



Business Plan

2024-25



Contents

About VicWater	3
Strategic Plan 2023–2028	4
Business Plan context	7
Our plan for 2024–25	8
Finances	11

Acknowledgement of Country

VicWater proudly acknowledges the rich culture of Victoria's First Nations people and pays respect to their Elders past and present.

We recognise that First Nations people have been caring for Country and managing water resources sustainably for thousands of years.

We value the wisdom, knowledge and resilience of First Nations people and their ongoing contributions to the Victorian community.

VicWater is committed to supporting efforts by the water sector to work in partnership with Traditional Owners towards reconciliation, self-determination and restorative justice.



About VicWater

The Victorian Water Industry Association (VicWater) is the peak industry association for water corporations in Victoria. It is a not-for-profit industry association under the *Associations Incorporation Reform Act 2012 (Vic)*. All 18 Victorian water corporations are members. We also have an associate member class for other organisations within the Victorian water sector.

VicWater governance

VicWater is governed by a Board of eight directors elected by our members to give a broad representation across the water industry.

Board members at June 2024 are:

CHAIR:

David Middleton, Chair, Greater Western Water

DEPUTY CHAIR:

Therese Tierney, Chair, East Gippsland Water

BOARD DIRECTORS:

Nicola Hepenstall, Deputy Chair, South Gippsland Water

Andrew Jeffers, Managing Director, Wannon Water

Victor Perton, Director, Yarra Valley Water

Charmaine Quick, Managing Director, Goulburn-Murray Water

Ishara Saldin, Director, Westernport Water

Helen Symes, Director, Coliban Water

As well as the Board, VicWater's authorising environment includes the Managing Directors (MDs) Forum and Chairs Forum, both of which meet regularly to provide guidance and oversight of VicWater's activities.

Member support and leadership is provided through standing committees and executive groups in some of VicWater's key focus areas: Finance Issues Steering Committee; Diversity and Inclusion Steering Committee; Cybersecurity Governance Steering Committee; Safety Executive Group and Intelligent Water Networks (IWN) Executive Group.

We support the non-executive director cohort through the Women in Water Directors Network (WWDN) and Audit and Risk Chairs group.

In addition, short-term working groups are convened by VicWater to meet industry needs. Examples include carbon emissions offsets, water operator training and procurement.

Strategic Plan 2023-2028

VicWater unites the water sector to deliver better outcomes for Victorian customers, community and the environment.

Strategic priorities

ADVOCATE to influence the regulatory environment

FACILITATE sector collaboration

ADVANCE member capability and performance

PROMOTE Victoria's water sector



Strategic outcome

A regulatory environment that supports long-term water sector sustainability

A water sector that works 'better together' to deliver efficiencies and innovation

A more diverse, informed and engaged water sector that embodies a sense of pride and inclusiveness

A water sector that is valued and supported by the Victorian community



Achieved through an integrated suite of initiatives over 2023-28

- Delivering a contemporary Advocacy Strategy based on agreed member priorities
- Enabling stronger and more productive relationships with key stakeholders (be a trusted partner)
- Maintaining focus on sector financial sustainability and climate change adaptation and mitigation

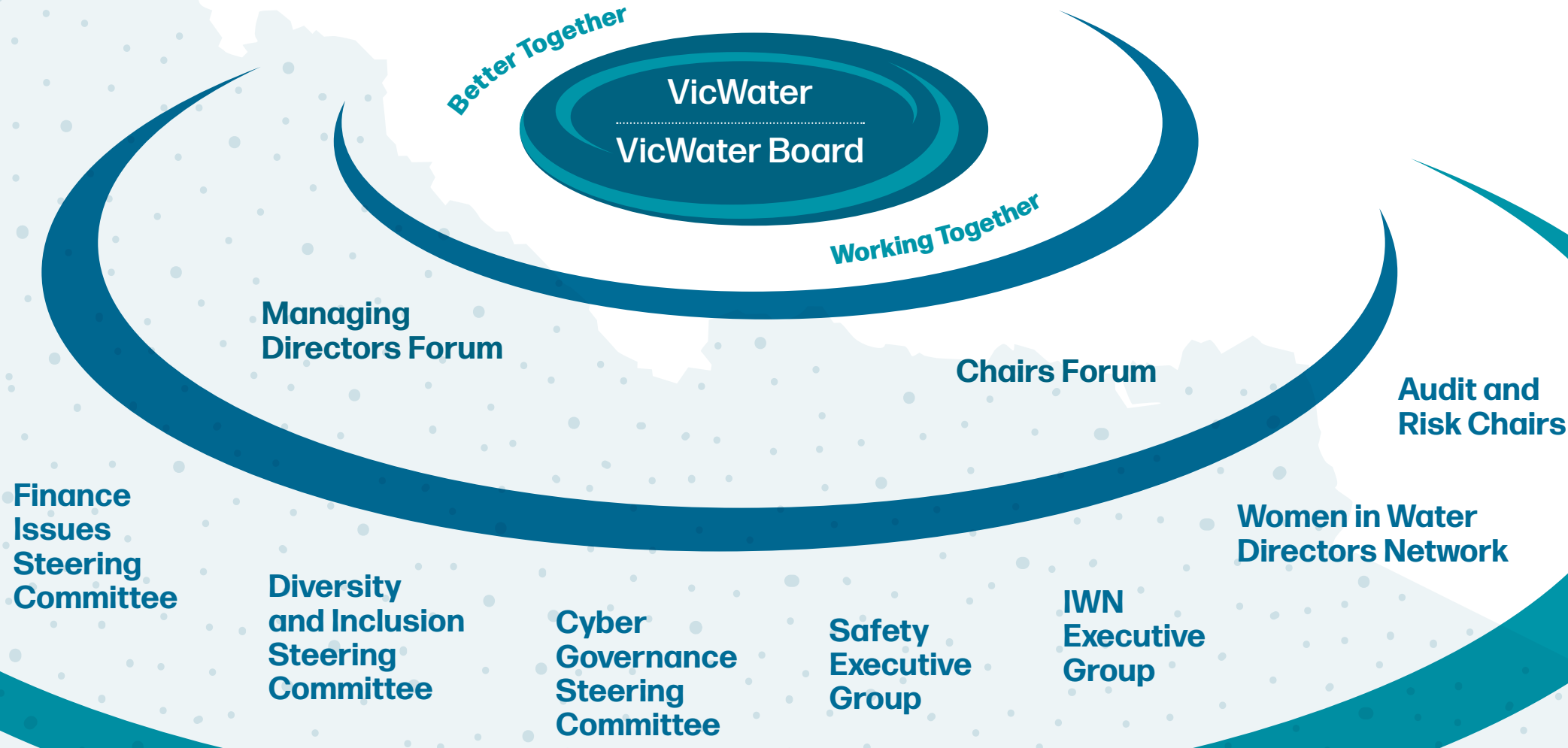
- Facilitating industry forums, committees and working groups
- Developing productive partnerships with a wide range of stakeholders within and outside the water sector
- Delivering strategic projects that enhance industry performance
- Mobilising to provide 'time sensitive' or issue-related coordination

- Strengthening sector governance and leadership
- Evolving water sector culture, workforce resilience and capability through targeted programs
- Providing knowledge sharing, networking and professional development opportunities
- Supporting members to build meaningful relationships with Traditional Owners

- Showcasing Victorian water sector achievements and capability to Government and stakeholders (e.g. net zero goals)
- Helping to promote the value of water to the Victorian community
- Promoting the sector as 'employer of choice' and 'partner of choice'
- Recognising water excellence and leadership in the community



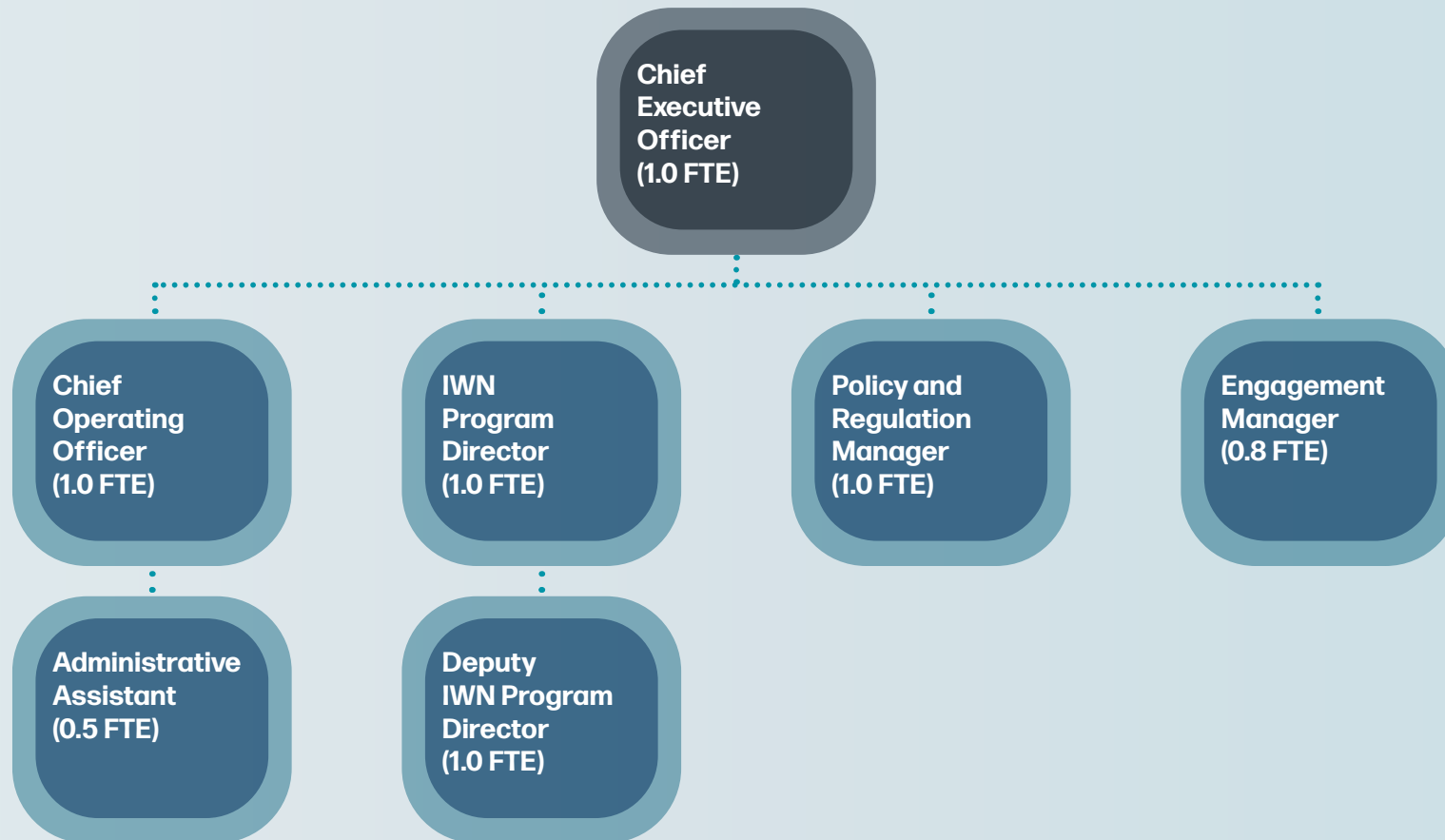
Supported by annual Business Plan



VicWater organisation

VicWater's operations are maintained by a small team of staff working across governance and administration, policy and regulation, program/project management and member engagement.

To deliver our priorities for 2024-25 and the other activities outlined in this Business Plan, we will ensure that VicWater's staffing is at the right level and allocated to the most important business functions to ensure we fulfil our members' priorities.



Business Plan context

Strategic Plan 2023–2028

This Business Plan represents the second year of VicWater’s five year Strategic Plan 2023–2028.

Our key drivers

In developing our Strategic Plan we identified the following drivers for our members and the Victorian water sector more broadly:

ADDRESSING
water sector
financial sustainability

ATTRACTING
and retaining a high
quality workforce

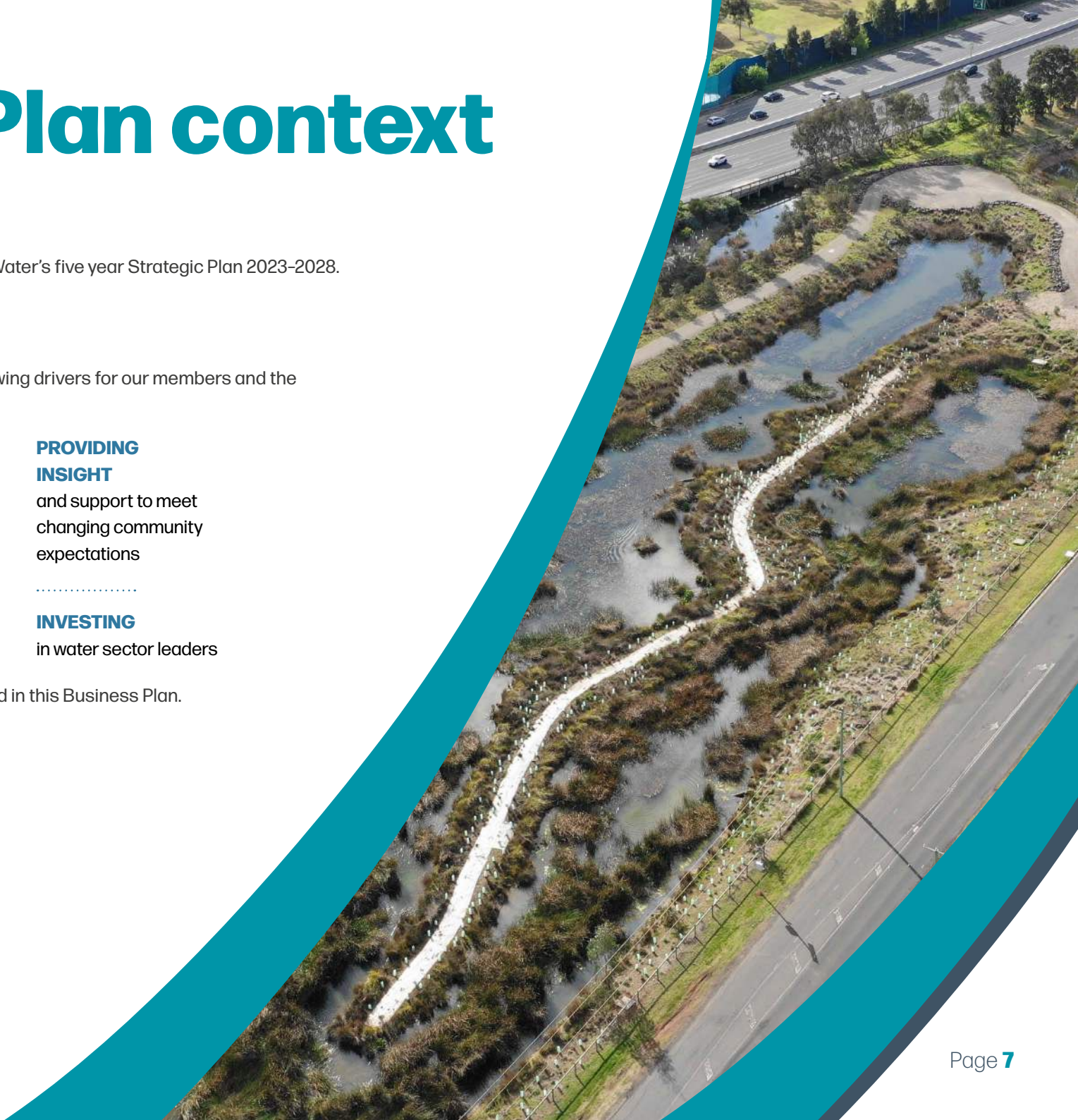
**PROVIDING
INSIGHT**
and support to meet
changing community
expectations

SUPPORTING
climate resilience
and adaptation
initiatives

CREATING
efficiencies
across Victoria’s
water sector

INVESTING
in water sector leaders

These drivers have also informed the activities outlined in this Business Plan.



Our plan for 2024–25

In 2024–25 we will:

Implement our Advocacy Strategy to advance the top strategic priority areas identified by our members

Provide opportunities for industry networking and knowledge sharing through focused events and initiatives

Continue to facilitate sector collaboration through effective management of our key member forums and groups, programs and projects

Showcase the strengths and capabilities of the Victorian water sector through delivery of our Communications and Engagement Strategy

The following tables provide a detailed account of these activities for 2024–25 aligned to the strategic priorities and outcomes of our Strategic Plan.

In July 2024, the VicWater team will renew our operational plan, which details the responsibilities and specific actions associated with each of the planned activities. This will ensure we progress and achieve our Business Plan objectives over the course of the year.



Strategic priorities 2024-25

Advocate to influence the regulatory environment

Strategic outcome

A regulatory environment that supports long-term water sector sustainability

Key actions

- Gain agreement of members on top advocacy priorities and actions
- Maintain effective relationships with key stakeholders including government and regulators
- Coordinate and collaborate with other industry associations to identify shared advocacy opportunities
- Communicate with our members so they are prepared for future policy and regulatory reform
- Engage our members in the advocacy process and sharing outcomes

Key performance indicators

- Advocacy priorities are supported by Board, Chairs Forum and MDs Forum
- Relationships with government and regulators are maintained

Facilitate sector collaboration

Strategic outcome

A water sector that works 'better together' to deliver efficiencies and innovation

Key actions

- Manage industry forums including Chairs and MDs Forums
- Manage partner and stakeholder engagement initiatives
- Manage VicWater committees and working groups
- Deliver Intelligent Water Networks (IWN) program
- Manage member subscription projects - e.g. carbon offsets

Key performance indicators

- Members actively participate in industry forums, committees and working groups
- The planned outcomes of the IWN program and member-endorsed projects are delivered
- Opportunities for sector collaboration are identified/leveraged

Advance member capability and performance

Strategic outcome

A more diverse, informed and engaged water sector that embodies a sense of pride and inclusiveness

Key actions

- Deliver Director Masterclass Program and Insight Women in Water Leadership Program
- Deliver events (including Annual Conference)
- Support WaterAble and Women in Water Directors Network (WWDN)
- Implement key member programs including:
 - Diversity and Inclusion
 - Safety and Wellbeing
 - Cybersecurity
 - Finance
 - Traditional Owners

Key performance indicators

- Member ratings for Director Masterclass Program, Insight Program and events are very good or better
- Members actively participate in WaterAble and WWDN
- The planned outcomes of key member programs are delivered

Promote Victoria's water sector

Strategic outcome

A water sector that is valued and supported by the Victorian community

Key actions

- Maximise use of VicWater's communications channels to showcase the sector's strengths and capabilities
- Participate in external events that promote the water sector
- Engage with government and industry stakeholders to identify shared communication and education opportunities
- Promote the sector as 'employer of choice' and 'partner of choice'

Key performance indicators

- Regular communication and active engagement with members is maintained
- Opportunities for sector promotion are identified/leveraged

Finances

Assumptions and features

The majority of VicWater's income is derived from annual member and associate member fees. The balance needed to fund our lean operating model is raised primarily from events income and sponsorship.

Consistent with best practice, VicWater considers grant funding and other independent income as surplus to our operating budget, specifically linking these funds to projects and maintaining them in a liability account.

The IWN program is managed through a separate budget with oversight from the IWN Executive Group and VicWater Board.

VicWater maintains cash holdings above our minimum in the event of winding up and to absorb any loss in a year if required. This position is based on staff entitlements, office tenancy commitments and capital outlay.

Our 2024-25 budget is modelled to project a modest surplus equivalent to approximately 2% of annual income.

The key features and assumptions made in determining this Business Plan are:

- 18 members and 4 associate members are retained
- Member fees are increased by CPI (March 2024 quarter)
- Event income comprises 27% of VicWater's core revenue
- Staffing and administrative support for IWN is funded from IWN program fees
- Institute of Water Administration (IWA) pays a service fee to VicWater for events administration
- Projects outside of VicWater's operational budget are funded on a member subscription basis
- The majority of revenue is received at the start of the financial year and is drawn down during the year
- Staff remuneration increases are in line with market trends and include the increased superannuation guarantee from 1 July 2024
- Chairs honorarium and director fees are paid according to arrangements approved by members at the 2022 AGM
- Unless otherwise known, costs are increased by CPI (March 2024 quarter)
- New capital costs are funded by retained earnings, excluding cash reserves
- The calculated minimum cash holding of \$506,124 is required based on estimated costs to wind up the association

Budgeted income and expenditure

	2024-25		2023-24		CHANGES FROM 2023-24 TO 2024-25	
	Budget \$	Budget \$	Forecast \$	Budget %	Budget to forecast %	
Core Income ¹						
Members fees ²	1,122,051	1,083,070	1,083,061	3.60	3.60	
Events ³	435,948	366,750	367,393	18.87	18.66	
IWN support ⁴	25,000	15,000	15,000	66.67	66.67	
IWA service fee ⁵	29,414	28,392	28,676	3.60	2.57	
Interest	58,750	18,000	28,000	226.39	109.82	
Total core income	1,671,163	1,511,212	1,522,130	10.58	9.79	
Core expenses ⁶						
Staff employment ⁷	901,295	882,999	849,154	2.07	6.14	
Events ³	198,550	133,000	126,927	49.29	56.43	
Office and administration ⁸	434,257	418,627	355,000	3.73	22.33	
Depreciation	30,000	30,000	30,000	0.00	0.00	
Loss on sale/scraping of fixed assets ⁹	75,000	0	0	0.00	0.00	
Total core expenses	1,639,102	1,464,626	1,361,081	7.33	9.48	
Net total	32,061	46,586	161,049			

NOTES

1 Excludes IWN program income - refer to IWN finances

2 Adjusted for CPI (March 2024 quarter)

3 Allowance for Annual Conference and one day symposium

4 IWN services agreement annual allocation

5 IWA services agreement annual allocation

6 Excludes IWN program expenses - refer to IWN finances

7 Includes staff salaries (excluding IWN staff), director fees, superannuation (11.5%) and payroll tax

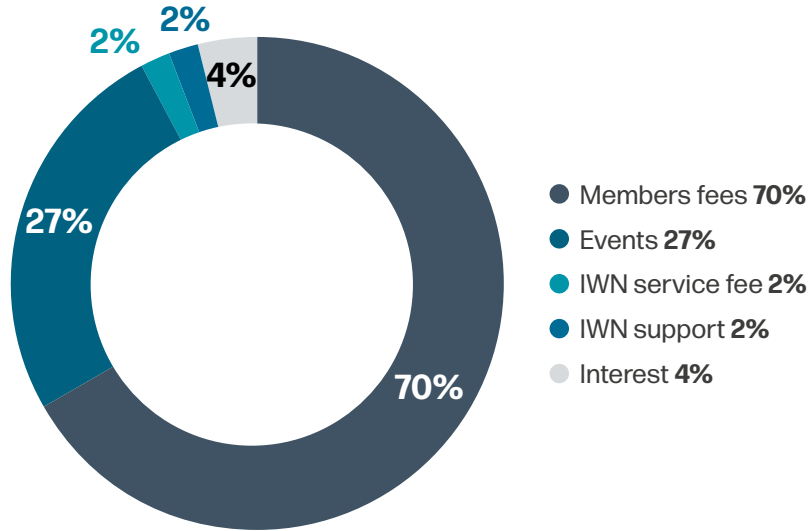
8 Items \$20,000 or more include accounting fees, insurance, IT expenses, contractors and consultants, office rental

9 Allowance for office move in November 2024

Income and cash flow

Just over 70% of VicWater's core income for 2023-24 will be from members fees, which are billed in July. Events income comprising 27% of our core income coincides with the timing of conferences and events.

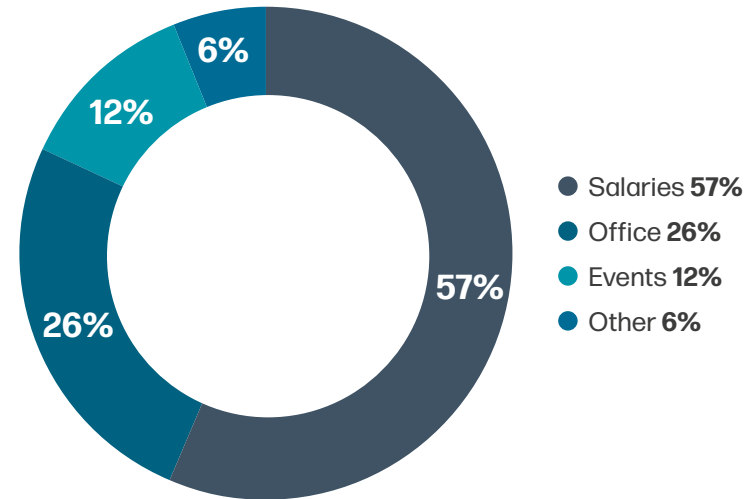
CORE INCOME



Expenses and cash flow

Salaries account for the majority of VicWater's expenses. While cash flow is generally steady across the year, variations relate to planned events and the payroll cycle. The net cash flow shows an opening balance of \$2,021,052 (end June 2024 projection) and a closing balance of \$1,914,363. Retained earnings are used to fund capital works.

CORE EXPENSES



Capital works

VicWater's capital needs are \$10,000 in 2024-25 to fund the cyclical replacement of computers and office equipment, and a provisional sum of \$70,000 for office relocation.

CAPITAL PROGRAM

	\$
Computers	5,000
Office equipment	5,000
Miscellaneous supplies	0
Total required	10,000
Provisional	70,000

Cash reserves needed in the event of VicWater winding up

A minimum of \$456,124 is required in the event of VicWater winding up. This accounts for staff entitlements based on current contracts and leave liabilities, liabilities covered under the office lease agreement, administrative arrangements for transition and an allowance for contingency.

WIND-UP COSTS

	\$
Staff entitlements	46,124
Office rental	290,000
Transitional administration	45,000
Miscellaneous	75,000
Total	456,124

Our estimated ordinary capital expenditure per year is \$10,000. With a forecast of five years of capex in addition to the wind-up costs, our minimum cash position is \$506,124.

MINIMUM CASH POSITION

	\$
Capex - 5 years	50,000
Wind-up costs	456,124
Total	506,124

Our estimated end-of-year cash holdings is \$2,021,052. Allowing for a minimum cash position of \$506,124, our estimated available cash is \$1,514,928.

LIQUIDITY

	\$
Cash holdings at 30 June 2024	2,021,052
Minimum cash position	(506,124)
Total	1,514,928

IWN finances

At 30 June 2024 IWN membership includes 15 Victorian water corporations and TasWater.

IWN PROGRAM BUDGET	2024-25	2023-24
	\$	\$
Income		
Membership fees	1,059,386	908,934
DEECA WMCIC grant	235,000	190,000
Sponsorship	30,000	50,000
Functionalised biochar contributions	315,000	110,000
Interest	35,000	12,000
Other ¹	100,000	50,000
Total income	1,774,386	1,320,934
Expenses		
Program allocations ²	542,500	227,500
Committed program ³	947,500	575,500
Staff employment	388,681	375,000
Events	28,000	28,000
Administration and office	100,840	103,500
Total expenses	2,007,521	1,309,500
Budget surplus/(deficit)	(233,135)	11,434

NOTES

- 1 Non-DEECA grants and funding opportunities
- 2 Budget allocated to programs but not committed
- 3 Budget committed to programs via contract or letter of support

IWN BALANCE SHEET AT 30 JUNE 2024

	\$
Assets	
Cash at bank	1,470,383
Receivables	0
Total assets	1,470,383
Liabilities	
Current	84,700
Non-current	60,000
Winding up costs	100,000
Total liabilities	244,700
Net assets	1,225,683

