



# Half yearly report

## 2024-2025





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## Acknowledgement of Country

Our work with First Nations people is important to us. We acknowledge and have a great appreciation for the knowledge and connection that First Nations people have with water and land, and we are committed to building, supporting and strengthening our partnerships with First Nations people across our operations.



# Executive summary

As we reach the halfway mark of this financial year, we remain focused on delivering efficient water services to our customers while supporting a range of independent regulatory processes and reviews, including our five-year pricing proposal and our new Operating Licence.

We've had a significant focus on engaging and consulting with our customers and the community over the past two years, culminating in the **submission of our pricing proposal for the period 2025-2030 to the Independent Pricing and Regulatory Tribunal (IPART)** on 30 September 2024. This submission encompasses both our bulk water proposal, for services covering each regulated river valley in NSW and Greater Sydney, as well as the Water Administration Ministerial Corporation (WAMC) where some functions are carried out by WaterNSW.

The start of the financial year has also seen our **new Operating Licence come into effect** with more than 25 new obligations including a greater focus on water quality monitoring, and expanding our science and education roles across the state.

Each year, IPART audits our performance as an organisation and the latest audit was undertaken in November 2024. Although the audits are a mandatory compliance process, they provide an opportunity to showcase our work, the dedication and expertise of our people and areas for potential improvement.

We are making headway on our delivery against our Corporate Strategic Plan, which encompasses strategic priorities and initiatives that support our vision and purpose. We revise our strategic initiatives each year, to bring collective focus across the organisation on major projects and programs that will accelerate our performance.

Our Business Transformation Program is one of these strategic initiatives, driving a focus on continuing to seek opportunities where we can **make enduring changes to reduce costs and maintain downward pressure on costs for our customers** with a target to avoid \$133 million in operating costs over the 2026 to 2030 regulatory pricing period.

Another of our strategic initiatives focuses on **digitally enhancing our services**. We recently reached a significant milestone for our Customer Portal under this initiative, synchronising customer data, approvals and licences. This foundation will support future releases of more complex transactions, ultimately making it easier for our customers to do business through self-service capabilities and the ability to transact across multiple water agencies.

We're proud of the role we play as expert operators and **continue to share our knowledge and expertise to support regional NSW**, under the NSW Government's Town Water Risk Reduction Program. Our water quality experts have partnered with local water utilities including Dubbo Regional Council, Richmond Valley Council and Glen Innes Severn Council to help enhance monitoring of dam infrastructure and explore ways to reduce risks to local source water quality.

We have an **unwavering commitment to safety** and continue to deliver our Critical Risk Program, as part of our Workplace Culture Programs strategic initiative. The Critical Risk Program takes a structured approach to identify, assess and manage risks that could lead to serious injury, ensuring that safety measures and controls are in place to effectively mitigate these risks.

**Dam storage levels remain moderate to high across much of the state however, we remain vigilant around the impacts of changing seasons and are prepared to respond to potentially drier conditions in the months ahead.**

Maintaining the quality of source water and **protecting the Greater Sydney drinking catchment** is core to our role as custodians of the state's water. In June 2024, low levels of perfluoroalkyl and polyfluoroalkyl substances (PFAS) – a group of man-made chemicals that are persistent in the environment – were detected at Sydney Water's Cascade Water Filtration Plant in the Blue Mountains. All treated water samples were below the levels required by the current Australian Drinking Water Guidelines.

We have been working closely with Sydney Water and NSW Health on the response, increasing our own testing regime of the untreated source water in our Blue Mountains dams and reporting testing results monthly on our website. We have a detailed investigation underway with advice provided by independent experts to identify the source and to

consider potential remediation options. Alongside key government agencies, we continue to work on short and longer term solutions to bring this water supply system into line with the rest of Sydney's water supply.

By way of **Board updates**, Professor Catherine Bennett was appointed to the WaterNSW Board in August 2024 for a three-year term. She brings skills and experience, including in public health practice, helping ensure the Board continues to provide appropriate leadership and oversight to WaterNSW. We also acknowledge outgoing directors Mark Barber and Bruce Berry and thank them for their strong contributions to the Board.

**We thank our people at WaterNSW for their efforts and contributions** to progress our Corporate Strategic Plan and deliver our new Operating Licence.



**Peter Duncan AM**  
Chair



**Andrew George**  
Chief Executive Officer and Managing Director



# Overview

## Our business at a glance

WaterNSW operates the state’s dams, capturing and storing water, and then supplying it ready for distribution – for the environment, agriculture, industry and the community.



We operate **41 major dams** across the state



The water we supply is used by more than **8 million people** across NSW



We supply **two-thirds** of all water used in NSW



**We follow the rules,** we do not make the rules



**We’re at the source** of the state’s water, we’re not at the taps



We’re the **source of vital information,** like river and dam storage levels



# Who we are

WaterNSW is a State-Owned Corporation and one of the main government agencies tasked with managing water in NSW.

WaterNSW has a number of main functions:

- We manage dams like Warragamba, Burrendong and Chaffey, and protect the Greater Sydney drinking water catchment.
- We supply water to customers, communities and the environment.
- We build, maintain and operate essential infrastructure.
- We service customers – from farmers to local councils – providing support for water licensing and approvals, trades and billing, to meet our customers' water needs.

- We own and operate the largest surface and groundwater monitoring network in the southern hemisphere.

WaterNSW, works closely with the NSW Department of Climate Change, Energy, the Environment and Water (NSW DCCEEW), and the Natural Resources Access Regulator (NRAR) through a Roles and Responsibilities Agreement that came into effect on 30 June 2021.

The agreement, required under WaterNSW's operating licence, sets out how the three agencies work together to deliver key water management functions under the WAMC. It also provides a framework for resolving any interagency issues, along with the identification of improvement opportunities.

## WaterNSW implements the rules:

- Supply of the state's water from the source
- Licensing and approvals for most customers
- Water allocation and licence trades
- Water resource information
- Water monitoring services on behalf of other agencies, such as DCCEEW and the Bureau of Meteorology
- Operation of state's river systems

## The Department (DCCEEW) makes the rules:

- Planning and policy development
- Establishing regulatory frameworks for regional and metropolitan water in NSW
- Setting of mandatory licensing conditions resulting from water sharing plans

## Natural Resources Access Regulator (NRAR) enforces the rules:

- Compliance and enforcement of regulatory framework for water
- Management rules

# Regulation and pricing

WaterNSW's activities are guided and regulated by:

**Operating licence** – WaterNSW operates under an operating licence granted by the Minister on the recommendation of IPART. The operating licence enables WaterNSW to exercise its functions under the Water NSW Act 2014. IPART conducted a review of WaterNSW's operating licence in November 2024 and is expected to provide its report in early 2025.

**Water sharing plans and licensing** – WaterNSW operates in accordance with water sharing plans and delivers water to customers and the environment. Based on the water sharing plan rules, the available water resources are shared throughout the year, allowing water for the environment and for consumptive use.

The water licences and approvals granted to WaterNSW regulate its access to water resources in its area of operations:

- Water access licences authorise WaterNSW to take and use water.
- Water supply work and water use approvals set out how the water management works are to be operated, including the amount of water that WaterNSW must make available for environmental flows.

**Catchment audits** – the Water NSW Act 2014 requires an independent audit of the health of the declared Sydney catchment area at least every three years.

The audit report is provided to the Minister responsible for WaterNSW.

**Catchment health indicators** – Catchment audits are required to assess the health of the declared catchment areas using a list of indicators developed under Section 41 of the Water NSW Act

2014 and listed in the operating licence. WaterNSW is required to:

- evaluate the findings of the catchment audit to the extent to which they relate to its activities and risks to water quality
- incorporate the findings of the audit into its risk framework, and its programs and activities relating to catchment management
- report to the Minister on its progress to achieve improvements in catchment health, to prevent degradation of existing catchment health and to maintain existing catchment health, having regard to the findings.

**NSW Water Strategy** – the Strategy sets the overarching vision for 12 regional and two metropolitan water strategies, tailored to the individual needs of each region in NSW. Together, the strategies will improve the resilience of NSW's water services and resources.

**Price determinations** – every four to five years, IPART sets the maximum bulk water prices that WaterNSW can charge our customers. WaterNSW submitted a pricing proposal to IPART for 2025–2030 on 30 September 2024.



# Strategy

Our vision and purpose form part of our Corporate Strategic Plan. This plan sets out the future of WaterNSW and provides a shared vision and business priorities for all WaterNSW employees, working together to meet the needs of our customers and communities across NSW.



## Our vision

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



## Our purpose

Water, delivered when and where it matters.

**Our vision** recognises the importance of WaterNSW in ensuring the prosperity and continued growth of communities across NSW by providing an essential service that can be relied upon.

**Our purpose** is summed up in one simple statement that goes to the heart of all that we do and our core business – Water, delivered when and where it matters.



# Strategic priorities

We have five strategic priorities that are targeted to guide us in achieving our purpose and vision.

 Delivering operational excellence	We have deep expertise in technical and operational elements of water delivery. We will continually extend this expertise to deliver safe, reliable and affordable water management and delivery.
 Developing our people and capabilities	We will develop and employ a diverse, high performing workforce. One that is responsive to the needs of our customers and the communities we serve.
 Respected by the customers and communities that we serve	We aim to be even more trusted to support the social, cultural and economic prosperity of our customers and communities. We will deliver this through transparent decision making and having a greater community presence.
 Working together in partnership	We are committed to working together in partnership with our stakeholders to manage sustainable, secure and healthy water resources.
 Building a sustainable future	We will play our part in creating a more resilient water system. One which enables thriving communities and healthy ecosystems while reducing our environmental footprint – so we do not cost the earth.

# Strategic initiatives for 2024-25

Our strategic initiatives are updated annually based on the major projects, programs and initiatives that underpin each of our five strategic priorities. The strategic initiatives are key to meeting our long-term goals and are key performance indicators.

 Delivering operational excellence	Business transformation program	Strengthening regulatory performance	Digitally enhanced services
 Developing our people and capabilities	Future workforce strategy	Workplace culture programs	
 Respected by the customers and communities that we serve	Improve communications and engagement		
 Working together in partnership	Growing non-core revenue	Renewable energy program	Alternative funding strategy
 Building a sustainable future	Implement ESG program		Pricing proposal FY26-30

# Strategic initiatives for 2024-25

## Business transformation program

Delivering operational excellence

The Business Transformation Program is focused on improving the way we do things to help ensure a sustainable future for the customers and communities we serve. With a strong focus on supporting affordability and maintaining downward pressure on costs, we are targeting continuous improvement opportunities in our work practices, as well as reducing spend.

The key transformation initiatives we will focus on in FY25 include:

- Operations Transformation – improving how we work in our operations portfolio
- Digital Fundamentals – improving our end-to-end digital service
- Land Strategy – driving optimal value from the land we own.

## Strengthening regulatory performance

Delivering operational excellence

In the first half of FY25, WaterNSW continued to prepare for and respond to regulatory changes to deliver on our obligations. This included developing actions to embed our new 2024-2028 Operating Licence.

Key focus areas for FY25 include input to reforms to NSW and Australian Government water legislation and response to recommendations from the 2023-2024 Operating Licence audit, which will include a progress update to IPART in April 2025.

## Digitally enhanced services

Delivering operational excellence

The focus of this program is to improve WaterNSW’s digital fundamentals and drive value and efficiencies for our people and customers by planning and designing digitally enabled services and programs.

In the first half of FY25, we delivered a milestone for our Customer Portal synchronising customer data, approvals and licences to support future releases of complex water licensing transactions for WaterNSW and NSW DCCEEW.

Ahead of the next regulatory period, we aim to establish our artificial intelligence approach and our integrated position on data and analytics from a strategic opportunity and risk perspective.

## Future workforce strategy

Developing our people and capabilities

This initiative focuses on developing a strategic workforce plan to understand and address future capability needs for the organisation. Key components of the program include conducting a detailed analysis of our current workforce profile, identifying drivers within the business landscape and exploring market forces and workforce industry trends.

## Workplace culture programs

Developing our people and capabilities

This program aims to strengthen existing workplace culture, with a focus on improving employee engagement, driving improvements in overall safety culture and improving commercial capability across the business.

## Improve communications and engagement

Respected by the customers and communities we serve

This initiative aims to improve communications and engagement to customers, stakeholders, communities and First Nations so WaterNSW can be seen as a trusted, valued, reliable and respected operator of the state’s water. It includes programs centered around stakeholder and community engagement – such as our consultation on business plans for the next five years, education and brand awareness, in addition to delivering our Innovate Reconciliation Action Plan.

## Growing non-regulated revenue

Working together in partnership

The purpose of this program is to examine, assess and create new opportunities to grow non-regulated income for WaterNSW. Income from these activities will help to maintain and improve the financial sustainability of the business. The initiative will also benefit our customers by enabling fixed costs to be spread across new revenue streams, in turn reducing prices for our regulated customers.

Key activities in FY25 include:

- Supporting government funded programs and initiatives such as the Town Water Risk Reduction Program. We are currently partnering with 20 local water utilities to provide guidance around water quality monitoring and dam safety.
- Investigating additional revenue from alternative land use. Our land strategy development is underway to identify suitable sites for carbon and biodiversity projects. We are also looking to lease or sell land which is not required for operational purposes.
- Building on the success of our Renewable Energy Storage Program, we will be looking to continue to partner with private sector renewable energy producers on opportunities to lease our assets to support renewables (see Renewable Energy Program update).



Renewable energy program

Working together in partnership



This initiative supports the development of renewable energy projects that contribute to the NSW Government’s net zero targets and a sustainable WaterNSW by leveraging our existing asset base. It will be achieved through our Renewable Energy Storage Program and Long Duration Storage Program.

Throughout FY25, progress continues to be made on key deliverables including the commencement of long duration storage pre-feasibility studies and the delivery of an options assessment report. This includes an agreement with ZEN Energy to access Lake Burragorang to support the proposed development of the Western Sydney Pumped Hydro project, and granting Upper Hunter Hydro access to land at Glenbawn and Glennies Creek to undertake investigative studies and planning assessments of pumped hydro projects in the Upper Hunter region.

Alternative funding strategy

Working together in partnership



WaterNSW will investigate alternative funding avenues for business activities that are not funded through the IPART determination process. These funding avenues include re-prioritising our operating and capital expenditure programs, developing and implementing agreed non-core revenue opportunities, seeking grant funding for programs aimed at delivering policy objectives and obtaining shareholder support to finance unfunded regulated activities.

Pricing Proposal FY26–30

Working together in partnership



WaterNSW’s pricing proposal was submitted to IPART on 30 September 2024 following an extensive period of engagement and consultation with our customers, stakeholders and communities. The submission included a proposal for new revenues and maximum prices for Greater Sydney bulk water, Rural Valleys bulk water and WAMC for the regulatory period starting from 1 July 2025.

In the first half of FY25, WaterNSW has responded to IPART’s public hearings and independent audits on our pricing proposal and been engaged in detailed and open discussions with stakeholders to clarify and address pricing related questions, as part of the review process. WaterNSW awaits a draft determination from IPART, due in late March 2025, with a final report and determination expected in June 2025.

Implement ESG program

Building a sustainable future



WaterNSW is progressing the strategies outlined in our ESG program which focus on our net zero pathway, climate change adaptation, biodiversity and carbon credits, land strategy and meeting reporting obligations. A draft baseline emissions footprint and proposed net zero pathway report has been developed and we are preparing to report climate related financial disclosures as required by the NSW Government from FY25. We have also engaged a specialist advisor to assist in the development of carbon and biodiversity opportunities.





# Performance

## Key performance indicators

Each year WaterNSW agrees on a Statement of Corporate Intent with our shareholders. The statement outlines the objectives, business strategy and performance targets for key financial and non-financial measures. The Statement is available at [waternsw.com.au](http://waternsw.com.au).



# Financial

Measure	Half year actual	Half year target	2025 forecast	2025 target
Returns to shareholders <sup>1</sup>	\$20.2 million	\$13.2 million	\$65.8 million	\$66.1 million
Regulated operating expenses <sup>2</sup>	\$110.7 million	\$148.7 million	\$270.7 million	\$289.4 million
Regulated capital expenses <sup>2</sup>	\$55.5 million	\$106.6 million	\$217.1 million	\$215.5 million
Target capital structure <sup>3</sup>	51.4%	53.9%	52.3%	53.9%
EBITDA <sup>4</sup>	\$115.4 million	\$80.0 million	\$176.9 million	\$158.5 million

1. Returns to shareholders is calculated on an accrual basis. It includes current income tax, government guarantee fee (GGF), dividend and return of capital. WaterNSW pays the GGF to NSW Treasury to have its loans guaranteed by the State of NSW.

2. Regulated refers to expenditure included in price determinations issued by IPART.

3. Net debt to regulated asset base.

4. Earnings before interest, tax, depreciation and amortisation.

**Returns to shareholders** for the half year were higher than target due to higher current income tax driven by favourable operating expenses. Dividend forecast of \$40.0 million is in line with target.

**Regulated operating expenses** for the half year were lower than target, mainly due to lower spend on contractors due to program delays and budget phasing. Operating expenditure is expected to increase over the second half of the year and several programs will be deferred to FY26.

**Regulated capital expenses** were lower than target due to project delays, primarily resulting from schedule delays, changes in scope, and the deferral of works due to commercial negotiation and outages. Expenditure on the capital program is expected to improve over the six months to 30 June 2025 with

several projects forecasting an increase in spend as procurement and contracting processes are finalised.

**Target capital structure** for the half year was slightly lower than target, mainly due to lower capital expenditure in 2023-24 and 2024-25 year to date requiring lower borrowings.

**EBITDA** was higher than target due to lower operating expenditure. The YTD positive performance is expected to reduce over the remaining six months as we deliver our operating programs. However, the year end result is expected to remain positive at \$18.4 million above target.

**FY25 forecast** aligns with our pricing proposal for the 2025-2030 period, which was submitted to IPART in September 2024.

# Non-financial

Measure	2024-2025 target	Half year actual
Incident severity rate <sup>1</sup> – Employees & Contractors	Zero class 4 or 5 and no more than 1 class 3 incident	Zero class 3, 4 or 5 incidents reported
Incident severity rate <sup>2</sup> – General Public	Zero class 4 or 5 and no more than 1 class 3 incident	Zero class 3, 4 or 5 incidents reported
Customer satisfaction	Aggregate performance against value, trust, service delivery and ease of doing business KPIs is on track	Assessed and reported annually
Quality of water available for supply	Meets agreed standards >97.5% of the time	Standards met 99.99% of the time
Water delivery <sup>3</sup>	Operational losses as a % of total sales volumes are no more than 3%	4.2%
Employee engagement	2.5% improvement on prior year	Assessed and reported annually
Corporate strategy <sup>4</sup>	100% of strategic initiatives meet expectations	Assessed and reported annually
Environmental <sup>5</sup>	Establish target and pathway and climate related disclosure reporting	Assessed and reported annually

1. Incident severity rate (employees & contractors) measures incidents involving employees and contractors with potential for severe harm and classifies them on a scale from 1 (negligible/no hurt) to 5 (fatality) based on the actual harm observed.

2. Incident severity rate (General Public) measures incidents involving the general public with potential for severe harm and classifies them on a scale from 1 (negligible/no hurt) to 5 (fatality) based on the actual harm observed.

3. Water delivery measures our purpose of water, delivered when and where it matters.

4. WaterNSW has 11 initiatives for 2024-25 to deliver our Corporate Strategic Plan.

5. The key goal for the Environmental measure is to develop an emissions reductions approach and climate adaptation options and to meet FY25 mandatory climate-related financial disclosure reporting requirements.

**Incident severity rate (Employees & Contractors)** – Zero class 3, 4 or 5 incidents were reported for the half-year, largely due to the focus on risk, particularly the critical risk program. The rollout of critical control evaluations is planned this year.

**Incident severity rate (General Public)** – Zero class 3, 4 or 5 incidents were reported for the half-year, driven by a continued focus on public safety. This included a revised Public Safety Framework, with further communications and change management activities planned for the remainder of the year.

**Quality of water available for supply** continues to exceed agreed standards and represents a small improvement over the same time last year.

**Water Delivery** - Operational losses were 4.2% on a 24-month rolling average basis against the target of 3%. This result continues to be impacted by a few high-loss months across the 2023-24 irrigation season primarily in the southern region due to factors outside the control of WaterNSW. Efforts by WaterNSW river operators, along with favourable weather patterns, have helped to minimise system surplus caused by weather variability, and customer order forecasting inaccuracies. These improvements are reflected in the current YTD rolling average at 1.6%. Work continues to improve water order-to-delivery processes and activities.

**Corporate Strategy** - Strategic Initiatives are monitored quarterly and assessed at the end of the financial year.



# Financial performance summary

Measure	Half year actual \$million	Half year budget \$million	Half year variance \$million	FY25 forecast \$million	FY25 budget \$million	FY25 variance \$million
Revenue	246.2	247.6	(1.4)	493.3	493.5	(0.2)
Operating expenditure	(130.8)	(167.6)	36.8	(316.4)	(335.0)	18.6
<b>EBITDA</b>	<b>115.4</b>	<b>79.9</b>	<b>35.5</b>	<b>176.9</b>	<b>158.5</b>	<b>18.4</b>
Depreciation and amortisation	(52.8)	(54.0)	1.2	(109.9)	(108.2)	(1.7)
Net financing costs	(42.3)	(43.2)	0.9	(88.5)	(91.0)	2.5
<b>Net profit/(loss) before tax</b>	<b>20.3</b>	<b>(17.3)</b>	<b>37.6</b>	<b>(21.5)</b>	<b>(40.7)</b>	<b>19.2</b>
Income tax (expense)/benefit	(6.1)	4.8	(10.9)	5.7	11.4	(5.7)
<b>Net profit/(loss) after tax</b>	<b>14.1</b>	<b>(12.5)</b>	<b>26.6</b>	<b>(15.8)</b>	<b>(29.2)</b>	<b>13.4</b>
Capital expenses	(60.5)	(111.0)	50.5	(223.5)	(221.9)	(1.6)

**Revenue** was in line with the year to date budget. Higher revenue from increased water sales volumes, service engagements with other NSW Government agencies and recognition of insurance proceeds relating to the impact of weather events (primarily events in prior financial years) was offset by lower revenue from metering charges and other services.

**Operating expenditure** was lower than year to date budget, largely due to lower contractor expenditure as programs were delayed, deferred, or the timing of delivery varied from budget estimates. Operating expenditure is forecast to be lower than budget as most of the additional compliance costs under our new Operating Licence, which took effect from 1 July 2024, are now expected to be incurred in future years.

**Capital expenditure** was lower than year to date budget due to project delays (such as the Warragamba pipeline & corridor works and road renewals), change in scope, deferral of works (such as the Shoalhaven control gates renewal) and identified cost savings (such as the Warragamba pipeline valves and controls upgrade). Additional projects have been identified or are being brought forward from future years such as the Rural Dams portfolio risk assessment, Wingecarribee Peat Barrier Renewals, and the Cataract Dam Safety Upgrade. This is expected to result in an increase in capital expenditure over the remaining six months of FY25.

**FY25 forecast** aligns with our pricing proposal for the 2025-2030 period, which was submitted to IPART in September 2024.

# Consolidated financial statements

## Notes to the financial statements

The financial information in this Half Yearly Report has not been audited.

## Statement of profit or loss

	Half Year Actual \$million	Half Year Budget \$million	Half Year Variance \$million	FY25 Forecast \$million	FY25 Budget \$million	FY25 Variance \$million
<b>Revenue</b>						
Greater Sydney	113.1	112.3	0.9	224.5	224.5	0.0
Rural Valleys	71.3	72.0	(0.6)	142.7	142.1	0.6
WAMC	23.2	25.5	(2.3)	51.0	51.0	0.0
Broken Hill Pipeline	12.0	11.7	0.2	23.4	23.4	0.0
Government grants and other	26.6	26.2	0.4	51.7	52.4	(0.7)
<b>Total revenue</b>	<b>246.2</b>	<b>247.6</b>	<b>(1.4)</b>	<b>493.3</b>	<b>493.5</b>	<b>(0.2)</b>
<b>Expenses</b>						
Salary and wages	(88.3)	(85.9)	(2.4)	(168.0)	(168.0)	0.0
Other employee related	(5.8)	(2.3)	(3.4)	(4.9)	(4.9)	0.0
Contractors and consultants	(20.4)	(54.8)	34.4	(96.7)	(113.7)	17.0
Administration	(13.2)	(18.2)	5.0	(36.4)	(36.5)	0.1
Materials plant and equipment	(14.6)	(17.7)	3.1	(36.3)	(36.3)	(0.0)
Gain/(loss) on disposal of assets	1.1	0.0	1.1	0.0	0.0	0.0
Capitalised overhead	10.3	11.2	(0.9)	25.9	24.3	1.6
<b>Total operating expenses</b>	<b>(130.8)</b>	<b>(167.7)</b>	<b>36.8</b>	<b>(316.4)</b>	<b>(335.0)</b>	<b>18.6</b>
<b>Earnings before interest, tax, depreciation and amortisation</b>						
	<b>115.4</b>	<b>80.0</b>	<b>35.4</b>	<b>176.9</b>	<b>158.5</b>	<b>18.4</b>
<b>Depreciation and amortisation</b>						
	(52.8)	(54.1)	1.3	(109.9)	(108.2)	(1.7)
<b>Net financing costs</b>						
	(42.3)	(43.2)	0.9	(88.5)	(91.0)	2.4
<b>Net profit/(loss) before income tax (expense)/benefit</b>						
	<b>20.3</b>	<b>(17.3)</b>	<b>37.6</b>	<b>(21.5)</b>	<b>(40.7)</b>	<b>19.2</b>
<b>Income tax (expense)/benefit</b>						
	(6.1)	4.8	(10.9)	5.7	11.4	(5.8)
<b>Net profit/(loss) after income tax (expense)/benefit</b>						
	<b>14.1</b>	<b>(12.5)</b>	<b>26.6</b>	<b>(15.8)</b>	<b>(29.2)</b>	<b>13.4</b>



Statement of financial position

	31 Dec 2024 Actual \$million	31 Dec 2024 Budget \$million	31 Dec 2024 Variance \$million	30 Jun 2025 Forecast \$million	30 Jun 2025 Budget \$million	30 Jun 2025 Variance \$million
<b>Current assets</b>						
Cash and cash equivalents	12.8	5.0	7.8	5.0	5.0	0.0
Trade and other receivables	105.9	106.4	(0.5)	114.3	108.5	5.9
<b>Total current assets</b>	<b>118.7</b>	<b>111.4</b>	<b>7.3</b>	<b>119.3</b>	<b>113.5</b>	<b>5.9</b>
<b>Non-current assets</b>						
Property, plant and equipment	3,736.3	3,934.2	(197.9)	3,965.7	4,119.7	(154.0)
Intangible assets	17.7	24.9	(7.2)	28.9	29.1	(0.2)
Right-of-use assets	15.3	14.2	1.1	13.5	13.3	0.2
Other non-financial assets	0.0	(0.0)	0.0	0.7	(0.0)	0.7
<b>Total non-current assets</b>	<b>3,769.2</b>	<b>3,973.4</b>	<b>(204.2)</b>	<b>4,008.9</b>	<b>4,162.2</b>	<b>(153.3)</b>
<b>Total assets</b>	<b>3,887.9</b>	<b>4,084.8</b>	<b>(196.9)</b>	<b>4,128.2</b>	<b>4,275.6</b>	<b>(147.4)</b>
<b>Current liabilities</b>						
Trade and other payables	69.7	37.5	32.2	81.7	57.1	24.6
Contract liabilities	5.7	0.0	5.7	0.0	0.0	0.0
Borrowings	826.5	403.5	423.0	316.3	314.2	2.1
Income tax	7.2	3.7	3.5	(11.3)	(3.5)	(7.8)
Provisions	125.0	123.7	1.3	123.7	124.3	(0.7)
Dividend payable	0.0	0.0	0.0	40.0	40.0	0.0
Other	20.7	13.8	6.9	13.8	13.8	0.0
<b>Total current liabilities</b>	<b>1,054.7</b>	<b>582.1</b>	<b>472.7</b>	<b>564.2</b>	<b>546.0</b>	<b>18.1</b>
<b>Non-current liabilities</b>						
Borrowings	1,175.2	1,699.8	(524.6)	1,826.3	1,860.8	(34.4)
Deferred tax	370.7	418.9	(48.2)	405.3	451.2	(45.9)
Provisions	49.1	50.2	(1.1)	53.9	50.2	3.7
Other liabilities	96.8	99.3	(2.5)	116.7	99.0	17.7
<b>Total non-current liabilities</b>	<b>1,691.8</b>	<b>2,268.2</b>	<b>(576.4)</b>	<b>2,402.2</b>	<b>2,461.2</b>	<b>(58.9)</b>
<b>Total liabilities</b>	<b>2,746.5</b>	<b>2,850.4</b>	<b>(103.8)</b>	<b>2,966.4</b>	<b>3,007.2</b>	<b>(40.8)</b>
<b>Net assets</b>	<b>1,141.4</b>	<b>1,234.4</b>	<b>(93.1)</b>	<b>1,161.8</b>	<b>1,268.4</b>	<b>(106.6)</b>
<b>Equity</b>						
Contributed equity	363.1	363.1	(0.0)	363.1	363.1	0.0
Asset revaluation reserve	624.4	744.1	(119.7)	714.6	837.8	(123.2)
Retained profits	153.9	127.2	26.6	80.8	67.4	13.4
<b>Total equity</b>	<b>1,141.4</b>	<b>1,234.4</b>	<b>(93.1)</b>	<b>1,161.8</b>	<b>1,268.4</b>	<b>(106.6)</b>

The year to date variances for the asset revaluation reserve, property, plant and equipment and deferred tax were due to the revaluation of WaterNSW assets undertaken at the end of FY24 which was not included in the FY25 budget.

The year to date variances in borrowings were due to non-current borrowings moving to current as they are maturing in the next 12 months.

Statement of cash flows

	Half Year Actual \$million	Half Year Budget \$million	Half Year Variance \$million	FY25 Forecast \$million	FY25 Budget \$million	FY25 Variance \$million
<b>Cash flows from operating activities</b>						
Receipts from customers and other	250.1	255.0	(4.9)	486.9	507.9	(21.0)
Payments to suppliers and employees	(153.3)	(172.7)	19.4	(361.0)	(345.1)	(15.9)
Interest received	0.5	0.1	0.4	0.3	0.2	0.1
Interest and other costs of finance paid	(42.7)	(42.2)	(0.5)	(64.8)	(64.9)	0.0
Income taxes refunded/(paid)	(16.3)	(12.8)	(3.5)	(27.1)	(20.0)	(7.1)
<b>Net cash from operating activities</b>	<b>38.3</b>	<b>27.3</b>	<b>11.0</b>	<b>34.3</b>	<b>78.1</b>	<b>(43.9)</b>
<b>Cash flows from investing activities</b>						
Payments for property, plant and equipment and intangibles	(90.6)	(110.0)	19.4	(223.5)	(221.9)	(1.6)
Proceeds from disposal of property, plant and equipment	1.9	0.0	1.9	0.0	0.0	0.0
<b>Net cash used in investing activities</b>	<b>(88.7)</b>	<b>(110.0)</b>	<b>21.3</b>	<b>(223.5)</b>	<b>(221.9)</b>	<b>(1.6)</b>
<b>Cash flows from financing activities</b>						
Proceeds from borrowings	170.9	122.7	48.2	192.0	183.8	8.2
Repayment of borrowings	(130.9)	0.0	(130.9)	(21.7)	0.0	(21.7)
Repayment of lease liabilities	(0.8)	0.0	(0.8)	0.0	0.0	0.0
Dividends paid	(40.0)	(40.0)	0.0	(40.0)	(40.0)	0.0
<b>Net cash used in financing activities</b>	<b>(0.8)</b>	<b>82.7</b>	<b>(83.5)</b>	<b>130.3</b>	<b>143.8</b>	<b>(13.5)</b>
Net increase/(decrease) in cash and cash equivalents	(51.2)	(0.0)	(51.2)	(59.0)	(0.0)	(59.0)
Cash and cash equivalents at the beginning of the financial year	64.0	5.0	59.0	64.0	5.0	59.0
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>12.8</b>	<b>5.0</b>	<b>7.8</b>	<b>5.0</b>	<b>5.0</b>	<b>(0.0)</b>



# For more information

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