

Overview

Pricing Submission

Snapshot of our price submission proposal for 2023-28

Over the past 12 months we've been asking customers to tell us what they expect from their water provider.

Our Pricing Submission focuses on the areas customers told us were most important to them:

affordability, water quality, reliable service and climate change action.

We propose to maintain our performance levels and deliver the improvements you asked for, while keeping prices steady.

Price Submission highlights

- ✓ Little to no price increase (excluding CPI) (0.4% 2023-24 / No price increase 2024-28)
- ✓ More action on climate change – at a faster pace
- ✓ Reduction in fixed charges (balanced by usage increase)
- ✓ Major water quality improvement program
- ✓ New customer panel
- ✓ \$42.28M capital works program

Top 3 major projects

\$4.34M - Wetland system to manage treated effluent

\$2.10M - Water quality improvement program

\$1.88M - Bio-Gas Waste to Energy Plant

Total investment

\$42.28M

Capital improvements over the 5 years 2023-28

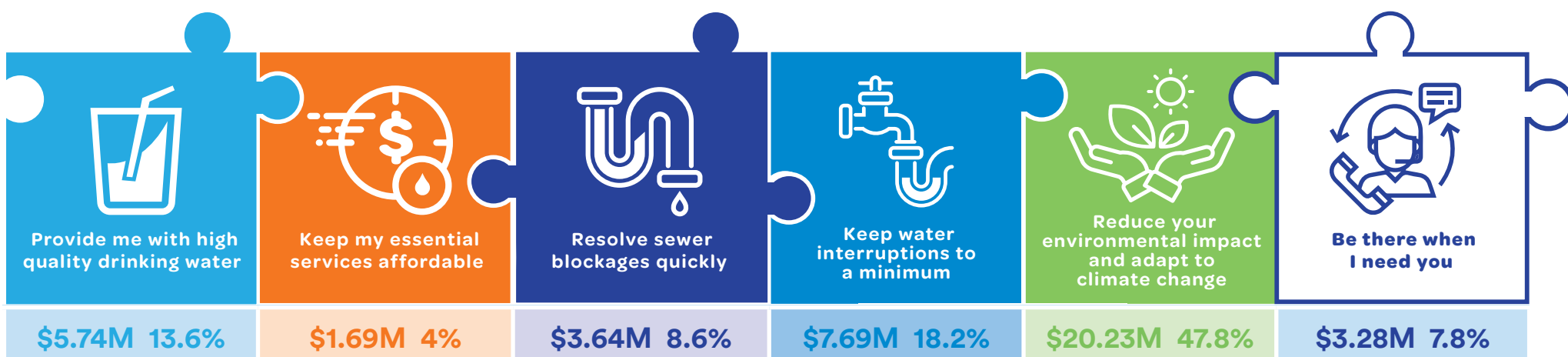
Participants

More than **1 in every 20** customers participated in our customer engagement for the 2023 Price Review.

Our engagement methods:

- 1,187 x survey responses
- 7 x community events
- 4 x focus groups
- 6 x in-depth interviews

New customer commitments & breakdown of planned investment



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Water Quality

Our plans 2023-28

Drinking water quality emerged as a top priority for customers throughout the engagement process.

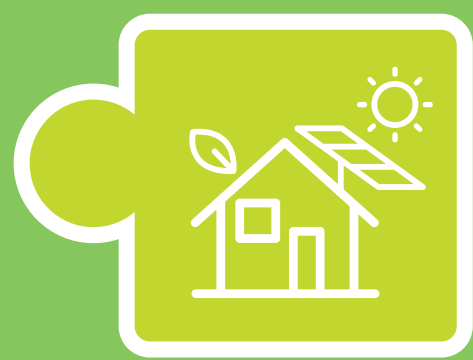
What you told us during our price submission engagement:

<p>You are less satisfied with the quality of your drinking water.</p> <p><i>(73% satisfied in 2017 compared to 66% in 2021)</i></p>	<p>You want us to “Deliver water that tastes and looks the same every time”.</p> <p><i>(67% of surveyed customers believe this was important)</i></p>	<p>You support investigation into new water treatment options – but prefer a phased approach to reduce costs.</p>	<p>You support drinking water education programs in the community.</p>
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What we are doing:

Deliver continuous improvements to water quality through new and existing programs of work.	Total investment \$2.1M
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Project	Description	Cost
New water main for Waterline communities	Upgrades to the water main that supplies water to Tenby Point, Corinella and Coronet Bay to improve the consistency of drinking water taste and supply.	\$1.37M
New Pressure Reduction Station	Replacement of the pressure management station at Corinella with modern facilities to allow for remote monitoring and therefore improved water supply.	\$141K
Network Dosing Systems	Construction of a new water quality station to provide consistent water quality to residents in Bass and Woolamai.	\$139K
Automatic flushing devices	Installation of automatic flushing devices across the network to prevent water stagnation and improve drinking water quality.	\$139K
Masterplan for the Ian Bartlett Water Purification Plant	Explore emerging technologies and prepare for future investments to enhance and maintain water quality for our growing community.	\$106K
Masterplan for the distribution system	Explore emerging technologies and prepare for future improvements to our water supply and quality across the network.	\$106K
Manganese analyser	Installation of manganese analysers so we can monitor raw water quality and adjust our treatment processes in real time to optimise removal. Manganese is naturally occurring in raw water and can build up in pipes and tanks, impacting water quality.	\$66K
Fluoride plant audit	Audit of our fluoride plant to ensure we remain compliant with the Code of Practice.	\$26K



Climate Change

Our plans 2023-28

Customers want us to focus on reducing our emissions and providing positive environmental outcomes for the community.

What you told us during our price submission engagement:

<p>“Planning for and adapting to climate change is a high priority.”</p> <p><i>(Ranked 2nd in the services that matter most to customers)</i></p>	<p>“It’s important that Westernport Water invests in environment and sustainability initiatives.”</p> <p><i>(368 of 400 surveyed customers agreed)</i></p>	<p>“Fast track plans to achieve Net Zero by <u>2030</u>. Timeliness is critical.”</p>	<p>“Efforts to reduce greenhouse gas emissions are to be supported by a strong evidence base.”</p>
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What we’re proposing:

<p>25% of our capital expenditure budget is being invested to reduce our environmental impact and adapt and respond to climate change.</p>	<p>Total investment \$10.19M</p>
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Project	Description	Cost
Recycled Water Wetland Storage	Design and construction of a wetland system at King Road Wastewater Treatment Plant to improve wastewater quality, sequester carbon, enhance biodiversity, and allow for potential recreational access in the future.	\$4.34M
Bio-Gas Waste to Energy	Explore options and begin Stage 1 of the design and construction of a biogas plant at the Cowes Wastewater Treatment Plant, to harvest methane and nitrous oxide gas present, which will reduce the impact of greenhouses gases on the environment.	\$1.88M
Renewable Energy Generation	Installation of solar systems at key sites including, Ian Bartlett Water Purification Plant, Newhaven HQ and the Cowes Wastewater Treatment Plant to increase renewable energy generation.	\$1.56M
Treatment Plant Energy Efficiency Project	Energy saving efficiency measures at Ian Bartlett Water Purification Plant and Cowes Wastewater Treatment Plant to reduce electricity consumption, reducing the greenhouse gases emitted from use of electricity onsite.	\$1.28M
Sustainable Reuse and Land Rewilding	Expansion of on-site recycled water use at Cowes and King Road Wastewater Treatment Plants, investigation of options to increase the Class B recycled water network, and revegetation of land to generate carbon credits and enhance biodiversity.	\$1.13M

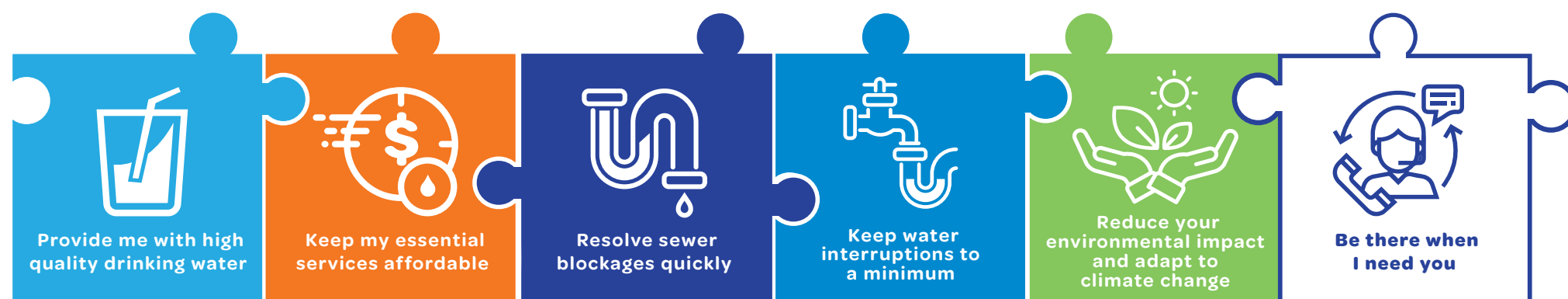


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Capital Works

Snapshot of our new customer commitments and top 10 proposed projects for 2023-28



We're investing in projects that address customer priorities for water quality improvements, environmentally responsible operations and sustainable services.

Project	Description	Customer outcome	Cost
Recycled Water Wetland Storage	Design and construct a wetland system at King Road Wastewater Treatment Plant.		\$4.34M
Water Quality Continuous Improvement Program	A series of projects to plan for and deliver water quality improvements, including research into emerging treatment technology.		\$2.10M
Bio-Gas Waste to Energy	Explore options and begin Stage 1 of the design and construction of a biogas plant at the Cowes Wastewater Treatment Plant, to reduce the impact of greenhouse gases on the environment.		\$1.88M
Renewable Energy Generation	Installation of solar systems at key sites including Ian Bartlett Water Purification Plant, Newhaven HQ and the Cowes Wastewater Treatment Plant to increase renewable energy generation.		\$1.56M
Wastewater Systems Future	Upgrades to the wastewater network to support growth.		\$1.51M
Cowes Wastewater Treatment Plant Upgrade – Stage 3	Upgrades and refurbishments to support growth and meet EPA obligations.		\$1.35M
Asset Management System Upgrade	Upgrades to an outdated system to improve efficiencies and reduce manual processes.		\$1.30M
Treatment Plant Energy Efficiency Project	Energy saving efficiency measures at Ian Bartlett Water Purification Plant and Cowes Wastewater Treatment Plant to reduce electricity consumption.		\$1.28M
Sustainable Reuse and Afforestation	Expansion of on-site recycled water at Cowes and King Road Wastewater Treatment Plants, with options for revegetating our agricultural land.		\$1.13M
King Road Wastewater Treatment Plant Pump Station Upgrade	Upgrades to the irrigation pump station capacity to meet the demand of our growing communities and reduce manual intervention.		\$0.99M
Total investment for the top 10 projects		\$17.44M	
Investment in capital improvements over the 5 years 2023-28			\$42.28M



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