

# 2025 – 2026 Annual Business Plan





# Acknowledgement of Country

We acknowledge all the aboriginal nations and their Elders who's 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.









## Message from the Chair of the Board

On behalf of the inaugural Board of GMB Water I am proud to present the GMB Water Annual Business Plan for the 2025 - 2026 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, both underway and planned, to maintain essential services, support growth, and improve environmental and economic outcomes. This includes starting construction of the new Laratinga Water Recovery Plant in Mount Barker and continuing 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.

Having taken over day-to-day governance of what was the Mount Barker District Wastewater Service, we continue the commitment of that entity 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.

**– Sean Keenihan**  
**Chair of the Board**



# Board Members



**Sean Keenihan**  
Chair of the Board



**Mark Gobbie**  
Non-Executive Director



**John Comrie**  
Non-Executive Director



**Susan Filby**  
Non-Executive Director



**Carmine Ciccocioppo**  
Non-Executive Director



**Isabella Villani**  
Non-Executive Director



**Helen Edmonds**  
Executive Director

Correct at time of document creation.



# Our Focus for 2025 - 2026





# Services

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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 treatment sludge (AGS) process designed to achieve compliance with the Environment Protection (Water Quality) Policy 2015, conditions of EPA licence 1912 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.



## TRUNK SEWERS PROGRAM

The construction of four 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 trunk sewers 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 Nairne trunk sewer, completed in April 2025, was the first to be delivered followed by the Mount Barker CBD (currently under construction), and then the Central and Eastern Stage Two projects.





# About the Annual Business Plan



# Purpose of the Annual Business Plan

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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 2025 – 2026.



# Hierarchy of Documents

## **20 YEARS** Community Plan

The Community Plan 2044 is the overarching strategic plan for Council that reflects the issues and needs of the community. It sets a vision for the district to be “the most liveable region in South Australia” and outlines the five key pillars to achieve this vision.

## **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 its financial sustainability in the medium to long term.

## **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.

## **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 Mount Barker District Council Community Plan 2044 and the GMB Water 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 2025 - 2026 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 2025 - 2026.



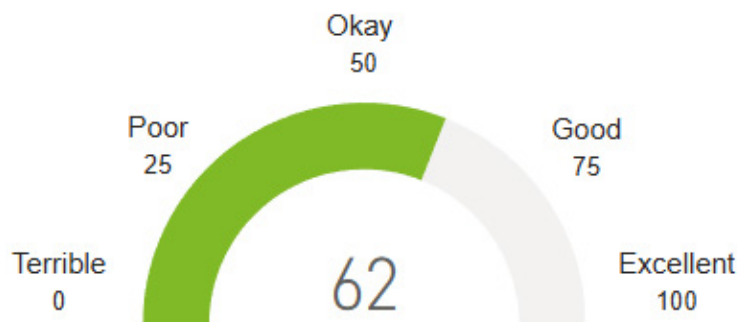
# Community Consultation and Feedback

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. More than 1700 members of the community provided feedback on performance through the MARKYT community scorecard and around 450 through a customer satisfaction survey in December 2024. 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.

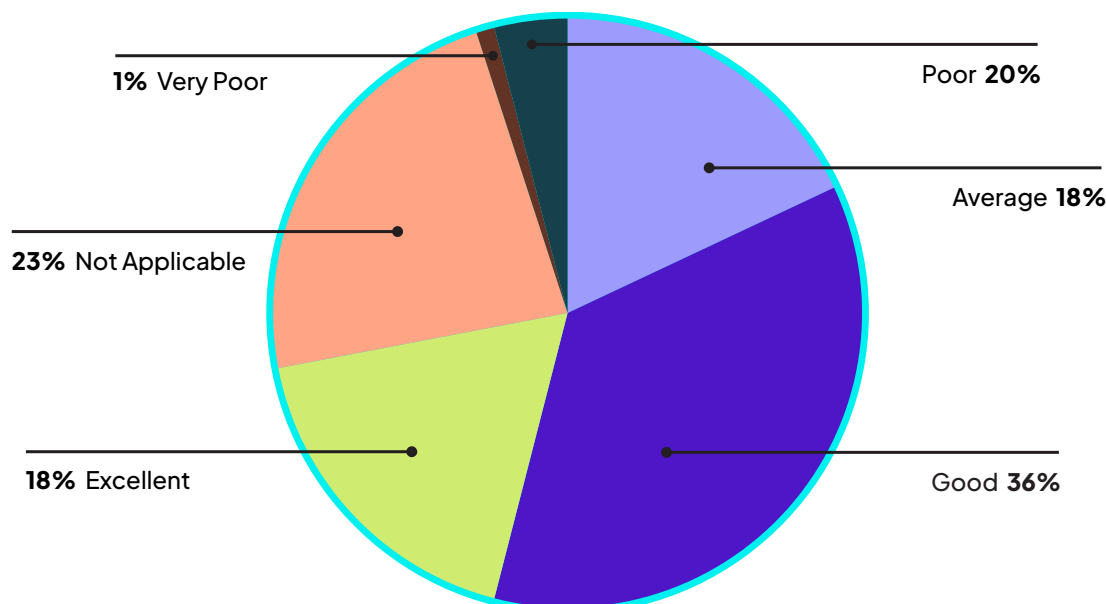
## WASTEWATER TREATMENT AND RECYCLED WATER USE

### Performance score

Out of 100



## ON A SCALE OF 1 TO 5, HOW WOULD YOU RATE THE OVERALL QUALITY OF THE WASTEWATER, RECYCLED WATER, AND BORE WATER SERVICES YOU RECEIVE?





# Key Performance Measures

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## KEY ANNUAL OBJECTIVES 2025 – 2026

- Construction of a new compliant wastewater treatment facility by end of 2026 – 2027.
- 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

- Commence construction of the Laratinga Water Recovery Plant by the fourth quarter of the 2025 – 2026 financial year.
- CBD sewer trunk main project operational by late 2025.
- Keep the subsidiary 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.
  - Maintenance hole condition assessment – 95% of planned assessments 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 2025 – 2026, there are 14,519 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.

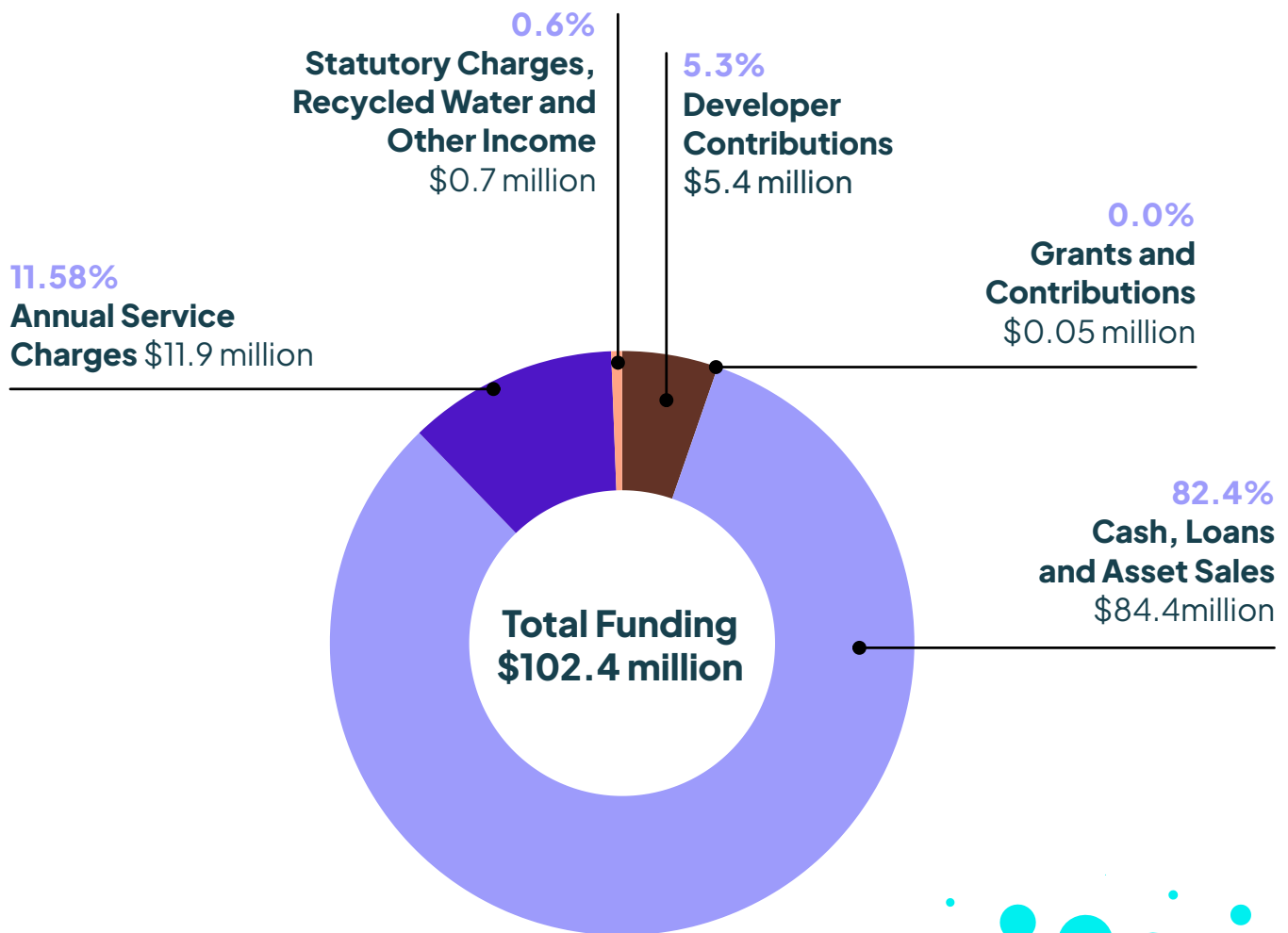
Wastewater infrastructure fees will increase by 1.8% in the 2025 – 2026 financial year in line with the Road and Bridge construction index of 1.8%. Total revenue from wastewater infrastructure fees from developers is \$5.4 million.



# Total Funding Summary

## WHERE THE MONEY COMES FROM

Total funding \$102.4 million

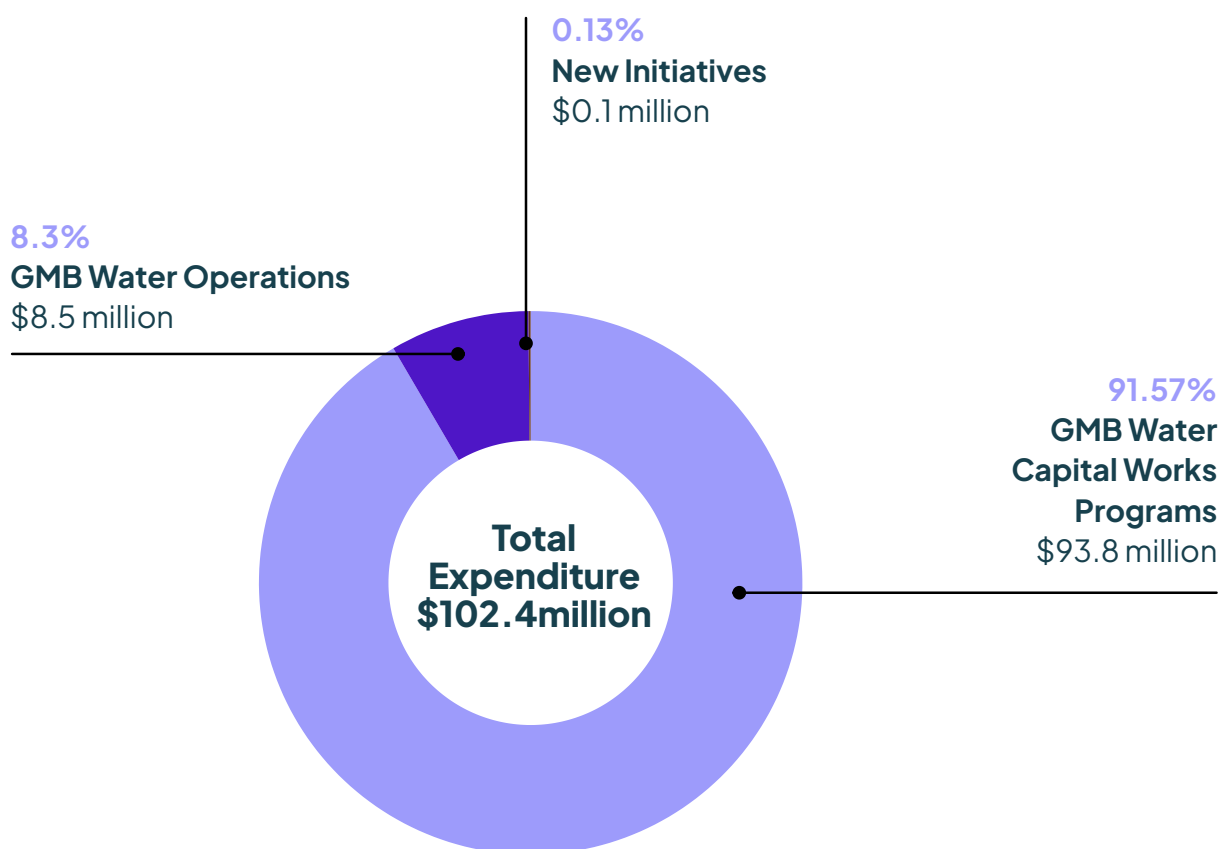




# Total Expenditure Summary

## WHERE THE MONEY GOES

Total spending \$102.4 million



# Service Charges Overview

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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 2025 - 2026, there are 14,519 ratable properties, with 14,928 designated as wastewater customers and 308 as non-drinking water customers.

2025 - 2026 is the second 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 the subsidiary 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 2025 - 2026 will be, Community Wastewater Management Systems (CWMS) - 6.5% and Sewer - 2.4%. 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 \$740 per property
- Sewer Service Charge \$835 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 2025 - 2026 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 2025 - 2026 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 \$3.35 per kilolitre (KL) of usage to be issued half yearly by tax invoice.

For 2025 - 2026 the revenue to be raised from wastewater fees and charges including recycled and bore water supply is estimated to be \$12.5 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 2025 – 2026	Target
Operating Surplus Ratio	(8%)	3% to 7% (within the range)
Net Financial Liabilities Ratio	783%	= < 500%
Asset Renewal Funding Ratio	100%	100%

The operating surplus ratio target not being achieved reflects a temporary one off expenditure on desludging at the Springs Road wastewater treatment plant.

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 2025 to 2035. The 2025 – 2026 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**

**Income**

Rates	11,907
Statutory Charges	219
User Charges	340
Reimbursements	93
<b>Total Income</b>	<b>12,559</b>

**Expenses**

Employee Costs	2,265
Materials, Contracts & Other Expenses	6,369
Depreciation, Amortisation & Impairment	3,455
Finance Costs	1,451
<b>Total Expenses</b>	<b>13,539</b>

**Operating Surplus / (Deficit)**

Asset Disposal & Fair Value Adjustments	(934)
Amounts Received Specifically for New/Upgraded Assets	5,446
Physical Resources Received Free of Charge	3,088
Return to Council	(2,618)
<b>Net Surplus / (Deficit)</b>	<b>4,002</b>

**Other Comprehensive Income**

Amounts which will not be reclassified subsequently to operating result  
Changes in Revaluation Surplus - I,PP&E

	-
<b>Total Other Comprehensive Income</b>	<b>-</b>

**Total Comprehensive Income**

	<b>4,002</b>
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## GMB WATER FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION

**Budget**  
**2025/26**  
**\$'000**

**ASSETS****Current Assets**

Cash & Cash Equivalents	500
Trade & Other Receivables	1,017
<b>Total Current Assets</b>	<b>1,517</b>

**Non-Current Assets**

Infrastructure, Property, Plant & Equipment	- 344,199
<b>Total Non-Current Assets</b>	<b>344,199</b>
<b>TOTAL ASSETS</b>	<b>345,716</b>

**LIABILITIES****Current Liabilities**

Trade & Other Payables	8,265
Provisions	150
<b>Total Current Liabilities</b>	<b>8,415</b>

**Non-Current Liabilities**

Borrowings	98,214
Provisions	150
Other Non-Current Liabilities	106,564
<b>Total Non-Current Liabilities</b>	<b>204,929</b>
<b>TOTAL LIABILITIES</b>	<b>213,344</b>
<b>Net Assets</b>	<b>132,373</b>

**EQUITY**

Accumulated Surplus	3,560
Asset Revaluation Reserves	128,813
Other Reserves	
<b>Total Equity</b>	<b>132,373</b>

## GMB WATER FINANCIAL STATEMENTS

## STATEMENT OF CASH FLOWS

**Budget**  
**2025/26**  
**\$'000**

**Cash Flows from Operating Activities****Receipts:**

Rates Receipts	10,890
Statutory Charges	219
User Charges	340
Reimbursements	93

**Payments:**

Payments to Employees	(2,265)
Payments for Materials, Contracts & Other Expenses	(4,837)
Finance Payments	(1,451)

<b>Net Cash provided (or used in) Operating Activities</b>	<b>2,990</b>
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**Cash Flows from Investing Activities****Receipts:**

Amounts Received Specifically for New/Upgraded Assets	5,446
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**Payments:**

Expenditure on Renewal/Replacement of Assets	(36,847)
Expenditure on New/Upgraded Assets	(55,984)

<b>Net Cash provided (or used in) Investing Activities</b>	<b>(87,386)</b>
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**Cash Flows from Financing Activities****Receipts:**

Proceeds from Borrowings	87,014
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**Payments:**

Return to Council	(2,618)
Repayments of Borrowings	-

<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>84,396</b>
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<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>0</b>
<b>plus: Cash &amp; Cash Equivalents - beginning of year</b>	<b>500</b>
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>500</b>



## GMB WATER FINANCIAL STATEMENTS

## STATEMENT OF CHANGES IN EQUITY

**Budget**  
**2025/26**  
**\$'000**

<b>Opening Balance</b>	128,370
Net Surplus / (Deficit) for Year	4,002
Other Comprehensive Income	
- Gain (Loss) on Revaluation of I,PP&E	-
<b>Other Comprehensive Income</b>	-
<b>Total Comprehensive Income</b>	<b>4,002</b>
<b>Equity - Balance at end of the reporting period</b>	<b>132,373</b>

## UNIFORM PRESENTATION OF FINANCES

**Budget**  
**2025/26**  
**\$'000**

<b>Operating Activities</b>	
Income	12,559
less Expenses	(13,539)
<b>Operating Surplus / (Deficit)</b>	<b>(980)</b>
<b>Capital Activities</b>	
<b>less (Net Outlays) on Existing Assets</b>	
Capital Expenditure on Renewal/Replacement of Existing Assets	(36,847)
add back Depreciation, Amortisation and Impairment	3,455
add back Proceeds from Sale of Replaced Assets	-
<b>(Net Outlays) on Existing Assets</b>	<b>(33,393)</b>
<b>less (Net Outlays) on New and Upgraded Assets</b>	
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(55,984)
add back Amounts Received Specifically for New and Upgraded Assets	5,446
<b>(Net Outlays) on New and Upgraded Assets</b>	<b>(50,538)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(84,911)</b>

# greater water recovery for the future

[www.gmbwater.au](http://www.gmbwater.au)  
[customerservice@gmbwater.au](mailto:customerservice@gmbwater.au)  
08 8188 9300

