



Southern  
Rural Water

# Corporate Plan

2022-2023



## Foreword

We are pleased to present the 2022-23 Corporate Plan, which is our primary planning document for the next five-year period.

The coming year promises to be an exciting period for Southern Rural Water. Two years of pandemic response has been a challenging time for our staff, customers and the communities we serve.

We are immensely proud of our employees' resilience and commitment to providing an essential service supporting food and fibre production, power generation and managing raw water that secures urban water supplies, to regional Victorians.

Not only did we adapt to the challenges of a global pandemic, but we responded to several extreme flood events and the strongest earthquake recorded in Victoria. Our staff have adapted to agile working, and we are taking advantage of flexible working arrangements and the greater workplace diversity this can bring.

Our response to weather events and other emerging threats, such as cyber security, in an ever-changing world will be a key focus as we look to 2022-23.

This year, we will continue our modernisation journey which will enhance the value we can deliver for our customers. Modernisation provides state-of-the art infrastructure, driving resilience and improved service delivery.

It increases the total water available for production, enhances farm productivity and facilitates increased agricultural output and regional economic production. It also has environmental benefits, with improved waterway and estuarine health.

In parallel, we will continue our important work to maintain our assets and work with private dam owners to facilitate dam safety across southern Victoria. We will pursue our goal of net zero carbon emissions by 2025 and foster community wellbeing through the provision of recreation facilities and furthering our partnerships with Traditional Owners.

Everyone at Southern Rural Water understands the vital role we play in Victoria's agricultural industry, and as we develop our new pricing submission, we will consult widely with our customers so that we can deliver services that grow their profitability.

Our pricing submission will be submitted to the Essential Service Commission in September 2022. We look forward to working with our customers and stakeholders to finalise this important document that seeks to bring to life our vision of *great value for customers and community through excellence in rural water management* in a manner that will support the achievement of our long-term financial sustainability.

There is a lot to achieve in the coming year, and we will work alongside our customers, stakeholders, community and the government to bring this plan to fruition during 2022-23.



**Joanne Butterworth-Gray**  
Chair



**Cameron FitzGerald**  
Managing Director











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# Corporate overview





# 1.1 Statement of corporate intent

## Who we are

Southern Rural Water (SRW) is a state-owned water corporation.

We supply water to irrigators, power generators, urban water corporations and we work with the Victorian Environmental Water Holder alongside catchment management authorities and Melbourne Water to manage the release of environmental flows.

We service an area of 88,000 square kilometres, stretching from the South Australian border to the New South Wales border and from the Great Dividing Range to the Victorian coastline.

We operate seven major dams, eight diversion weirs, three irrigation districts and manage take and use licences for waterways, licences relating to catchment dams and farm dam registration.

We recognise the important role we play as stewards of water resources, ensuring that we manage them sustainably for the long term.

## What we do

Under the *Water Act 1989*, SRW has functions that include the delivery of water and irrigation drainage services as well as the delegated responsibility for administering water shares and take and use licences. Our services and functions are further defined by the Statement of Obligations, which provides the framework for the economic regulation of water corporations, the Letter of Expectations to support delivery of actions identified in Water for Victoria, as well as specific directions provided by the Minister for Water.

## Irrigation

We manage the release and delivery of water to the Werribee, Bacchus Marsh, and Macalister irrigation districts.

This includes operating and maintaining regulated channels, pipeline networks, drainage systems and the supply of recycled water.

## Recreational facilities

We provide a range of recreational facilities at our storages. These range from picnic grounds, playgrounds and barbecues to boat launching ramps catering for fishing and water-skiing. In doing so, we cater for a variety of visitors from those engaging in more passive activities like picnicking and fishing at Blue Rock, to the more intensive boating activities including water-skiing and jet-skiing at Pykes Creek, Melton and Lake Glenmaggie.

## Groundwater and rivers

We are delegated under the *Water Act 1989* to manage licensed water use from southern Victoria's unregulated rivers and groundwater aquifers. Our role includes:

- assessing applications to take and use water;
- assessing applications to construct new farm bores and dams (including potentially hazardous farm dams, catchment dams and in-stream dams);
- metering water use and ensuring compliance with legal requirements; and
- monitoring rivers and aquifers and applying rosters and restrictions where necessary to protect environmental outcomes.



## Managing dams

We operate and maintain seven dams to harvest water on behalf of irrigators and other bulk entitlement holders, including power generators and urban water utilities. The table below lists the storages we manage and the customers they service.

In addition to the dams, we manage eight weirs and the Willang Yarn balancing storage, all of which help us to manage water flows through our systems.

We also work with catchment management authorities, Melbourne Water and the Victorian Environmental Water Holder to manage the release of environmental flows.

SRW Storages	River	Customers
Blue Rock	Latrobe	Gippsland Water, power generators, licensed diverters, Victorian Environmental Water Holder, Department of Treasury and Finance
Lake Narracan	Latrobe	Power generators, Department of Treasury and Finance
Lake Glenmaggie	Macalister / Thomson	Macalister irrigators, licensed diverters, Victorian Environmental Water Holder
Rosslynne Reservoir	Maribyrnong	Greater Western Water, Melbourne Water, licensed diverters
Melton Reservoir	Werribee	Werribee irrigators, Bacchus Marsh irrigators, licensed diverters
Merrimu Reservoir	Werribee	Greater Western Water, Werribee irrigators, Bacchus Marsh irrigators, licensed diverters, Victorian Environmental Water Holder
Pykes Creek Reservoir	Werribee	Werribee irrigators, Bacchus Marsh irrigators, Greater Western Water, licensed diverters

## Supporting Traditional Owner self-determination

We are committed to honouring the knowledge, aspirations and on-going connection to country of Traditional Owners in our operations, water planning activities and decision-making.

In March 2022, SRW allocated a 2.5 GL per year water licence to Gunditj Mirring Traditional Owner Aboriginal Corporation for cultural use within the UNESCO World Heritage listed Bidj Bim cultural landscape.

This follows on from a 2020 decision to issue 2 GL per year of water from the Mitchell River to the Gunaikurnai Land and Waters Aboriginal Corporation to support cultural values.

Traditional Owner corporations are exploring water availability in other SRW managed systems where water ownership supports assertion of native title rights and cultural values.

Our actions continue to be guided by our Aboriginal Engagement Strategy, which seeks to identify opportunities to partner with Traditional Owners to support their unique objectives on the pathway to self-determination.

## Other functions

We also undertake a range of ancillary functions, including:

- operating (by appointment) as Resource Manager for some surface water catchments (mostly in Gippsland);
- operating and maintaining groundwater pumps in and around the Macalister Irrigation District (MID) to manage salinity;
- providing administrative support to the Drillers Licence Board Victoria; and
- leading, supporting and collaborating on special projects relating to the water sector, such as the Southern Victorian Irrigation Development project.

## Our regulatory context

The *Water Act 1989* provides the legal framework for managing Victoria's water resources. Water for Victoria provides the policy context while our Statement of Obligations and Letters of Expectation provide greater clarity of government requirements of us.

## How we do it

SRW is governed by a board of directors, comprising eight non-executive directors (including the Chair) appointed by the Minister for Water, and a Managing Director appointed by the board.

We have a dedicated Corporate Secretary responsible for providing professional guidance and assistance to the board.

The board will continue to implement contemporary good governance practices by:

- Conducting an annual review of the board's performance and subsequently developing and implement a continuous improvement plan.
- Establishing and supporting board committees to meet governance requirements and support the board to mitigate risks. The committees are:
  - / Audit, Risk and Governance;
  - / Asset Governance; and
  - / People, Safety and Culture.
- Working closely with our customer consultative committees. These committees comprise a diverse range of customers and provide critical guidance and insight into customer thinking. They are:
  - / Macalister Customer Consultative Committee;
  - / Southern Groundwater and Rivers Forum; and
  - / Werribee Bacchus Marsh Customer Consultative Committee.
- Locating board meetings throughout our region (COVID-19 permitting) to engage with customers and stakeholder groups through field tours, stakeholder receptions and face-to-face meetings.
- Encouraging director attendance at relevant industry forums.
- Monitoring government policy and ensuring corporation alignment to policy.

Cultivating an inclusive culture that models public sector values and SRW trademark behaviours.



COVID-19 has presented SRW with several challenges to keep our customers, stakeholders, staff and the board connected. However, many of these challenges were not new to SRW, with staff and customers spread across southern Victoria.

For years, SRW has utilised videoconferencing to conduct board and committee meetings. The move to cloud-based platforms has been straight forward, enabling SRW to continue its corporate functions and engage with customers.

The biggest impact has been face-to-face customer engagement. During COVID-19 we enhanced our call centre functions and modified our field activities to maintain a high level of service and connectivity.

During 2022-23, we expect to move to new COVID-19 normal conditions, recognising that some of the benefits experienced through the pandemic, with less travel and a more flexible working arrangements, will be embedded.

This will lead to less disruption and cost uncertainties as we aim to deliver great value for customers and community.

SRW business units	
Service Delivery	Operating our Macalister, Werribee and Bacchus Marsh irrigation districts. Managing licence diversions from surface and groundwater, and the construction of bores and dams.
Asset Futures	Developing and delivering the capital plan including critical modernisation projects, with a focus on outstanding asset management and dam safety management.
People, Safety and Culture	Supporting the health, safety and wellbeing of our people. Managing the employment, engagement and development of a diverse, knowledgeable and engaged workforce. Manage our facilities and fleet to ensure contemporary, accessible and sustainable work environments and resources. Supporting our emergency management response.
Strategy and Performance	Strategic planning of water resources, pricing and business performance monitoring, environment and climate adaptation planning. Providing communications and engagement activities for customers, stakeholders, Traditional Owners and communities.
Customers and Technology	Providing customer service via telephone, online and face-to-face channels, supported by digital technologies aligned to customer expectations. Implementation of IT systems and networks; and investment in technology to support our strategic objectives and mitigate risks including cyber security.
Finance and Governance	Supporting and delivering financial management, risk management and corporate governance.

## How we measure performance

Our current service measures were established in consultation with our customers through the development of our 2018 Price Submission to the Essential Services Commission. These outcomes are for the current price period 2018-2023.

We are in the process of developing our 2023-28 Price Submission and in consultation with customers we will review and agree on a new set of outcomes for this next period. We will report any changes through our next corporate plan.

### Outcome 1: SRW provides great customer service

Output	Unit		21-22	22-23
Applications completed within set a time frame.	%	Target	90%	90%

### Outcome 2: SRW's water supply system enables good practice irrigation

Output	Unit		21-22	22-23
Delivery volume accuracy (WID) – Deliveries are >90% of order volume or within 0.1 ML.	% deliveries	Target	98%	98%
Delivery volume accuracy (BMID) – Deliveries are >90% of order volume or within 0.1 megalitre.	% deliveries	Target	98%	98%
Channel pool performance (MID) – Pool levels are within specified ranges.	% deliveries	Target	82%	85%
Delivery efficiency (MID) – Water released into the system that is actually delivered to customers.	%	Target	85%	85%
Delivery efficiency (WID) – Water released into the system that is actually delivered to customers.	%	Target	80%	80%
Delivery efficiency (BMID) – Water released into the system that is actually delivered to customers.	%	Target	80%	80%
Customers with access to the Demand Management System (MID)	%	Target	70%	75%
Delivery reliability (MID) – Orders unaffected by unplanned interruptions.	%	Target	99%	99%
Delivery reliability (WID) – Orders unaffected by unplanned interruptions.	%	Target	99%	99%
Delivery reliability (BMID) – Orders unaffected by unplanned interruptions.	%	Target	99%	99%



### Outcome 3: SRW manages water resources well, maintaining a good balance between my needs as a water user and the sustainability of the resource

Output	Unit		21-22	22-23
Water is harvested at the maximum possible rate for Pykes Creek and Merrimu storages (when dam capacity is available).	% of time	Target	>95%	>95%
Salinity of recycled water delivered (WID).	Electrical conductivity ( $\mu\text{S}/\text{cm}$ )	Target	$\leq 1,800$	$\leq 1,800$
Headworks release within 10% or 5 ML of ordered flow (Werribee system).	% of time	Target	95%	95%
Headworks release within 10% or 1 ML of ordered flow (Maribyrnong system).	% of time	Target	95%	95%
Headworks release within 10% of ordered flow (Latrobe system).	% of time	Target	95%	95%

### Outcome 4: SRW works with me to manage my needs and entitlements

Output	Unit		21-22	22-23
Customer contacts to promote water trading.	Number	Target	1,000	1,000
Release of additional water entitlements – WID.	ML	Target	0	0
Release of additional water entitlements – BMID.	ML	Target	0	0
Release of additional water entitlements – MID.	ML	Target	7,300	800

### Outcome 5: SRW keeps prices as low as possible

Price increases within irrigation districts are to be no more than 10% (after adjusting for CPI) between 2013-14 and 2033-34.

#### Resetting customer outcomes

SRW is developing its next price submission with a focus on optimising the profitability of customers. The existing outcomes will be comprehensively reviewed through customer consultation during this process. Once the outcome of our price submission is known, we will report any changes to these outcomes in our next corporate plan.

## Other commitments and outcomes

Our Customer Charter includes other targets such as:

- We will acknowledge receipt of a complaint within one day by post, phone or email.
- We will work to resolve the complaint within 10 working days. If we are unable to meet this timeframe, we will notify you of our progress on a weekly basis until the matter is resolved. In our response, we will provide the reasons for our decision, including details of any legislative or policy issues.

The measures in the table below are specified under Appendices 2C, 2D and 2E of the Victorian Water Industry Performance Reporting Framework. Targets for financial indicators, as required under Appendix 2A of the Victorian Water Industry Performance Reporting Framework, are included in Section 8.5 of this plan.

We report our performance against all relevant measures in our Annual Report. The outcomes were agreed with our customers during the 2018 Price Submission.

Other measures	Target (2022-23)
Orders delivered at time agreed	95%
Applications (water share transfers) completed within agreed timeframes	90%
Groundwater supply (number of transfers processed within target period)	90%
Billing complaints (per 1000 customers)	<1
Net tonnes CO2 emissions	1092

### Assisting customers in hardship

We understand that from time to time our customers may experience financial difficulties. We have well established Debt Management and Hardship Procedures documented on our website, and skilled customer service and finance teams ready to support our customers.

SRW continues to implement special payment relief and other arrangements to support our customers experiencing financial difficulty as a result of the COVID-19 pandemic.

More than 1500 customers accessed flexible payment options in the 2021-22 financial year, with 105 on more formal payment plans to manage their water bills.



## 1.2 Strategy

This Corporate Plan delivers a range of initiatives directly linked to three core areas which are firmly at the forefront of our minds:

- our people;
- our foundations; and
- our aspirations.

Delivering on this plan will bring us closer to achieving our vision of great value for customers and community through excellence in rural water management.

In planning our initiatives for 2022-23, we are also guided by:

- the government's Water for Victoria policy and priority areas identified in the Minister's Letter of Expectations; and
- our five-year planning, servicing and pricing plan prepared for the Essential Services Commission – Price Submission 2018.

### Our people

#### Behaviours

Our trademark behaviours provide the core values that drive our culture, guiding us to deliver excellence in rural water management. They are: always safe, united, customer first, ambitious, results driven, innovative and respectful.

#### Health, safety and wellbeing

Safety in all aspects is a focus within this Corporate Plan. Ensuring we have a solid foundation and strong safety culture is critical to achieving our ambition of being Always Safe.

### Culture

Leadership drives culture, and culture is what sets us apart. Through this Corporate Plan we will continue to take necessary steps to make SRW a great place to work for everyone.

### Our foundations

#### Financially sound

We cannot achieve our vision without financial stability. Key initiatives include leveraging funding opportunities, procurement transformation, modernisation program and ensuring we set ourselves up for the future through a robust water sales program that will be supported by comprehensive preparation for the next pricing submission.

#### Efficient systems

Through this Corporate Plan we will continue to enhance our service offering to our customers and update internal systems through technology and asset enhancements to achieve efficiencies for customers and our business alike.

#### Resource steward

This Corporate Plan identifies opportunities to build our understanding of the natural systems we manage to achieve quadruple bottom line outcomes (i.e. social, cultural, environmental and economic), and supports our target of net zero emissions by 2025.

#### Great partner

We cannot achieve our vision in isolation. Partnering with stakeholders and customers to achieve outcomes is important. A focus for this Corporate Plan is building and solidifying relationships with our most critical stakeholders.

## Insight-driven

The impacts of our decisions may be felt by many, for generations to come. We will seek to build our internal capacity and cross-functional understanding through greater collaboration, to ensure outcomes are considered and comprehensive.

## Resilient organisation

To be resilient, we need to be prepared to respond to emergencies and incidents and position ourselves to leverage opportunities. In 2022-23, we will enhance our incident management capability by implementing the outcomes review of the June 2021 flood event.

## Outstanding asset manager

Initiatives within this Corporate Plan support our commitment to modernisation and the pursuit of outstanding asset management. They strengthen our ability to effectively manage our assets both through life cycle and operationally to achieve optimum efficiency, reliability and financial sustainability.

## Our aspirations

### Customer value

We strive to be reliable, accessible and easy to deal with, allowing customers to interact with us in a way that works for them. We provide clear operating systems and management arrangements, and deliver on our commitments.

Our customers are at the core of our decision-making; we understand their needs and aspirations, and we advocate on their behalf.

## Community value

We take our contribution to supporting thriving regional communities seriously. We are committed to honouring the knowledge, aspirations and on-going connection to country of Traditional Owners in our operations, water planning activities and decision-making.

We understand that the services we provide, the partnerships we build, and investment decisions we make are important. We also acknowledge the social value of our assets and that the water we manage is a precious resource; as a result, we are working to minimise our impacts and improve environmental outcomes.

## Excellence

We support safe communities through the effective management of water supplies, demands and assets to safeguard the security and quality of drinking water and to meet regulatory standards. We strive to provide long-term water security and improve water availability for our customers while maintaining an agile, responsive business.

## How we will achieve this

The following pages outline the initiatives and deliverables, in addition to our delegated functions, that are driving us to achieve our vision. These are specific for 2022-23 and are aligned to each of our strategic foundations.



# Behaviours

## Context

Our trademark behaviours provide the core values and drive our culture, guiding us to deliver excellence in rural water management.

The success of our trademark behaviours is dependent on ownership at all levels within the organisation and a desire to achieve excellence in everything we do.

## Strategic intent

- We work together as an effective and cohesive team.
- We demonstrate clear and consistent intentions, behaviours, and performance standards.
- We promote a culture of mutual respect for one another, our customers and our partners.

### Trademark behaviours

- Always Safe
- United
- Customers First
- Results Driven
- Ambitious
- Innovative
- Respectful



### Our 2022-23 commitments

Initiatives	Deliverables
Values and behaviours project	We will develop and implement a refreshed suite of trademark behaviours designed to align to the achievement of excellence in rural water management.  Develop aligned reward and recognition program.

## Health, safety and wellbeing

### Context

The health, safety and wellbeing of our people and our communities is our number one priority.

In our pursuit for excellence, we aim to help our staff and community to take control of their health, safety and wellbeing while at work. By focusing beyond regulatory compliance and placing people at the centre of solutions, we seek to prevent harm and become a proactive, health, safety and wellbeing organisation.

### Strategic intent

- Leaders demonstrate their accountability and personal commitment to the cornerstone health, safety and wellbeing principles.
- Our people are confident that their health and safety is protected at SRW and is given the highest priority.
- People make informed decisions to prevent harm without constraining our core business of serving our customers and community.
- We have a responsibility for our people, and by connecting wellbeing with occupational health and safety we can achieve our vision.

### Global Safety Index

SRW has a trademark behaviour, Always Safe. We have implemented an annual survey, the Safety Culture Index (SCI), which provides us with the ability to record, measure and benchmark our workplace health and safety performance.

We have surveyed staff and leaders during the past three years and we have seen significant improvements in our SCI. During 2022-23, we will implement further initiatives to enhance our safety culture.

### Our 2022-23 commitments

Initiatives	Deliverables
Safety culture, leadership and engagement	Deliver our Always Safe Plan to continue to ensure we are Always Safe. Demonstrated through a Global Index Score of 65 in 2022 (+ 5 from 2021).
Wellbeing	Continue to deliver the Wellbeing@SRW initiative through a collaborative cross-organisational working group with a specific focus on mental health. Demonstrated through a reduced percentage of employees that report high to severe stress.

## Culture

### Context

Our ambition is to be known as an organisation with a culture of excellence, collaboration and innovation.

A culture of excellence means that we challenge ourselves to get better at what we do.

We work across our service area, sharing knowledge and insights to enhance the whole of our operations. We are inquisitive in seeking to understand customer and community expectations and work diligently to deliver value.

We value the contribution of a diverse workforce that offers new and different perspectives, enhancing innovation and performance.

### Strategic intent

- We inspire purposeful leadership among our people.
- We have become a truly varied workforce, where diversity powers greater collaboration and innovation, and delivers essential services for our communities.
- We work as one to achieve our common goals.
- We seek to learn and to challenge ourselves, respecting the past, but working to the future.

### People Matter Survey

People Matter Survey results provide SRW the ability to track our progress in creating a culture of excellence. The survey tells us that our people enjoy the work they do and their work gives them a great sense of accomplishment. We have also heard that there is room for improvement, particularly in the areas of respectful workplace behaviours, psychological safety and diversity. This feedback drives the focus of our People Plan.

### Our 2022-23 commitments

Initiatives	Deliverables
People Plan	<p>Implement our People Plan, including a range of diversity and inclusion targets during the next three years for gender, disability, Aboriginal and Torres Strait Islander and age. Our focus for 2022-23 is gender equality.</p> <p>The key measures of success will be through our People Matter Survey:</p> <ul style="list-style-type: none"> <li>● Engagement index moving from 62 in 2021 to &gt;67 in 2022</li> <li>● Psychosocial safety index score from 13 in 2021 to &gt;15 in 2022</li> </ul>
Gender Equality Action Plan	<p>Implement a Gender Equality Action Plan based on results of the gender equality audit and People Matter Survey to address gender imbalances across the organisation and improve gender pay equity.</p>



## Financially sound

### Context

We manage financial performance, debt and our \$1.4 billion of assets to ensure we are financially sustainable and support Victoria's strong financial position. We use a financial model, which is integrated with asset management information of condition, replacement cost, criticality and risk, to assess and manage our long-term financial sustainability risks.

This analysis helps inform our strategic planning so that we take action to ensure we have enough revenue to meet our financial commitments, manage our assets appropriately and meet customers' required levels of service, now and into the future.

These actions may include consultation with funding partners and customers to enable additional forms of revenue or additional debt and associated real price increases.

For example, we have sought government funding to support our modernisation program with the balance funded through borrowings which will be paid back over time.

### Strategic intent

- We are financially sound and operate within our means.
- We strengthen our business through the pursuit of new opportunities.
- We maximise the social, economic and environmental value of water.

### Price submission

In 2022-23, we will finalise our next price submission for approval by the Essential Services Commission. This is a critical piece of work as it will set our prices and service standards for a five-year period, 2023-28, providing our customers with certainty and ensuring our long-term financial sustainability. We are working closely with our customers to understand the infrastructure investments that we need to make to support their aspirations for growth and productivity. This will include consideration of the need for price increases to support the reliable delivery of our services.

### Our 2022-23 commitments

Initiatives	Deliverables
Water sales	Make more water available to our customers within sustainable limits, across our regulated and unregulated systems, as set out in our board-approved annual water sales plan.
Procurement transformation	Implement a procurement optimisation project to drive efficiency in our procurement and to align to government policies.  Develop and implement social procurement policies supporting sustainable practices such as the inclusion of Aboriginal businesses through our purchasing processes.

## Efficient systems

### Context

Our customers expect us to deliver great service every day. We can only do this if we have the right systems, processes and technology that allow us to operate efficiently and as one to deliver excellence in rural water management.

To do this, we need to streamline our internal systems and process, continue our digital journey and enhance our response to cyber security risks, so our customers and stakeholders experience exceptional service.

### Strategic intent

- we facilitate greater productivity for our customers; and
- we embrace effective and timely decision-making.

### Strengthening compliance for take and use water

We are taking a proactive approach to improve structures and processes around compliance in response to Ministerial expectations and the outcomes of the 2020-21 Compliance and Enforcement Review. This includes formalised training of compliance officers through 2022-23, ongoing process and resourcing reviews, continued customer communications to ensure obligations are understood and the progressive implementation of critical capital work programs that will allow for improved monitoring and compliance.

#### Our 2022-23 commitments

Initiatives	Deliverables
Automated meter reading	We will continue to roll out automated meter reading and real-time customer usage information on our unregulated surface water and groundwater meters.
Process improvement	Undertake enterprise-wide process review and optimisation, including improvements to application assessments, communication of water availability and data provision to customers.
Digital uplift	Continue our digital transformation to build our capacity to deliver efficient systems, providing great value for our customers.
Compliance and enforcement	Implement our water resources compliance enforcement plan with a focus on unauthorised access to water.

## Resource steward

### Context

We recognise the potential impacts of conducting our business and seek to reduce or offset these and go beyond just complying with our obligations to achieve environmental improvements.

As both regulator and manager of water, we face a range of challenges, from climate change and its impact on resource volumes and changes in customer profile and their expectations.

We will need to find innovative ways to deal with these challenges to ensure both the environment and our regions thrive.

### Strategic intent

- We communicate our understanding of the resources we manage and inform customers, stakeholders and communities about the decisions that affect them.
- We recognise the importance of the environment in decision-making and continually improve environmental outcomes from our operations.
- We apply the best available data, systems and science to understand and manage our water resources in an equitable and sustainable manner.

### Climate adaptation through modernisation

During the past decade, SRW and partners in state and federal governments have committed \$225 million in modernisation works across the three irrigation districts, Bacchus Marsh, Werribee and Macalister. These works have transformed old channel systems into modern pipe infrastructure with automated systems and outlets.

The modernisation works are improving our asset management to provide long-term resilience, as well as providing customers with a higher level of service by saving 39,000 ML of water, which was previously lost through our delivery system.

### Our 2022-23 commitments

Initiatives	Deliverables
Integrated Water Management (IWM) forums	Continue to contribute to IWM forums through priority projects including Werribee Reconfiguration Project and Cora Lynn recycled water project, which are both exploring alternative sources of water.
Climate mitigation	Continue to implement the Zero 2025 Strategy to map our pathway towards net zero greenhouse gas emissions, considering changes in regulation, available technology and our emissions profile.



## Great partner

### Context

To deliver excellence in rural water management we need to work in partnership with our customers, stakeholders, staff and the broader community to achieve our desired outcomes. We cannot do it alone.

By working together we will achieve our objectives and help to achieve those of our partners. Ultimately, we can create shared value through these partnerships.

### Strategic intent

- We seek strategic partnerships and alliances with stakeholders who align with our corporate objectives.
- Stakeholders support us when we are not in the room.
- We engage with key stakeholders to meet key outcomes that benefit our customers and communities.

### Macalister Fresh: an example of our partnership approach

SRW, as an enabler of great value for customers and community, plays a critical role in nurturing, supporting and investing in the Macalister Irrigation District’s future – a future that realises the full social, environmental and financial value of this incredible slice of Gippsland and brings it to the world’s stage.

Through the Macalister Fresh story, we are partnering with our customers and stakeholders to ensure that we switch our thinking from infrastructure upgrades to the long-term growth of the region.

We are doing this through four key focus areas: more water; best practice and innovation; great partnerships; and telling the Macalister Fresh story. Through these focus areas, we will ensure the long term sustainability of the district.

### Our 2022-23 commitments

Initiatives	Deliverables
Priority partner engagement program	Implement key partnership plans focused on the insights received from the March 2021 stakeholder survey.  Improvement on the most recent stakeholder survey results for our performance as a Great Partner – target 80% June 2023.
Traditional Owner engagement	Develop partnership plans with Traditional Owners and continue to support self-determination with tangible outcomes, in particular, access to water for Traditional Owner groups across our region.

## Insight driven

### Context

We are entrusted by our customers, stakeholders and the community to make the right decisions. We need the right information, data, expertise and training to deliver on this.

We understand and manage our data to enable transparent and efficient decision making.

### Strategic intent

- Our staff are well-trained and very capable to deliver customer value, community value and excellence.
- We apply best practice in making open, transparent and informed decisions.
- We find innovative ways to collate data and look outside our business to find solutions.

### Sharing insights

We will continue to work cooperatively with other water corporations and Victorian Government forums to support the delivery of water security. We provide insights and advocate for our customers through participation in the Latrobe Valley Regional Rehabilitation Strategy Implementation Working Groups and Integrated Water Management Forums. This ensures we can leverage opportunities to enhance water security for our customers.

### Our 2022-23 commitments

Initiatives	Deliverables
Enhance tools	Review and enhance bespoke tools that support our work in decision making.
Data driven insights	Optimise integration between data sets to enable a single data source to inform decision making and better understand operations.
Customer committees	Continue to engage with customers to understand their preferences and gather insights through our customer committees and forum.



## Resilient organisation

### Context

SRW and its customers operate in a dynamic environment, constantly challenged by the threats of climate change, drought, fires, floods, international markets, economic conditions and potential change in key industries. While some of these challenges can emerge over time, others are more immediate requiring an emergency response. There is a need for SRW to be able to withstand these challenges and recover quickly from them.

Being adaptable enables us all to be sustainable, resilient and capable of facing future challenges.

### Strategic intent

- We plan for adversity to minimise impacts on the business, our customers and the broader community.
- During challenging times we are a trusted partner for our customers and stakeholders.
- We are prepared and undertake appropriate emergency training exercises to provide our people with the skills and experience required.
- We learn from adversity and take opportunity to improve and innovate.

### Responding to emergencies

In 2022-23, we will continue to build our capability, responding to rapid onset (e.g. flood and severe weather) and prolonged emergency management events (e.g. drought and heatwave). Recent experiences with live events such as the June 2021 severe weather event and September 2021 earthquake, along with the lessons learnt during the nationally based AquaEx Cyber-Security for Water Corporations exercise, have provided SRW with an opportunity to continue to build our capabilities to better respond in an emergency management context within all communities, in all emergencies. This extends to managing the emergencies and other natural disasters induced by climate change.

#### Our 2022-23 commitments

Initiatives	Deliverables
Climate change adaptation	Implement the Climate Adaptation Plan, with a focus on understanding water supply and demand over time in a variable climate.
Cyber security uplift	Build cyber security capability and resilience through implementation of effective risk controls.



## Outstanding asset manager

### Context

To provide the water to our customers in a safe, reliable and sustainable manner, it is critical that we maintain our assets to be fit for purpose and our operations to manage optimum efficiency.

SRW manages a diverse portfolio including dams and weirs, irrigation supply networks, drains, meters, monitoring equipment, building plant and machinery. Our asset management decisions and practices have a direct impact on customers including levels of service and pricing. For SRW, asset management is about providing a clear line of sight to our customers.

### Strategic intent

- Asset management is a core business process, designed to achieve fit for purpose assets, environmental sustainability, affordable pricing and minimise whole of life costs.
- We continue to modernise our assets to support customer growth and enhance their productivity.
- Our work protects community safety through high quality asset management with a particular focus on dam safety.
- We practice risk-based decision making to assist in prioritising investment and future operations to ensure our assets are resilient in the face of climate change.

### Asset management information systems

SRW continues to improve and enhance the information we hold on our assets. We've expanded our investment in asset condition assessment for our critical assets. We have developed a 25-year capital plan that is a key component of our financial sustainability model. This enables scenario planning using our asset management systems, with information on asset knowledge, asset class plans, strategies, operational knowledge, condition and criticality.

### Our 2022-23 commitments

Initiatives	Deliverables
Recreational site plan	Develop and implement an action plan to guide the planning, management and provision of recreation facilities and services at SRW sites including liveability, connection, health and safety.
Capital projects	See Section 1.5 <i>Capital projects</i> for a detailed overview of the work we are doing to upgrade and maintain our assets.
Asset management accountability	Implement an asset management accountability framework.

## 1.3 Price submission

Our prices are based on the services we provide to our customers, the cost to maintain existing infrastructure and investment in new infrastructure. Every five years we must submit a plan to the Essential Services Commission.

The price submission reflects our focus on finding cost savings and new revenue, allowing us to invest more than \$225 million to increase efficiencies, support on-farm productivity and profitability while ensuring our own financial sustainability.

The four outcomes of our current price submission (2018-23) are:

- we provide great customer service;
- our water supply system enables good practice irrigation;
- we manage water resources well, maintaining a good balance between the needs as a water user and the sustainability of the resource; and
- SRW works with customers to manage their needs and entitlements.

The table below sets out the price changes during the 2018-23 period, concluding with this year's prices as set out herein.

Irrigation	2018-23 Price changes
Macalister Irrigation District	0.00%
Werribee Irrigation District	0.00%
Bacchus Marsh Irrigation District	1.70%
Werribee recycled water	0.00%
Unregulated surface water	-2.30%
Unregulated groundwater	-2.30%
Applications	0.00%

*Indicative price changes for this submission are shown in the table above. These changes are average annual changes relative to 2017-18 pricing and are adjusted annually by CPI.*

### We are preparing the 2023-28 Price Submission

We will submit the pricing submission to the Essential Services Commission by September 2022. The submission will outline our service levels, infrastructure investments and the prices we will charge for the period 2023-28. The price submission will be built on the back of extensive customer engagement. This process will explore the need for price increases to support the reliable delivery of our services and meet our long-term financial sustainability objectives.

## 1.4 Government priorities

SRW is proud to be leading implementation of the priorities below, specified in the government's Water for Victoria policy. Below we indicate the sections within this document that address the eight priority areas identified in the Minister's Letter of Expectations. Implementation of these priorities strongly aligns with our vision of great value for customers and community through excellence in rural water management and the supporting foundations.

Letter of Expectations priority	Letter of Expectations performance indicator	Alignment to Corporate Plan and strategic intent
<b>Climate change</b>  Undertake activities and provide services that minimise environmental impacts, reduce greenhouse gas emissions, adapt to climate change, increase renewable energy use, and demonstrate reasonable progress in integrating climate change adaptation into planning and decision making across the business.	E1 Emissions reduction	Refer to <i>Climate mitigation</i> on Page 20, <i>Resource steward</i>
	E2 Electricity Consumption	Refer to <i>Climate mitigation</i> on Page 20, <i>Resource steward</i>
	E3 Adaptation to climate change and variability	Refer to <i>Climate adaptation through modernisation</i> on Page 20, <i>Resource steward</i>  Refer to <i>Climate change adaptation</i> on Page 23, <i>Resilient organisation</i>
<b>Customer and community outcomes</b>  All aspects of service delivery will be customer and community centred and will continue to build extensive and effective community engagement and partnerships in planning and implementation of service delivery.	C1(R) Customer satisfaction survey	Refer to <i>Priority partner engagement program</i> on Page 21, <i>Great partner</i>
	C2 Customer and community engagement	Refer to <i>Priority Partner Engagement Program</i> on Page 21, <i>Great partner</i>
	C3 Customer requirements	Refer to <i>Compliance and enforcement</i> on Page 20, <i>Resource steward</i>  Refer to <i>Priority partner engagement program</i> Page 21, <i>Great partner</i>  Refer to <i>Digital uplift</i> , Page 19, <i>Efficient systems</i>  Refer to <i>How we measure performance</i> on, Page 10, <i>Statement of corporate intent</i>  Some service measures are discussed in more detail in sections two to seven of this plan.



<p><b>Water for Aboriginal cultural, spiritual and economic values</b></p> <p>Recognise and support self-determination of Aboriginal cultural values and economic inclusion in the water sector.</p>	<p>AC1 Supporting Aboriginal self-determination</p>	<p>Refer to <i>Traditional Owner engagement</i> on Page 21, <i>Great partner</i></p> <p>Refer to <i>Procurement improvement</i> on Page 18, <i>Financially sound</i></p> <p>Refer to <i>Traditional Owner water</i>, Page 7, <i>What we do</i></p>
<p><b>Resilient and liveable cities and towns</b></p> <p>Contribute to healthy communities by supporting safe, affordable, high-quality services and resilient, liveable environments.</p>	<p>L3 Circular economy outcomes</p>	<p>Refer to <i>Climate change adaptation</i> on Page 23, <i>Resilient organisation</i></p> <p>Refer to <i>Sharing insights</i> on Page 22, <i>Insight driven</i></p>
<p><b>Recognising recreational values</b></p> <p>Support the wellbeing of communities by considering recreational values in water management.</p>	<p>Rec1 Recreational values</p>	<p>Refer to <i>Recreational facilities</i> on Page 6, <i>What we do</i></p>
<p><b>Leadership and culture</b></p> <p>Reflect the needs of our diverse communities and develop strategies and goals that will increase cultural diversity in the workforce and gender equity in both executive leadership and throughout the organisation.</p>	<p>G1 Diversity and inclusion</p>	<p>Refer to <i>Gender Equality Action Plan</i>, on Page 17, <i>Culture</i></p> <p>Refer to <i>Traditional Owner engagement</i> on Page 21, <i>Great partner</i></p> <p>Refer to <i>People Matter Survey</i> on Page 17, <i>Culture</i></p>
<p><b>Performance and financial sustainability</b></p> <p>Improve efficiency and consistency in the reporting of performance while delivering safe and cost-effective water and wastewater services in a financially sustainable way.</p>	<p>PF1 Audited statement of performance</p>	<p>Refer to <i>Price submission</i> on Page 18, <i>Price submission</i></p> <p>Refer to <i>Asset Management</i> on Page 24</p> <p>Refer to <i>Financial statements</i> on Page 7</p>

<p><b>Compliance</b></p> <p>Apply a zero-tolerance approach to unauthorised water take and adopt a consistent risk-based approach to manage compliance and enforcement with improved oversight and reporting.</p>	<p>CE1 Apply zero-tolerance approach to unauthorised take</p>	<p>Refer to <i>Automated meter reading</i> on Page 19, <i>Efficient systems</i></p> <p>Refer to <i>Compliance and enforcement</i> on Page 20, <i>Resource steward</i></p>
	<p>CE2 Demonstration of reasonable progress toward implementation of the Compliance and Enforcement Review recommendations</p>	<p>Refer to <i>Compliance and enforcement</i> on Page 20, <i>Resource steward</i></p>



# 1.5 Capital projects

## Overview

Our capital expenditure program is summarised below and assumes:

- existing dam design standards, as set by the Australian National Committee on Large Dams (ANCOLD);
- existing safety design and construction standards; and

- no natural disasters or other major unplanned incidents.

The substantial part of the program includes the continuation of modernisation works in the Macalister Irrigation District (MID).

The program includes our forecast as of 1 April 2022 of capital expenditure during the next five years.

It should be noted that we are preparing our next five-year price submission for the Essential Services Commission and through this process there may be some changes to the capital plan set out below. The outcomes of this work will be confirmed in our 2023-24 Corporate Plan.

Project	2021-22 Actual \$,000	2022-23 Budget \$,000	2023-24 Forecast \$,000	2024-25 Forecast \$,000	2025-26 Forecast \$,000	2026-27 Forecast \$,000	2027-28 Forecast \$,000
MID2030 Phase 2	7,049	30,414	19,314	46			
Werribee Irrigation Modernisation Stage 4 and 5	656	11,268	9,070	53			
Cowwarr operating gear refurbishment - mechanical	477	365					
Bacchus Marsh (NWGA) critical assets	327	1,011					
Macalister Irrigation Siphon replacements – Main Northern and main Southern Siphon 2	176	3,603	1,175				
Rossllynne and Merrimu tower retrieval system	174	1,465					
Information communications and technology	1,138	1,583	2,967	1,252	691	691	691
All other capital works	7,685	5,758	11,739	13,989	16,347	20,116	10,147
<b>Total</b>	<b>17,685</b>	<b>55,466</b>	<b>44,266</b>	<b>15,339</b>	<b>17,038</b>	<b>20,807</b>	<b>10,828</b>



## Significant projects

### MID2030 Phase 2

MID2030 Phase 2 modernisation works continue after the successful completion of the 2021 winter program. The \$62.7 million program of works is being supported by \$31 million from the Federal Government, \$10.4 million from the State Government and the remainder from SRW MID customers. The funding will allow us to continue to progress this important project, providing benefits including improved water delivery and better performance across some of the least efficient zones in MID. Works will commence on upgrading the Newry channel systems this year.

### Macalister irrigation siphon replacements

The SRW critical asset and siphon replacement program identified two significant siphons in need of renewal. The National Water Grid Authority (NWGA) will contribute 50% (\$2.5 million) towards the upgrade of two siphons known as the Main Northern Channel No 2 and Main Southern Channel No 2 Siphon in the MID.

The siphons transfer water between channel sections across water courses with the Main Northern No 2 siphon supplying more than 30% of the MID, while the Main Southern No 2 siphon supplies more than 50% of the MID. A structural failure would result in a major impact on customer's productivity and cause significant customer losses.

### Werribee Irrigation Modernisation Stage 4 and 5

The NWGA has committed to funding the remaining Stages 4 and 5 Werribee Irrigation Modernisation works with a 50% contribution (\$11 million), together with an equivalent contribution from SRW. These works will complete the original proposed Werribee Irrigation District modernisation works. The works will continue to see the high value growers in Wyndham thrive along with improved river health and sustainability outcomes.

Stage 4 works will commence in mid-2022 with Stage 5 works programmed to follow. The staging of works from the top of the district to the bottom, allows for reduction in system capacity and the project works will progressively eliminate losses and provide more operational flexibility.





## Bacchus Marsh modernisation program

The NWGA will contribute 50% (\$675,000) to deliver the piping of the Spur 12 Channel and refurbishment of the critical Fisken Street bridge pipeline supplying the Bacchus Marsh Irrigation District (BMID).

### Spur 12 channel

Piping of the channel will substantially reduce water losses from the old open channel, making the system more water efficient (up to 90%) and uplift the service delivery to customers through more accurate and timely water delivery. The works are estimated to generate approximately 100 ML in annual water savings.

### Fisken Street bridge pipeline refurbishment

A critical water supply pipeline that crosses over the Werribee River is located on the underside of the Fisken Street bridge. Replacement of a heavily corroded section of the pipe will ensure ongoing supply and enhance the reliability of service to 90% of customers in the BMID.

## Rosslynne and Merrimu tower retrieval system

The Rosslynne and Merrimu reservoirs have near identical outlet towers that allow dry access to the pipework and valves that are used to take water from the reservoirs. The outlet towers at both sites are more than 30 metres deep and access is via a series of ladders and platforms. They are confined spaces and people descending must wear harnesses that are fitted to the ladders.

The project includes the completion of a detailed design and construction of a retrieval lift system that will enable timely evacuation of employees in the event of injury or illness.

## Information and communication technology

There are a number of projects planned that include maintaining existing applications and infrastructure and providing uplift in customer experience, business continuity and cyber security.

### Maturing end-to-end information management

In line with Victorian Government standards, we will lift cyber security, information management and the robustness of information and communications technology infrastructure.

Projects include:

- We will improve how we calculate and deliver our water bills. This project will reduce manual bill processing steps, ensuring customers receive information relevant to their water use and billing in a timely manner.

### Strengthening connection to customers

We will improve the provision of customers' services, initially with the implementation of a payment gateway, and electronic billing capability, so that customers can access and pay their bills through the MySRW portal.

Projects include:

- MySRW: updates include access to historical customer information, security enhancements and capability to be more closely aligned with customer needs with 24/7 access to services, in one location.
- Customer journey: engaging with employees and customers to identify key opportunities to deliver improved customer service and efficiencies by mapping customer interactions with SRW and reducing bottlenecks in our systems and processes.

### Realisation of anytime, anywhere, multi-device productivity

Rationalisation and normalisation of all applications used by employees, to ensure that they can perform their tasks on any standard SRW device, at any location, anytime.

Projects include:

- Collaboration and mobility: implementation of technology which better serves the requirements of a mobile, remote, and office-based workforce. It will facilitate greater accessibility and integration to systems and encourage collaboration across the workforce.

### Improving cyber security posture

Managing risks and compliance requirements at both federal and state levels will mitigate the threat of cyber incidents, including the potential for compromised data and general unauthorised information and communication technology systems in the first phase.

Projects include:

- Network segmentation: targeting an architectural approach to separate groups of systems or applications from each other to minimise effects of possible security breaches.
- Cyber and compliance tools: software implementation to help us meet growing security and compliance demands.

### Uplifting process and data capability

A program of works to drive customer-centered processes, through customer user journeys. This will see the prioritised services supported by a strong understanding of the underpinning processes and data.

Projects include:

- Rostering system: implementation of an automated roosting system to provide access in the field.
- Data management: assessment and analysis of current data sources to understand how they underpin our services. This will also align responsibilities and obligations around how data is to be sustainably managed in the future and cover privacy, security, reporting and other regulatory requirements.

### Improving resilience of key corporate applications and infrastructure

SRW applications and infrastructure have been relocated offsite to a government-approved datacentre. The next phase will be to move to a Victorian Government approved cloud provider, which will introduce flexible and secure management of our systems, as well as improved recoverability in the event of a critical incident.



# 1.6 Risk

## Our risk management approach

Our work on risk management continues to be consistent with the International Standard ISO 31000:2018 and requirements under the Statement of Obligations.

Appropriate controls and treatments have been established to manage each risk. We review these on an ongoing basis.

Consequence assessment considers each risk against six themes: people, financial sustainability, reputation, third party losses, customers and environment.

Risks are regularly reviewed and considered including potential new risks and occurrences. Changes are considered by either the Audit, Risk and Governance Committee, the Asset Governance Committee or the People, Safety and Culture Committee.

Risks are recorded in a comprehensive risk register. An annual risk review is conducted and presented to the board in June each year. Strategic risks are individually reviewed at board committee level throughout the year, allowing for a comprehensive presentation by risk owners, and a thorough examination of the topic by the board committee.

An attestation by the Managing Director to each board meeting and to the Audit, Risk and Governance Committee, includes risk occurrence for the month, changes to individual risk ratings, changes to risk mitigation strategies, and any emerging risks which may have been identified.

## Strategic risks and controls

The following table identifies our strategic risks and controls. These controls are regularly assessed for their adequacy and their performance.

Risk	Primary controls
<b>Terrorism</b>	<p>Compliance with, and associated annual attestation, to Part 7A of the <i>Emergency Management Act 2013</i>.</p> <p>Monitoring national terrorist alert system or other government advice.</p> <p>Facilities management plans (secure access to vulnerable infrastructure, alarms, remote monitoring and video surveillance).</p>
<b>Industrial relations</b>	<p>Operating in accordance with enterprise agreement, policies and procedures.</p> <p>Effective engagement with staff including the employee consultative committee.</p> <p>Effective engagement and communication with our people through the Employee Consultative Committee. We have commenced good faith bargaining in enterprise agreement negotiation.</p>

<b>Dam failure</b>	<p>Asset management systems compliant with the Asset Management Accountability Framework set by government, including:</p> <ul style="list-style-type: none"> <li>● performance, audit and monitoring standards consistent with guidelines issued by the Australian National Committee of Large Dams (ANCOLD);</li> <li>● periodic audit and review of the design capability of our dams;</li> <li>● ongoing dam surveillance; and</li> <li>● integration with financial planning.</li> </ul> <p>Dam Safety Emergency Plans for all large dams and high hazard structures.</p> <p>Ongoing licensing of all potentially hazardous dams which aims to ensure that dam owners are compliant with their obligations.</p>
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<b>Financial sustainability</b>	<p>Operate in accordance with our financial sustainability narrative, which:</p> <ul style="list-style-type: none"> <li>● sets measures of financial sustainability;</li> <li>● directs the integration of SRW's financial planning with its asset management systems;</li> <li>● directs an annual review of SRW's long-term financial model;</li> <li>● identifies strategies to manage financial sustainability risk; and</li> <li>● directs early notification to government and customers if the long-term financial model indicates that current pricing is not sustainable.</li> </ul> <p>Avoid large unplanned expenditure by:</p> <ul style="list-style-type: none"> <li>● high-standard asset management systems;</li> <li>● high-level technical understanding of dam engineering requirements to avoid sudden expenditure due to changes in ANCOLD design standards, loss of life value or increase in downstream population; and</li> <li>● insurance policies held for catastrophic asset damage.</li> </ul>
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<b>Align with government policy</b>	<ul style="list-style-type: none"> <li>● Engage with Ministers and departmental staff to best understand government policy objectives.</li> <li>● Formal communication of policy delivery through the annual Corporate Plan and Annual Report.</li> <li>● Adhere to SRW policies and corporate instructions, including compliance with licensing practices, purchasing and tendering procedures.</li> </ul>
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<b>Climate change</b>	<p>Maintain SRW's Climate Adaptation Plan to ensure that we continue to provide an appropriate response to climate change risk to operations and assets.</p> <p>Modernise our irrigation districts resulting in increased efficiency and reduced losses.</p> <p>Improve irrigation district resilience by having access to multiple water sources.</p> <p>Continue the implementation of SRW's Net Zero and Beyond Emissions Reduction Plan.</p>
<b>Environmental and cultural heritage damage</b>	<p>Conduct operations in accordance with SRW's environmental management plans and cultural heritage management plans.</p> <p>Monitoring of surface water systems to sustainable limits and aquifer levels as set by the permissible consumptive volumes (and quality if required) by technical staff and hydrogeologists, including the use of groundwater models to assess potential impacts in high-risk aquifers.</p>
<b>Occupational health and safety</b>	<p>Operate the occupational health and safety management system which identifies, reports and resolves safety hazards associated with our work activities and the conduct of our operations, which includes:</p> <ul style="list-style-type: none"><li>● risk management procedures;</li><li>● safety indicators for all operations conducted by the business;</li><li>● consultation via SRW's Health, Safety and Environment Committee;</li><li>● public safety risk registers; and</li><li>● robust contractor safety management.</li></ul> <p>Regular validation of occupational health and safety risk management processes through internal and external audits and reviews.</p>
<b>Pandemic operational impact</b>	<p>Maintain a contemporary pandemic plan, which includes:</p> <ul style="list-style-type: none"><li>● cross-references to incident management and business continuity arrangements;</li><li>● strategies for concurrent business continuity failure;</li><li>● technical and other logistical arrangements for remote working; and</li><li>● authorisation and logistical arrangements for the imposition of government mandates in respect of quarantine, lock-downs and the supply and distribution of essential health and safety materials.</li></ul>

<b>Reputation</b>	<p>Regular engagement with stakeholders, opinion leaders and customers.</p> <p>Provision of timely and accurate information to our customers and community through traditional and social media communication channels.</p> <p>Public consultation process for significant or controversial issues, in particular a structured approach to consultation of contentious licence application decisions.</p> <p>Support lead agencies during incidents, or as the lead agency manage communications by best practice principles.</p>
<b>Financial mis-management and fraud prevention</b>	<p>Set and review financial parameters via the Water Plan and Corporate Plan, including maintenance of the 25-year financial model.</p> <p>Compliance with the Financial Management Act Standing Directions issued by the Assistant Treasurer, including:</p> <ul style="list-style-type: none"> <li>● financial controls and reconciliations;</li> <li>● procurement obligations;</li> <li>● customer debt management; and</li> <li>● treasury management.</li> </ul> <p>Regular third-party review and audit, including an internal audit program and annual Victorian Auditor-General audit of the annual financial statements and associated processes.</p>
<b>Loss of control of Information Communication Technology (ICT) systems</b>	<p>Compliance with the Victorian Protective Data Security Framework (VPDSF) and Standards to proactively reduce the likelihood of a cyber breach causing ICT system failure.</p> <p>Key ICT infrastructure is maintained by secure off-site government-approved data centres, with associated disaster recovery arrangements.</p> <p>Business continuity plans that establish manual controls so that we can continue operations during disaster recovery.</p>
<b>Loss of control of sensitive data</b>	<p>Compliance with the <i>Data Privacy and Protection Act</i> and <i>Freedom of Information Act</i> ensuring appropriate information categorisation and supporting systems.</p> <p>Compliance with the VPDSF and standards to proactively reduce the likelihood of having to respond to a cyber security data breach.</p>

**Legal and policy compliance**

Operate our compliance framework, including:

- a register of compliance obligations;
- annual report of the performance of compliance obligations; and
- regular maintenance of the compliance register, via engagement with government, industry forums and professional governance bodies.

**Reliable water supply**

Asset management systems compliant with the Asset Management Accountability Framework set by government, which includes:

- performance standards;
- criticality assessments;
- regular inspections; and
- integration with financial planning.

Business continuity plans designed to respond to short and long-term (drought) supply interruption.

Regular review of allocation and streamflow rostering models to enable appropriate resource allocation and customer notifications.

Regular water quality monitoring.

Actively monitor stream flow conditions throughout the year to ensure rosters and restrictions are consistently managed in accordance with documented rules to ensure water is equitably shared whilst avoiding environmental impacts.





## 1.7 Sustainable development goals

In 2015, the United Nations Member States adopted the 2030 Agenda for Sustainable Development, providing a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDG) which recognise that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

The United Nations SDG draw on the outcomes from various international forums, including:

- United Nations Conference on Sustainable Development in Rio de Janeiro (June 2012)
- Sendai Framework for Disaster Risk Reduction (March 2015)
- Addis Ababa Action Agenda on Financing for Development (July 2015)
- Paris Agreement on Climate Change (December 2015)

SRW has assessed our operations against the achievement of the SDG. Relevant links between our operations and the SDG are outlined on the next page.





Sustainable development goals	
Good health and wellbeing	SRW will provide a safe, healthy, diverse and caring workplace. We aim for zero harm and work to eliminate or reduce risks so far as is reasonably practicable and to maintain existing recreational facilities for the community to enjoy.
Gender equality	Our Gender Equality Action Plan supports and emphasises SRW's strategic commitment to a diverse workforce that offers new and different perspectives, powering greater collaboration and innovation and to create an inclusive workforce where everyone can be their best self. SRW has identified key priority areas to increase equality, which includes improved reporting practices, shifting gender norms, and to see leaders hold themselves and others to account for demonstrating gender equitable and inclusive behaviour.
Clean water and sanitation	SRW has obligations under the <i>Safe Drinking Water Act 2003</i> for our Merrimu, Pykes Creek and Rossslyne storages in the west and Lake Glenmaggie and Blue Rock Lake in the east. We work closely with Greater Western Water and Gippsland Water to ensure that the water flowing into and within our storages is protected.
Sustainable cities and communities	At SRW, we see a sustainable future as one in which a healthy environment, economic prosperity and social justice are pursued simultaneously to ensure the wellbeing and quality of life for all, now and into the future. Our Environmental Policy reflects our commitment to sustainable development and the protection of southern Victoria's environment.
Climate action	More frequent and intense bushfires, flooding, storms, drought and extreme heat are occurring due to human induced climate change. SRW is taking strong action on climate change through our aspirational 2025 zero net emissions target and our commitment to adapting our business, assets and operations to the impacts of climate change.
Life below water	The Gippsland Lakes is a Ramsar wetlands of international importance. SRW is committed to reducing the volume of nutrients leaving local farms and entering the Gippsland Lakes waterways through modernisation projects and the encouragement of best practice on-farm irrigation management.
Life on land	SRW has extensive land holdings. Some of these are valuable from a biodiversity perspective, others have been cleared and some are suffering from degradation. There are opportunities for SRW to improve the biodiversity of its assets. We have implemented a number of revegetation projects on previously cleared land and have established native vegetation offset sites that protect high-quality vegetation into the future.

# Macalister Irrigation District



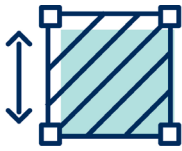
## 2.1 Overview

The Macalister Irrigation District (MID) is the largest irrigation district in southern Victoria. The district is situated around Maffra in central Gippsland and sources water from the Macalister River via Lake Glenmaggie and from the Thomson River via Cowwarr Weir.

The district has secure water supplies supplemented by good rainfall. The 10-year average inflows into the two storages that supply the district is 384,185 ML, with an average of 145,000 ML delivered to customers annually.

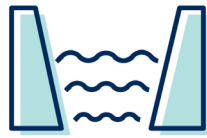
The region has productive soils, a strong dairy sector and developing vegetable and cropping industries. Approximately 33,500 hectares are currently used for irrigation and of this 90% is under pasture. Estimates put annual economic contribution variably in excess of \$500 million per annum.

The irrigation season runs from 15 August to 15 May. On average, we process up to 20,000 irrigation orders each season in the MID.



**54,753 ha**

District area



**542km**

Length of channels



**67km**

Length of pipes



**411km**

Length of drains



**2,016**

Delivery outlets



**1,140**

Customers (irrigation and stock and domestic)



**156,193 ML**

High reliability water shares



**74,812 ML**

Low reliability water shares



**1,416 ML/day**

Delivery shares

## 2.2 Service measures

The table below details our service measures for the MID. It includes the achievement of water savings issued as water shares for SRW to allocate and are validated by the Department of Environment, Land, Water and Planning (DELWP). Savings will support our customers to enhance productivity in the district.

Measure	2021-22 Performance target	2022-23 Performance target
Channel performance (pool height consistency)	83%	85%
Delivery reliability	99%	99%
Delivery efficiency	85%	85%
Customers with access to Demand Management System	70%	75%
Release of water savings	800 ML	800 ML

## 2.3 Pricing

### Overview

We set prices annually to reflect our operating and capital budgets within the constraints of our total revenue requirement. Our prices for 2022-23 are consistent with the pricing principles and constraints proposed in our 2018 Price Submission.

### Specific prices

The table below lists the major prices for the MID. Our full tariff schedule is detailed in the Appendices.

We also collect application fees on behalf of the Victorian Water Register for transactions relating to water shares and allocations.

For current prices see [tariff schedule](#).



# Werribee Irrigation District



### 3.1 Overview

The Werribee Irrigation District (WID) is one of Victoria’s prime horticulture regions located on Melbourne’s doorstep at Werribee South.

Water supply to the WID consists of river water, groundwater and Class A recycled water sourced from Melbourne Water’s Western Treatment Plant. We can also supply additional water which was purchased in 2016 from the Thomson drought reserve.

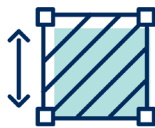
River water for the WID is harvested in dams on tributaries to the Werribee River and on the Werribee River itself. These dams also hold entitlements for the Bacchus Marsh Irrigation District and for Greater Western Water.

The WID specialises in the production of green leafy vegetables, most notably broccoli, lettuce and cauliflower, with a farm gate value more than \$187 million per year. The WID employs approximately 660 people.

The costs of managing the dams is shared in accordance with bulk entitlements. For the WID, the shares are:

- 70.4% of Pykes Creek;
- 71.3% of Melton;
- 14.3% of Merrimu; and
- 7.13% of Lerderderg diversion.

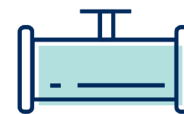
More information on our storage operation function for the Werribee and Maribyrnong systems is included in Section 7 of this plan.



**2,981 ha**  
District area



**19km**  
Length of channels



**40km**  
Length of pipes



**64km**  
Length of drains



**267**  
Delivery outlets



**244**  
Customers (irrigation and stock and domestic)



**11,169 ML**  
High reliability water shares



**5,232 ML**  
Low reliability water shares



**144 ML/day**  
Delivery shares



**7,864 ML**  
Recycled water customer contracted volume

## 3.2 Service measures

The table below details our service measures and targets for the WID. It includes the achievement of water savings that are issued as water shares for SRW to allocate and are validated by DELWP. Savings will support our customers to enhance productivity in the district and support our investment in modernisation.

Measure	2021-22 Performance target	2022-23 Performance target
Delivery volume accuracy	98%	98%
Delivery reliability	99%	99%
Delivery efficiency	80%	80%
Recycled water salinity	<1800EC	<1800EC
Release of water savings	533ML	600ML

## 3.3 Pricing

### Overview

We set prices annually to reflect our operating and capital budgets within our total revenue requirement.

Our prices for 2022-23 are consistent with the pricing principles and constraints proposed in our 2018 Price Submission.

### Specific prices

The table below lists the major prices for the WID. Our full tariff schedule is detailed in the Appendices.

We also collect application fees on behalf of the Victorian Water Register for transactions relating to water shares and allocations.

For current prices see [tariff schedule](#).

# Bacchus Marsh Irrigation District





# 4.1 Overview

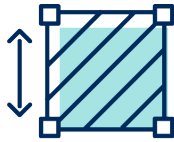
The Bacchus Marsh Irrigation District (BMID) is located north-west of Melbourne on a fertile flood plain of the Werribee and Lerderderg rivers.

The district is dominated by several large-scale enterprises producing a significant proportion of the total output. Vegetable growing and orchards are our primary customers.

We also provide water for sand-washing to several major quarries supplying the construction industry.

Current estimates indicate that around \$50 million of economic activity is generated per year. The BMID supports approximately 430 full-time jobs.

There is a small volume of licensed groundwater, and river water is supplied from Pykes Creek Reservoir. An important priority is to secure a viable alternative water supply. The first stage of modernisation works has changed the way water is supplied to customers. Approximately two-thirds of the district is supplied via a pump station on the Werribee River at the Maddingley Weir. This has improved the responsiveness of the supply system to changes in customer demand, raising the overall service level.



**1,368 ha**

District area



**12km**

Length of channels



**32km**

Length of pipes



**75.2 ML/day**

Delivery shares



**165**

Delivery outlets



**130**

Customers (irrigation and stock and domestic)



**3,950 ML**

High reliability water shares



**1,865 ML**

Low reliability water shares

## Storage operator costs

In addition to the operating and capital costs of running the irrigation district, BMID prices must also contribute to costs of operating storages to harvest and release water.

The costs are shared in accordance with bulk entitlements and for the BMID the shares are:

- 28.3% of Pykes Creek;
- 28.7% of Melton;
- 5.7% of Merrimu; and
- 2.9% of Lerderderg diversion.

More information on our storage operation function for the Werribee and Maribyrnong systems is included in Section 7.

## 4.2 Service measures

The table below details our service measures and targets for the BMID. It includes the achievement of water savings that are issued as water shares for SRW to allocate and are validated by DELWP. Savings will support our customers to enhance productivity in the district.

Measure	2021-22 Performance target	2022-23 Performance target
Delivery volume accuracy	98%	98%
Delivery reliability	99%	99%
Delivery efficiency	80%	85%
Release of water savings	167 ML	0 ML



## 4.3 Pricing

### Overview

We set prices annually to reflect our operating and capital budgets within our total revenue requirement.

Our prices for 2022-23 are consistent with the pricing principles and constraints proposed in our 2018 Price Submission.

Small price increases during the current regulatory period provide a customer contribution to modernisation of the irrigation district.

As Bacchus Marsh customers received a price decrease in the 2013-18 period, these small increases will mean that over the 10-year period from 2013-2023 prices will change by Consumer Price Index (CPI) only.

### Specific prices

The table below lists the major prices for the BMID. Our full tariff schedule is detailed in the Appendices.

For current prices see [tariff schedule](#).





# Groundwater and rivers





## 5.1 Overview

Our groundwater and rivers business regulates and monitors the use of water from unregulated rivers and groundwater aquifers in southern Victoria. It is also responsible for licensing the construction of bores and farm dams. Each year around 1,600 bore construction licences are issued, mostly for stock and domestic use – with higher numbers of applications in dry years.

Groundwater and rivers staff engage with customers on a regular basis to assist with accessing groundwater and surface water via trades or new entitlements, along with advice on required works. Field staff undertake site inspections, meter maintenance and compliance activities.

Groundwater and rivers staff also monitor river flow conditions and manage irrigation rosters and restrictions during dry periods in accordance with established rules.

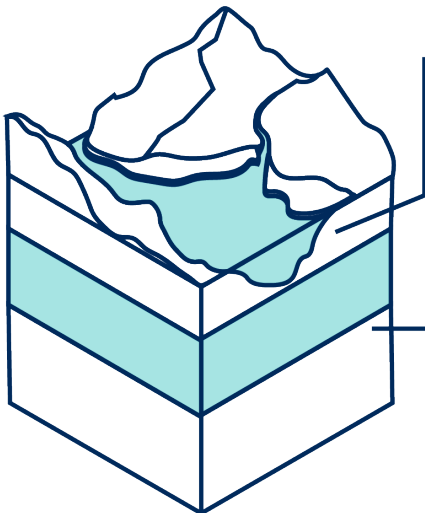
Licence holders on the Latrobe and Maribyrnong systems contribute to costs of operating storages to harvest and release water at Blue Rock Lake on the Latrobe River and Rosslynne Reservoir on the Maribyrnong River.

The costs are shared in accordance with bulk entitlements. In the case of Blue Rock Lake this also includes a pro-rata apportionment of the drought reserve.

The shares are:

- 2.59% of Blue Rock for the Latrobe system; and
- 4.5% of Rosslynne for the Maribyrnong system.

More information on our storage operation function for the Latrobe system is included in Section 6 and Section 7 for the Maribyrnong system.



**183,302 ML** Volume of surface water take and use entitlements

**4,290** Number of surface water take and use licences

**403,617 ML** Volume of groundwater entitlements

**4,334** Number of groundwater licences



**3,224**  
Number of surfacewater registration (dam) licences



**81,471 ML**  
Volume of surfacewater registration (dam) licences

## 5.2 Service measures

The table below details our service measures and targets for processing applications and for promoting trade in unregulated systems.

Measure	2021-22 Performance target	2022-23 Performance targets
Applications processed within target timeframes	90%	90%
Customer contacts to promote water trade	1,000	1,000

The following targets are applied to the various application types.

Application type	Target (days)
Allocation trade	3
Divide a water share	3
Information statement	7
Licence transfer	7
Water share transfer	7
Subdivision	10
Farm dam licence	60
Take and use licence	60

## 5.3 Pricing

### Overview

We set prices annually to reflect our operating and capital budgets within the constraints of our total revenue requirement.

Our prices for 2022-23 are consistent with the pricing principles and constraints proposed in our 2018 Price Submission. This means no change to prices.

In March 2017, Hazelwood Power Station ceased operating. The owner Engie holds a groundwater licence for dewatering the mine. We have assumed continued payment of associated licence fees over the period of this Corporate Plan.

### Specific prices

The table below and to the right lists the major prices for our groundwater and rivers customers. Our full tariff schedule is detailed in the Appendices.

For current prices see [tariff schedule](#).





# Latrobe bulk entitlements





## 6.1 Overview

SRW is the appointed storage manager for the Latrobe River basin. Our role is to harvest, store and release water on behalf of entitlement holders. This involves managing large and complex infrastructure including dam walls, embankments, spillways and associated mechanical and electrical equipment.

We manage Blue Rock Lake, Lake Narracan and Yallourn Weir on behalf of Gippsland Water and the Latrobe Valley power companies.

A small share of entitlement from Blue Rock Lake is held by SRW for downstream licence holders, and the Department of Treasury and Finance is the custodian for water entitlements issued to the former State Electricity Commission of Victoria. Blue Rock Lake also holds an environmental entitlement and a drought reserve.

The table below shows the entitlement shares on the Latrobe system.

Entitlement holder	Blue Rock Lake	Lake Glenmaggie	Lake Narracan
Gippsland Water	17.08%	0%	0%
Government (drought reserve)	18.87%	0%	0%
Power stations	52.50%	0%	100%
Southern Rural Water	2.10%	100%	0%
Victorian Environmental Water Holder	9.45%	0%	0%

Entitlements	Blue Rock Lake	Narracan and Yallourn
Gippsland Water	17.08%	0%
Yallourn Power Station (held by Energy Australia)	15.72%	29.94%
Loy Yang A Power Station (held by AGL Loy Yang Partnership)	17.22%	32.80%
Loy Yang B Power Station (licensed by SRW)	8.61%	16.4%
Loy Yang 3/4 Bench (held by Minister for Water)	10.95%	20.86%
Irrigation (licensed by SRW)	2.10%	0%
Environmental entitlement	9.45%	0%
Drought reserve	18.87%	0%

## 6.2 Service measures

Maximising the accuracy of water release helps us to minimise water losses. We measure performance as the percentage of time the released flow is within defined limits of the ordered flow. Our target is 95% of ordered releases being within 10% of the ordered flow.

## 6.3 Charges

Charges for the Latrobe storage operation are based on the cost reimbursement arrangements set by the bulk entitlement determined by the State Government. These tariffs are designed to fully recover our costs of managing these systems. Costs are shared in proportion to the entitlements held in the systems (excluding the Blue Rock drought reserve).

The costs of providing and maintaining recreational facilities at our eastern storages are charged to Gippsland Water.

Costs associated with renewal and upgrade works at Yallourn and Narracan are treated as recoverable works and charged to the power generators as incurred.

# Werribee and Maribyrnong bulk entitlements



## 7.1 Overview

SRW is the appointed storage manager for dams on the Werribee and Maribyrnong river systems. Our role is to harvest, store and release water on behalf of entitlement holders. This involves managing large and sophisticated infrastructure including dam walls, embankments, spillways and associated mechanical and electrical equipment.

We manage the Pykes Creek, Melton and Merrimu reservoirs on the Werribee system. This also includes diversion weirs and tunnels to divert water from the Werribee River into Pykes Creek Reservoir, and from the Lerderderg River into Merrimu Reservoir via Goodmans Creek.

This system provides water for Greater Western Water and for our Werribee and Bacchus Marsh irrigation districts. There is also an environmental entitlement to the flows into Merrimu Reservoir.

On the Maribyrnong River we manage the Rosslynne Reservoir which holds entitlements for Greater Western Water, Melbourne Water and for SRW on behalf of downstream licence holders.

The table below shows the entitlement shares on the Werribee and Maribyrnong systems.

Entitlements	Pykes Creek	Melton	Merrimu		Rosslynne
			Capacity	Inflows	
Greater Western Water	0%	0%	80%	80%	86%
Melbourne Water	0%	0%	0%	0%	9.5%
Southern Rural Water	100%	100%	20%	10%	4.5%
Environmental entitlement	0%	0%	0%	10%	0%



## 7.2 Service measures

To maximise seasonal allocations for customers it is important water harvest is maximised in our off-stream storages at Pykes Creek and Merrimu Reservoirs (other major storages are on-stream so harvest performance does not apply). Our target is water harvested at the maximum possible rate >95% of the time available (when dam capacity is available).

For all storages, maximising the accuracy of water release helps us to minimise water losses. We measure performance as the percentage of time the released flow is within defined limits of the ordered flow. Our targets are:

- Werribee system: 95% of the time within 10% or 5 ML; and
- Maribyrnong system: 95% of the time within 10% or 1 ML.

The different levels of precision in the definition for each system reflect the different equipment for measuring and making releases at the different storages, as well as the different customers and volumes.

## 7.3 Charges

Charges for the Werribee and Maribyrnong storage operations are based on cost reimbursement arrangements set by bulk entitlement agreements determined by the State. These tariffs are designed to fully recover our costs of managing these systems. Costs are shared in proportion to the entitlements held in the systems.

The Werribee environmental entitlement is not a chargeable entitlement under the terms by which it was created, so the costs for securing inflows to Merrimu are shared by Greater Western Water and Southern Rural Water in proportion to their respective shares.

The costs of providing and maintaining recreational facilities at our western storages are charged to Greater Western Water.

