



TW HPE ref: 21/24710

7 April 2021

Owner's Representative
Via email

Dear Owner's Representative

TasWater's draft Corporate Plan FY2022-26

We are pleased to present our draft Corporate Plan FY2022-26 (Plan) for your review and feedback by 5 May 2021. The draft Plan outlines our priorities and focus areas over the next five years to deliver towards our vision "to be a trusted and respected provider of essential services that is making a positive difference to Tasmania".

Whilst our overall strategic direction does not differ from the FY2021-25 Plan, we have updated our strategies and strategic initiatives in some areas to reflect the lessons learned during our COVID-19 response. We have also consolidated our strategies where appropriate and expanded our strategic focus into new areas, including a proposed Environment Strategy that will provide a long-term strategic approach to managing our resources and broader environmental obligations.

The section on measuring our success in the Plan includes a number of new key performance indicators that will measure the experience our customers have with TasWater, the number of high -risk sewerage systems, the percentage of unaccounted for water and the rate of notifiable injuries to our people. In addition to the key performance indicators included in the Plan, we will continue to report against a range of other metrics in the Owners' Representatives Group Quarterly Report in areas noted as important in our quarterly meetings with owners.

As a result of the decision at the General Meeting (Reporting) on 4 November 2020 to defer the General Meeting (Planning) to June 2021, draft financial projections for the next five years have also been included in the Plan. This reflects a departure from the process followed in previous years and addresses feedback provided by some Owners as part of the development of the FY2021-25 Plan.

The financial projections reflect the necessary balance between continued investment in our capital program, delivery of our strategic initiatives, dividends for Owner Councils and ensuring that we remain financially sustainable over the long-term. The projections are based on a number of assumptions and will be updated in the final version that is provided for approval at the General Meeting (Planning) in June 2021.

As the financial projections in the Plan demonstrate a sustained recovery from the financial impacts of COVID-19, provision has been made for an ordinary dividend of \$20M to be paid in each year of the Plan. Provision has also been made for a special dividend of \$4M to be targeted in each year of the Plan to repay previously foregone dividends of \$20M and honour our MoU commitment to our Owners.

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Given the range of factors that could have a material impact on our financial projections, all dividends are subject to there being sufficient underlying profits and our financial position at the time. To the extent that underlying profits and our financial position support these payments, it is anticipated that the ordinary dividend will be paid in quarterly instalments, whilst the special dividend will be considered by the Board for approval and payment at the end of each financial year. Additional information on the projected dividend payments is available within the Message from the Chairman and CEO on page 4 of the Plan and within the financial tables presented on pages 28, 36 and 38.

We look forward to receiving your feedback on our draft Plan **by Wednesday 5 May 2021**. The Board will consider all feedback received from Owners' Representatives and will provide its response to each matter in accordance with the process under section 8.4 of the Shareholders' Letter of Expectations.

Please submit your feedback to Ailsa Sypkes, Company Secretary, via email at ailsa.sypkes@taswater.com.au. If you have any queries regarding this matter, please contact Ailsa directly on 0437 881 672.

Yours sincerely

A handwritten signature in black ink, appearing to read "Stephen Gumley".

Dr Stephen Gumley AO
Board Chairman