



Riverina Water End of Term Report 2024

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Welcome to the Riverina Water End of Term Report 2024

The End of Term Report is a new addition for Riverina Water, prepared under NSW's Integrated Planning & Reporting (IP&R) Guidelines for Local Government. This report captures our progress over the last Board's term, giving a clear, objective view of how far we've come in reaching our goals outlined in the Business Activity Strategic Plan (BASP).

The report serves as a valuable resource for the incoming Board, highlighting achievements so far, outlining work ahead, and setting the stage for a review of our strategic plan. As an add-on to the 2023-2024 Annual Report, this document should be read alongside our six-monthly performance updates on the Delivery Program and Operational Plan, available on our website.

Our BASP spans a 10-year horizon, and while there's still much to do, we're off to a strong start. One highlight is the successful rollout of new finance, asset, and HR systems. Like all major transformation projects this one was very reliant on our internal resources for design, testing, training and roll out which impacted on our availability to deliver on a number of other planned

projects. However, the outcome has been incredibly positive for Riverina Water and we look forward to a more integrated approach to our planning and delivery in the years to come.

We're making strides in establishing our project management, risk management, work health and safety frameworks; and implementing strategies from our Workforce Strategic Plan. Our ongoing efforts to refine our asset management plans and the methodology in determining our priorities, delivering our priorities and measuring our progress. Integration in our planning and reporting continues and we endeavour to learn and improve every year.

As we move into the 2024-2028 term, we look forward to a strong partnership between the new Board and management to drive Riverina Water closer to our goals outlined in the updated "Leading into 2035 Business Activity Strategic Plan." This continued journey reflects our commitment to growth and success for our community.



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Councillor Tim Koschel
Chairperson



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Andrew Crakanthorp
Chief Executive Officer

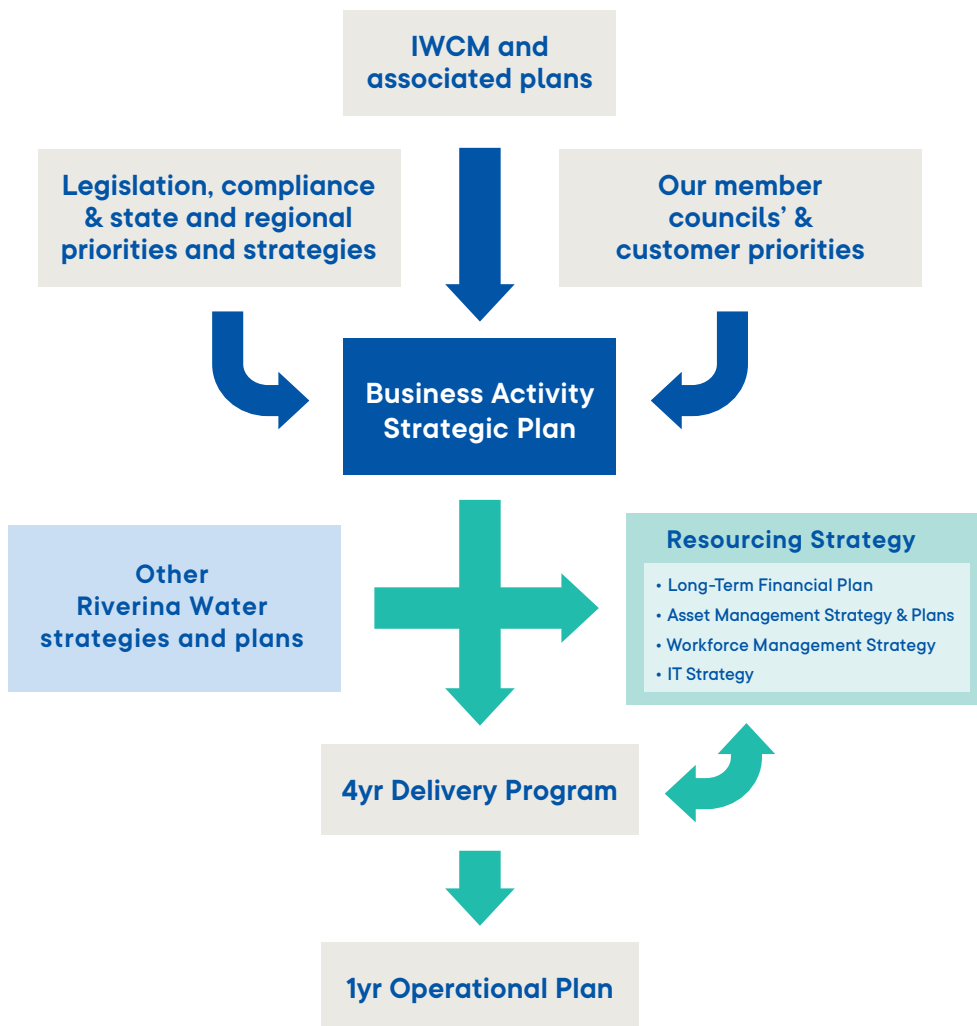
About the BASP

The Local Government Regulations 2021 (the Regulations) outline the following requirements for a business activity strategic plan for county councils.

219 (1) A business activity is a plan developed and endorsed by a county council that:

- a. Identifies the main business activity priorities of the council covering a period of at least 10 years from when the plan is endorsed, and
- b. Establishes strategic objectives together with strategies for achieving those objectives, and
- c. Has been developed having due regard to the community strategic plans of the county council's constituent councils and in consultation with those councils.

The Riverina Water planning context



Developing the BASP

Developing the Business Activity Strategic Plan (BASP) 2022–2032 was a significant milestone for Riverina Water.

The BASP sets out how Riverina Water will provide appropriate, affordable, cost-effective, and sustainable urban water services that meet community needs while protecting public health and the environment. It was developed in alignment with the Community Strategic Plans (CSPs) of our four constituent councils, as required under NSW regulations, ensuring regional priorities were addressed.

With the support of an experienced consultant, the draft plan was developed and endorsed by the Board in June 2022 following a public exhibition period.

Community strategic priorities

Constituent Council	Actions we can help deliver	Inclusive & accessible services	Economic growth	Affordability	Infrastructure	Environmental sustainability	Communication & collaboration	Strong leadership
Wagga Wagga City Council	“Provide and maintain appropriate infrastructure and services that support current and future needs.”	✓	✓			✓	✓	✓
Federation Council	“Maintain and improve water supply services and systems to meet the needs of residents and industry.”	✓	✓	✓	✓	✓	✓	✓
Greater Hume Council	“Manage water resources and water quality responsibly.”	✓	✓		✓	✓	✓	✓
Lockhart Shire Council	“Explore opportunities to utilise renewable energy and water saving practices.”	✓	✓		✓	✓	✓	✓

The BASP established three key strategic pillars and objectives for Riverina Water. These are:

Our people

We have a high-performance culture, achieved through accountability, diversity, respect and investment in our people.



Our business

We strive to be an industry leader by continuously improving our operations and the management of our assets.



Our community

We enable our community and customers to thrive by providing exceptional service and demonstrating social responsibility.



Each pillar is supported by strategies to achieve these objectives over the BASP's 10-year horizon; and are complemented by three areas of focus to support and inform this.

They are: **customer-centricity**, **innovation**, and **sustainability**, with a fourth perspective, **civic leadership**, strengthening our commitment to the quadruple bottom line required under Integrated Planning and Reporting (IP&R) framework.

The strategies identified in the BASP are actioned through the 4-year Delivery Program and the one-year Operational Plan (our DPOP), which were reviewed and adopted by the Board in June 2022, June 2023 and again in June 2024. The progress of actions under strategies were then reported to the Board, along with budget reports, every six months.

The strategies contained within the BASP and alignment are:

		Customer centricity	Innovation	Sustainability	Civic Leadership
Our people	› Attract, retain and develop our people		●	●	
	› Foster diversity, inclusion, respect and gender equality at all levels of our organisation			●	●
	› Create an engaging, positive, collaborative and innovative workplace culture		●	●	
	› Build upon our strong history of safety and wellbeing		●		
	› Invest in and evolve our HR systems, processes and frameworks		●	●	
Our business	› Optimise our network and infrastructure	●	●	●	
	› Enhance and integrate our asset management system		●	●	
	› Seek opportunities to reach new customers in existing supply area	●	●	●	
	› Collect and utilise data in new ways to measure our success	●	●		
	› Adopt emerging technology that increases our efficiency		●	●	
	› Deliver improved service, greater value, agility and security with our digital assets and tools	●	●	●	
	› Improve strategic planning and accountability		●	●	
	› Take actions that ensure financial sustainability			●	
	› Improve our operations to future proof our business	●	●	●	
	› Collaborate and share our knowledge with other organisations		●		●

		Customer centricity	Innovation	Sustainability	Civic Leadership
Our community	› Actively support and participate in our community	●			●
	› Provide our community stakeholders with tailored opportunities to engage with us	●			●
	› Respectfully engage with our First Nations community and their heritage	●		●	●
	› Engage and understand the current needs of our customers	●			●
	› Provide exceptional customer service by tailoring and improving our systems, processes and service offers	●			
	› Understand and prepare to serve our customers of the future	●		●	●
	› Demonstrate our commitment to environmental sustainability		●	●	●
	› Help the community better manage its water usage through demand management initiatives	●		●	●
	› Share our knowledge and expertise to make a positive change in our global community	●	●	●	●

Measuring our Progress

This End of Term report offers a summary of the progress we've made in delivering the objectives set out in our Business Activity Strategic Plan 2022-2032. The plan was adopted in June 2022 so this report covers the period 2022-2023 – 2023-2024 which is shorter than a normal local government term. This document also reports what is planned and being delivered for 2024-2025 through the Operational Plan.

Our indicators of success will be reviewed as part of the review of the BASP to ensure that what we measure is meaningful and shows progress to achievement of our overall strategic objectives.

Our People

Our Strategic Objective

We have a high-performance culture achieved through accountability, diversity, respect and investment in our people

BASP strategic objective		2022-2023 DPOP completion		2023-2024 DPOP completion		2024-2025 DPOP Committed actions
1.1	Attract, retain and develop our people	5	90%	5	65%	7
1.2	Foster diversity, inclusion, respect and gender equality at all levels of our organisation	3	60%	2	70%	2
1.3	Create an engaging, positive, collaborative and innovative workplace culture	4	75%	2	50%	4
1.4	Build upon our strong history of safety and wellbeing	4	100%	4	100%	5
1.5	Invest in and evolve our HR systems, processes and frameworks	2	100%	6	50%	4
Total actions		18		19		22

How do we know if we are on track to achieve our objective?

We have the right combination of skills, knowledge and experience to achieve our goals

	2022-2023	2023-2024
Number of staff undertaking training & development	75	111
Percentage of training completed	67.56%	94.07%
	2022-2023	2023-2024
Apprentice and trainee positions	7	7
Cadet engineer positions	2	2

2022-2023 impacted by availability of training due to Covid. 2023-2024 saw the introduction of two phases of the Staff Annual review plan (SARP). The first for objective settings and skill reviews, the second for annual performance feedback and career development.

A key objective of the 2023-2024 - 2025-2026 Workforce Strategic Plan is resource planning with targeted outcomes:

*to ensure Riverina Water proactively undergoes a resource assessment periodically and that resource coordination is undertaken in collaboration with the project management framework; and

*increase collaboration in our workplace by integrating efficient resource planning into our business planning activities across departments.

Staff turnover levels sit below industry benchmarks

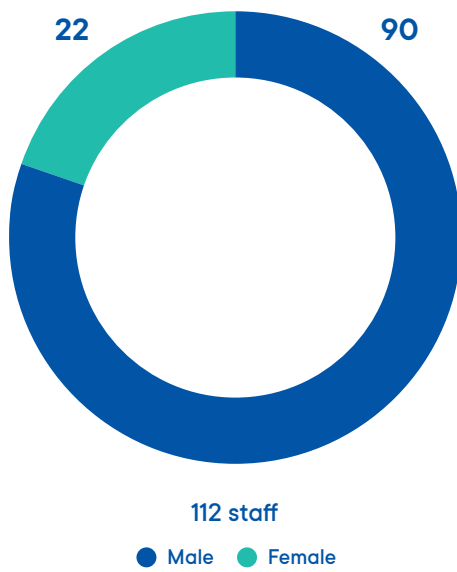
Riverina Water staff turnover	2021-2022	2022-2023	2023-2024
Staff turnover (includes resignations, retirements and contractor end)	13% (18% benchmark)	17.8% (19% benchmark)	16.5% (19% benchmark)

According to the Local Government NSW HR metrics report councils across NSW had an average of 18% turnover rate in the 2021-2022 financial year. 41% of Australian workers surveyed by McKinsey in 2022 were thinking about leaving their jobs in 3-6 months..

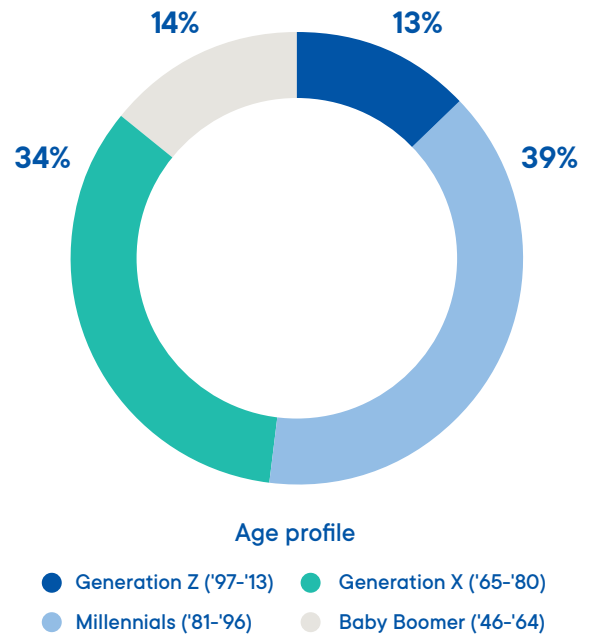
Our workforce reflects the diversity of our community

Riverina Water workforce analytics May 2023

Gender breakdown



Age profile



Riverina Water has moved to a new HR management system. The information to be gathered to enable more granular data for workforce analytics and reporting will be explored during 2025-2026. It is expected that this will enable us to better understand and represent diversity within our workforce analytics.

Our Business

Our Strategic Objective

We strive to be an industry leader by continuously improving our operations and the management of our assets

BASP strategic objective		2022-2023 DPOP completion		2023-2024 DPOP completion		2024-2025 DPOP Committed actions
2.1	Optimise our network and infrastructure	13	92%	20	80%	21
2.2	Enhance and integrate our asset management system	6	74%	11	70%	3
2.3	Develop business value through digitisation with a focus on accessible and accurate information, integrated and secure services that promote agile operations	5	55%	10	45%	5
2.4	Adopt emerging technology that increases our efficiency	1	98%	5	40%	3
2.5	Improve strategic planning and accountability	2	100%	6	85%	9
2.6	Take actions that deliver responsible financial management and ensure long term sustainability	3	100%	4	75%	4
2.7	Improve our operations to future proof our business	5	50%	4	65%	3
2.8	Collaborate and share knowledge with other organisations	2	100%	3	100%	1
Total actions		37		63		49

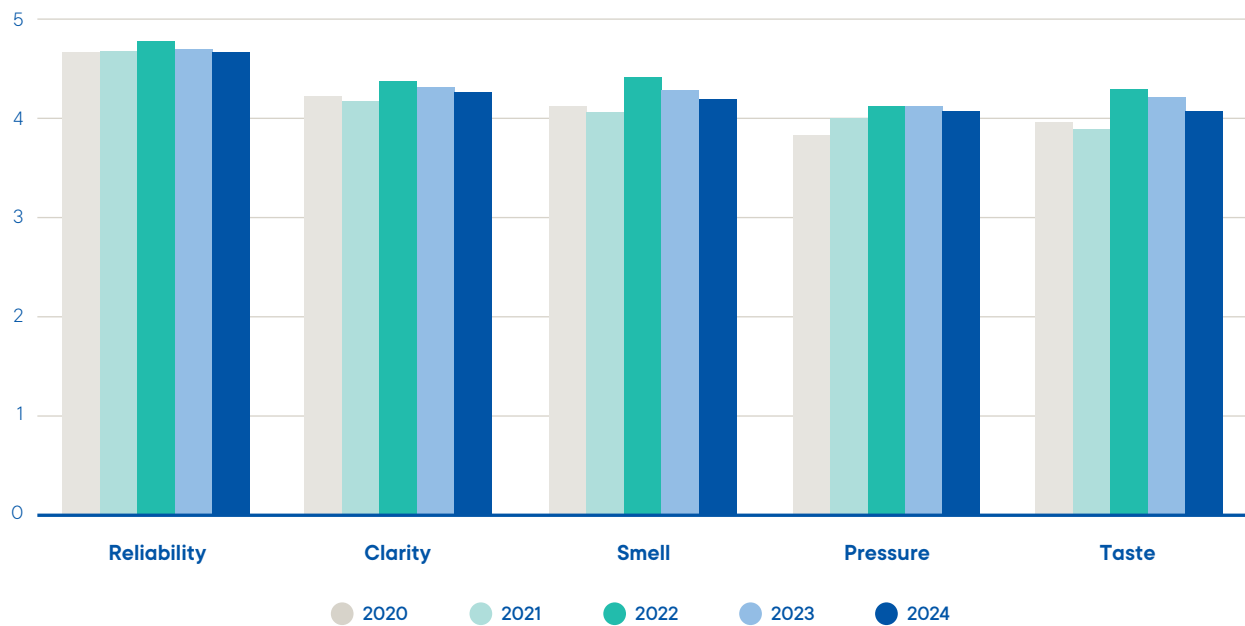
A note on the significant increase in actions for Our Business in 2023-2024: A decision was made during the development of the 2023-2024 DPOP that a number of capital projects would be called out rather than combined into a single strategy around delivery of the Capex program.

A note on the percentage completions for some strategic objectives: Despite the final outcome for the implementation of the new FLOW system, there were a number of actions identified in 2022-2023 and 2023-2024 related to FLOW that were not completed due to delays in the project which impacted percentage complete.

How do we know if we are on track to achieve our objective?

We deliver agreed service levels with our assets efficiently

Riverina Water customer satisfaction with water quality



The 2023-2024 customer satisfaction survey showed that satisfaction with water reliability remained very high with an average score of 4.8 out of 5. Overall trust in Riverina Water was rated at 4.30 as was reputation as a service provider and water affordability at 3.80.

Our service connections increased on 2022 levels

Riverina Water service connections 2022-2024

Service Connections

2021-2022	2022-2023	2023-2024
32,712	33,779	34,621

We are financially secure

G1-1 Statement of performance measures Riverina Water financial statements 30 June 2024

1. Operating performance ratio



Purpose of operating performance ratio

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

Commentary on 2023/24 result

2023/24 ratio 9.18%

Increase in result on prior year is due to water sales being higher and the contract settlement.

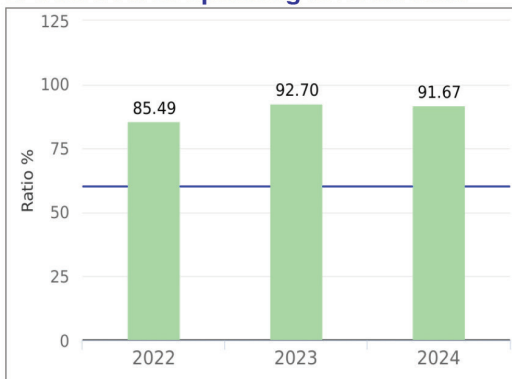
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

Commentary on 2023/24 result

2023/24 ratio 91.67%

Council primarily relies on water sales income to fund operations, which results in a consistently high ratio.

Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

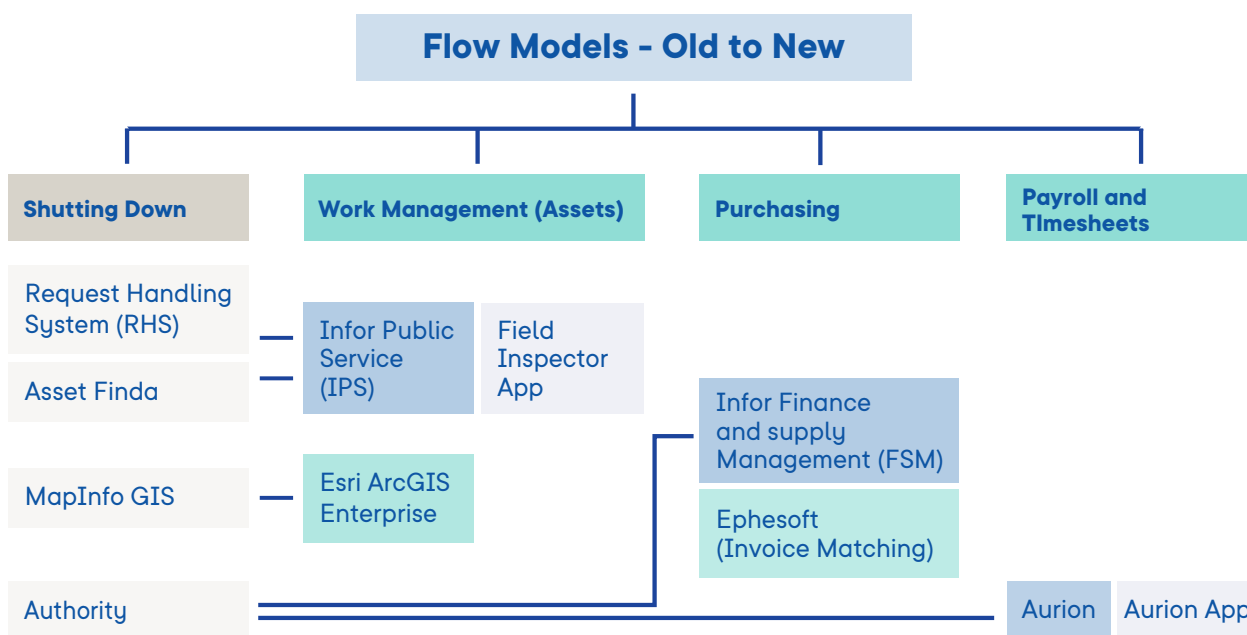
Ratio is outside benchmark

We apply contemporary technology to operate efficiently

The FLOW project was the most significant business improvement activity undertaken by Riverina Water in the past 2.5 years. Key specific objectives were to have a fit for purpose integrated enterprise resource planning system for now and the future; improved business efficiency through systems integration and workflow automation; and module access anywhere anytime for staff and customers.

The initial part of the project commenced in 2022 with the rollout of new customer billing and developer portal. A new finance, asset management, work management and payroll systems all launched on 1 July 2024. All staff required training in the new systems and a new online learning library was developed to assist.

Other HR modules are currently in test and will go live during 2025.



Note: Apps are just the ability to view and interact with the main application via a mobile device like a phone or iPad

Our Community

Our Strategic Objective

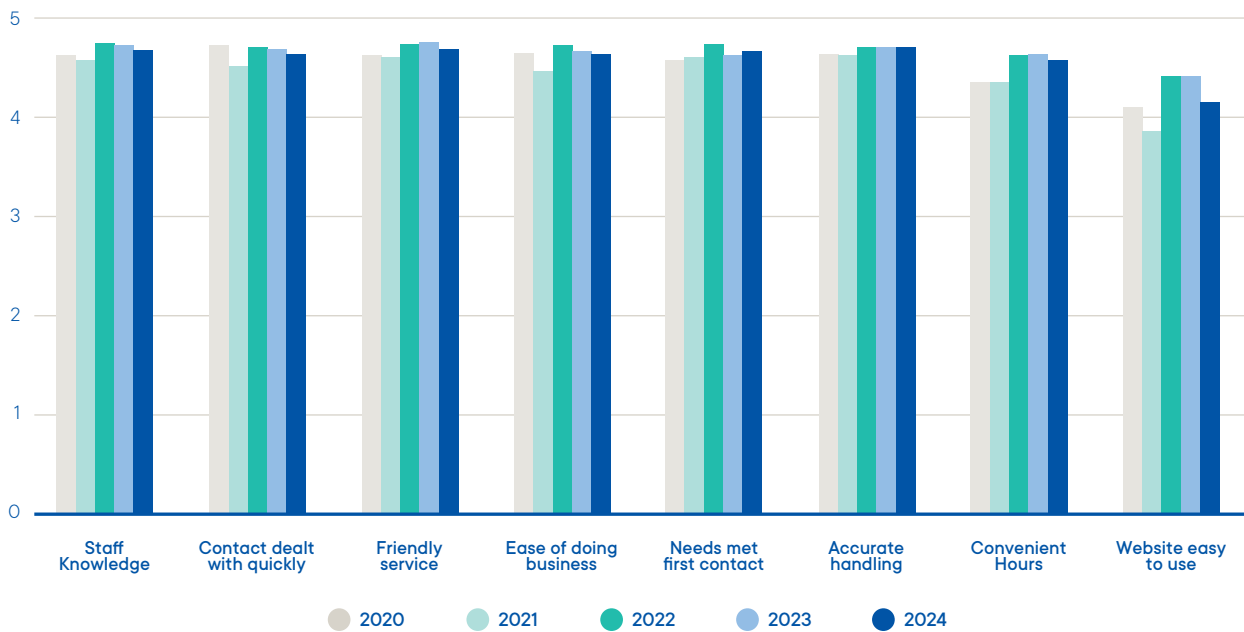
We enable our community and customers to thrive by providing exceptional service and demonstrating social responsibility

BASP strategic objective		2022-2023 DPOP completion		2023-2024 DPOP completion		2024-2025 DPOP Committed actions
3.1	Actively support and participate in our community	8	100%	9	80%	9
3.2	Create stronger connections with our diverse community to help deliver positive impact	2	100%	2	25%	2
3.3	Continue to develop positive relationships with our First Nations community	3	62%	1	95%	1
3.4	Provide exceptional customer service by tailoring and improving our systems, processes and service offers	6	85%	5	80%	4
3.5	Understand and prepare to serve our customers of the future	2	100%	1	85%	2
3.6	Share our knowledge and expertise to make a positive change in our global community	2	100%	1	100%	1
Total actions		23		19		19

How do we know we are on track to achieve our objective?

We receive excellent feedback and awards for our customer service

Riverina Water Customer satisfaction survey



Our communities lives are enriched by Riverina Water

Riverina Water Community Grants Program

Council area	2023-2024	# of recipients	2022-2023	2021-2022	# of recipients
Federation	\$20,000	3		\$84,846.15	5
Greater Hume	\$20,000	3	Program under review – completion of projects from 2021-2022	\$100,000	8
Lockhart	\$20,000	3		\$80,500	6
Wagga City	\$40,000	5		\$200,000	27
Total	\$100,000	14		\$465,346.15	46

Riverina Water's Enriching Communities Program was awarded in December 2023 to 14 organisations with projects to take place over the 2024 calendar year.

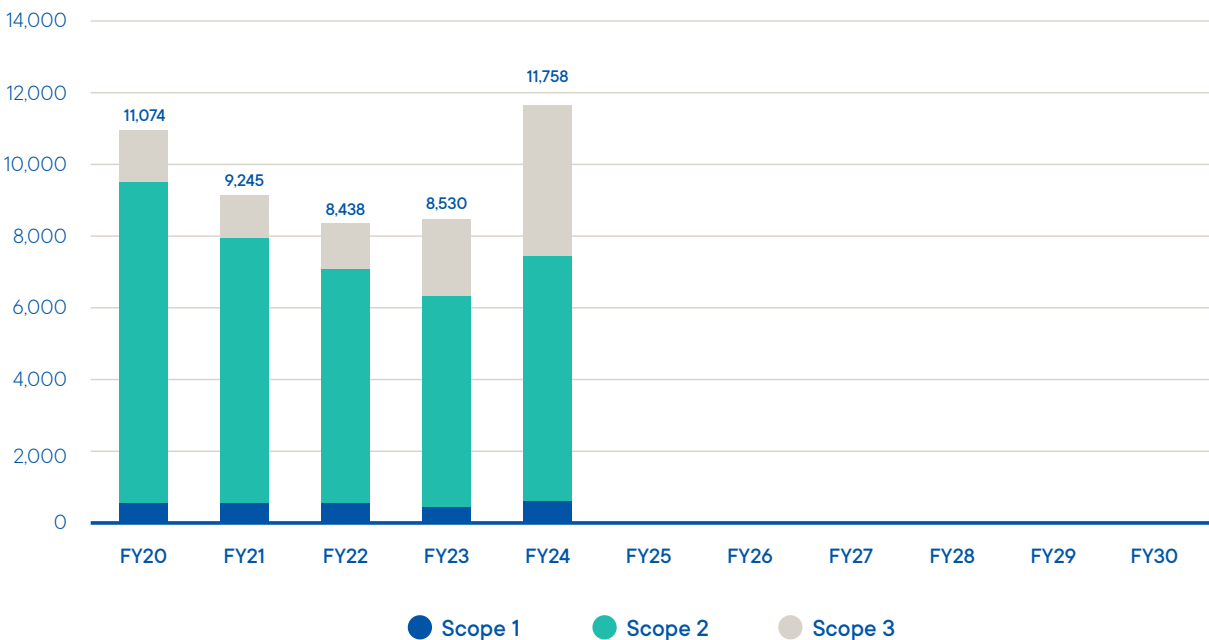
The application period is now closed for the 2024-2025 Program which is yet to be awarded.

Riverina Water Donations and sponsorships

2022-2023	2023-2024
\$77,470	\$64,945

We are moving to operate with net-zero emissions

GHG emissions by year



Scope 1 refers to direct emissions from sourced located within Riverina Water designated boundary (e.g. diesel fuel used in Riverina Water vehicles).

Scope 2 refers to the use of grid-supplied electricity imported into the boundary area.

Scope 3 refers to activities taking plan within the boundary (e.g. use of chemical, some inputs to electricity).

During 2023-2024 scope 3 emissions are shown with a significant increase, but this was to do with how chemical usage was being measured previously. As Riverina Water produced more water in 2023-2024 our grid-supplied electricity usage increased.

The solar plant development is an initiative under the Delivery Program **2.4.1 Implement our Net Zero policy** and will go a long way to reducing Riverina Water’s greenhouse gas emissions. From an electrical usage standpoint it should reduce the corresponding emissions by at least half. The Net Zero policy and roadmap are to be reviewed during 2025. Riverina Water currently has one electric vehicle in its fleet and has installed a vehicle charging station at the Hammond Avenue headquarters.

Our emerging risks and opportunities

Changes to Drinking Water health-based targets, most notably PFAS. This could provide ongoing challenges both in terms of water sources and management of water quality.

Security of water supply and increased focus on demand management planning. This includes the Special Activation Precinct (SAP) and managing risks around supply of water and licence entitlements.

Management of our assets and ageing infrastructure. Need to revise our asset management plans to ensure financial sustainability whilst meeting both customer expectations and regulatory assurance framework requirements. This will rely on improved communication mechanisms with our constituent councils to ensure Riverina Water is planning for the future needs of our service area.

Creating service levels for all our services. This provides Riverina Water further opportunities to engage with our customers and community.

Ongoing technological change and staff capability. Identified as a key issue in the Workforce Strategic Plan. Planned skills uplift in this area already commenced with the training of all staff in the new finance, procurement and HR systems.

Better use of data for analysis, planning and reporting. Now that Riverina Water has more robust and integrated systems it is expected that this will result in the ability to mine data previously not available to better inform planning and reporting.

Increasing use and regulation of artificial intelligence (AI), including automation and how this will impact on our operations.

Climate change and Increasing requirements on disclosure and sustainability reporting.

Realisation of the solar project and the targets set in the Net Zero roadmap.

Loss of trust in governments – institutional crisis of confidence. Opportunity to strengthen community relationships and to be able to assure customers that their drinking water is safe to drink and delivered at the lowest sustainable cost.

Third party litigation financing models. This opens the possibility of increased litigations as people will no longer have to individually have the resources to fund litigations as they will have other avenues for financing action.

Changing face of work – social connections and impact on wellbeing of staff. As the way people work changes, the way they connect and feel part of the team and valued poses cultural and wellbeing challenges for leaders and the organisation.

Review of BASP with new Board

As per the IP&R Guidelines the new Board has an opportunity to review the Business Activity Strategic Plan. Management has undertaken a review and is proposing a new pillar of Sustainability to round out commitments for Riverina Water aligned to the quadruple bottom line. This review will be workshopped with the Board in December 2024 to allow time for development of the new four-year Delivery Program and 2025-2026 Operational Plan. These will be placed on public exhibition during May 2025.

