | 95,257 |
| Water operating costs | | 113,074 | 138,970 | 130,907 | 93,733 | 100,908 | 106,487 |
| Impairment | | - | - | - | - | - | - |
| Other expenses | | 608 | 682 | 1,216 | 1,254 | 1,296 | 1,335 |
| Total expenditure | | 323,178 | 363,939 | 365,049 | 338,886 | 356,687 | 379,581 |
| Earnings before interest, tax and contributed assets | | 89,935 | 119,741 | 161,208 | 229,636 | 241,428 | 243,150 |
| Interest expense | | 82,469 | 73,298 | 75,507 | 80,292 | 84,725 | 107,466 |
| Earnings before tax and contributed assets | | 7,466 | 46,443 | 85,701 | 149,344 | 156,703 | 135,684 |
| Contributed assets | | 37,517 | 17,348 | 33,320 | 51,951 | 62,179 | 60,096 |
| Earning before tax | | 44,983 | 63,791 | 119,021 | 201,295 | 218,882 | 195,780 |
| Tax expense | | 13,436 | 17,083 | 35,706 | 60,389 | 65,664 | 58,734 |
| Net profit after tax | | 31,547 | 46,708 | 83,315 | 140,906 | 153,218 | 137,046 |
| Transfer to/(from) retained profits | a | 37,517 | 17,348 | 33,320 | 51,950 | 62,179 | 60,096 |
| Profits available for dividends | | - | 29,360 | 49,995 | 88,956 | 91,038 | 76,950 |

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

Balance Sheet as at 30 June

| Icon Water Limited Year ended 30 June | NOTES | 2023–24 Actual \$000 | 2024–25 Forecast \$000 | 2025–26 Budget \$000 | 2026–27 Estimate \$000 | 2027–28 Estimate \$000 | 2028–29 Estimate \$000 |
|--|-------|----------------------------|------------------------------|----------------------------|------------------------------|------------------------------|------------------------------|
| Current assets | | | | | | | |
| Cash and cash equivalents | | 125,679 | 68,741 | 66,630 | 68,454 | 60,189 | 69,096 |
| Receivables | | 63,930 | 63,802 | 73,590 | 74,826 | 76,099 | 77,411 |
| Other current assets | | 6,925 | 7,173 | 7,173 | 7,173 | 7,173 | 7,173 |
| Total current assets | | 196,534 | 139,716 | 147,393 | 150,453 | 143,461 | 153,680 |
| Non current assets | | | | | | | |
| Investments in other entities | | 1,006,137 | 1,030,235 | 1,061,987 | 1,061,301 | 1,064,150 | 1,064,703 |
| FITB - Non current | | 25,799 | 25,864 | 25,864 | 25,864 | 25,864 | 25,864 |
| Intangibles assets | | 21,999 | 20,003 | 20,960 | 17,806 | 19,628 | 14,884 |
| Property, plant and equipment | | 3,425,060 | 3,494,283 | 3,628,554 | 3,879,372 | 4,160,019 | 4,407,806 |
| Investment properties | | 18,250 | 18,153 | 18,153 | 18,153 | 18,153 | 18,153 |
| Other non current assets | | 3,790 | 3,790 | 3,790 | 3,790 | 3,790 | 3,790 |
| Total non current assets | | 4,501,035 | 4,592,328 | 4,759,308 | 5,006,286 | 5,291,604 | 5,535,200 |
| Total assets | | 4,697,569 | 4,732,044 | 4,906,701 | 5,156,739 | 5,435,065 | 5,688,880 |
| Current liabilities | | | | | | | |
| Accounts payable | | 58,161 | 63,525 | 67,055 | 69,162 | 68,292 | 69,521 |
| Dividends payable | | - | 5,872 | 9,999 | 17,791 | 18,208 | 15,390 |
| Tax payable | | 6,575 | (317) | 7,341 | 7,352 | 7,367 | 7,347 |
| Borrowings – current | a | - | 127,590 | 3,622 | 483,875 | 5,713 | 471,124 |
| Provisions – current | | 29,513 | 28,960 | 28,960 | 28,960 | 28,960 | 28,960 |
| Other current liabilities | | 23,564 | 26,018 | 26,018 | 26,018 | 26,018 | 26,018 |
| Total current liabilities | | 117,813 | 251,648 | 142,995 | 633,158 | 154,558 | 618,360 |
| Non current liabilities | | | | | | | |
| Borrowings – non current | a | 1,957,363 | 1,838,652 | 2,088,643 | 1,796,567 | 2,491,314 | 2,221,231 |
| Deferred tax liabilities | | 628,043 | 628,412 | 628,412 | 628,412 | 628,412 | 628,412 |
| Provisions – non current | | 8,233 | 8,072 | 8,072 | 8,072 | 8,072 | 8,072 |
| Other non-current liabilities | | 2,737 | 4,531 | 4,531 | 4,531 | 4,531 | 4,531 |
| Total non current liabilities | | 2,596,376 | 2,479,667 | 2,729,658 | 2,437,582 | 3,132,329 | 2,862,246 |
| Total liabilities | | 2,714,189 | 2,731,315 | 2,872,653 | 3,070,740 | 3,286,887 | 3,480,606 |
| Net assets | | 1,983,380 | 2,000,729 | 2,034,049 | 2,085,999 | 2,148,178 | 2,208,274 |
| Equity | | | | | | | |
| Capital | | 758,872 | 758,872 | 758,872 | 758,872 | 758,872 | 758,872 |
| Retained profits | | 352,042 | 369,391 | 402,711 | 454,661 | 516,840 | 576,936 |
| Reserves | | 872,466 | 872,466 | 872,466 | 872,466 | 872,466 | 872,466 |
| Net equity | | 1,983,380 | 2,000,729 | 2,034,049 | 2,085,999 | 2,148,178 | 2,208,274 |

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

Cashflow year ended 30 June

| Icon Water Limited Year ended 30 June | NOTES | 2023–24 Actual \$000 | 2024–25 Forecast \$000 | 2025–26 Budget \$000 | 2026–27 Estimate \$000 | 2027–28 Estimate \$000 | 2028–29 Estimate \$000 |
|---|-------|----------------------------|------------------------------|----------------------------|------------------------------|------------------------------|------------------------------|
| Cashflow from operations | | | | | | | |
| Receipts from customers | | 368,124 | 395,678 | 422,991 | 466,045 | 498,454 | 528,219 |
| Insurance recovery | | - | - | - | - | - | - |
| Payments to suppliers and employees | | (221,416) | (274,734) | (271,393) | (241,390) | (254,255) | (265,086) |
| Income tax paid | | (13,370) | (23,671) | (28,049) | (60,377) | (65,650) | (58,755) |
| Interest received | | 4,123 | 5,397 | 4,227 | 3,925 | 4,041 | 4,149 |
| Interest paid | | (90,145) | (77,944) | (84,929) | (92,957) | (105,017) | (120,726) |
| Net cash in/(out)flow from operating activities | | 47,316 | 24,726 | 42,847 | 75,246 | 77,573 | 87,801 |
| Cashflow from investing activities | | | | | | | |
| Joint Venture distributions received | | 59,300 | 58,500 | 57,500 | 98,000 | 91,500 | 88,500 |
| Payments for property, plant and equipment | | (59,804) | (109,493) | (174,269) | (263,641) | (290,414) | (271,571) |
| Proceeds from disposal of property, plant and equipment | | 960 | - | - | - | - | - |
| Payments for intangibles | | (7,239) | (6,216) | (3,400) | (9,702) | (7,643) | (5,980) |
| Proceeds from sale of intangibles | | - | - | - | - | - | - |
| Proceeds/(payments) for cash investments | | - | - | - | - | - | - |
| Net cash in/(out)flow from investing activities | | (6,783) | (57,209) | (120,169) | (175,343) | (206,557) | (189,051) |
| Cashflow from financing activities | | | | | | | |
| Repayment of borrowings | | (95,906) | 3,897 | (113,977) | 8,177 | (473,414) | 5,328 |
| New borrowings | | 99,072 | - | 240,000 | 180,000 | 690,000 | 190,000 |
| Lease payments | | (1,917) | (4,864) | (4,944) | (5,092) | (5,245) | (5,403) |
| Dividends paid | | - | (23,488) | (45,868) | (81,164) | (90,622) | (79,768) |
| Net cash in/(out)flow from financing activities | | 1,249 | (24,455) | 75,211 | 101,921 | 120,719 | 110,157 |
| Net cash movement | | 41,782 | (56,938) | (2,111) | 1,824 | (8,265) | 8,907 |
| Opening cash balance | | 83,897 | 125,679 | 68,741 | 66,630 | 68,454 | 60,189 |
| Closing cash balance | | 125,679 | 68,741 | 66,630 | 68,454 | 60,189 | 69,096 |

Financial Ratios year ended 30 June

| Icon Water Limited Year ended 30 June | NOTES | 2023–24 Actual | 2024–25 Forecast | 2025–26 Budget | 2026–27 Estimate | 2027–28 Estimate | 2028–29 Estimate |
|--|-------|-------------------|---------------------|-------------------|---------------------|---------------------|---------------------|
| Profitability | | | | | | | |
| Return on total assets | a | 1.8 % | 2.4 % | 3.2 % | 4.4 % | 4.4 % | 4.2 % |
| Return on equity | b | 1.6 % | 2.3 % | 4.1 % | 6.8 % | 7.1 % | 6.2 % |
| Profit margin | c | 20.9 % | 23.7 % | 30.1 % | 40.0 % | 40.0 % | 38.6 % |
| Liquidity | | | | | | | |
| Current ratio | d | 166.8 % | 55.5 % | 103.1 % | 23.8 % | 92.8 % | 24.9 % |
| Cash position | e | 2.7 % | 1.5 % | 1.4 % | 1.3 % | 1.1 % | 1.2 % |
| Receivables turnover | f | 9.5 | 10.0 | 10.1 | 10.3 | 11.3 | 11.3 |
| Financial stability | | | | | | | |
| Debt ratio | g | 57.8 % | 57.7 % | 58.5 % | 59.5 % | 60.5 % | 61.2 % |
| Gearing ratio | h | 49.7 % | 49.6 % | 50.8 % | 52.3 % | 53.8 % | 55.0 % |
| Funds From Operations (FFO) to Net Debt | i | 7.0 % | 7.9 % | 10.2 % | 13.3 % | 13.0 % | 11.6 % |
| Capital ratio | j | 98.8 % | 98.5 % | 103.1 % | 109.5 % | 116.5 % | 122.1 % |
| Debt | | | | | | | |
| Interest cover ratio | k | 1.1 | 1.6 | 2.1 | 2.9 | 2.8 | 2.3 |

| Formula: | | |
|----------------------------|---|---|
| Profitability | | |
| Return on total assets | a | $\frac{\text{EBIT (minus interest revenue)}}{\text{Total assets}}$ |
| Return on equity | b | $\frac{\text{NPAT}}{\text{Total equity}}$ |
| Profit margin | c | $\frac{\text{EBIT (minus interest revenue)}}{\text{Revenue (minus interest revenue)}}$ |
| Liquidity | | |
| Current ratio | d | $\frac{\text{Current assets}}{\text{Current liabilities}}$ |
| Cash position | e | $\frac{\text{Cash + investments}}{\text{Total assets}}$ |
| Receivables turnover | f | $\frac{\text{Total revenue excludes subvention, interest income and energy investment}}{\text{Average receivables for period (relating to credit sales)}}$ |
| Financial stability | | |
| Debt ratio | g | $\frac{\text{Total liabilities}}{\text{Total assets}}$ |
| Gearing ratio | h | $\frac{\text{Total long-term debt}}{\text{Long term debt + equity}}$ |
| FFO/Net Debt | i | $\frac{\text{Funds from operations}}{\text{Net Debt}}$ |
| Capital ratio | j | $\frac{\text{Total long-term debt}}{\text{Equity}}$ |
| Debt | | |
| Interest cover ratio | k | $\frac{\text{EBIT (before gross interest expense \& excl abn items)}}{\text{Annual interest payments}}$ |
| Notes | d | Debt instruments maturing within 12 months are reclassified to current borrowings causing year on year volatility in the current ratio. The ratio reduces significantly in 2026–27 and in 2028–29 due to this reclassification, noting that the underlying current ratio remains above 100% for those years once the reclassification of maturing debt is reversed. |

Financial assumptions and notes

The financial estimates are subject to potentially significant variation arising from factors outside Icon Water's control. These factors are described below.

Regulatory

Icon Water's revenue targets in the 2025–26 budget and forward estimates are based on the Independent Competition & Regulatory Commission (ICRC) 2023–28 pricing decision and have been adjusted for the annual price adjustments to date. For 2025–26 to 2027–28 years, there is an allowance for pass through costs relating to unit metering changes proposed to be recovered on an ex-ante basis. These costs have been triggered due to a change in legislation.



Climatic conditions

Water production is estimated using the average of all outputs from our base source water model. The estimates incorporate climate change, current relatively high dam storage levels, antecedent catchment conditions and short-term climate drivers. Variability in climatic conditions may result in material variations to profits through altered water consumption patterns, pumping and treatment costs. Extreme weather events may also result in financial losses and impact our service levels.

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

ActewAGL operations

ActewAGL Distribution (AAD) income is based on the Australian Energy Regulator (AER) 2024–29 electricity network pricing decision, and the 2021–26 gas network pricing decision, with draft estimates for the 2026–2031 (GN26) pending decision. The outcomes of GN26 can materially impact the revenue budget.

The large-scale feed-in-tariff (LFIT) scheme administered by AAD continues to have a significant impact on energy investment performance. Icon Water's estimates are based on the latest available ActewAGL Partnerships Board approved long term forecasts in July 2024 and have been updated to reflect the latest Reasonable Cost Determination (RCD) decision with respect to the LFIT scheme, and material movement in the timing of capital contributed assets related revenue recognition.

ActewAGL Retail electricity prices are forecast using the current pricing methodology used by the ICRC and the AER. The ICRC's decision for prices beyond 1 July 2025 will be known in June 2025.

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

The energy investment profits may be impacted by external factors including climatic conditions, feed-in-tariff fluctuations, regulatory outcomes and flow on impacts to achieve net zero emissions by 2045. Growing solar exports have a material impact on load requirement resulting in greater challenges for both the retail business through increased variability of wholesale prices and the distribution business through greater required investment to maintain grid stability.

Contributed assets

Contributed assets include gifted assets and capital contribution funded assets. The annual value of contributed assets can vary significantly for both water and sewerage, and the energy business (ActewAGL). The gifted assets revenue is dependent upon the timing of land releases, construction timeframes and the completion period for acceptance into the respective network. Icon Water's estimate for gifted assets from developers is based on the historical four-year average and the latest available Suburban Land Agency forecasts.

The water and sewerage capital contributions code was approved by the ICRC and commenced on 1 January 2018. Revenue associated with capital contributions is recognised when the infrastructure construction is completed and will vary from year to year in line with construction completion dates. The water and sewerage capital contributions code is currently under review and the budget assumes no material changes.

Economic conditions and borrowings

The current budget assumptions for growth in underlying cost of goods and services is aligned with Reserve Bank of Australia estimates. However, in the current economic climate there is a higher level of economic risk and uncertainty, particularly in areas influenced by inflation and market volatility. Persistent or unexpected inflation, impacted by global trade wars and supply chain disruptions, may drive up the cost of goods and services, increasing operational expenses such as materials, fuel, and maintenance. Wage pressures linked to higher inflation and tight labour markets can influence enterprise bargaining agreement outcomes, resulting in above-anticipated pay rises that may exceed original budget forecasts.

Additionally, construction and project management costs are especially vulnerable to escalation, with inflation amplifying the costs of raw materials, equipment, and contractor rates. These impacts can lead to substantial increases in capital investment outlays, potentially requiring project re-scoping, reprioritisation, or additional funding to achieve strategic objectives.

Icon Water will need to fund capital expenditure in relation to both water and sewerage and the energy business through sourcing new debt and refinancing existing debt, which will be subject to market interest rates. Icon Water borrows via the ACT Government and is subject to their prevailing credit rating. Icon Water has forecast a Consumer Price Index (CPI) to use for existing index linked bonds which are subject to change.

There is an assumption that debt will be introduced into the ActewAGL Distribution partnership during the SCI time horizon. The introduction and timing of debt remains uncertain, in the absence of its introduction the prevailing funding mechanisms will continue to apply.

Impairment

The budget assumes no impairment or revaluation adjustment of assets.

Dividend to shareholders

This SCI is based on the current Dividend Policy of 100% of Net Profit (excluding contributed assets).

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TTY for Hearing Impaired

133 677

Language assistance

13 14 50, 24 hours

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「如需語言支援，請撥打上述電話號碼。」

„भाषाई सहायता प्राप्त करने के लिए, ऊपर दिए गए नंबर पर कॉल करें।”

„भाषा सम्बन्धी सहयोग लिन, माथिको नम्बरमा फोन गर्नुहोस्।”

„ਆਪਣੀ ਭਾਸ਼ਾ ਵਿੱਚ ਸਹਾਇਤਾ ਪ੍ਰਾਪਤ ਕਰਨ ਲਈ, ਉੱਪਰ ਦਿੱਤੇ ਨੰਬਰ 'ਤੇ ਫ਼ੋਨ ਕਰੋ।”

“Đề được hỗ trợ về ngôn ngữ, hãy gọi đến số điện thoại ở trên”.

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