



Half Yearly Report

2021-22



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Acknowledgement of country

In the spirit of reconciliation WaterNSW acknowledges the Traditional Custodians of Country throughout Australia and their ongoing cultural and spiritual connections to land, water and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples across our area of operations.

Executive summary

WaterNSW is pleased to present this mid-year report and provide an update on how WaterNSW is continuing to deliver on our new Corporate Strategic Plan to better meet needs of our customers, stakeholders and communities.

This reporting period has seen rainfall and inflows well above average and all major storages either near full or spilling. While flooding has been experienced in all valleys, the southern valleys in particular have received significant rainfall and inflows along with the Barwon Darling catchment.

The response from across the business to support our operations, work with our customers and local communities and ensure we do all we can to minimise flooding wherever possible has been exemplary. The engagement of customers, local communities and external stakeholders has been a priority for the business during this period. Our teams were appreciative of the strong praise and positive feedback from some key stakeholders and community leaders during these recent flood events.

This approach in working closely with our communities is not just a testament to the dedication of our people but importantly a strong reflection of our new Corporate Strategic Plan which focuses on our relationships with our local communities, involving them in our decision making processes and building respect and trust for the capability of our teams across NSW.

The reoccurring challenges of COVID-19 and prolonged lockdowns for most of the reporting period has again shown that we have the technology, processes and commitment from across the business to support the needs of our customers and communities while working flexibly and remotely.

Our Corporate Strategic Plan, which sets a vision for the future of WaterNSW for the next three to five years, has been embraced strongly across the business and for the first time includes key initiatives such as an Environment, Social and Governance (ESG) strategy, the development of a Reconciliation Action Plan (RAP), and a dedicated inclusion and diversity strategy.

Significant work has already been progressed on the RAP and Inclusion and diversity strategy with both due to be completed in the first half of 2022, with implementation of the strategy to proceed soon after.

In response to feedback from our customers, stakeholders and government shareholders, the new Corporate Strategic Plan also focusses on strengthening our social licence to operate and building community confidence in the NSW Water sector. Customers and communities have always been at the heart of all we do at WaterNSW, and we will build on these relationships through a dedicated Corporate Affairs Council to better support and align our stakeholder, community and water sector engagement across the business.

Priority initiatives on track for completion or delivery in the second half of the financial year under our new Corporate Strategic Plan include a business transformation project to better align our resources to meet the needs of our customers and communities, a climate adaptation strategy, and most pleasingly the go-live of our new technology solutions for customer use under our WAVE program, starting with bore applications.

WAVE continues to be a core priority for WaterNSW. The program aims to improve our interactions with customers, enable data driven decisions and provide information to our broader community and specialised stakeholders, while modernising systems that are operating beyond their expected lives. The WAVE program includes our Water Insights portal which provides all the key water data from across the state in one easy to use website with the goal of improving transparency and access to water data more easily.

On behalf of the NSW Government, the Environmental Impact Study (EIS) for the Warragamba Dam Wall Raising project was completed and placed on public exhibition during September 2021. This was a significant milestone for the project. The Public Exhibition period ran for 90 days, with submissions closing on 19 December 2021. Over 2,000 submissions were received. We acknowledge the strong community sentiment regarding the project and WaterNSW will be responding to the matters raised in the submissions during the first half of 2022.

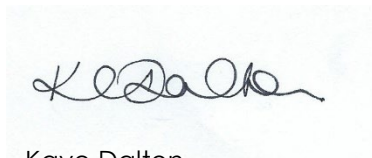
The Critical State Significant Infrastructure projects of Wyangala Dam Wall Raising, a new Dungowan Dam and business case for a proposed Mole River Dam were also successfully transitioned to the new Water Infrastructure NSW business within the Department of Planning and Environment (DPE), along with several smaller projects. A dedicated interface team has now been established to support Water Infrastructure NSW as we move from project deliverer to owner-operator of the assets when completed. This team will ensure all the operational, dam safety and community considerations are well managed to ensure a positive legacy from these projects.

Our Asset Renewals and Replacement program continues to deliver on commitments throughout the state. The 10-year Warragamba Corridor and Pipeline Restoration works, including major component replacements are progressing to plan. Other major works nearing completion include the heritage listed Burrinjuck Dam Cableway upgrade and Blue Mountains capital renewal program.

With respect to our financial performance, as at 31 December 2021 we have exceeded budget expectations with earnings before interest, tax, depreciation and amortisation (EBITDA) of \$75.2 million, \$11.2 million favourable to budget. This result has been achieved through efficiency initiatives but is also due to several operating program delays arising from COVID-19 work restrictions.

Unfortunately, COVID-19 work restrictions also impacted the delivery of our capital program. For the six months ending 31 December 2021 we invested \$36.0 million in regulated capital assets, \$26.6 million below budget expectations. Whilst we are forecasting an increase in capital expenditure in the second half of the year, several projects will now be delivered in FY23.

We would like to acknowledge the incredible work of our people across NSW over the past six months, particularly in the response to flood events and their willingness to adapt to and deliver on our new Corporate Strategic Plan to ensure we can continue to meet the needs of our customers and local communities.

A handwritten signature in black ink, appearing to read "K Dalton", on a light blue background.

Kaye Dalton

Interim Chair

A handwritten signature in blue ink, appearing to read "A George", on a white background.

Andrew George

Chief Executive Officer

About WaterNSW

Our purpose Water, delivered when and where it matters

Our vision To support the resilience of NSW communities through our leadership in delivering water services, for generations to come

Who we are

WaterNSW is a State-Owned Corporation established under the *Water NSW Act 2014* that operates under an Operating Licence monitored by the Independent Pricing and Regulatory Tribunal (IPART).

What we do

Source water protection - Protection of the Greater Sydney drinking water catchment to ensure safe water is supplied to Sydney Water, local councils and other distributors for treatment and distribution to their customers.

Bulk water supply - Supplying water from its storages to customers in the Greater Sydney drinking water catchment and in the state's regulated surface water systems.

System operator - Efficient management of the state's surface and groundwater resources to maximise reliability for users through the operation of the state's river systems and bulk water supply systems, in collaboration with the Murray-Darling Basin Authority which directs operations of the River Murray system.

Infrastructure planning, delivery and operation - Meet customer-defined levels of service consistent with NSW Government policy and priorities to increase the security and reliability of water supplies to customers and the communities of NSW.

Customer water transaction and information services - Providing efficient and timely services to customers for water licensing and approvals, water trades, billing and to meet their water resource information needs for surface and groundwater quantity and quality.

In performing these functions, we work closely with the following NSW Government agencies:

- **Department of Planning and Environment** (DPE) who are responsible for planning, policy development, and regulatory frameworks. DPE also develops, assesses and recommends changes to NSW's water legislation, water sharing/water resource plans and water management rules.
- **Water Infrastructure NSW** who are responsible for leading the development and delivery of key government water infrastructure projects and programs across the state.
- The **Natural Resources Access Regulator** (NRAR) is responsible for compliance with and enforcement of the regulatory framework for water including water management rules, and licence and approval conditions.
- The **NSW Office of Environment and Heritage** manages environmental water within NSW, develops plans for environmental water use and develops floodplain management plans to assist in the regulation of floodplain infrastructure and minimise the impacts of flooding on communities and the environment.

Corporate strategy

Our new Corporate Strategic Plan was launched in July 2021 and is underpinned by four key themes: excelling in the delivery of our core operations; working tirelessly to support our customers and regional communities; taking an Environmental, Social and Governance mindset to all that we do; and ensuring greater collaboration with all our stakeholders, playing our part to effectively plan and manage sustainable, secure and healthy water resources.

There are five strategic priorities that will be our focus going forward, each reflecting what is important to our stakeholders, customers, and communities.



Review of operations



Delivering operational excellence

Business transformation program

The Business transformation program is a key priority to ensure that WaterNSW can deliver our strategic objectives. It focusses on two streams of work - identifying cost transformation opportunities and developing and evaluating options for a new operating model design to support the delivery of our Corporate Plan.

Water Added Value Environment (WAVE)

WAVE is WaterNSW's digital transformation program that will transform the operation of the organisation through the use of updated, digitally integrated systems. Work on the WAVE program began in FY21 and will be completed in FY23, significantly improving our interactions with customers, our ability to make data driven decisions and provide information to our broader community and specialised stakeholders.

Building a sustainable future



Environmental, Social and Governance (ESG) strategy

This program will focus WaterNSW on meeting sustainable environmental, social and governance objectives. As well as recommending some new initiatives, it will bring together many initiatives that the business has already embraced, positioning them within the context of the 17 United Nations Sustainable Development Goals in line with global businesses and water utilities across Australia.

Workshops with the Executive Team and employees are currently being held to identify new initiatives to add to our existing projects such as Inclusion and Diversity, our Reconciliation Action Plan, and our Climate Adaptation Strategy.



Developing our people and capabilities

Inclusion and diversity program

This program will help WaterNSW create a diverse, high performing workforce and will support the social obligations of our ESG strategy. Work on the program began with the formation of the Inclusion and Diversity Council, made up of employees from across the business that will provide direction in WaterNSW's approach to inclusion and diversity. The program will include the development of an Inclusion and Diversity Plan, monitoring of progress against key targets, promotion of awareness, understanding and appreciation, fostering an inclusive and equitable workplace culture and growing the diverse representation of our workforce to reflect the communities we operate in.

Several activities are already underway and receiving positive engagement and feedback from employees including an ongoing awareness program, events calendar, and easier access to inclusion and diversity resources. It also features our 'This is My Story' campaign, which encourages our people to share their background and identify one thing that they will do to create an inclusive culture at WaterNSW.

People strategy

Our people strategy will set the direction, priorities and the steps required to achieve a strong performance culture that is reliable, responsive and strives for excellence.

The people strategy is currently in the scoping and research phase, including a broad review of current and best practice.



Respected by the customers and communities we serve

Reconciliation Action Plan

WaterNSW has a significant interaction with customers and local communities through our dams, storages, and river operations. We acknowledge the very strong cultural and spiritual connection of Aboriginal communities to water and rivers, and we are committed to improving how we engage with first nations peoples across all aspects of our operations and projects so that we can support better outcomes in culturally appropriate manner for our Aboriginal communities and stakeholders.

Our Reconciliation Action Plan (RAP) will represent and articulate our approach and commitment towards Native Title, Cultural Heritage and Aboriginal engagement requirements. The RAP will drive a positive, culturally appropriate approach to our business and the delivery of services to communities throughout NSW, as well as outline WaterNSW's broader commitment to reconciliation, working with and engaging with Aboriginal communities, and supporting better outcomes in terms of Aboriginal employment, training, and procurement.

WaterNSW's first RAP has been submitted to Reconciliation Australia for feedback and will be formally launched early in 2022.

Customer and community engagement program

This initiative will drive improvement in our customer, community and stakeholder engagement. We will be looking beyond our existing customer satisfaction measures to build more effective, long term relationships that will realise more positive customer and community outcomes and enhance our social licence to operate.



Working together in partnership

Water sector reform

WaterNSW is committed to working in partnership with our stakeholders to manage sustainable, secure, and healthy water resources. This program aims to promote a collaborative and coordinated approach to delivering common water sector outcomes and support our customers and regional communities to thrive by providing resilient, affordable, quality water.

Initial work under this program includes working with the Department of Planning and Environment - Water and some Local Water Utilities to better manage dam safety and to identify ways to improve water resilience and quality. Three pilot studies have commenced to enhance our collective understanding of where opportunities may be in the support of local water utilities in the areas of dam safety, catchment and water quality, and integrated systems operation.

Key performance indicators

Financial

Measures	Half year to 31 Dec 2021			Year ending 30 Jun 2022			Performance drivers
	Act	Bud	Var	Fcst	Bud	Var	
Returns to share-holders ¹	\$13.9 million	\$12.8 million	\$1.1 million	\$48.2 million	\$41.5 million	\$6.7 million	<ul style="list-style-type: none"> Favourable EBITDA and depreciation resulted in increased income tax.
Regulated operating expenses ²	\$100.4 million	\$116.6 million	\$16.2 million	\$220.2 million	\$231.0 million	\$10.8 million	<ul style="list-style-type: none"> Favourable contractor expenses, with works impacted by COVID-19 restrictions. Favourable insurance expenses following a decision not to continue with the water volatility insurance product ⁵.
Regulated capital expenses ²	\$36.0 million	\$62.6 million	\$26.6 million	\$105.9 million	\$124.8 million	\$18.9 million	<ul style="list-style-type: none"> Delivery impacted by COVID-19 restrictions.
Credit rating	BBB+	BBB		BBB+	BBB		<ul style="list-style-type: none"> Favourable credit rating following assessment in June 2021.
Net debt to RAB ³	54.9%	55.1%	0.2%	52.0%	55.1%	3.1%	<ul style="list-style-type: none"> Net debt to RAB is in line with target.
EBITDA ⁴	\$75.2 million	\$63.3 million	\$11.9 million	\$148.4 million	\$135.8 million	\$12.6 million	<ul style="list-style-type: none"> Favourable opex, primarily for contractor expenses. Partly offset by unfavourable revenue, primarily relating to lower Rural Valley water sales.

- Returns to shareholders is comprised of dividends, current income tax, government guarantee fee (GGF) and returns of capital and is calculated on accrued balances at the reporting date. The GGF is a fee paid to NSW Treasury, in accordance with competitive neutrality principles, based on the differential between the market rate of borrowings for a private sector business of similar risk and WaterNSW's cost of debt obtained from TCorp, which borrows using the State's credit rating.
- Regulated expenditure is incurred in relation to IPART regulated services.
- Regulated Asset Base.
- Earnings before interest, tax, depreciation and amortisation
- The water volatility insurance product was initiated in 2017-18. Where lost revenue from water delivery volumes exceeded predetermined limits in eight of WaterNSW's rural valleys with a fixed-to-variable charge below 80:20, the product provided a payout replicating an 80:20 revenue structure for all further losses.

Non-financial

Measure	2020-21 Target	Actual as at 31 Dec 2021	Performance drivers
Incident severity rate	Zero class 4 or 5 and no more than 2 class 3 severity incidents	Zero class 5 Zero class 4 2 class 3	The 2 class 3 incidents reported were assessed as low risk.
Overall customer satisfaction	50.7% of our customers rank our service delivery as greater than 7 out of 10	Not applicable	Performance for this KPI is measured through a customer survey conducted towards the end of the financial year.
Water quality	Water available for supply meets agreed standards more than 97.5% of the time	Agreed standards met 99.9% of the time	All water available for supply met Australian Drinking Water Standards and Raw Water Supply Agreement parameters.
Water supply	100% of water orders are rescheduled in consultation with an affected customer within one working day of an expected water shortage or other delivery delay	100% of water orders rescheduled within one working day	Consistent with WaterNSW's reporting obligations listed in the Operating Licence Reporting Manual.
Employee engagement	62% (5% improvement on 2020-21 performance)	Not applicable	Performance for this KPI is measured through an employee survey conducted towards the end of the financial year.
Delivery of the corporate strategy	100% of strategic initiatives are assessed as meeting target expectations	Not applicable	Performance of this KPI is expected to be measured early in calendar year 2022.

Financial performance summary

Summary profit and loss

	Half year ended 31 Dec 2021			Year ending 30 Jun 2022		
	Actual \$million	Budget \$million	Variance \$million	Forecast \$million	Budget \$million	Variance \$million
Regulated revenue	172.8	178.4	(5.5)	360.7	357.2	4.0
Non-regulated revenue	26.3	32.5	(6.2)	51.0	64.9	(14.3)
Total revenue	199.0	210.9	(11.8)	411.7	422.1	(10.4)
Regulated operating expenditure	(100.4)	(116.6)	16.2	(220.2)	(231.0)	10.8
Non-regulated operating expenditure	(23.4)	(31.0)	7.5	(43.1)	(55.3)	12.2
Total operating expenditure	(123.9)	(147.6)	23.7	(263.3)	(286.3)	23.0
EBITDA	75.2	63.3	11.9	148.4	135.8	12.6
Depreciation and amortisation	(44.1)	(46.5)	2.4	(87.8)	(93.0)	5.2
Net financing costs	(28.0)	(28.8)	0.8	(55.4)	(58.6)	3.2
Net profit before tax	3.1	(12.0)	15.1	5.2	(15.9)	21.1
Income tax	(0.9)	3.5	(4.4)	(1.6)	4.6	(6.1)
Net profit after tax	2.2	(8.5)	10.7	3.6	(11.3)	14.9

Actual performance

WaterNSW's financial performance for the reporting period was positive, returning a net profit of \$2.2 million, \$10.7 million higher than budgeted expectations. This performance was influenced by a number of factors:

- **Unfavourable revenue** was primarily driven by lower water sales volumes in Rural Valleys and Greater Sydney due to the increased availability of water (\$6.7 million lower than year to date budget), and lower than expected asset maintenance and operation services provided to the Murray-Darling Basin Authority (MDBA) (\$7.5 million lower than year to date budget).
- **Favourable operating expenditure** was primarily driven by contractors (\$15.8 million lower than year to date budget) in the areas of asset maintenance, information technology and risk reviews and assessments; and administration expenses (\$5.7 million lower than year to date budget) due to reduced travel as a result of COVID-19 restrictions, and the decision not to continue with the water volatility volume insurance product in FY22. This outcome is a combination of efficiency gains and a delay in the timing of expenditure, in part due to COVID-19.

- **Favourable depreciation and amortisation** was primarily due to intangible assets not being adjusted for the full impact of a change in accounting policy implemented at the end of FY21, resulting in an overstatement of the budget for FY22.

Forecast performance

WaterNSW's financial forecast for 2021-22 is also positive, anticipating a modest net profit instead of the budgeted loss. This performance was influenced by a number of factors:

- **Unfavourable revenue**, primarily driven by lower services expected to be provided to MDBA, partially offset by higher revenues from Rural Valleys water sales due a forecast increase in sales volumes and a higher than expected revenue allowance in the final Pricing Determination for Rural Valleys and WAMC.
- **Favourable operating expenses** due to a combination of lower regulated expenditure, primarily relating to contractors and administration expenses, combined with lower non-regulated expenditure incurred in the provision of services to the MDBA.
- **Favourable depreciation and amortisation** as a result of the budget overstatement of intangible assets as detailed above.

Capital expenditure

	Half year ended 31 Dec 2021			Year ending 30 Jun 2022		
	Actual \$ million	Budget \$ million	Variance \$ million	Forecast \$ million	Budget \$ million	Variance \$ million
Regulated capex	(36.0)	(62.6)	26.6	(105.9)	(124.8)	18.9
Non-regulated capex	(1.0)	(6.3)	5.3	(9.5)	(12.5)	(0.8)
Total capital expenditure	(36.9)	(68.9)	32.0	(115.4)	(137.3)	22.0

Actual performance

Project delivery delays in the Asset Renewal and Replacement portfolio attributed to the impacts of the NSW Government's ongoing COVID-19 restrictions. This has prompted a management revision in the FY22 forecast, with the potential for further forecast revisions as the impacts to project schedules continue to be reviewed.

Forecast performance

Capital expenditure is forecast to be lower than budget due to the factors that impacted year to date performance, that is, project delivery delays resulting from COVID-19 restrictions and the delay in transfer of projects from planning and delivery.

The lower forecast is partially offset by higher expenditure forecast for projects carried forward from FY21, and remediation works for adverse weather events which are covered by insurance.

Consolidated financial statements

Notes to the financial statements

Corporate information

The information contained in this half yearly report presents the consolidated financial performance, financial position and cash flows of WaterNSW.

WaterNSW as a reporting entity (the Consolidated entity) comprises all the entities under its control, namely Water NSW (the Parent entity) and WaterNSW Infrastructure Pty Ltd (the Controlled entity).

Reporting period

The financial statements cover the financial performance and cash flows of the Consolidated entity for the reporting period 1 July 2021 to 31 December 2021, and its financial position as at 31 December 2021.

Presentation currency

The financial statements are presented in Australian dollars and all values are rounded to the nearest tenth of a million dollars.

Unaudited financial statements

The financial statements in this Half Yearly Report have not been audited.

Income tax

The Parent and Controlled entity are subject to the National Tax Equivalent Regime which is based on the *Income Tax Assessment Act 1936 and 1997* (as amended). Income tax on profit or loss comprises current and deferred tax respectively. Income tax is measured using tax rates enacted at the reporting date applied to taxable income.

Statement of profit or loss

	Half year ended 31 Dec 2021			Year ending 30 Jun 2022		
	Actual \$m	Budget \$m	Variance \$m	Forecast \$m	Budget \$m	Variance \$m
Greater Sydney	99.5	100.2	(0.7)	199.0	200.5	(1.5)
Rural Valleys	25.7	31.6	(5.9)	67.9	65.1	2.8
WAMC	10.9	13.5	(2.6)	26.0	26.9	(0.9)
Broken Hill	12.9	12.8	0.1	25.7	25.6	0.1
Government contribution	19.5	17.3	2.2	36.2	33.0	3.2
Operating subsidy	3.0	2.9	0.2	5.9	5.7	0.2
Government grants	15.6	14.8	0.8	36.1	29.6	6.5
Other revenue	11.9	17.9	(6.0)	14.9	35.7	(20.8)
Total revenue	199.0	210.9	(11.9)	411.7	422.1	(10.4)
Salary and wages	(70.2)	(70.0)	(0.2)	(137.4)	(134.7)	(2.7)
Other employee related	(2.1)	(3.3)	1.2	(5.5)	(6.5)	1.0
Contractors	(35.9)	(51.6)	15.8	(83.6)	(99.2)	15.6
Consultancies	(1.2)	(2.4)	1.2	(5.4)	(4.7)	(0.7)
Administration	(9.6)	(15.3)	5.7	(21.0)	(30.6)	9.6
Materials, plant and equipment	(11.0)	(13.4)	2.4	(24.7)	(26.7)	2.0
Gain/(loss) on disposal of assets	0.0	0.0	0.0	0.0	0.0	0.0
Capitalised overhead	6.1	8.4	(2.3)	14.3	16.2	(1.9)
Total operating expenditure	(123.9)	(147.6)	23.7	(263.3)	(286.3)	23.0
Earnings before interest, tax, depreciation and amortisation	75.2	63.3	11.9	148.4	135.8	12.6
Depreciation and amortisation	(44.1)	(46.5)	2.4	(87.8)	(93.0)	5.2
Net financing cost	(28.0)	(28.8)	0.8	(55.4)	(58.6)	3.2
Net profit before tax	3.1	(12.0)	15.1	5.2	(15.9)	21.1
Income tax	(0.9)	3.5	(4.4)	(1.6)	4.6	(6.1)
Net profit after tax	2.2	(8.5)	10.7	3.6	(11.3)	14.9

Statement of financial position

	As at 31 Dec 2021			As at 30 Jun 2022		
	Actual \$m	Budget \$m	Variance \$m	Forecast \$m	Budget \$m	Variance \$m
Cash and cash equivalents	25.6	15.5	10.1	7.8	5.3	2.5
Trade and other receivables	88.2	109.3	(21.1)	82.2	111.1	(28.9)
Total current assets	113.7	124.7	(11.0)	90.0	116.3	(26.3)
Property, plant & equipment	3,197.4	3,364.8	(167.4)	3,281.0	3,448.2	(167.2)
Intangible assets	18.3	42.4	(24.1)	18.6	39.1	(20.5)
Right-of-use assets	15.0	13.6	1.4	13.0	11.9	1.1
Other non-financial assets	0.0	(0.0)	0.0	0.0	(0.0)	0.0
Total non-current assets	3,230.7	3,420.8	(190.1)	3,312.6	3,499.2	(186.6)
Total assets	3,344.4	3,545.5	(201.1)	3,402.6	3,615.6	(213.0)
Trade and other payables	58.7	69.1	(10.4)	87.3	85.9	1.4
Contract liabilities	1.3	6.8	(5.6)	6.8	6.8	(0.0)
Borrowings	271.7	274.6	(2.9)	247.3	247.3	0.0
Income tax	(6.4)	(3.1)	(3.3)	(10.0)	(7.7)	(2.3)
Provisions	84.9	74.9	10.0	78.8	75.5	3.3
Dividend payable	0.0	0.0	0.0	15.0	15.0	0.0
Other current liabilities	48.6	43.6	4.9	6.3	43.6	(37.3)
Total current liabilities	458.8	466.0	(7.2)	431.5	466.5	(35.0)
Borrowings	1,628.0	1,707.0	(79.0)	1,624.3	1,738.1	(113.8)
Contract liabilities	0.1	0.3	(0.2)	0.0	0.3	(0.3)
Deferred tax	220.4	250.4	(30.0)	236.7	265.2	(28.5)
Provisions	87.2	99.3	(12.1)	87.3	99.3	(12.0)
Other non-current liabilities	79.1	86.3	(7.2)	126.9	90.1	36.8
Total non-current liabilities	2,014.8	2,143.3	(128.5)	2,075.2	2,193.1	(117.9)
Total liabilities	2,473.6	2,609.2	(135.6)	2,506.7	2,659.6	(152.9)
Net assets	870.8	936.3	(65.4)	895.9	956.0	(60.1)
Contributed equity	388.1	388.1	(0.0)	388.1	388.1	(0.0)
Asset revaluation reserve	321.9	373.4	(51.5)	359.3	410.6	(51.3)
Retained earnings	160.7	174.7	(14.0)	148.5	157.2	(8.7)
Total equity	870.8	936.3	(65.4)	895.9	956.0	(60.1)

Statement of cash flows

	Half year ended 31 Dec 2021			Year ending 30 Jun 2022		
	Actual \$m	Budget \$m	Variance \$m	Forecast \$m	Budget \$m	Variance \$m
Receipts from customers & other	194.2	221.2	(27.0)	432.7	442.9	(10.2)
Payments to suppliers & employees	(136.7)	(154.5)	17.9	(279.7)	(300.3)	20.6
Interest received	0.0	0.1	(0.1)	0.2	0.2	0.0
Interest paid	(36.8)	(35.2)	(1.6)	(48.5)	(47.4)	(1.1)
Income tax refund received/(paid)	(4.4)	3.9	(8.3)	(9.0)	(0.7)	(8.3)
Net cash from operating activities	16.4	35.4	(19.0)	95.7	94.7	1.0
Payments for property plant & equipment	(61.7)	(67.3)	5.6	(128.1)	(137.3)	9.2
Proceeds from sale of property plant & equipment	0.2	0.0	0.2	0.2	0.0	0.2
Net cash used in investing activities	(61.4)	(67.3)	5.8	(127.9)	(137.3)	9.4
Repayment of borrowings	14.7	62.3	(47.6)	245.6	324.4	(78.8)
Proceeds from borrowings	(5.7)	0.0	(5.7)	(267.2)	(261.5)	(5.7)
Repayment of principal - leases	(1.8)	0.0	(1.8)	(1.7)	0.0	(1.7)
Dividends	(20.0)	(20.0)	0.0	(20.0)	(20.0)	0.0
Net cash used in financing activities	(12.8)	42.3	(55.1)	(43.3)	42.9	(86.2)
Net increase/(decrease) in cash	(57.8)	10.5	(68.3)	(75.5)	0.3	(75.8)
Cash at beginning of period	83.4	5.0	78.4	83.4	5.0	78.4
Cash at end of period	25.6	15.5	10.1	7.8	5.3	2.5

Statement of capital expenditure

	Half year ended 31 Dec 2021			Year ending 30 Jun 2022		
	Actual \$m	Budget \$m	Variance \$m	Forecast \$m	Budget \$m	Variance \$m
Regulated - Augmenting	0.0	(1.1)	1.1	(2.5)	(2.2)	(0.3)
Regulated - Maintaining	(30.6)	(44.6)	14.0	(78.0)	(88.2)	10.2
Regulated - New	(0.7)	(4.0)	3.2	(8.7)	(8.1)	(0.6)
Regulated - Regulatory	(4.7)	(13.0)	8.3	(16.7)	(26.3)	9.6
Non-regulated	(1.0)	(6.3)	5.3	(9.5)	(12.5)	3.1
Total capex by capability	(36.9)	(68.9)	32.0	(115.4)	(137.3)	22.0