

Business Strategy

2025 to 2035



Our Statement of Corporate Intent 2026–27

Year 2 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 recognises 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 Interim Managing Director and Chair

We are pleased to present our Statement of Corporate Intent for 2026–27. This year marks the second year of our ten-year Business Strategy, and we continue to focus on the long-term outcomes that matter for our community, our people and our shareholders.

Our vision of creating a sustainable water legacy guides how we plan for the future. We are committed to listening to the Traditional Owners of this region, the Ngunnawal people, and to learning from their knowledge of local waterways and catchments. Their stewardship over many generations influences how we think about water for Canberra and the region.

Canberra is growing and our climate is becoming more variable. These challenges reinforce the importance of integrated management and long-term planning for both water security and wastewater services. Over the coming year we will progress the work that will inform future investment decisions to secure our water future, including supply options, demand management and the long-term pathway for our wastewater system.

As part of our response to these challenges, together with our major projects partner, we are progressing the upgrade and modernisation of the ACT's main wastewater treatment plant to ensure it can meet future service needs for our community.

Our dam levels have remained high, and the likelihood of needing temporary water restrictions over the next 12 months is very low. While our network is performing reliably, we are strengthening how we manage and use data so we can better respond to ageing assets and the increasing complexity that comes with growth. This year we will build on our ability to predict emerging issues, improve the quality of the information we rely on and protect the personal data entrusted to us. These improvements will help us maintain the trust of our customers and ensure we can respond effectively when issues arise.

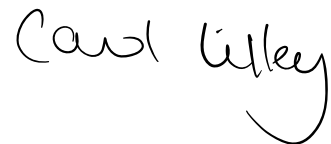
Affordability remains a priority for our community and is front of mind as we prepare our 2028–33 price proposal. We are taking a disciplined approach to balancing long-term investment with the impact on customers, and a focus on avoiding sharp or unexpected price increases. We will keep supporting customers who need assistance with their bills and ensure our decisions are guided by the expectations of our community.

Our people remain central to our success. This year we will further strengthen our leadership and workforce planning frameworks, support the professional growth of our people and embed our new operating model. We are committed to providing a safe, inclusive and supportive workplace where our people can do their best work and feel proud of the contribution they make to our community.

We will continue to work with our energy investment partners to support the ACT Government's goal of net zero greenhouse gas emissions by 2045. Our role in managing these investments is an important part of how we deliver value for our community.

On behalf of the Board and Executive, we thank our people for their ongoing commitment to providing essential services to our community. We also thank our customers and the ACT community for their continued engagement and support. We are confident that in 2026–27 we are well placed to deliver the outcomes our shareholders, customers and community expect of us.

CAROL LILLEY
Chair
Icon Water



JOY YAU
Interim 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, as well as collecting and treating Canberra's wastewater. 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 are rich with cultural significance. We are grateful to the Traditional Owners who sustainably managed these waterways and catchments for tens of thousands of years, and who continue their custodianship today.

We service the largest city in the Murray–Darling Basin, providing a critical link in the Basin's water flows. Our entire urban service area adjoins the state of NSW and we are an important part of the local 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 water flows into the Murrumbidgee River system for beneficial use downstream.

The current value of our assets is around \$3.6 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 also 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.



Fyshwick Sewage Treatment Plant

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, extreme and unpredictable climate.** Icon Water is vulnerable to the direct and cascading impacts of climate change. Rising temperatures, rainfall variability, changing catchment conditions, droughts, wind, 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 around 620,000 people by 2045, an increase of around 28% from 2025. 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. Changes in land use planning and population distribution are important considerations. 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.** The water industry faces significant investment needs in the next 10–20 years – to improve water security, renew assets, upgrade infrastructure to serve the growing customer base, and 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, and we remain conscious of avoiding decisions that defers the current need for investment but shifts costs to future generations.
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 productivity and efficiency. We can leverage these opportunities in areas such as operations and customer experience. Our ability to harness these opportunities is dependent on maintaining a modern technology portfolio with a focus on security.

Strategy lenses

The expectations of our customers and community, our people, and our shareholders provide an important lens for shaping our strategy and informing the decisions we make over the coming decade.

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 to support water conservation, 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 impacted customer segments, including those experiencing financial difficulty.
 - › 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 will regularly engage with our customers and community so these insights can continue to inform our decisions and actions.

Our people

All 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

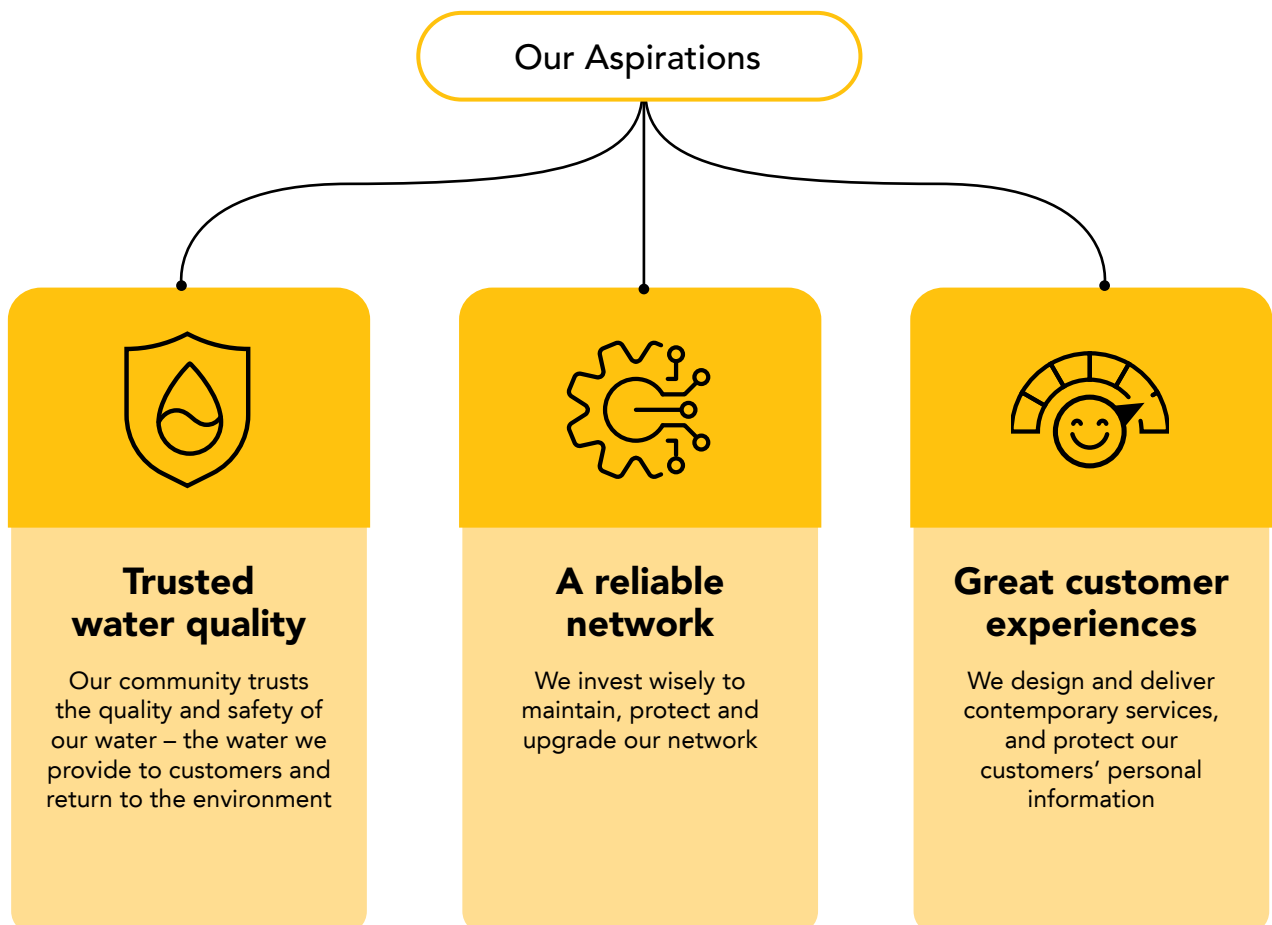
**our outcomes
and aspirations**



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 for future generations, while also working to create great experiences for customers. We recognise the specific customer 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 and a risk-based approach to guide to address these issues.

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 economical 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 to inform planning, investments and incident response.

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 from other service providers. 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 interactions and experiences associated with development application processes, while protecting the long-term integrity, reliability and safety of our assets for our community and staff.

Our desired future state (2035)

Our services, 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.

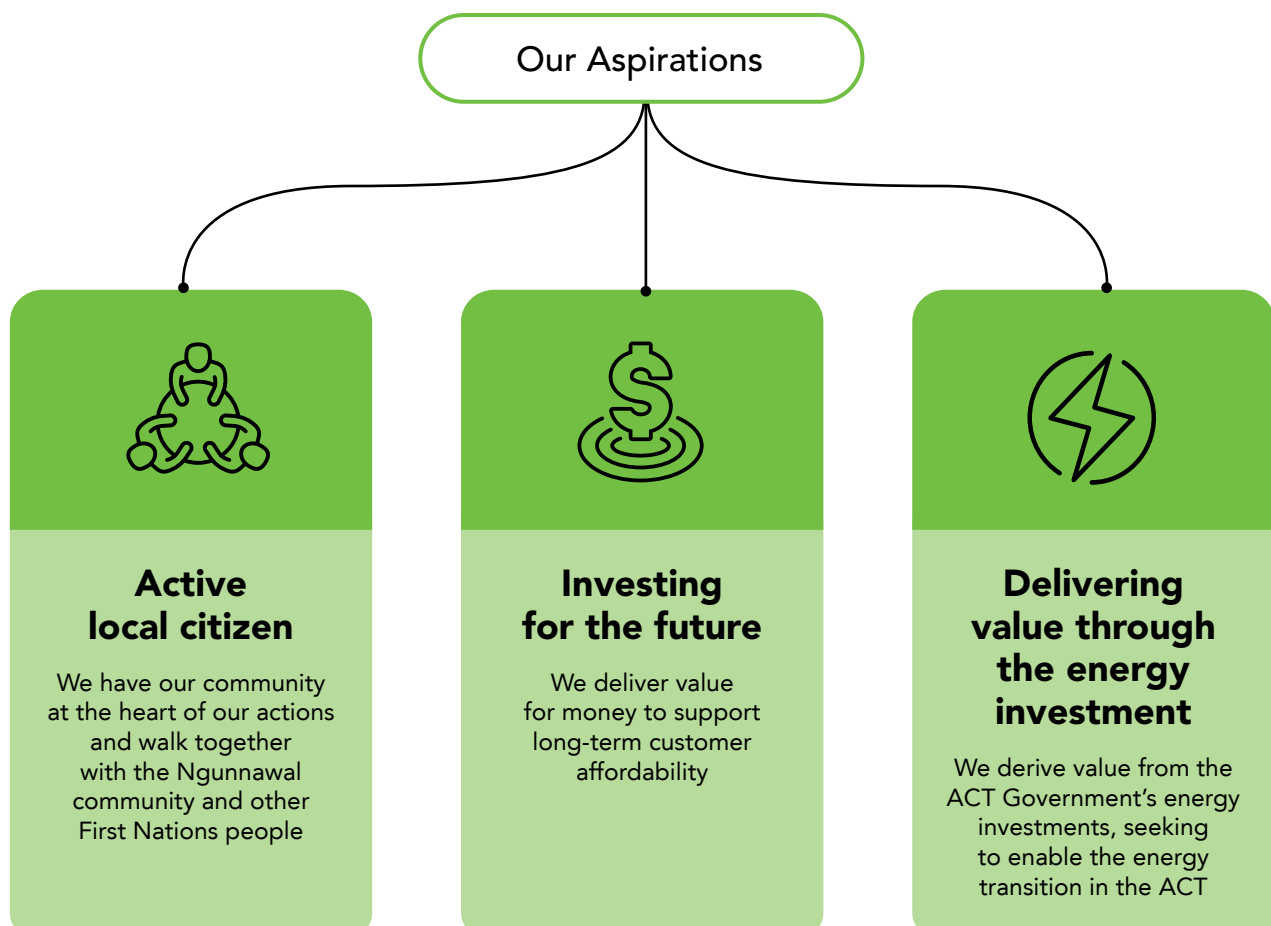
By checking in with customers regularly to ensure we understand how and why their expectations are changing, and using this to drive where we invest.



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 Ngunawal 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 Ngunawal community and other local 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 together 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 path to electrification that supports a 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, considering 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:

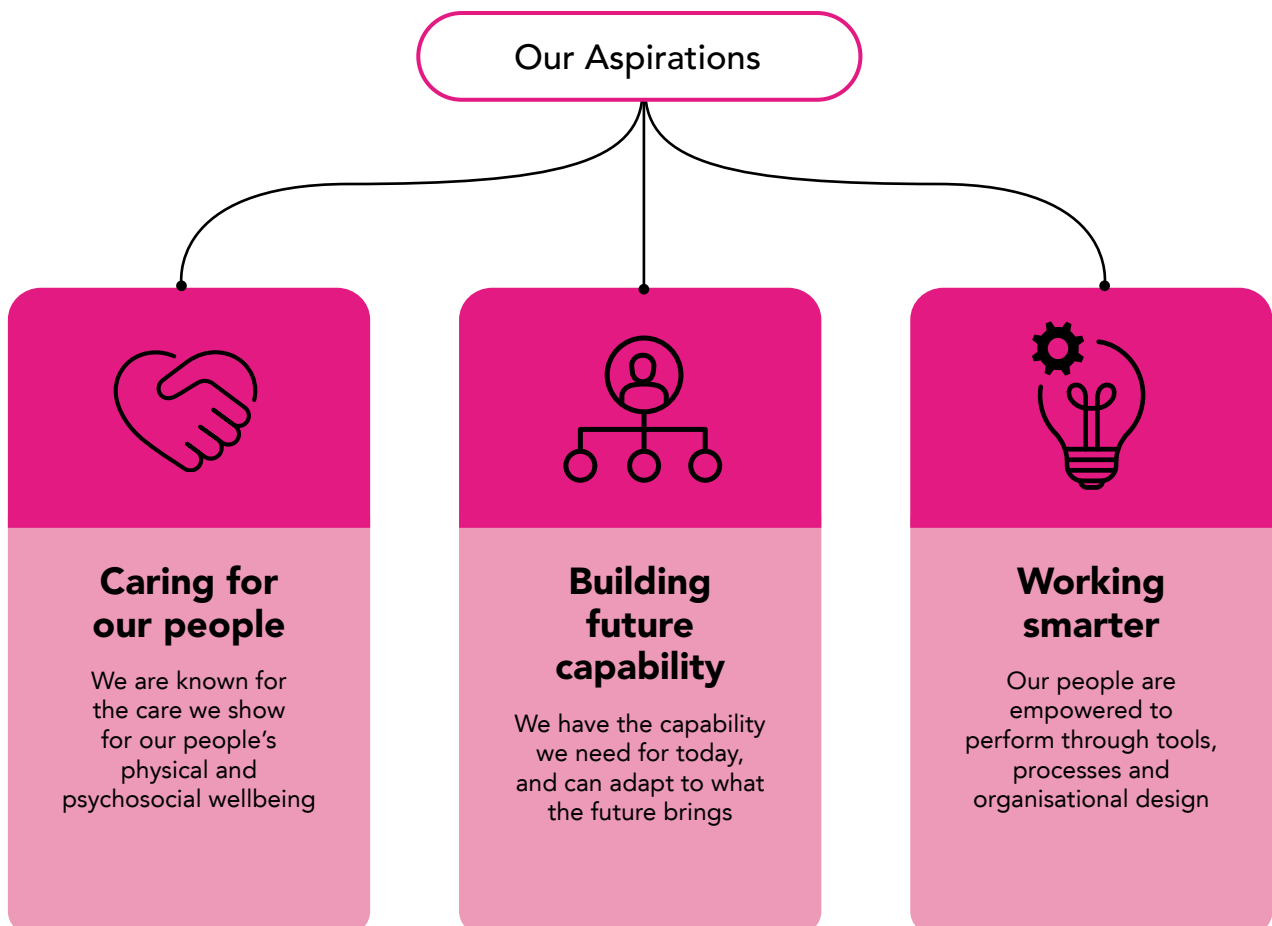
- Set and monitor strategic direction of the energy businesses.
- Establish funding arrangements to support augmentation of the electricity network to meet the needs of electrification.
- Monitor operational performance, including in relation to safety, security, reliability, affordability, customer 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, and we are increasing our focus on psychological wellbeing to foster an inclusive, diverse environment that enables our people to perform at their best.

Our desired future state (2035)

Our people enjoy coming to work because it contributes to their sense of purpose and 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 people's 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.

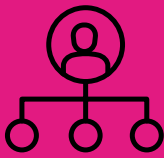
By maintaining a strong commitment to, and role-modelling of, our values.

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 and sharing the deep knowledge acquired across our business. At the same time, the nature of our work and the associated capabilities are also evolving with new technology and systems increasing in complexity 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 adapt 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 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 and realise common opportunities.



Working smarter

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

Our people are engaged in varied types of work and ways of working, and we know that we work best when we are connected. Understanding how our business is shaped, and ensuring our people have the right tools and processes, will help us improve the way we deliver essential services to our community.

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.

We have delivered the productivity growth target, set by our economic regulator, and in the 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.

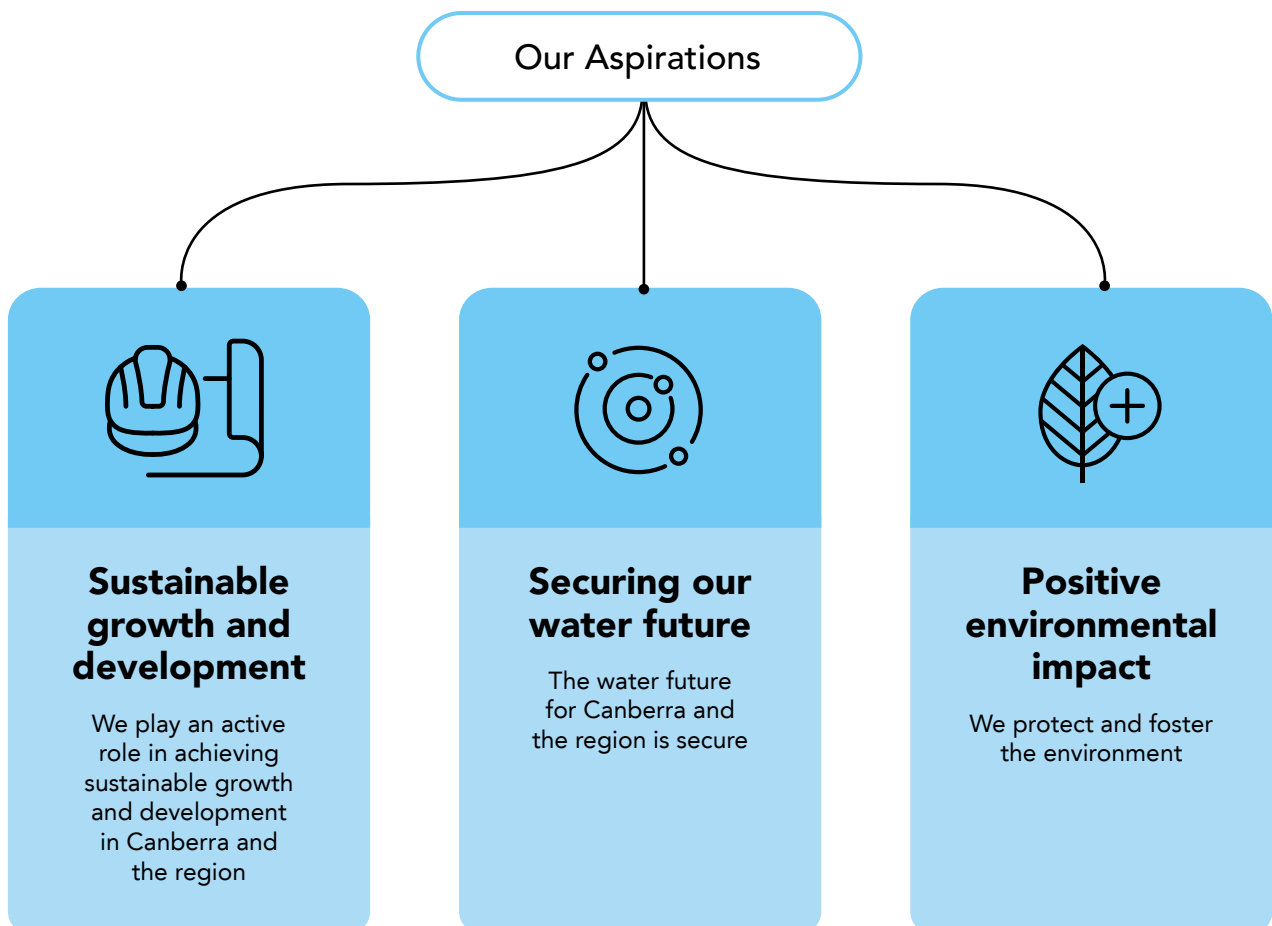
By reviewing and updating the business structure, systems and processes, to streamline activity and decision-making across our value-chain.

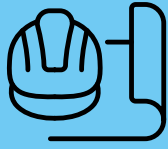


A resilient water future

Why it matters

Achieving a resilient water future speaks directly to our vision of creating a sustainable water legacy for our community. It requires wise, long-term decisions that secure water for Canberra and the region, consider the whole water cycle, and protect 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 how much raw water we can collect, its availability and increasing demand. We operate within a larger water system, but we don't control all the elements (such as catchments, stormwater infrastructure, and local ponds and lakes). 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 and informed by our community as to how we respond and 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 participants 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 minimising 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 reused and returned to the environment as a circular natural resource. 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 cannot be eliminated.

We generate less waste from our activities, recovering and reusing materials that are too good to waste.

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 greenhouse gas emissions from our wastewater treatment, greening our NSW electricity use, switching to zero-emission vehicles where feasible 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 natural resource efficiency.

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	2024–25 performance	2026–27 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	86%	≥90%	≥95%
Discharge water quality – The percentage of compliance with licence parameters for wastewater effluent	97%	≥99%	≥99%
Frequency of water interruption – Connections with more than 3 unplanned water interruptions per year	0.2%	≤0.2%	≤0.2%
Duration of water interruption – Connections with unplanned water interruptions greater than 6 hours	0.8%	≤1%	≤1%
Internal sewage overflows – Sewage overflows inside customer properties	5	≤15	≤15
Responsiveness to priority 1 activities – The crew is onsite for priority 1* activities within 120 minutes	96%	≥90%	≥90%

Our current focus areas:

- 1 Embed and operationalise asset health insights across our network – so that our planning, maintenance and investment decisions are timely, predictive, risk-based, and deliver improved reliability and cost outcomes.
- 2 Enhance the way we manage data privacy – to ensure we manage the personal information of our customers and employees in line with community expectations.
- 11 Strengthen Icon Water’s resilience – to ensure our assets and services withstand evolving threats and meet enhanced critical infrastructure obligations. (New focus area for 2026–27).

* 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



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.

Medium-term



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

Longer-term



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	2024–25 performance	2026–27 target	10-year target
Community perception – Community perception index	68	≥68	≥70
Early intervention for customers needing support – Of customers in arrears, percentage receiving active support*	37%	≥35%	≥50%
Profitability of water and sewerage services – Net Profit After Tax (NPAT)**	(\$11.01m)	≥\$20.56m	≥\$20m
Shareholder return – Dividend	\$48.5m	≥\$79.7m	≥\$30m***
Evoenergy - Average duration of unplanned supply interruptions per customer per year	41.7 minutes	≤38 minutes	Top quartile of energy distribution businesses
Evoenergy - Average frequency of unplanned supply interruptions per customer per year	0.51 outages	≤0.59 outages	Top quartile of energy distribution businesses
Decarbonisation - Number of gas network customers (YoY)****	151,599	147,927	Decreasing trend

Our current focus areas:

- 3 Establish responsible pricing pathways – so that funding for essential services and priority investments is sustainable over the long term.
- 4 Progress improvements in 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.
- 12 Review how we deliver retail services – to make sure we have a plan for how these services will meet the future needs of our customers. (New focus area for 2026–27).

* 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 2026–27 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.

**** Includes gas network customers in Canberra and Queanbeyan.



Our people at their best

Short-term

Medium-term

Longer-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.

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

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

Our performance measures:

Measure	2024–25 performance	2026–27 target	10-year target
Staff engagement – Staff engagement score	66	≥68	≥72
Staff health and safety – Total Recordable Injury Frequency Rate (TRIFR)	8.3	≤10	≤8
Leadership skills – Leadership effectiveness index	58	≥58	≥64
Workforce diversity – TBC*	-	-	-

🔍 Our current focus areas:

- 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.
- Embed the new operating model and optimise supplier arrangements – to improve our delivery and efficiency.

* 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	2024–25 performance	2026–27 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)	52%	≥56%	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 – to cater for Canberra's population as it grows above 500,000 people, to make our treatment process more sustainable and resilient.
- 9 Implement our plan to improve how we service growth – so that we understand and plan our investments for future areas of growth, can streamline approvals processes and enhance the developer experience while ensuring new and existing assets are safe, reliable and efficient.
- 10 Use adaptive planning and integrated water management principles to determine water and wastewater system options – to form the portfolio of initiatives underpinning our Water Security Plan and Wastewater System Plan.

* 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

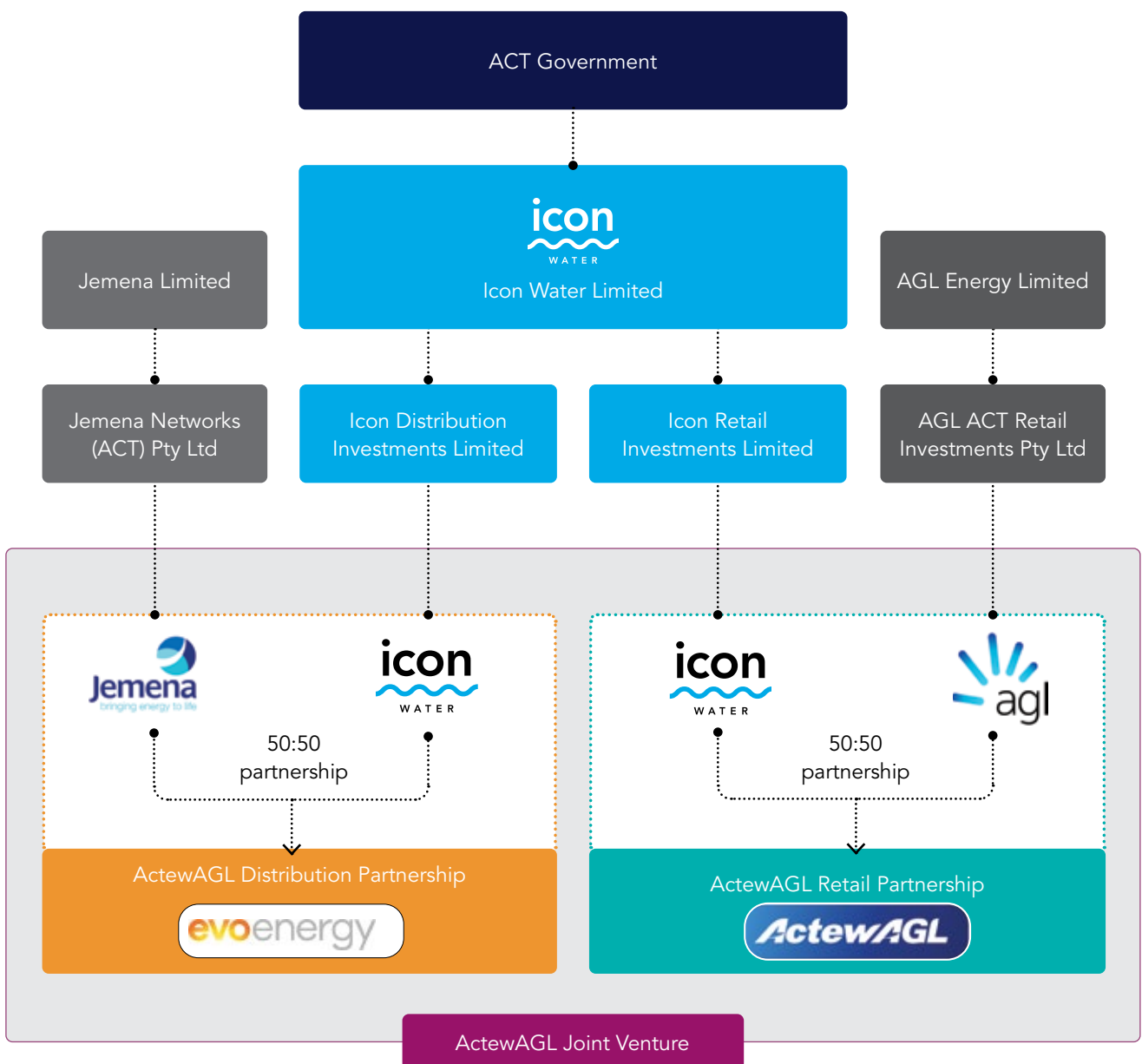
ATTACHMENT 1

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 2025, we have 505 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 networks and ensuring value to our community.

We undertake procurement using the Icon Water Procurement Framework. This framework supports us to apply consistent, fair, and appropriate competitive processes 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 has a range of contractual arrangements in place to support delivery of essential water services every day. Key major contracts that will support our strategy through this period include:

- 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.
- the Retail Customer Services Agreement to deliver services related to meter reading, billing and related customer contact and accounts receivable and credit management in line with customer expectations.

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 occurred, it could derail our strategy or seriously disrupt how we operate now or in the future. Our 2026–27 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:

Outcome	Enterprise risks	Current focus area
Safe and Reliable Services	We do not maintain public trust .	2 Enhance the way we manage data privacy
		5 Walk together with our local Ngunnawal community and First Nations peoples
	We do not provide reliable and responsive water and wastewater services.	1 Embed and operationalise asset health insights across our network
	We do not have a resilient supply chain .	7 Embed the new operating model and optimise supplier arrangements
	We do not protect our systems, information, processes or data from being disrupted or compromised.	2 Enhance the way we manage data privacy
		11 Strengthen Icon Water’s resilience
We do not prevent or adequately respond to public health impacts to our community.	N/A Continued implementation of current and planned controls	
Value for Our Community	We do not deliver a sustainable financial return to our shareholders.	4 Progress improvements in our governance and funding facilities
		7 Embed the new operating model and optimise supplier arrangements
	We do not effectively manage our energy investments .	4 Progress improvements in our governance and funding facilities
	We do not manage customer expectations relating to future affordability and services.	3 Establish responsible pricing pathways
	We do not meet regulatory, legislative or government requirements .	11 Strengthen Icon Water’s resilience
We do not effectively manage revenue streams and billing accuracy .	12 Review how we deliver retail services	
A Resilient Water Future	We do not protect our environment or adapt to climate change .	8 Together with our major projects partner, upgrade and modernise the ACT’s main wastewater treatment plant
		10 Use adaptive planning and integrated water management principles to determine water and wastewater system options
	We do not enable growth .	8 Together with our major projects partner, upgrade and modernise the ACT’s main wastewater treatment plant
		9 Implement our plan to improve how we service growth
		10 Use adaptive planning and integrated water management principles to determine water and wastewater system options

Outcome	Enterprise risks	Current focus area
Our People at their Best	We do not protect workers or members of the public from serious injury or fatality .	N/A Continued implementation of current and planned controls
	We do not build the organisational capability required to effectively operate our business now and in the future.	6 Bring to life our new leadership and workforce planning frameworks
	We do not have an engaged workforce and a positive workplace culture .	7 Embed the new operating model and optimise supplier arrangements



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	2024–25 Actual \$m	2025–26 Forecast \$m	2026–27 Budget \$m	2027–28 Estimate \$m	2028–29 Estimate \$m	2029–30 Estimate \$m
Growth	27.7	117.7	166.8	179.6	135.5	164.2
Renewal	58.9	69.6	109.9	132.4	136.4	124.1
Regulation	6.0	2.6	5.8	15.2	27.3	8.9
Efficiency	1.4	1.2	0.8	4.7	1.2	2.1
Capital Interest*	5.4	10.5	15.6	18.3	20.1	12.7
Total	99.4	201.6	298.9	350.1	320.5	312.1

Significant capital works projects over the next five 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. These project activities 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
<p>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.</p>		<p>\$616m</p> <p>Anticipated completion in 2032</p>
<p>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.</p>		<p>\$500m</p> <p>Anticipated completion in 2029</p>
<p>Fyshwick sewage pumping station augmentation – increase capacity to enable connection of new developments to the network.</p>		<p>\$41m</p>
<p>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.</p>		<p>\$37m</p> <p>Anticipated completion in 2026</p>

* 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 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
Water Treatment Electrical, Instrumentation – Monitoring and Control (EIMC). The project will renew ageing EIMC assets at Stromlo and Googong Water Treatment Plants to enable their ongoing reliable and efficient operation		\$13m Anticipated completion in 2028
Stromlo Water Treatment Plant Catch Dam Renewal – this project aims to renew the Stromlo Water Treatment Plant catch dam and related overflow channel infrastructure to ensure ongoing compliance with regulatory requirements.		\$12m Anticipated completion in 2029
Dairy Road Sewerage Servicing – the project provides connections, odour control and sufficient hydraulic capacity in the sewerage network to accommodate the new development in Dairy Road, Fyshwick. This project comes under the Water and Sewerage Capital Contributions (WSSC) Code.		\$11m Anticipated completion to be confirmed following Development Application approval
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. Work on Aranda Reservoir to replace the roof and renew the joint seals will commence in 2027 with completion expected to be in 2028. 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	2025–26 Forecast \$000	2026–27 Budget \$000	2027–28 Estimate \$000	2028–29 Estimate \$000	2029–30 Estimate \$000
Water services for schools, hospitals, charities and churches or ecclesiastical establishments	3,805	4,072	4,357	4,662	4,988
Wastewater services for schools, hospitals, charities and churches or ecclesiastical establishments	4,303	4,604	4,926	5,271	5,640
In home haemodialysis water and wastewater services	13	14	15	17	18
ACT Civil and Administrative (ACAT) discharges	22	24	25	27	29
Total	8,144	8,714	9,324	9,976	10,674

ATTACHMENT 4

Financials

Income Statement year ended 30 June

Icon Water Limited Year ended 30 June	NOTES	2024–25 Actual \$000	2025–26 Forecast \$000	2026–27 Budget \$000	2027–28 Estimate \$000	2028–29 Estimate \$000	2029–30 Estimate \$000
Revenue							
Revenue from customers		387,624	420,472	451,197	496,314	536,080	579,446
Interest Income		6,408	4,941	11,409	10,904	12,195	13,146
Commonwealth subvention		14,176	14,530	14,930	15,303	15,685	16,078
Energy investment		91,516	83,963	102,913	90,314	92,247	66,345
Other revenue		4,320	3,254	1,206	1,243	1,280	1,318
Total revenue		504,043	527,160	581,655	614,078	657,487	676,333
Expenditure							
ACT Government charges		51,517	57,473	57,230	59,694	62,358	64,942
Depreciation		90,185	91,620	92,520	97,109	102,930	105,193
Employment costs		85,303	101,080	109,174	109,752	111,291	115,405
Water operating costs		126,161	120,804	94,418	103,283	104,515	107,704
Impairment		-	-	-	-	-	-
Other expenses		622	1,216	1,254	1,296	1,335	1,375
Total expenditure		353,788	372,193	354,596	371,134	382,429	394,619
Earnings before interest, tax and gifted assets		150,255	154,967	227,059	242,944	275,058	281,714
Interest expense		75,949	82,160	96,030	111,912	138,854	160,736
Earnings before tax and gifted assets		74,306	72,807	131,029	131,032	136,204	120,978
Contributed assets		13,028	33,320	40,000	47,521	39,403	39,482
Earning before tax		87,334	106,127	171,029	178,553	175,607	160,460
Tax expense		25,595	31,838	51,309	53,566	52,683	48,138
Net profit after tax		61,738	74,289	119,720	124,987	122,924	112,322
Transfer to/(from) retained profits	a	13,223	33,320	40,000	47,521	39,403	39,482
Profits available for dividends		48,515	40,969	79,720	77,466	83,521	72,840

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	2024–25 Actual \$000	2025–26 Forecast \$000	2026–27 Budget \$000	2027–28 Estimate \$000	2028–29 Estimate \$000	2029–30 Estimate \$000
Current assets							
Cash & cash equivalents		109,817	101,541	277,428	47,838	313,213	75,054
Held to maturity investments		-	-	-	-	-	-
Receivables		71,017	72,260	74,500	76,840	79,275	81,815
Other current assets		7,369	9,274	9,274	9,274	9,274	9,274
Total current assets		188,202	183,075	361,202	133,952	401,762	166,143
Non current assets							
Investments in other entities		1,106,091	1,127,395	1,158,408	1,183,122	1,220,770	1,279,215
Deferred tax asset		28,777	28,777	28,777	28,777	28,777	28,777
Intangibles assets		21,510	21,839	39,209	44,217	47,945	48,391
Property, plant & equipment		3,601,677	3,729,880	3,958,855	4,229,252	4,425,953	4,619,217
Investment properties		20,750	20,750	20,750	20,750	20,750	20,750
Other non current assets		3,748	3,748	3,748	3,748	3,748	3,748
Total non current assets		4,782,553	4,932,389	5,209,747	5,509,866	5,747,943	6,000,098
Total assets		4,970,755	5,115,464	5,570,949	5,643,818	6,149,705	6,166,241
Current liabilities							
Accounts payable		57,779	62,581	50,780	44,501	51,307	57,005
Dividends payable		25,827	8,194	15,944	15,493	16,705	14,568
Tax payable		12,941	7,920	7,920	7,920	7,920	7,920
Borrowings – current	a	124,832	-	499,954	37,044	521,842	49,637
Provisions – current		28,763	30,631	30,631	30,631	30,631	30,631
Other current liabilities		9,719	5,639	5,639	5,639	5,639	5,639
Total current liabilities		259,861	114,965	610,868	141,228	634,044	165,400
Non current liabilities							
Borrowings – non current	a	1,841,479	2,098,445	2,016,678	2,511,196	2,482,555	2,926,140
Deferred tax liabilities		689,575	689,575	689,575	689,575	689,575	689,575
Provisions – non current		9,210	9,106	9,106	9,106	9,106	9,106
Other non-current liabilities		23,688	23,110	24,459	24,929	27,238	29,350
Total non current liabilities		2,563,952	2,820,236	2,739,818	3,234,806	3,208,474	3,654,171
Total liabilities		2,823,813	2,935,201	3,350,686	3,376,034	3,842,518	3,819,571
Net assets		2,146,943	2,180,263	2,220,263	2,267,784	2,307,187	2,346,670
Equity							
Capital		758,872	758,872	758,872	758,872	758,872	758,872
Retained profits		365,266	398,586	438,586	486,107	525,510	564,993
Reserves		1,022,805	1,022,805	1,022,805	1,022,805	1,022,805	1,022,805
Net equity		2,146,943	2,180,263	2,220,263	2,267,784	2,307,187	2,346,670

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	2024–25 Actual \$000	2025–26 Forecast \$000	2026–27 Budget \$000	2027–28 Estimate \$000	2028–29 Estimate \$000	2029–30 Estimate \$000
Cashflow from operations							
Receipts from customers		403,764	431,100	465,093	510,519	550,610	594,302
Insurance recovery		-	-	-	-	-	-
Payments to suppliers and employees		(260,498)	(271,509)	(262,077)	(274,024)	(279,498)	(289,425)
Income tax paid		(25,106)	(38,940)	(51,309)	(53,566)	(52,683)	(48,138)
Interest received		5,388	5,896	11,409	10,904	12,195	13,146
Interest paid		(78,163)	(89,226)	(125,621)	(142,923)	(137,757)	(161,479)
Net cash in/(out)flow from operating activities		45,385	37,321	37,495	50,910	92,867	108,406
Cashflow from investing activities							
Joint Venture distributions received		58,500	62,500	71,900	65,600	54,600	7,900
Payments for property, plant and equipment		(96,373)	(173,458)	(253,331)	(283,453)	(242,972)	(237,466)
Proceeds from disposal of property, plant and equipment		-	-	-	-	-	-
Payments for intangibles		(4,038)	(4,253)	(23,444)	(13,078)	(9,309)	(9,261)
Proceeds from sale of intangibles		-	-	-	-	-	-
Proceeds/(payments) for cash investments		-	-	-	-	-	-
Net cash in/(out)flow from investing activities		(41,911)	(115,211)	(204,875)	(230,931)	(197,681)	(238,827)
Cashflow from financing activities							
Repayment of borrowings		-	(152,994)	17,995	(468,573)	6,039	(478,738)
New borrowings		6,260	283,888	400,000	500,000	450,000	450,000
Lease payments		(2,907)	(2,679)	(2,758)	(3,079)	(3,538)	(4,023)
Dividends paid		(22,689)	(58,601)	(71,970)	(77,917)	(82,312)	(74,977)
Net cash in/(out)flow from financing activities		(19,336)	69,614	343,267	(49,569)	370,189	(107,738)
Net cash movement		(15,862)	(8,276)	175,887	(229,590)	265,375	(238,159)
Opening cash balance		125,679	109,817	101,541	277,428	47,838	313,213
Closing cash balance		109,817	101,541	277,428	47,838	313,213	75,054

Financial Ratios year ended 30 June

Icon Water Limited Year ended 30 June	NOTES	2024–25 Actual	2025–26 Forecast	2026–27 Budget	2027–28 Estimate	2028–29 Estimate	2029–30 Estimate
Profitability							
Return on total assets	a	2.9 %	2.9 %	3.9 %	4.1 %	4.3 %	4.4 %
Return on equity	b	2.9 %	3.4 %	5.4 %	5.5 %	5.3 %	4.8 %
Profit margin	c	28.9 %	28.7 %	37.8 %	38.5 %	40.7 %	40.5 %
Liquidity							
Current ratio	d	72.4 %	159.2 %	59.1 %	94.8 %	63.4 %	100.4 %
Cash position	e	58.4 %	55.5 %	76.8 %	35.7 %	78.0 %	45.2 %
Receivables turnover	f	5.5	5.8	6.1	6.5	6.8	7.1
Financial stability							
Debt ratio	g	56.8 %	57.4 %	60.1 %	59.8 %	62.5 %	61.9 %
Gearing ratio	h	47.8 %	49.0 %	53.1 %	52.9 %	56.6 %	55.9 %
Funds From Operations (FFO) to Net Debt	i	8.2 %	8.3 %	9.5 %	8.9 %	8.4 %	7.5 %
Capital ratio	j	91.6 %	96.2 %	113.3 %	112.4 %	130.2 %	126.8 %
Debt							
Interest cover ratio	k	1.9	1.8	2.2	2.1	1.9	1.7

Formula:**Profitability**

Return on total assets	a	$\frac{\text{EBIT (minus interest revenue)}}{\text{Total assets}}$
Return on equity	b	$\frac{\text{NPAT}}{\text{Total equity}}$
Profit margin	c	$\frac{\text{EBIT (minus interest revenue)}}{\text{Revenue (minus interest revenue)}}$

Liquidity

Current ratio	d	$\frac{\text{Current assets}}{\text{Current liabilities}}$
Cash position	e	$\frac{\text{Cash + investments}}{\text{Total assets}}$
Receivables turnover	f	$\frac{\text{Total revenue excludes subvention, interest income and energy investment}}{\text{Average receivables for period (relating to credit sales)}}$

Financial stability

Debt ratio	g	$\frac{\text{Total liabilities}}{\text{Total assets}}$
Gearing ratio	h	$\frac{\text{Total long-term debt}}{\text{Long term debt + equity}}$
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	$\frac{\text{EBIT (before gross interest expense \& excl abn items)}}{\text{Annual interest payments}}$
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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.
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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 2026–27 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 2026–27 to 2027–28 years, there is an estimated allowance for pass through revenue adjustments relating to implementation costs that have been triggered due to a change in legislation (e.g. unit metering and security of critical infrastructure).

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.

Icon Water operations

Water and sewer operations may be affected by geopolitical risks that contribute to fuel and energy price volatility, disruptions to global supply chains, shortages or delays in critical materials and equipment, and broader inflationary pressures. These factors may affect operating costs, capital delivery costs and timeframes and service resilience across the water industry.

ActewAGL operations

ActewAGL Distribution (AAD) income is based on the Australian Energy Regulator (AER) 2024–29 electricity network pricing decision and the draft decision for the 2026–2031 gas network (GN26, November 2025).

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 long term forecasts approved in July 2025 and have been updated to reflect the draft GN26 decision, the latest Reasonable Cost Determination decision with respect to the LFiT scheme, and material movements in the timing of capital contributed assets related revenue recognition.

ActewAGL Retail (AAR) electricity prices are forecast based on the pricing methodology used by the ICRC and the AER. The actual prices are updated based on ICRC's decision on 1st of July annually.

The long-term forecast earnings profile is driven by updated Customer Load Variation Charge (CLVC) assumptions reflecting load shape changes, reduced wholesale electricity cost headroom, and ongoing volatility and uncertainty in energy markets. While AAR's pricing strategy is on track to partly offset these impacts, growing uptake of consumer energy resources may gradually stabilise load shape and CLVC volatility.

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

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

Contributed assets

Icon Water's contributed assets include capital contribution funded assets and gifted assets.

The 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 estimate for gifted assets from developers is based on the historical four-year average and updated to include key projects from Developer Services and the Suburban Land Agency. The annual value of gifted assets can vary significantly. The gifted assets revenue is dependent upon the timing of land releases, construction timeframes and the completion period for acceptance into Icon Water's hydraulic network.

Financial markets and capital structure

Icon Water will need to source new debt and refinance existing debt in relation to water, sewerage and the energy investment businesses, which will be subject to market interest rates and subject to uncertainties with global economic impacts. 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.

Debt may be introduced into the ActewAGL Distribution partnership during the Statement of Corporate Intent (SCI) period. At this stage, no ActewAGL Distribution debt has been assumed. The timing and form of any debt introduction remain subject to further consideration and approvals, and until such time, existing funding arrangements 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 (gifted assets and capital contribution revenue).

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TTY for Hearing Impaired

133 677

Language assistance

13 14 50, 24 hours

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„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 đợc hỗ trợ về ngôn ngữ, hãy gọi đến số điện thoại ở trên”.

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