2026 - 2027
Annual Business Plan

Acknowledgement of Country

We acknowledge all the aboriginal nations and their Elders whose lands lie within the Mount Barker district and respect their spiritual relationship with their Country, and also acknowledge and thank them for their custodianship of the lands and waters of the region.

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Our Vision

Delivering sustainable wastewater services for the benefit of our economy, community and the environment.

We safely and sustainably preserve the environment in and around our community by conducting operations in compliance with the principles of ecologically sustainable development

We provide a safe and reliable service to protect public health and support our community's businesses, agriculture and economic growth

We are socially responsible and manage revenue collected responsibly and fairly and with integrity to provide a defined service to our community

We deliver results, focussing on safe and healthy workplaces, employee engagement, inclusion, innovation and accountability

Message from the Chair of the Board

On behalf of the Board of GMB Water I am pleased to present the GMB Water Annual Business Plan for the 2026 - 2027 financial year. This plan outlines the proposed priorities and programs of work in relation to the provision of wastewater, recycled water and bore water services to the community for the coming financial year.

Our focus this coming year is on significant investments, to maintain essential services, support growth, and improve environmental and economic outcomes. This includes continuing construction of the new Laratinga Water Recovery Plant in Mount Barker and completing the trunk sewers program. These major projects require intergenerational investment as the Mount Barker district continues to grow and support the state and federal government housing roadmaps and commitments to deliver affordable housing. We will also continue to invest in ensuring the wastewater, recycled water and bore water infrastructure is maintained, upgraded and expanded where needed so we provide the levels of service our customers and the community want.

We remain committed to operating a contemporary water utility delivering an essential service, including major projects, for an affordable level of service charges for our customers both now and into the future.

– Mark Gobbie
Chair of the Board

Board Members

Mark Gobbie
Board Chair

Carmine Ciccocioppo
Non-Executive Director

Helen Edmonds
Executive Director

Susan Filby
Non-Executive Director

Lionel Ho
Non-Executive Director

Isabella Villani
Non-Executive Director

Correct at time of document creation.

Our Focus for 2026 - 2027

Services

The services provided by GMB Water and considered in this business plan are:

NETWORK EXPANSION

Wastewater and recycled water infrastructure expansion to support growth in the areas of service.

WASTEWATER COLLECTION

Operation and maintenance of the wastewater, Community Wastewater Management Systems (CWMS) and sewer collection systems to meet required levels of service.

WASTEWATER TREATMENT

Operation and maintenance of the wastewater treatment plants and other associated infrastructure to meet required levels of service.

DISPOSAL

Discharge of suitably treated effluent from the wastewater treatment plants and other associated infrastructure to the environment and to provide recycled water to connected customers and sites.

NON-DRINKING WATER SUPPLY

Provision of non-drinking bore water supply to a limited number of customers in Meadows.

Key Priorities and Commitments

LARATINGA WATER RECOVERY PLANT PROJECT

The new Laratinga Water Recovery Plant (LWRP) will replace the Springs Road Wastewater Treatment Plant (WWTP) with a modern treatment facility that has the capacity to cater for existing customers and future growth.

The LWRP will be based on an aerobic granular sludge (AGS) treatment process designed to achieve compliance with the conditions of EPA licence 52325 and all other legislative requirements. The LWRP will significantly improve the quality of the treated water discharged to the environment and will also have capacity for all treated water to be supplied to recycled water customers when demand matches supply.

SEWER TRUNK PROGRAM

The construction of five new or upgraded wastewater trunk sewers in the Mount Barker area is required so the collection network has the required capacity to cater for growth.

The sewer trunk mains are required to enable the provision of an essential public health service and to satisfy legal obligations entered into with a number of developers in the Mount Barker growth area to supply development sites with a sewer service.

The Hampden Road Sewer Main and Pumpstation was completed in December 2023, which was the first to be delivered followed by the Nairne Stage Two project, the Mount Barker CBD (practical completion achieved late 2025), and then the Central which is currently under construction and Eastern Stage Two which commenced February 2026.

About the Annual Business Plan

Purpose of the Annual Business Plan

The Annual Business Plan is the key operational and financial document for the Mount Barker District Council owned and operated wastewater subsidiary GMB Water. It sets out the proposed operational program and capital projects for 2026 - 2027.

Hierarchy of Documents

10 YEARS Strategy	This plan outlines our vision, aspirations and values for the future. Sets our direction for delivering sustainable and resilient wastewater, recycled water and bore water service for ten years while having a view toward 2050 and beyond, understanding that the decisions we make today have a long term impact as a result of the intergenerational nature of the assets we build, operate and maintain.
10 YEARS Strategic Asset Management Plan	The Strategic Asset Management Plan (SAMP) sets the direction for how we create, operate, maintain, renew and decommission our assets to deliver safe, reliable, affordable and sustainable essential services for the community. It translates the 10 Years Strategy Asset management Objectives and levels of service to track progress against achieving organisational strategy.
10 YEARS Asset Management Plan	Asset Management Plan (AMP) sets out how we will plan, operate, maintain, renew and improve the assets that deliver wastewater, recycled water and bore water essential services across the district. The Asset Management Plan translates the asset management objectives established in the Strategic Asset Management Plan (SAMP) into lifecycle strategies, service levels, risk treatments, performance measures and funding requirements.
10 YEARS Long Term Financial Plan	Provides the forward financial capacity framework to resource the community's needs and aspirations for wastewater and recycled water services. Anticipates and plans for fiscal challenges and opportunities and aligns with other documents to ensure GMB Water can achieve its objectives and maintain is financial sustainability in the medium to long term.
5 YEARS Corporate Plan	Sets out the actions required, and identifies the resources available, to deliver the aims and objectives as set out in the Strategy, including priorities for projects, programs and services. Included are key performance indicators and performance targets that allow us to assess how well we are performing, including financial information, levels of service and whether key milestones have been met.
1 YEAR Annual Business Plan (this plan)	The key operational and financial document. Sets out the proposed annual work programs, both operational and capital, and budget. The operations budget is prepared using a bottom up analysis of activities and any increases or decreases to address identified pressures or opportunities. The capital budget is based on business cases for confirmed projects and initiative and includes indicative budgets for any projects without a business case.

How This Plan Was Prepared

STRATEGIC DIRECTION

The content of this plan has been developed with consideration of the GMB Water Charter and Strategy and Corporate Plan. By consistently allocating sufficient funds towards both current and future assets annually, we ensure equitable distribution of costs among present and future customers.

OPERATIONS BUDGET BUILD APPROACH

In preparation for the 2026 - 2036 Annual Business Plan, a budget submission was developed. The budgeting process entailed a bottom-up analysis of activities, followed by adjustments to budgeted costs to accommodate identified pressures and capitalise on opportunities.

CAPITAL BUDGET APPROACH

A business case has been developed for all confirmed capital projects and new initiatives. Capital projects without a business case have indicative budgets only at this stage and will be refined as the projects progress through the stage gates through to tender award and delivery. Some of these projects will be delivered over multiple years while others only impact 2026 - 2027.

Community Consultation and Feedback

In the last six months, two separate community consultation exercises have been undertaken to understand how the community views the services GMB Water provides and where improvements could be made. Just under 1700 members of the community provided feedback on performance through the MARKYT community scorecard and around 227 through a customer satisfaction survey in November 2025. Both surveys showed that, overall customers rate the services we provide as okay to good. The need to improve community and customer awareness of the services were also identified through the feedback process.

How satisfied are you with the services GMB Water provides?

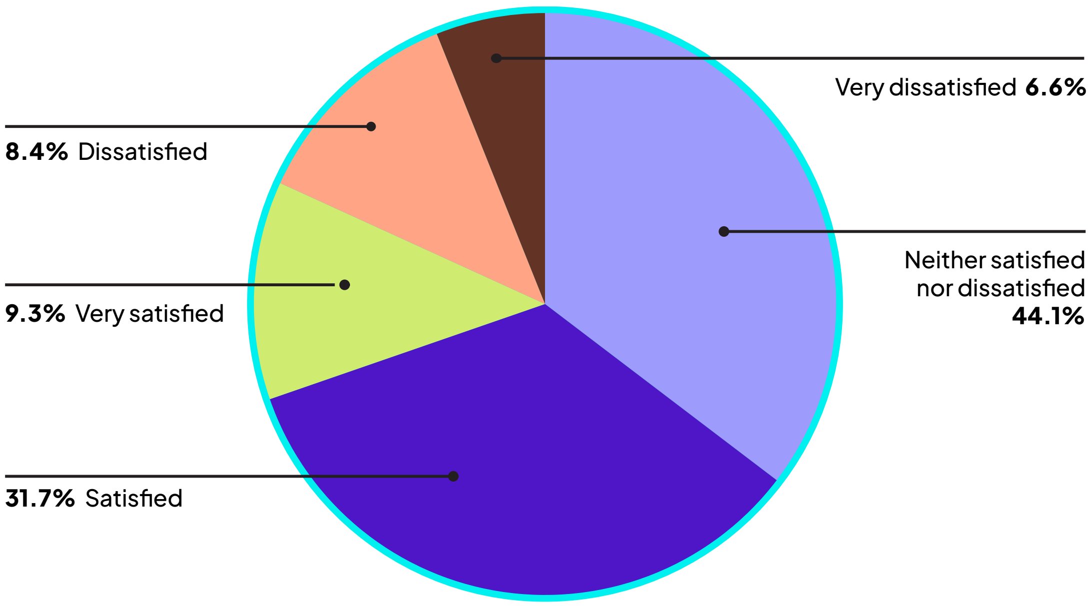


Figure 1: Customer satisfaction results from the 2025 GMB Water Customer Survey

How would you rate performance in the following areas?

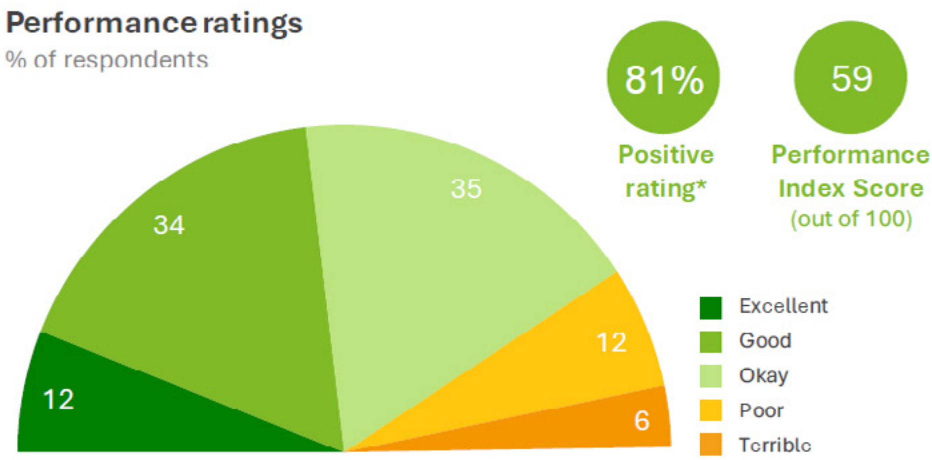


Figure 2: Wastewater treatment and recycled water use performance rating results from the 2025 Markyt Community Scorecard

Key Performance Measures

KEY ANNUAL OBJECTIVES 2026 - 2027

- Construction of a new compliant wastewater treatment facility by end of 2027 - 2028.
- Expansion of recycled infrastructure in the district.
- Increase the capacity of the wastewater network in Mount Barker to support community growth.
- Construction of wastewater infrastructure without harm to the environment or the health and wellbeing of our community.
- Continue to promote and expand reuse opportunities in the district.
- Meet regulatory requirements.
- Operate infrastructure safely and effectively.

KEY PERFORMANCE MEASURES

- Complete design and continue construction of the Laratinga Water Recovery Plant.
- Eastern Stage 2 trunk sewer operational by mid-2027.
- Keep the team and the community safe with a target operations and capital works construction Total Recordable Injury Frequency Rate (TRIFR) of less than 3.
- Capital works delivery target of 100% for environmental and health compliance.
- Distribute an additional 50 mega litres of recycled water per annum for beneficial reuse in the district.
- Issue Section 56 permits to 95% of existing trade waste generators.
- Complete 95% of planned sampling program for recycled water and wastewater.
- Complete planned programs that will improve network reliability including:
    - Flushing program - 95% of planned works completed.
    - Smoke testing and stormwater ingress - 95% of planned works completed.
    - Siphon and pump station chamber maintenance - 95% of planned works completed.

Budget Overview

How the Annual Business Plan is Funded

Revenue from wastewater charges and fees is dedicated to funding the service, covering both the maintenance of existing infrastructure and the expansion needed to support growth. In 2026 - 2027, there are 14,964 ratable properties, with 14,928 designated as wastewater customers and 308 as non-drinking water customers.

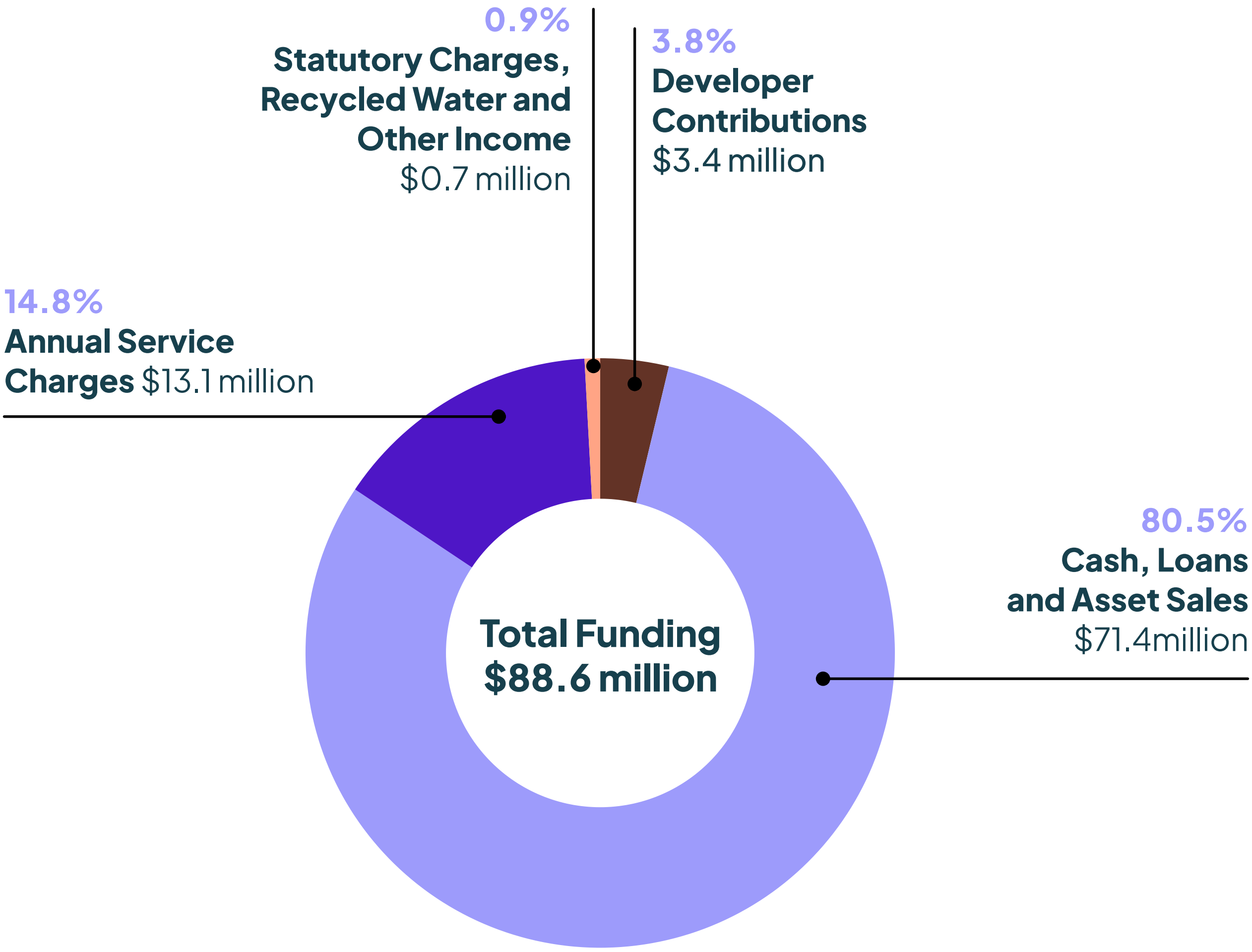
Funding from costs associated with the management of growth and urban development is borne by those initiating and/or benefiting from that development through wastewater infrastructure fees.

Wastewater infrastructure fees will increase by 5.9% in the 2026 - 2027 financial year in line with the Road and Bridge construction index of 5.9%. Total revenue from wastewater infrastructure fees from developers is $3.4 million.

Total Funding Summary

WHERE THE MONEY COMES FROM

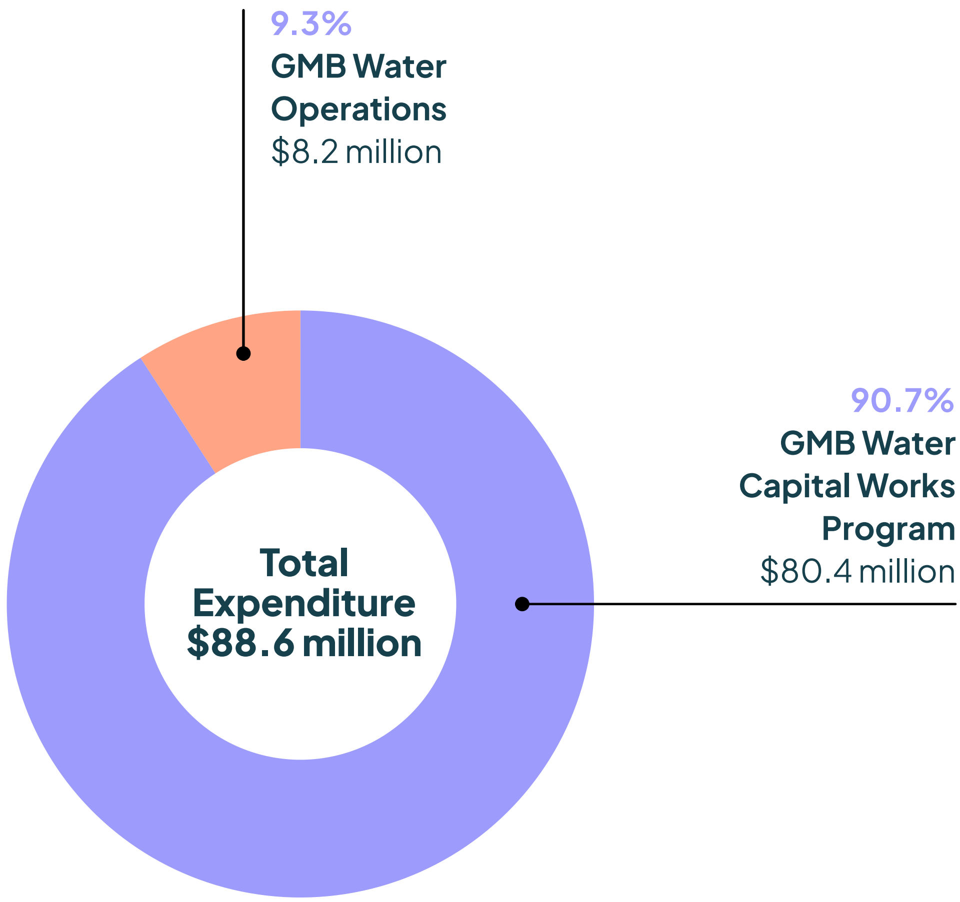
Total funding $88.6 million



Total Expenditure Summary

WHERE THE MONEY GOES

Total spending $88 million



Service Charges Overview

Revenue from wastewater charges and fees is dedicated to funding the service, covering both the maintenance of existing infrastructure and the expansion needed to support growth. In 2026 - 2027, there are 14,964 ratable properties, with 14,928 designated as wastewater customers and 308 as non-drinking water customers.

2026–2027 is the third year of transitioning to a single district wide wastewater service charge. This change reflects the narrowing of the difference in services provided and more truly reflects the income required to sustainably run GMB Water and meet the increasing expectations of our customers and the community. The transition is smoothed over a five-year period.

The increase to annual service charges in 2026 - 2027 will be, Community Wastewater Management Systems (CWMS) – 7.0% and Sewer – 4.9%. This will result in an average increase of $30 above CPI per year for CWMS customers during the period.

The prescribed service charges, levied in accordance with the Local Government Act 1999, will be:

- CWMS Service Charge $792 per property
- Sewer Service Charge $876 per property

The rebate to wastewater customers in the town of Brukunga for the sewer annual service charge will reduce each year for a minimum of 10 years as advised in June 2022 until equity in the sewer service charge with other customers is achieved. The rebate for wastewater customers in Brukunga for 2026 - 2027 will be $67.

We provide non-potable and recycled water services to a number of customers in the district. For the Meadows township, the service charges for 2026 - 2027 will be:

- Non-potable water service charge for each connected assessment (outside of the growth areas) as per a long standing historical arrangement will be $499.

- Recycled water service charge on some land within the township of Meadows will be $73 per allotment plus a variable (metered) charge of $3.53 per kilolitre (KL) of usage to be issued half yearly by tax invoice

For 2026 - 2027 the revenue to be raised from wastewater fees and charges including recycled and bore water supply is estimated to be $13.8 million.

Financial Sustainability

The following Key Financial Indicators are deemed by the Local Government sector to be the best indicators for determining financial sustainability. These indicators are also a requirement of Council's annual financial reporting in accordance with Local Government legislation and regulation.

Operating Surplus Ratio - this ratio is a measure of the ability to cover operational costs and have revenues available for capital funding, repayment of debt or consider the provision of a new service.

Net Financial Liabilities Ratio - this ratio is a measure of the significance of the net amount owed at the end of the financial year compared with operating income for the year. An increase in this ratio indicates that Council requires more of its operating income to fund its financial obligations.

Asset Renewal Funding Ratio - this ratio is a measure of whether assets are being renewed in line with Council's Asset Management Plans.

Other consideration; Council has in place a number of mechanisms to secure developer contributions for infrastructure associated with the Ministerial Development Plan Amendment Area (MDPA). Developer Contributions present and future, are not included in the Net Financial Liabilities Ratio, (as these amounts are classified as Capital income) but are relevant when considering the financial sustainability of GMB Water in the medium to long term given the nature of investments and revenues which are tied.

Key Assumption	Budget 2026 - 2027	Target
Operating Surplus Ratio	0.9%	3% to 7% (within the range)
Net Financial Liabilities Ratio	1030%	=< 500%
Asset Renewal Funding Ratio	100%	100%

The Net Financial Liability Ratio target being exceeded is as a result of capital investment into critical long life wastewater infrastructure that is being constructed ahead of development growth.

A LONGER TERM VIEW

GMB Water reviews its Long Term Financial Plan annually with the plans used to inform sustainable financial decision-making by taking a long-term perspective of financial decisions. The Long Term Financial Plan provides a ten-year budget forecast with the most recent iteration for 2026 to 2036. The 2026 - 2027 Annual Business Plan and Budget represents year one of this ten-year plan.

GMB Water Long Term Financial Plan, along with supporting Strategic Asset Management Plans, have been prepared and will go on public consultation at the same time as the Annual Business Plan and Budget.

Financial Statements

GMB Water Financial Statements

STATEMENT OF COMPREHENSIVE INCOME	Budget 2025/26 $'000	BR3/FOR 2025/26 $'000	Budget 2026/27 $'000
Income			
Rates	11,907	6,936	13,180
Statutory Charges	219	167	224
User Charges	340	190	351
Reimbursements	93	84	93
Total Income	**12,559**	**7,377**	**13,848**
Expenses			
Employee Costs	2,265	1,340	2,999
Materials, Contracts & Other Expenses	6,369	2,166	5,250
Depreciation, Amortisation & Impairment	3,455	3,455	3,215
Finance Costs	1,451	1,313	2,263
Total Expenses	**13,539**	**8,274**	**13,727**
Operating Surplus / (Deficit)	**(980)**	**(897)**	**121**
Asset Disposal & Fair Value Adjustments	(934)	(934)	(678)
Amounts Received Specifically for New/Upgraded Assets	5,446	4,171	3,410
Physical Resources Received Free of Charge	3,088	3,088	3,416
Cost of Capital	(2,618)	(2,618)	(3,533)
Net Surplus / (Deficit)	**4,002**	**2,810**	**2,736**
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I,PP&E	-	-	1,629
Total Other Comprehensive Income	**-**	**-**	**1,629**
Total Comprehensive Income	**4,002**	**2,810**	**4,365**

STATEMENT OF FINANCIAL POSITION	Budget 2025/26 $'000	BR3/FOR 2025/26 $'000	Budget 2026/27 $'000
ASSETS			
Current Assets			
Cash & Cash Equivalents	500	500	500
Trade & Other Receivables	1,017	-	-
Total Current Assets	**1,517**	**500**	**500**
Non-Current Assets			
Infrastructure, Property, Plant & Equipment	344,199	249,154	330,697
Total Non-Current Assets	**344,199**	**249,154**	**330,697**
TOTAL ASSETS	**345,716**	**249,654**	**331,197**
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8,265	8,265	8,265
Provisions	150	252	252
Total Current Liabilities	**8,415**	**8,517**	**8,517**
Non-Current Liabilities			
Borrowings	98,214	57,422	134,600
Provisions	150	24	24
Other Non-Current Liabilities	106,564	-	-
Total Non-Current Liabilities	**204,929**	**57,446**	**134,625**
TOTAL LIABILITIES	**213,344**	**65,963**	**143,142**
Net Assets	**132,373**	**183,690**	**188,056**
EQUITY			
Accumulated Surplus	3,560	2,810	5,547
Asset Revaluation Reserves	128,813	79,348	80,977
Other Reserves	-	(29,842)	(55,845)
Contributed Equity	-	101,532	101,532
Total Equity	**132,373**	**183,690**	**188,056**

STATEMENT OF CASH FLOWS	Budget 2025/26 $'000	BR3/FOR 2025/26 $'000	Budget 2026/27 $'000
Cash Flows from Operating Activities			
Receipts:			
Rates Receipts	10,890	6,936	13,180
Statutory Charges	219	167	224
User Charges	340	190	351
Reimbursements	93	84	93
Payments:			
Payments to Employees	(2,265)	(1,340)	(2,999)
Payments for Materials, Contracts & Other Expenses	(4,837)	(3,535)	(4,578)
Finance Payments	(1,451)	(1,313)	(2,263)
Net Cash provided (or used in) Operating Activities	**2,990**	**1,190**	**4,008**
Cash Flows from Investing Activities			
Receipts:			
Amounts Received Specifically for New/Upgraded Assets	5,446	4,171	3,410
Grants utilised for capital purposes	-	-	-
Sale of Replaced Assets	-		
Payments:			
Expenditure on Renewal/Replacement of Assets	(36,847)	(16,575)	(31,685)
Expenditure on New/Upgraded Assets	(55,984)	(35,703)	(48,029)
Net Cash provided (or used in) Investing Activities	**(87,386)**	**(48,107)**	**(76,304)**
Cash Flows from Financing Activities			
Receipts:			
Proceeds from Borrowings	84,396	47,417	72,296
Payments:			
Net Cash Flow provided (used in) Financing Activities	**84,396**	**47,417**	**72,296**
Net Increase/(Decrease) in Cash & Cash Equivalents	**-**	**500**	**-**
plus: Cash & Cash Equivalents - beginning of year	**500**	**-**	**500**
Cash & Cash Equivalents - end of the year	**500**	**500**	**500**

STATEMENT OF CHANGES IN EQUITY	Budget 2025/26 $'000	BR3/FOR 2025/26 $'000	Budget 2026/27 $'000
Opening Balance	128,370	180,880	183,690
Net Surplus / (Deficit) for Year	4,002	2,810	2,736
Other Comprehensive Income			
- Gain (Loss) on Revaluation of I,PP&E	-	-	1,629
Other Comprehensive Income	-	-	1,629
Total Comprehensive Income	**4,002**	**2,810**	**4,365**
Equity – Balance at end of the reporting period	**132,372**	**183,690**	**188,056**

UNIFORM PRESENTATION OF FINANCES	Budget 2025/26 $'000	BR3/FOR 2025/26 $'000	Budget 2026/27 $'000
Operating Activities			
Income	12,559	7,377	13,848
less Expenses	(13,539)	(8,274)	(13,727)
Operating Surplus / (Deficit)	**(980)**	**(897)**	**121**
Capital Activities			
less (Net Outlays) on Existing Assets			
Capital Expenditure on Renewal/Replacement of Existing Assets	(36,847)	(16,575)	(31,685)
add back Depreciation, Amortisation and Impairment	3,455	3,455	3,215
add back Proceeds from Sale of Replaced Assets	-	-	-
(Net Outlays) on Existing Assets	**(33,392)**	**(13,120)**	**(28,470)**
less (Net Outlays) on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(55,984)	(35,703)	(48,029)
add back Amounts Received Specifically for New and Upgraded Assets	5,446	4,171	3,410
(Net Outlays) on New and Upgraded Assets	**(50,538)**	**(31,532)**	**(44,619)**
Net Lending / (Borrowing) for Financial Year	**(84,911)**	**(45,548)**	**(72,968)**

greater
water recovery
for the future

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